

**Minutes of the Extraordinary Meeting  
of Shellharbour City Council  
held at the Council Chambers, Warilla  
on Monday 27 March 2006 commencing at 7.15 pm**

**Present**

His Worship the Mayor	Councillor D Hamilton
A Ward	Councillor M Greig Councillor T Hawker
B Ward	Councillor H Stewart Councillor C Jeffreys
C Ward	Councillor J Bailey Councillor D Briggs
D Ward	Councillor J Leedham Councillor T Hore
E Ward	Councillor C Mifsud Councillor G Rose
F Ward	Councillor B Bird Councillor H Gillett

**In attendance**

General Manager	B A Weir
Director of Operations & Services	A Webster
Director of Community Planning & Strategies	P O'Rourke
Director Shell Cove Business Unit	P Woodcock
Group Manager Corporate Services	T Gearon
Group Manager Works & Services	C Watt
Group Manager Development & Tech Services	M Boenisch
Group Manager Corporate Planning	P Masterson
Manager Financial Services	P Henderson
Manager Rates	N Hitchens
Manager Executive Offices/Executive Assistant	F MastroDomenico
Manager Media & Communications	B Parker
Corporate Meetings Officer	J Larsen

## **Acknowledgement to Country**

Shellharbour City Council acknowledges the Traditional Owners and Custodians of the Land on which we are meeting.

### **1. Apologies / Leave of Absence**

Nil

### **2. Pecuniary Interest**

Nil

### **3. General Manager's Office**

#### **3.1 2006/2009 Draft Management Plan (8515765)**

132 RESOLVED: Greig/Hawker

That Council receive and note this report.

#### **3.2 2006/2009 Draft Management Plan - Late Report (8521095)**

MOTION: Hawker/Greig

#### **9.5% Rate Increase**

1. That Council adopt:-

- The Management Plan
- The Strategic Plan
- The Budget (9.5% papers)
- The Revenue Policy
- The Fees and Charges
- The Statutory New Budget Items totalling \$95,000
- The Essential "1" New Budget Items totalling \$510,553
- New Item – Albion Park Museum Security Fencing \$22,000
- New Item – Shellharbour Cemetery Carpark Upgrade \$70,000
- New Item – Replacement of Andrew Park Amenities \$90,000

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And that this be advertised in accordance with s.405 of the Local Government Act. This budget will require an increase to Council's rates of 9.5%. This will result in a deficit of \$33,913.

2. That Council make application to the Department of Local Government for a special variation to general income to increase rates by 9.5% in accordance with s.508 of the Local Government Act 1993, as amended.

Further that any increase above the rate-pegging limit obtained by Council in the financial year 2006 / 2007 will be allocated to the asset maintenance program generated by Council's asset management system each year from 2006/2007 .

3. That the ward based grant matching allocations (\$180,000), be allocated on a city-wide priority basis in this budget.
4. That future Capital Works programs be compiled on a city-wide basis through priorities determined by a cost benefit analysis of each project.
5. That the residential rate reflect the fact that the separate Shell Cove Landscaping levy is to remain in its current form, and introduction of the proposed Shell Cove Special Rate is to be deferred until the legal implications of continuation of the Landscaping Levy in its present form, can be reviewed.
6. That this budget results in the following Rates and Charges:-
  - a. For the residential rate category, a base rate of 25% (\$219.28) and ad-valorem component of 0.36547 cents in the dollar on the base date 1/7/2003 land value of all rateable residential land determined to be in this category, in the local government area.
  - b. For the business rate category, an ad-valorem rate of 0.90540 cents in the dollar on the base date 1/7/2003 land value of all rateable land determined to be in the business category general, in the local government area.
  - c. For the business category, sub category non-urban, an ad-valorem rate of 0.36432 cents in the dollar on the base date 1/7/2003 land value of all rateable land determined to be in this category, in the local government area.
  - d. For the farmland category, an ad-valorem rate of 0.34889 cents in the dollar on the base date 1/7/2003 land value of all rateable land determined to be in this category, in the local government area.
  - e. A Domestic Waste Service Charge and a Business Waste Service Charge of:

\$172.00 per annum per 240 litre bin per fortnightly service

\$248.00 per annum per 240 litre bin per weekly service  
\$142.00 per annum per 120 litre bin per fortnightly service  
\$198.00 per annum per 120 litre bin per weekly service  
\$38.00 per available service (vacant land)

A high-density bulk recycling (weekly) service - \$107.50 per bin per annum.  
A high-density bulk recycling (fortnightly) service - \$54.00 per bin per annum.

A high-density bulk waste (weekly) service - \$170.00 per bin per annum.

- f. That the rate of interest by which overdue rates be increased for the year be 9 percent per annum, or any other percentage as permitted by the Minister.
  - g. Further that Council notes that rate yields and rates in the dollar (\$) will be subject to slight variation due to land values anticipated to be added to Council's rate base prior to final adoption.
7. That the amount of new loan borrowing application be \$1,000,000 with \$1,000,000 to be borrowed if required from recognised banking institutions secured by a mortgage over Council's consolidated fund income.

### **3.6% Rate Increase**

8. If Council's Special Variation application is not approved by the Department of Local Government, then Council resolves to increase rates by 3.6%.
9. That Council adopt:-
- The Management Plan
  - The Strategic Plan
  - The Budget (3.6% papers)
  - The Revenue Policy
  - The Fees and Charges
  - Statutory New Budget Items totalling \$95,000

And that this be advertised in accordance with s.405 of the Local Government Act.  
This will result in a surplus of \$72,685.

