

Agenda

Extraordinary Meeting of Council

Notice is hereby given that a Extraordinary Meeting of Council of Council will be held at Council Chambers, 1 Belgrave Street, Manly, on:

Monday 23 April 2012

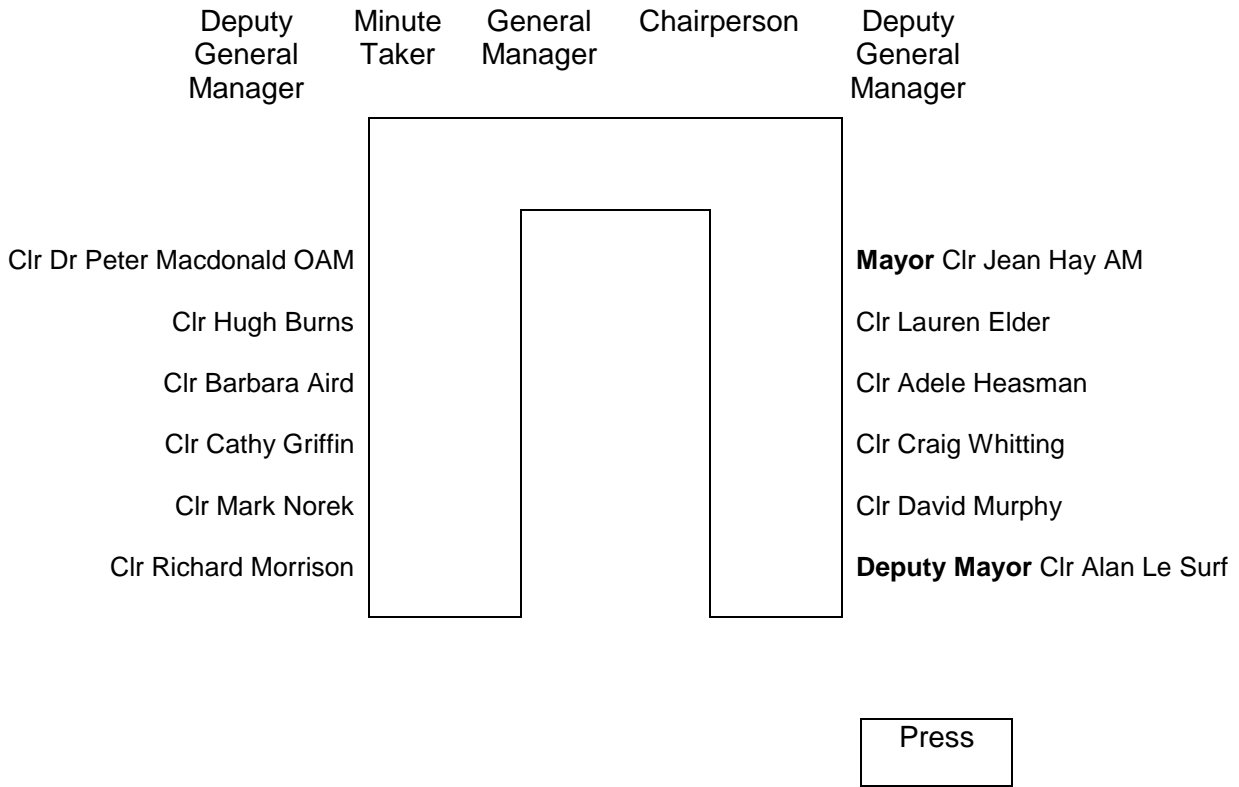
Commencing at 7.30 PM for the purpose of considering items included on the Agenda.

Copies of business papers are available at the Customer Service Counters at Manly Council, Manly Library and Seaforth Library and are available on Council's website:

www.manly.nsw.gov.au



Seating Arrangements for Meetings



Public
Addresses

Public Gallery

Chairperson: The Mayor, Clr Jean Hay AM
Deputy Chairperson: Deputy Mayor Clr Alan Le Surf

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CLOSED SESSION

******* END OF AGENDA *******

TO: Extraordinary Meeting of Council - 23 April 2012
REPORT: General Managers Division Report No. 6
SUBJECT: Addendum Report - Draft Exhibition Documents being Updated Delivery Program 2011 to 2015 (including Revenue and Financial Plan and Fees and Charges 2012 to 2013), Operational Plan and Budget 2012 to 2013, and Updated Long Term Financial Plan 2012 to 2022
FILE NO:

SUMMARY

This Addendum Report is a companion report to General Managers Report No. 7 and provides additional information to Councillors following Council's resolution of 2nd April 2012 to acquire 40 Stuart Street Manly, and also in the light of Councillor input at the Councillors and Senior Staff Strategic Workshop held on 11th April 2012.

