



MANLY COUNCIL

MINUTES OF AN EXTRAORDINARY MEETING OF COUNCIL

HELD ON 29TH APRIL 2002.

An Extraordinary Meeting of the Manly Council was held in the Council Chamber, Town Hall, Manly, on Monday, 29th April 2002. The meeting commenced at 7.30p.m.

PRESENT:{Amend list as necessary}

Her Worship The Mayor, Councillor J Hay, AM, who presided;
Deputy Mayor Councillor J Heraghty;
Councillor B Aird
Councillor D Barr
Councillor P Dee
Councillor D Dickman
Councillor A Heasman
Councillor J Lambert
Councillor R Morrison
Councillor B Pedersen
Councillor K Page
Councillor S Sacker

APOLOGIES: (File A8/2)

An apology was received from Councillor {Name} and leave was granted.

DECLARATIONS OF INTEREST: (File A8/4)

The following Declarations of Interest were received:-

<u>NAME</u>	<u>ITEM NUMBER</u>	<u>NATURE OF INTEREST</u>
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THIS IS PAGE NO. 1 OF THE MINUTES OF THE EXTRAORDINARY MEETING OF THE MANLY COUNCIL HELD ON 29TH APRIL, 2002.

MAYOR

GENERAL MANAGER

ITEM 130:

PROPERTY MATTER - PROPOSED SALE OF COUNCIL PROPERTY 42 ETHEL STREET SEAFORTH (File 113.42) Item 130 EOM 29.04.2002:

REPORT FROM GENERAL MANAGER

SUMMARY:

COUNCIL IS CONSTRUCTING A NEW OCCASIONAL CHILDCARE CENTRE ON ITS ROSS STREET LAND AT SEAFORTH WITH PART OF THE FUNDING BEING BORROWED FROM AN INTERNAL COUNCIL CASH RESERVE. COMPLETION IS EXPECTED EARLY 2003. COUNCIL PROPOSES TO SELL THE EXISTING CENTRE LOCATED AT 42 ETHEL STREET, SEAFORTH AND USE THE FUNDS RECEIVED TO REIMBURSE THE DEPOT REDEVELOPMENT RESERVE.

... **RESOLVED:**

1. That the matter be considered in closed session, with the press and public excluded at the conclusion of all other business for the reason that it involves consideration of information that would, if disclosed, confer a commercial advantage on a person with whom the Council is proposing to conduct business (Section 10A(2)(c)). Further, the report outlines possible strategies for future action which if known beforehand, could place the purchaser in a position of advantage.
2. That the discussions concerning the valuation and offer to purchase is to be treated as confidential because it relates to a matter specified in Section 10A(2)(c).

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ITEM 131:

MANLY COUNCIL DEPOT REDEVELOPMENT PROJECT (File C16/3-2) Item 131 OM 29.04.2002:

REPORT FROM SERVICE DELIVERY & BUSINESS DIVISION

SUMMARY:

1. THIS REPORT PROVIDES THE BACKGROUND/HISTORY TO COUNCIL'S ORIGINAL DECISION TO REDEVELOP COUNCIL'S BALGOWLAH DEPOT SITE FOR A NEW DEPOT ON A SIGNIFICANTLY SMALLER SITE AND THE DEVELOPMENT OF THE BALANCE OF THE SITE AS AN INDUSTRIAL ESTATE AS PART OF A COMPREHENSIVE INVESTMENT STRATEGY.
2. THIS PROJECT HAS BEEN THE SUBJECT OF NUMEROUS REPORTS TO COUNCIL AND SEVERAL WORKSHOPS.
3. THE REPORT BRINGS COUNCIL UP TO DATE WITH WHAT HAS HAPPENED SINCE THE MATTER WAS LAST REPORTED AND SEEKS COUNCIL'S REAFFIRMATION OF ITS SUPPORT FOR THE PROJECT TO ENABLE THE ENGAGEMENT OF A LEASING AGENT/PROPERTY ADVISOR AND ARCHITECTS TO PROGRESS TO A DEVELOPMENT APPLICATION FOR COUNCIL'S CONSIDERATION.

... **RESOLVED:**

- (a) That the matter be considered in "Committee-of-the-Whole" with the press and public excluded at the conclusion of all other business for the reason that it involves consideration of commercial information of a confidential nature that would, if disclosed, confer a commercial advantage on a competitor of the Council. (Section 10A(2)(d)).