10. That the ward based grant matching allocations be allocated on a city-wide priority basis in this budget.
11. That future Capital Works programs be compiled on a city-wide basis through priorities determined by a cost benefit analysis of each project.

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12. That the residential rate reflect the fact that the separate Shell Cove Landscaping levy is to remain in its current form, and introduction of the proposed Shell Cove Special Rate is to be deferred until the legal implications of continuation of the Landscaping Levy in its present form, can be reviewed.
- 13 That this budget results in the following Rates and Charges:-
- a. For the residential rate category, a base rate of 25% (\$207.46) and ad-valorem component of 0.34578 cents in the dollar on the base date 1/7/2003 land value of all rateable residential land determined to be in this category, in the local government area.
  - b. For the business rate category, an ad-valorem rate of 0.85662 cents in the dollar on the base date 1/7/2003 land value of all rateable land determined to be in the business category general, in the local government area.
  - c. For the business category, sub category non-urban, an ad-valorem rate of 0.34469 cents in the dollar on the base date 1/7/2003 land value of all rateable land determined to be in this category, in the local government area.
  - d. For the farmland category, an ad-valorem rate of 0.33009 cents in the dollar on the base date 1/7/2003 land value of all rateable land determined to be in this category, in the local government area.
  - e. A Domestic Waste Service Charge and a Business Waste Service Charge of:  
  
\$172.00 per annum per 240 litre bin per fortnightly service  
\$248.00 per annum per 240 litre bin per weekly service  
\$142.00 per annum per 120 litre bin per fortnightly service  
\$198.00 per annum per 120 litre bin per weekly service  
\$38.00 per available service (vacant land)  
  
A high density bulk recycling (weekly) service - \$107.50 per bin per annum.  
A high density bulk recycling (fortnightly) service - \$54.00 per bin per annum.  
A high density bulk waste (weekly) service - \$170.00 per bin per annum.
  - f. That the rate of interest by which overdue rates be increased for the year be 9 percent per annum, or any other percentage as permitted by the Minister.
  - g. Further that Council notes that rate yields and rates in the dollar (\$) will be subject to slight variation due to land values anticipated to be added to Council's rate base prior to final adoption.

14. That the amount of new loan borrowing application be \$1,000,000, with \$1,000,000 to be borrowed if required from recognised banking institutions secured by a mortgage over Council's consolidated fund income.

Councillor Mifsud FORESHADOWED a MOTION that Council adopt an alternate budget incorporating a rate increase of 6.6% resulting in \$599,448 less income than the proposed 9.5% increase.

Councillor Mifsud's alternate budget recommended that:

- The Ward based capital works program be reduced by \$300,000 which equates to a \$50,000 reduction per ward
- The ward grant matching allocations be reduced by 25%, saving \$45,000
- The Special Variation – Asset Maintenance and Replacement Program be reduced by \$250,000
- The statutory new budget items totalling \$95,000 be funded
- The Essential "1" new budget items totalling \$510,553 be funded
- This would leave \$143,639 for funding of Councillor new items to achieve a balanced budget (items to be determined)

In response to a question from Councillor Briggs the General Manager advised that if Council were a private company and looking purely at what is actually needed to meet the needs of the city now and into the future, Council would perhaps be looking at up to a 30% rise in rates to cover costs and future commitments. He stated that, of course, this would be totally unacceptable.

He added that last year Council had to cut a lot out of the budget. There are constant concerns with regard to staffing, general operations, Section 94 commitment, asset maintenance, capital works to meet growing needs especially in the older areas of the city which don't have the benefit of Section 94 funds.

Councillor Briggs stated that it has been "touted around" that we are a rich council. Is there money we have just sitting there when it could be used more effectively?

The General Manager responded that Council has put in place strategies which will be realised as benefits over the next 7-8 years. There will be a day when there are no new estates and no Section 94 money coming in. The city will reach a stage where income from growth will flatten out and that needs to be considered and planned for. The council of the day can choose to use the money it has in reserve as capital expenditure, however long term consequences need to be considered. A "Fire Sale" may be palatable for ratepayers now but could have a detrimental effect down the track.

In response to a question from Councillor Mifsud regarding the difference in rates experienced because of land values which can disadvantage low income property owners the General Manager stated that this is a standard fact of the ad valorem system of rate assessment. This anomaly in the system is fully admitted but during the deliberations regarding the 1993 Local Government Act, the ad valorem system was still retained.

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Councillor Hore stated that he fully supports the 9.5% increase. He claimed that Councillor Mifsud had not fully divulged his intention to seek a further 6.6% increase next year.

The Mayor corrected Councillor Hore and stated that this was only a possible option previously presented by Councillor Mifsud.

A heated exchange took place between several councillors.

The Mayor warned councillors to come to order. He stood and requested that Councillor Rose apologise for a comment he made regarding Councillor Hore.

Councillor Rose apologised to Councillor Hore.

During the right of reply, Councillor Bird complained to the Chair that he had heard a threat being issued by a councillor against another councillor.

The Mayor warned all councillors to maintain decorum and refrain from verbal abuse.

**133** The MOTION on being PUT to the Meeting was CARRIED (9/4) Councillors Mifsud, Rose, Bailey and Stewart dissenting.

**Meeting closed 8.05 pm**

CONFIRMED as a correct record of proceedings at the Ordinary Meeting of the Council of the City of Shellharbour held 11 April 2006

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General Manager

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Chairperson