The recommendations in the original General Managers Report No. 7 remain as presented with the exception of recommendation three of the original report relating to proposed loan borrowings which has now been updated accordingly and dealt with in this report and its recommendations.

REPORT

Background

The following headings and related information replace those in the original General Managers Report "*Draft Exhibition Documents being Updated Delivery Program 2011 to 2015 (including Revenue and Financial Plan and Fees and Charges 2012 to 2013), Operational Plan and Budget 2012 to 2013, and Updated Long Term Financial Plan 2012 to 2022*" already circulated to Councillors.

Amended paragraphs to the original report are as follows:

Amendments Proposed to the 2011-2015 Delivery Program and Ten Year Long Term Financial Plan

It is proposed that there will be amendments to the 2011-2015 Delivery Program and Ten Year Long Term Financial Plan as a result of Council's infrastructure improvements and costing scenarios required to action the following:

- Seaforth TAFE acquisition
- Manly Aquatic Centre
- Acquisition of 40 Stuart Street Manly.

The Asset Management Plan indicates that over the next 10 years there is a funding gap of around \$2.8 million in infrastructure renewal funding per annum.

The 10 Year - Long Term Financial Plan presents to Council three (3) different scenarios one of which addresses Council's infrastructure needs.

Operational Plan 2012-13 and Budget Summary

A four year Delivery Program for 2011-2015 was prepared and adopted by Council in June 2011. The current 2012-13 Operational Plan and its Budget has been prepared in line with the context of this program, and revisions.

General Managers Division Report No. 6 (Cont'd)

The Operational Plan 2012-13 describes the Council activities and actions covered by each of the programs.

The 2012-2013 Operational Plan and its Budget has been prepared on the basis that Council adopts the maximum increase in rates of 3.6% permitted by the NSW government. Council's Long Term Financial Plan includes three (3) Scenarios, which looks at options regarding funding of the gap in infrastructure spending, the Manly Aquatic Centre and *Manly2015*. These scenarios include applying for a special rate variation as well as other source funding.

The draft Budget as presented projects anticipated revenues (operating and capital) totalling \$91.906 million. With operating expenditure of \$69.826 million and capital expenditure \$22.390 million, (including capital works spending of some \$13.780 million), the net result is an anticipated cash budget deficit of \$310,995.

The Budget has been summarised and incorporated into the Delivery Program to reflect the full costs of providing the principal Programs.

On a financial reporting basis, Council's 10 Year Income Statement provides for a surplus of \$872,276 after capital grants and contributions.

This has only been achieved by critically reviewing all of Council's services; combining some staff positions thus achieving savings in staff costs, and reviewing the use of casual staff. At the same time Managers have been asked to monitor areas where they are responsible for receiving income, to ensure that Council receives all income it is entitled to.

Conclusion

Council, at its Ordinary Meeting of 2 April 2012 resolved, subject to certain pre-conditions, to purchase by private treaty, 40 Stuart Street, Manly. The Long Term Financial Plan and annual Operating Budget have been updated to include the purchase of 40 Stuart Street, Manly and loan servicing costs.

RECOMMENDATION

That

1. The report be received and noted; and
2. Council adopt the proposed Loan Borrowings for 2012-2013 of:
 - i. Property Acquisitions: \$6,030,000
 - ii. Public Works Infrastructure: \$1,000,000

ATTACHMENTS

There are no attachments for this report.

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***** End of General Managers Division Report No. 6 *****

TO: Extraordinary Meeting of Council - 23 April 2012
REPORT: General Managers Division Report No. 7
SUBJECT: Draft Exhibition Documents being Updated Delivery Program 2011 to 2015 (including Revenue and Financial Plan and Fees and Charges 2012 to 2013), Operational Plan and Budget 2012 to 2013, and Updated Long Term Financial Plan 2012 to 2022
FILE NO:

SUMMARY

This report recommends placing on public exhibition Council's Updated Delivery Program 2011 to 2015 (including the Revenue and Financial Plan and Draft Schedule of Fees and Charges 2012 to 2013), Operational Plan and Budget 2012 to 2013, and Updated Long Term Financial Plan 2012 to 2022, as **tabled**.