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THIS IS PAGE NO. 3 OF THE MINUTES OF THE EXTRAORDINARY MEETING OF THE MANLY COUNCIL HELD ON 29TH APRIL, 2002.

MAYOR

GENERAL MANAGER

ITEM 132:

2 PANORAMA PLACE, SEAFORTH AND LOTS 12 & 13 ROSS STREET SEAFORTH (Files 227.2 and 260.12-260.13) Item 132 OM 29.04.2002:

REPORT FROM FINANCE AND GOVERNANCE DIVISION

SUMMARY:

COUNCIL RECEIVED A REPORT AT THE ORDINARY MEETING OF THE 17TH DECEMBER 2001 REGARDING COUNCILS POSITION IN LITIGATION BETWEEN P & B WOODLAND AND MANLY COUNCIL IN THE SUPREME COURT OF NEW SOUTH WALES.

COUNCIL AUTHORISED THE GENERAL MANAGER TO COMMENCE NEGOTIATED SETTLEMENTS WITH P & B WOODLAND. THESE NEGOTIATIONS WERE HELD "WITHOUT PREJUDICE" AND WERE UNSUCCESSFUL.

HEARING OF THE MATTER FOR AN EASEMENT FOR DRAINAGE ACROSS LOT 13, ROSS STREET, SEAFORTH, COMMENCED IN THE SUPREME COURT ON 13TH FEBRUARY 2002.

... **RESOLVED:**

- (a) That the matter be considered in "Committee-of-the-Whole" with the press and public excluded at the conclusion of all other business for the reason that it involves consideration of advice concerning litigation or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege (Section 10A(2)(g)).

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MAYOR

GENERAL MANAGER

ITEM 133:

REVIEW OF MANLY COUNCIL'S PARKING STATIONS. (File P1/3, P1/8, P1/11 & P1/14)

Item 133 OM 29.04.2002:

REPORT FROM FINANCE & GOVERNANCE DIVISION

SUMMARY:

1. THIS REPORT IDENTIFIES PATTERNS OF USAGE, CUSTOMER PEAK DEMAND, PEAK PERIODS AND THE INCOME AND EXPENDITURE FOR STAFFING OPERATIONS OF EACH PARKING STATION FOR THE PERIOD OF 1 JULY, 2001 TO 31 MARCH, 2002.
2. THE REPORT WILL ADVISE ON THE CHANGES MADE TO THE OPERATING HOURS FROM COUNCIL'S DECISION OF 21 MAY 2001, TO INTRODUCE A FLAT FEE AFTER 7PM EACH EVENING, WHICH COMMENCED ON 1 JULY, 2001.
3. THE REPORT WILL DETAIL THE PERFORMANCE OF EACH PARKING STATION AGAINST YEAR TO DATE ADOPTED BUDGETS.
4. THIS REPORT WILL EXPLORE OPTIONS FOR THE FUTURE OPERATIONS OF ALL PARKING STATIONS, AND ALSO EXAMINE A RANGE OF OPTIONS IN DETERMINING THEIR FEES AND CHARGES.

... **RESOLVED:**

- (a) That the matter be considered in "Committee-of-the-Whole" with the press and public excluded at the conclusion of all other business for the reason that it involves consideration of commercial information of a confidential nature that would, if disclosed, confer a commercial advantage on a competitor of the Council. (Section 10A(2)(d)).

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MAYOR

GENERAL MANAGER

ITEM 134:**MANAGEMENT PLAN & BUDGET FOR 2002/03 AND BEYOND (File A2/2) Item 134**
EOM 29.04.2002:**REPORT FROM GENERAL MANAGER****SUMMARY**

THIS REPORT ADDRESSES THE DRAFT BUDGET FOR 2002/03, OUTLINES COUNCIL'S CURRENT FINANCIAL POSITION (EXCELLENT CASH RESERVES BUT THEY ARE COMMITTED AND THERE EXISTS A SHORTFALL DUE TO THE IMPACT OF THE HIH COLLAPSE). I AGAIN EMPHASISE **THE CONTINUING DIFFICULTY WITH COUNCIL'S ANNUAL OPERATING BUDGET WHEREBY COSTS CONTINUE TO GROW AT A HIGHER RATE THAN REVENUE. NEVERTHELESS, MANLY COUNCIL IS IN GOOD SHAPE AND COMPARES FAVOURABLY WITH ALL OTHER COUNCILS IN THE STATE AND IN PARTICULAR, ALL COUNCILS WITHIN ITS ASSIGNED CATEGORY (SEE SECTION 1 (V) - COMPARATIVE INFORMATION PERFORMANCE FIGURES).**

COUNCIL'S ACTUAL FINANCIAL OPERATING RESULTS (NOT ADJUSTED FOR INCOMPLETED WORKS) **ON A "CASH BASIS" SHOWS THREE (3) SURPLUS BUDGETS IN EACH OF THE PAST THREE (3) YEARS. A SMALL DEFICIT IS EXPECTED FOR THE CURRENT YEAR.** IN THE PRECEDING FIVE (5) YEARS (1993 TO 1997/98) WE INCURRED FIVE (5) DEFICITS - BUT I EMPHASISE THERE WERE REASONS FOR SOME OF THESE.

ON A AAS27 ASSESSMENT OUR OPERATING RESULT (**BEFORE CAPITAL**) HAS BEEN FIVE (5) **DEFICIT BUDGETS** IN A ROW AND ANOTHER EXPECTED THIS YEAR. **BASICALLY THIS SHOWS THAT WE ARE NOT ADEQUATELY FUNDING DEPRECIATION/MAINTENANCE OF OUR ASSETS. HOWEVER, DUE TO ASSET SALES OUR AAS27 RESULTS AFTER CAPITAL HAVE BEEN IN SURPLUS.**

THE OPERATING COSTS OF OUR PARKING STATIONS AND THE VERY HIGH TURNOVER OF USERS WITHIN THE TWO HOUR FREE PERIOD, SIGNIFICANTLY LIMITS NET INCOME FROM PARKING. ANY EXTENSION OF THIS FREE PERIOD WILL REDUCE REVENUE. ONLY 13% TO 16% OF ALL CASUAL USERS MAKE ANY PAYMENT. A DETAILED REPORT ON THE OPERATION OF THE PARKING STATIONS WAS SUBMITTED TO COUNCIL ON 22ND APRIL 2002 AND HAS BEEN DEFERRED TO TONIGHT'S MEETING, FOR COUNCIL'S CONSIDERATION.

THE REPORT AGAIN HIGHLIGHTS THAT COUNCIL CANNOT RESPONSIBLY UNDERTAKE THE MANY NEW PROJECTS CONTAINED IN THE BUDGET "BIDS" WITHOUT FIRST ADDRESSING THE NEED FOR SUPPORTING REVENUE OR REDUCING CURRENT COSTS AND SERVICES.

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MAYORGENERAL MANAGER

Item 134 Cont.**THE FUNDAMENTAL PROBLEMS FOR ALL LOCAL COUNCILS ARE:-**

- 1. RATE PEGGING BEING HELD BELOW REAL COST INCREASES HENCE OUR PRINCIPAL SOURCE OF REVENUE IS INCREASING AT LESS THAN THE COST OF WAGES, SALARIES AND EMPLOYMENT COSTS (OUR MAJOR EXPENDITURE AREA).**
- 2. LOCAL GOVERNMENT DOES NOT HAVE ACCESS TO A GROWTH TAX.**
- 3. COMMUNITY EXPECTATIONS AND THE ISSUE OF "FREE" SERVICES.**

THE BUDGET NOW SUBMITTED PROVIDES FOR A "CASH BASIS" OPERATING SURPLUS OF \$146,814. THIS IS DUE TO ADDITIONAL RATE REVENUE AS THE ACTUAL 3.3% RATE PEGGING INCREASE WAS HIGHER THAN THE 2.7% ESTIMATE USED IN PREPARATION OF THE DRAFT BUDGET, AND AN ADJUSTMENT TO THE RATE CALCULATION. HOWEVER THE DRAFT BUDGET DOES NOT INCLUDE ANY BUDGET BIDS ARISING FROM THE COUNCILLOR WORKSHOP HELD ON 10 APRIL 2002 (TOTALLING \$447,000) OR THE IMPLEMENTATION OF THE RESIDENTIAL PARKING SCHEME (NET COST \$6,497).