REPORT

Background and Legislative Framework

Manly Council is required under the NSW *Local Government Act 1993* to establish and implement a Community Strategic Plan Beyond 2021 that is a ten year rolling plan that engages the community via a strategy based on social justice principles, and identifies the community's main priorities and aspiration for the future. This Plan was adopted by Council in June 2011 to meet the requirements of the LGA Act and the Integrated Planning and Reporting Framework.

The community will have a chance to revisit the Community Strategic Plan every four years when its new council is elected, via a review that will roll the planning period forward so that it is always a ten year minimum plan. It may wish to change the priorities or objectives of the Community Strategic Plan if something significant has happened during that period, or revise strategies.

Highlights of the next Operational Plan 2012 to 2013

Highlights of the next Operational Plan 2012 to 2013 under the headings of Social, Economic, Environment and Governance are summarised in Attachment 1.

Amendments Proposed to the 2011-2015 Delivery Program and Ten Year Long Term Financial Plan

It is proposed that there will be amendments to the 2011-2015 Delivery Program and Ten Year Long Term Financial Plan as a result of Council's infrastructure improvements and costing scenarios required to action the following:

- Seaforth TAFE acquisition
- Manly Aquatic Centre

The Asset Management Plan indicates that over the next 10 years there is a funding gap of around \$2.8 million in infrastructure renewal funding per annum.

The 10 Year - Long Term Financial Plan presents to Council three (3) different scenarios one of which addresses Council's infrastructure needs.

General Managers Division Report No. 7 (Cont'd)***Operational Plan 2012-13 and Budget Summary***

A four year Delivery Program for 2011-2015 was prepared and adopted by Council in June 2011. The current 2012-13 Operational Plan and its Budget has been prepared in line with the context of this program, and revisions.

The Operational Plan 2012-13 describes the Council activities and actions covered by each of the programs.

The 2012-2013 Operational Plan and its Budget has been prepared on the basis that Council adopts the maximum increase in rates of 3.6% permitted by the NSW government. Council's Long Term Financial Plan includes 3 Scenarios, which looks at options regarding funding of the gap in infrastructure spending, the Manly Aquatic Centre and *Manly2015*. These scenarios include applying for a special rate variation as well as other source funding.

The draft Budget as presented projects anticipated revenues (operating and capital) totalling \$87.252 million. With operating expenditure of \$69.547 million and capital expenditure \$17.924 million, (including capital works spending of some \$9.93 million), the net result is an anticipated budget deficit of \$218,500.

The Budget has been summarised and incorporated into the Delivery Program to reflect the full costs of providing the principal Programs.

On a consolidated financial reporting basis, Council's 10 Year Consolidated Income Statement provides for a surplus of \$159,776 after capital grants and contributions.

This has only been achieved by critically reviewing all of Council's services; combining some staff positions thus achieving savings in staff costs, and reviewing the use of casual staff. At the same time Managers have been asked to monitor areas where they are responsible for receiving income, to ensure that Council receives all income it is entitled to.

2012-2013 Budget Parameters

The following parameters have been applied in preparing the 2012-2013 Budget:

- Permissible rate pegging increase of 3.6%;
- Wages and salaries award increase: 3.25% from 1 July 2012 then 3.25% for next 2 years;
- Contracts and leases varied by December 2011 weighted average All Groups Consumer Price Index (CPI) of 3.1%;
- Fees and charges increased generally in line with CPI, however market pricing to be applied where appropriate;
- Slight recovery in interest from investments;
- Increased utility charges – such as street lighting and general electricity prices which are expected to increase by up to 20% over the next 3 years;
- Continuing Council's commitment to purchase 100% Greenpower for street lighting;
- Continuing Council's commitment to purchase 10% Greenpower for Council buildings and facilities; and
- Increased cost of waste disposal and utilities charges expected to increase by 10% due to the introduction of the Carbon Tax.

General Managers Division Report No. 7 (Cont'd)***Domestic Waste Management Charges***

The *Local Government Act, 1993* requires Council to prepare a Domestic Waste Services Rate taking into account the true cost of providing a comprehensive waste collection service to all residents in the Municipality.

Domestic Waste Services Budget

The 2012/2013 Waste Services Budget has been prepared in accordance with the *Local Government Act, 1993*.

Domestic Waste Management (DWM) is *rendered* by Council to all residential properties including Residential Flat Buildings and non-rateable properties in the Municipality. The DWM charge does not include Waste Services *rendered* to business *rated* properties.

The Minister has notified that the Waste Levy for 2012/2013 will increase from \$82.00/tonne to \$95.00/tonne, commencing 1 July, 2012. A reasonable cost calculation based on the cost of delivering the waste services including increases to the disposal costs by SITA Environmental Services and Kimbriki Enterprises has been undertaken.

The operation of the Domestic Waste Services is as follows:

1. One (1) x Eighty (80) litre MGB Garbage Bin
2. Fortnightly recycling service with paper and cardboard one week and glass, aluminium, steel cans and PET plastic the alternate week
3. Monthly 'Green Waste' kerbside collection
4. Two (2) general household collection each year
5. Two (2) e-Waste collections per house hold each year

Council's Draft Waste Budget as presented has provided for the combination of the Waste Education Program as part of the Council's ongoing commitment to waste minimisation and waste avoidance.

Table of Fees

	Existing Charge	Proposed Charge
Belrose Transfer Station	\$156.94 / tonne	\$181.90 / tonne
Kimbriki Landfill - Vegetation	\$107.50 / tonne	\$110.90 / tonne
Kimbriki Landfill - General Clean-Up	\$180.00 / tonne	\$196.80 / tonne
Kimbriki e-Waste Disposal	\$979.00 / tonne	\$1021.00 / tonne

All of the above charges (except for recycling) include the NSW State Government Waste Levy of \$92.00/tonne and a \$10.00/tonne carbon tax charge.

In order to maintain an appropriate surplus which will assist with funding of new vehicles as well as the State Government Waste Levy for disposal, the proposed Domestic Waste Management charge for 2012/2013 is \$495.00 per residential property.

Fees and Charges

Council may charge and recover an approved fee for any service it provides, other than a service provided for, or proposed to be provided, on an annual basis for which it may make an annual charge. Services for which an approved fee may be charged include the following:-

- Supplying a service, product or commodity.
- Giving of information.

General Managers Division Report No. 7 (Cont'd)

- Providing a service in connection with the exercise of the Council's regulatory functions - including receiving an application for approval, granting an approval, making an inspection and issuing a certificate.
- Allowing admission to any building or enclosure.

Section 610(F) prohibits a Council from determining a fee until it has given public notice of its draft Operational Plan for the year in which the fee is to be made and has considered any submissions received. Council then fixes its fees and charges by resolution.

Council proposes to levy certain charges and charge certain fees for 2012-2013. A statement with respect to each charge proposed to be levied and the types of fees proposed to be charged and the amounts of such fees are contained in Council's Schedule of Fees and Charges included in the Delivery Plan.

Precinct Community Forum Bids

The Manly Precinct Community Forums were invited to make submissions for projects within their respective precinct, for up to three (3) projects. Council received submissions for 18 projects totalling \$686,000 from the Precincts. The majority of Precinct submissions are for projects which can in most instances be funded from existing programs.

All project requests were assessed based on Council's priorities over the next 12 months; community / public demand; funding being available; community safety and welfare; whether the project was a Council responsibility; whether the project may already have been included elsewhere in Council's Program of Works; and whether the request related to maintenance and could be incorporated in Council's regular maintenance program. Items regarded as "maintenance issues" will be referred to the responsible manager for inclusion in Council's maintenance programs. Other Projects requiring further investigation or additional information and if deemed appropriate may be listed for consideration in future Plans and Budgets.

Councillors' Bids

Councillors were also asked to nominate their preferred projects for possible inclusion in the Budget. Five submissions were received, totalling \$573,000. Of these five, two are funded from the Infrastructure Levy, whilst the other bid requires further investigation into its feasibility.

Particulars of successful bids are as follows:

Councillor	Program Initiative	Cost Estimate	Comment
Clr Barbara Aird	Drinking fountains at East Esplanade, Little Manly, Fairlight, and Clontarf Reserve	\$28,000	Funded
Clr Hugh Burns	Manly Wharf Fountain to be fully operational (re-piped)	\$15,000	Funded

RECOMMENDATION

1. That pursuant to Sections 403, 404 and 405 of the *Local Government Act, 1993*, Council adopt for the purposes of public exhibition the following draft documents:
 - i. Updated Delivery Program 2011 to 2015 (including the Revenue and Financial Plan and Draft Schedule of Fees and Charges 2012 to 2013),
 - ii. Operational Plan and Budget 2012 to 2013, and
 - iii. Updated Long Term Financial Plan 2012 to 2022.