TO FUND THE ITEMS FROM THE WORKSHOP AND THE MATTERS ARISING FROM THE COUNCIL MEETING OF 22 APRIL 2002, COUNCIL WOULD NEED TO USE ALL ITS SURPLUS AND THEN CALL ON COUNCIL'S RESERVES OR GO FORWARD IN THE NEXT FINANCIAL YEAR WITH A DEFICIT BUDGET. THIS IS NOT THE PREFERRED OPTION.

THE DRAFT BUDGET PROVIDES FOR A TOTAL EXPENDITURE OF **\$38,152,031** (EXCLUDING LOAN REPAYMENT PRINCIPLE OF **\$491,000** AND TRANSFER TO RESERVES OF **\$2,292,354**) WHICH INCLUDES CAPITAL EXPENDITURE OF **\$5,152,200**.

THE MAIN OPERATIONAL BUDGET PROBLEM AREAS FOR NEXT YEAR ARE:

- (i) COST INCREASES BEYOND OUR CONTROL WHICH WILL EXCEED RATE REVENUE INCREASES ESPECIALLY IN:
 - INSURANCE COSTS;
 - GOVERNMENT LEVIES (PLANNING NSW, FIRE BOARD);
 - WAGE AND EMPLOYMENT COSTS.
- (ii) NEED FOR INCREASED MAINTENANCE OF COMMUNITY ASSETS;
- (iii) NEED FOR ADDITIONAL STAFF IN THE LAND USE MANAGEMENT GROUP.
- (iv) NEED FOR INCREASED FUNDING TO EMPLOYEES' ENTITLEMENTS RESERVE.

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Item 134 Cont.

SOME OF THESE EXTRA COSTS TO COUNCIL NEXT YEAR (ABOVE 2001/02 COSTS) ARE:-

Organisational Support	\$69,000
Customer Corporate Services	\$64,000
Peninsula Car Park	\$98,000
Pacific Waves - Building Levy	\$55,000
Manly National - operating costs	\$201,000
Insurance - Public Liability and Workers Compensation	\$224,000
Superannuation Contributions	\$142,000
Seaforth Occasional Care Redundancy	\$60,000
Facility Maintenance	\$46,000
Land Use Management Development Control - new Staff, including oncosts and transport	\$130,625
Fleet Purchase - Replacement	\$40,000
Employee Entitlements Reserves	\$139,000
TOTAL	<u>\$1,268,625</u>

THESE ARE SIGNIFICANT COST INCREASES. THE MANAGEMENT TEAM HAS SPENT NUMEROUS HOURS TRYING TO IDENTIFY COST SAVINGS AND ADDITIONAL REVENUE TO FUND THESE EXTRA COSTS. THE SAVINGS AND NEW REVENUE IDENTIFIED HAVE BEEN INCLUDED IN THE DRAFT BUDGET. CAPITAL EXPENDITURE HAS SUBSTANTIALLY BEEN FUNDED FROM LOANS, SECTION 94 FUNDS, INFRASTRUCTURE RESERVE AND THE ENVIRONMENT RATES PROCEEDS WHERE APPROPRIATE.

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MAYOR

GENERAL MANAGER

... RESOLVED:

1. (a) That council note the extensive cash reserves held by Manly Council, the considerable sums expended therefrom in recent and future planned expenditure from those reserves. Further, that Council note that cash reserves at 30/6/02 are estimated at \$18.7M (comprising externally restricted \$2.7M internally restricted \$13.2M and unrestricted of \$2.8M).
1. (b) That Council note the considerable negative impact of the HIH collapse on Council's Cash Reserves.
2. That Council note that interest earned from investment of Council's cash reserves continues to be treated as revenue in Council's annual operating budget and that no amounts are returned to the reserves to offset the effects of inflation (except Section 94 Reserve). Hence the value of reserves are being eroded over time.
3. That Council acknowledge that, whilst our overall financial position is very sound:-
 - (i) Council's actual financial operating results on a "Cash Basis" shows three (3) surplus budgets in each of the past three (3) years. A small surplus is also expected for the current year. In the preceding five (5) years (1993 to 1997/8) we incurred five (5) deficits - for which there were specific reasons for some of these.
 - (i) Under AAS27 basis - financial operating deficits have occurred in each of the past five (5) financial years – 1996/97 to 1999/2000 and another deficit is expected for the current year 2000/01. This suggests Council is not adequately funding depreciation and maintenance needs of our assets.
4. That Council budget for a "cash basis" surplus of \$50,000 for the year 2002/03.
5. That Council note that the Draft Budget as now submitted for 2002/03 provides for a "cash basis" surplus of \$146,814. However Council needs to consider ways of funding items supported at the Councillor Workshop and Ordinary Meeting of 22nd April 2002.
5. That the Draft Vision 2005 and Beyond Document; the Corporate Plan for 2002/2003 to 2005; and the Draft Budget as may be amended by the Council, be adopted for the purpose of public exhibition. Further, that any submissions received be reported to the Extraordinary Council Meeting scheduled for 17th June 2002.