General Managers Division Report No. 7 (Cont'd)

2. That Council give notice of its intention to:
 - i. Make and levy an Ordinary Rate to comprise a minimum rate and ad valorem rating structure for both Residential and Business categories of rates on all rateable land for 2012-2013, as set out in the Report;
 - ii. Make and levy two Special Purpose Rates on land within the defined Manly Business Centre and Balgowlah Business Centre; and
 - iii. Increase rates income by 3.6% in 2012-2013 in accordance with the permissible rate increase set by IPART.

3. That Council adopt the proposed loan borrowing for 2012-2013 of:

i. Property Acquisition:	\$2,250,000
ii. Public Works Infrastructure:	\$1,000,000

4. That the Draft Domestic Waste Management charge of \$495.00 for residential property be adopted for the 2012/2013 Budget.

ATTACHMENTS

AT- Highlights of Operational Plan 2012 to 2013 - *CONFIDENTIAL ATTACHMENT* 2
1 - for the information of Councillors Pages

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***** End of General Managers Division Report No. 7 *****

TO: Extraordinary Meeting of Council - 23 April 2012
REPORT: Corporate Services Division Report No. 10
SUBJECT: Amendments to Council Loan Borrowing 2011/2012
FILE NO:

SUMMARY

This report advises the loan borrowing requirements for the purchase of 40 Stuart Street, Manly.

REPORT

Councils are required to include in their Community Strategic Plan details of any proposed loan borrowing for the following financial year; and to inform the Director General of the Division of Local Government (DLG) of their proposed loan borrowing; and further to advise the Director General when the loans are drawn down (Clause 230 Local Government (General) Regulation, 2005).

Council at its Ordinary Meeting of 2 April 2012, resolved, subject to certain pre-conditions, to purchase by private treaty, 40 Stuart Street, including, if required, placing on exhibition proposed amendments to its current Community Strategic Plan to allow Council to proceed with purchasing the property.

Council's Community Strategic Plan Beyond 2021 – One Year Operational Plan and Budget 2011/2012 did not provide for the purchase of the property at 40 Stuart Street, Manly.

If the acquisition of 40 Stuart Street is to proceed, the purchase will have to be funded by way of external loan borrowings. Indicative repayment terms have been received from Council's bank, for a loan with repayment over a ten (10) year term.

At the time of writing this report, Council was still waiting to receive the valuations to be used as a basis for negotiation for the purchase, however for the purpose of this report, a loan borrowing of \$3.8 million has been used.

Consideration will need to be given through amendments to the Community Strategic Plan beyond 2021 – Operational Plan and Revenue Policy for 2012 – 2013 as to how the repayment of the Loan Principal and Interest is to be financed.

The following borrowing rates and repayment terms have been included in the revised Long Term Financial Plan for the purchase of the property:

10 Year Fixed Principal and Interest
Borrowing Rate = 7.5%

This borrowing will be in addition to the proposed \$6.5 million borrowing included in this year's Community Strategic Plan for the acquisition of the former Seaforth TAFE site and infrastructure renewal.

Loan borrowings are required to comply with Council's Loan Borrowing Policy and sections 377 and 621 to 624 of the *Local Government Act 1993*, as well as clause 230 of the Local Government (General) Regulations 2005.

Following Council's resolution approving of the borrowing, Council will need to submit to the Division of Local Government a Revised Borrowing Notification, as any proposed loan borrowing,

Corporate Services Division Report No. 10 (Cont'd)

including its purpose, must be notified to the Division of Local Government before the loan can be taken up.

Following this, expressions of interest will then be sought from the major banks.

RECOMMENDATION

That:

1. Council resolve to approve the loan borrowing of \$3.8 million for the acquisition of 40 Stuart Street, Manly with repayments based on a ten (10) year term, subject to the Division of Local Government requirements;
2. Council submit a revised Loan Borrowing Return to the Division of Local Government for 2011-2012;
3. Council invite expressions of interest from the major banks for the borrowings;
4. The General Manager be delegated authority to accept the interest rate and terms most advantageous to Council; and
5. The Common Seal of Council be affixed to the appropriate loan deeds as required.

ATTACHMENTS

There are no attachments for this report.

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***** End of Corporate Services Division Report No. 10 ***** .