ITEM 135:

DRAFT MANAGEMENT PLAN – STATEMENT OF REVENUE POLICY FOR 2002/2003
(File A2/2) Item 135 EOM 29.04.2002:

REPORT FROM FINANCE & GOVERNANCE DIVISION

SUMMARY:

THIS REPORT PROPOSES THE ADOPTION OF THE 2002/2003 REVENUE POLICY FOR THE PURPOSES OF BEING PLACED ON PUBLIC EXHIBITION.

... **RESOLVED:**

That for the purposes of the preparation of a Draft Management Plan for the three year period commencing 1st July, 2002, Council's 2002/2003 Revenue Policy be as follows:-

1. Rates

A. Ordinary Rates (Residential and Business)

That Council continue to levy two Ordinary Rates being "Residential" and "Business" with the "Business" rate broken into two sub-categories, being:-

- Manly Business Centre - as delineated on Plan Number 1/280B.
- Business (other than the Manly Business Centre).

The Ordinary Rates are to apply to those properties within the relevant residential or business category.

Further, Council continue to include in the Ordinary Rates a component, known as the "Environment Levy" to undertake a Program of critical environmental works. The net proceeds of the Environment Levy (\$946,000 each year, plus interest earned on unexpended funds) are to be expended on priority works which meet the following criteria:-

- include visible environmental improvements (particularly water quality);
- achieve significant outcomes in each 12 month period;
- provide environmental benefits across/throughout the whole Manly Council area.
- ongoing maintenance of new environment levy capital works projects be recognised as a legitimate charge against the levy and that up to 10% of the levy revenue be allocated for this purpose annually.

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MAYOR

GENERAL MANAGER

Item 135 Cont.

B. Special Rates

1. Manly Business Centre and Ocean Beachfront Improvements

That Council continue to levy a Special Rate known as the Special Rate - Manly Business Centre and Ocean Beachfront Improvements. The income from this rate, will be used to fund on-going and proposed capital and maintenance works, including The Corso upgrade and the Ocean Beachfront and provide services, facilities and activities of specific benefit to the designated area. The rate is applied to those business properties, as determined to Plan Number 1.280A, which are considered by Council to receive a benefit from these capital and maintenance works.

2. Balgowlah Business Centre Improvements Rate

That Council continue to levy a Special Rate known as the Special Rate – Balgowlah Business Centre Improvements. The income from this rate is used to fund on-going and proposed capital and maintenance works including the off-street car parks in Condamine Street and provide services, facilities and activities of specific benefit to the designated area. The rate is applied to those business properties, as delineated on Plan Number 5/005B, which are considered by Council to receive a benefit from these capital and maintenance works.

C. Particulars of Rates

1. Ad valorem Rate with a Minimum

Ordinary Rates

That Council continue to adhere to the ad valorem basis of rating as assessed by the Valuer General's values, with a reasonably substantial minimum rate set at an amount determined to be the contribution required to cover the provision of the basic activities of the Council, including:

- Administration
- Building Control
- Government Levies
- Health
- Roads Maintenance
- Stormwater Drainage
- Street Lighting
- Street and Gutter Cleaning
- Town Planning

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Item 135 Cont.

Special Rates

That Council continue to adhere to the ad valorem basis of rating as assessed by the Valuer General's values with no minimum rate levied.

2. Level of General Income

That Council adopt the maximum rate revenue increase permitted by the Minister for Local Government for 2002/2003, being 3.3%.

3. Interest

That Council adopt the maximum rate determined by the Minister for Local Government and Co-Operatives each year for outstanding rates, domestic waste management services and annual charges levied under Section 611 of the Local Government Act 1993, being 9% per annum in respect of accrual on a simple basis.

Interest generated represents a penalty for non-payment on or before due dates to avoid subsidisation by other ratepayers.

D. Adoption of Rates

That the Council at a duly convened Extraordinary Meeting proposed for 17th June, 2002 and following adoption of the final Management Plan, give consideration to the determination of each rate and in respect of that meeting it be noted the recommendations will be proposed in the following terms (subject to any amendment by Council):

"That whereas the Council adopted the Final Management Plan for 2002/2003 - 2002/2003, incorporating the Estimates of Income and Expenditure for the General Fund on 17th June, 2002, for the period 1st July, 2002 to 30th June, 2003, it is hereby resolved, pursuant to the provisions of the Local Government Act, 1993, that for the period 1st July, 2002 to 30th June, 2003, Council make:-

A. Ordinary Rate

- (a) (i) An Ordinary Rate (Residential) of **0.28036** cents in the dollar on all ratable residential land in the Manly.
- (ii) An Ordinary Rate (Business) - Manly Business Centre of **1.03721** cents in the dollar on all ratable non-residential land within the centre of population defined within the Manly CBD and previously adopted by Council, as delineated on Plan Number 1/280B.

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(iii) An Ordinary Rate (Business) of **0.67778** cents in the dollar on all ratable non-residential land within Manly other than that land within the centre of population defined in (ii) above.

(b) That in accordance with Section 548 of the Local Government Act, 1993, it is hereby resolved that the minimum amount of the General Rate that shall be levied in respect of any separate parcel of land, including strata lots and dwellings under company title, be **\$514.00** for the period 1st July, 2002 to 30th June, 2003.

B. Special Rate – Manly Business Centre and Ocean Beach Front Improvements

(a) That whereas the Council is of the opinion that the provision of on-going and proposed capital and maintenance works, including The Corso upgrade and the Ocean Beachfront and provide services, facilities and activities of specific benefit to the area as delineated on Plan Number 1/280A, are of special benefit to that portion of Manly previously defined and adopted by Council, and whereas Council adopted the Management Plan for 2002/2003 – 2004/2005, incorporating the Estimates of Income and Expenditure for the Manly Business Centre and Ocean Beach Front Improvements Programme on 17th June, 2002 for the period 1st July, 2002 to 30th June, 2003, it is hereby resolved that a Special Rate - Manly Business Centre and Ocean Beach Front Improvements of 0.17239 cents in the dollar on the land value of all ratable land as previously defined be now made for the period 1st July, 2002 to 30th June, 2003.

(b) That in accordance with the provisions of Section 548 of the Local Government Act, 1993, it is hereby resolved that no minimum amount of the Special Rate - Manly Business Centre and Ocean Beach Front Improvements shall be levied in respect of any separate parcel of land, including strata title lots and dwellings under company title for the period 1st July, 2002 to 30th June, 2003.

C. Special Rate – Balgowlah Business Centre Improvements

(a) That whereas the Council is of the opinion that the provision of on-going and proposed capital and maintenance works including the off-street car parks in Condamine Street and provide services, facilities and activities of specific benefit to the area and is of special benefit to that portion of Balgowlah delineated on Plan Number 5/005B, and whereas Council adopted the Final Management Plan for 2002/2003- 2004/2005, incorporating the

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Item 135 Cont.

Estimates of Income and Expenditure for the Balgowlah Business Centre Improvements Programme on 17th June, 2002 for the period 1st July, 2002 to 30th June, 2003 it is hereby resolved that a Special Rate - Balgowlah Business Centre Improvements of 0.28360 cents in the dollar on the land value of all ratable land as previously defined be now made for the period 1st July, 2002 to 30th June, 2003.

- (b) That in accordance with the provisions of Section 548 of the Local Government Act, 1993, it is hereby resolved that no minimum amount of the Special Rate - Balgowlah Business Centre Improvements shall be levied in respect of any separate parcel of land, including strata title lots and dwellings under company title for the period 1st July, 2002 to 30th June, 2003.

D. Estimated Yield of the Rates

The estimated Rate yield for 2002/2003 is shown in the following Table:-

2002/2003 Notional Yields & Rate in the Dollar With 3.3% increase				
<i>Rate Type</i>	<i>Category</i>	<i>Rate in the Dollar</i>	<i>Minimum Rate</i>	<i>Notional Yield</i>
Ordinary	Residential	0.28036 cents	\$514.02	\$13,933,080.30
Ordinary	Manly Business	1.03721 cents	\$514.02	\$2,502,769.90
Ordinary	Business	0.67778 cents	\$514.02	\$1,080,177.30
Special	Man Bus. Centre & Ocean Beach Front Imp.	0.17239 cents		\$411,557.32
Special	Balgowlah Business Centre Improvements	0.28360 cents		\$41,042.44
Total Notional Income:				\$17,968,627.26

Note: Whilst the total of the proposed yield from the various rates will not change, the actual rate in the dollar will vary between now and the final fixing of the rates on 17th June 2002. The variations will occur as a result of new Strata Title conversions and further valuations received from the Valuer General.

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MAYOR

GENERAL MANAGER

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E. Interest

That Council adopt the maximum interest rate determined by the Minister for Local Government and Co-Operatives each year for rates, domestic waste management services and annual charges levied under Section 611 of the Local Government Act 1993, being **9.0%** per annum in respect of accrual on a simple basis.

2. **Domestic Waste Management Services**

The domestic Waste Management charge be made in accordance with Section 496 of the Act and be determined for 2002/2003 at **\$184.00**.

Non-rateable land that is used for domestic purposes will be entitled to a waste removal service at an equivalent charge to that set by Council for domestic waste management services.

3. **The 2002/2003 Pricing Policies for goods and services provided** shall be:-

3.1. That the Pricing Policies for goods and services provided for 2002/2003 be extended from the 2001/2002 Policy as follows:-

A. General Principles:-

- (a) Council will endeavour to apply all pricing policies on an equitable basis.
- (b) The "User Pays" principle will, in general, be the basis for the full recovery of costs.
- (c) Council reaffirms its Fees and Charges Policy adopted on 24th October 1989, in terms:
 - "(i) That Council establish all user charges or fees at a level related to the cost of providing works and services.
 - (ii) That Council automatically revise user charges of fees to adjust for the effects of inflation.
 - (iii) That Council give consideration to social and economic issues when setting fees and charges.

Item 135 Cont.

- (iv) That Council set fees for activities, at a level to support a predetermined percentage of direct and indirect costs of the activity."
- (d) Council will pass on any Goods & Services Tax (GST) payable to the consumers of its goods and services applicable under the GST legislation.

B. Pricing Policies:-

- (a) The price charged for this good or service reflects the full recovery of operating costs (excluding cost of capital) of providing the particular good or service.
- (b) The price charged for this good or service is a statutory charge set by regulation.
- (c) The price for this good/service is set to make a minimal contribution to the cost of providing the service. The majority of costs are met from general income.
- (d) The price charged for this good or service represents either the full recovery of operating costs (excluding cost of capital) costs or the current market rate whichever is the greater and reflects prices charged for similar goods or services provided by other Councils.
- (e) The price for this good or service represents either the full recovery cost or the current market rate, whichever is the greater, except to those individuals or groups that have been identified as being disadvantaged in need of "special consideration" or where a community service obligation exists.
- (f) There is no price charged for this good or service. All costs associated with this good/service are met from general income.
- (g) The price for this good or service is set to reflect the full recovery of operating costs plus an appropriate profit margin, whilst recognising current market rates.
- (h) All prices in the schedule of fees and charges are to be shown nett of GST with GST shown separately.

Item 135 Cont.**3. Charge under Section 611 Local Government Act 1993**

That Council make a charge under Section 611 Local Government Act, 1993 on the Telecommunications carriers for the use of Public Space for profit associated with their communications distribution networks in accordance with the following formula:-

$$\text{Total Charge} = A + B$$

where A = all cable component
B = overhead cable component

$$\text{Component A- All Cables Component} = D \times E$$

where D = \$ dollar amount per km of cables = \$350
E = total km length of all cables

$$\text{Component B - Overhead Cable Component} = F \times G$$

where F = \$ dollar amount per km of cables = \$500
G = total km length of overhead cables

The dollar amount per km is calculated using the following formula:

$$(P \times Q \times R)/U = \text{total \$ amount}$$

where P = % levy rate to be charged = 10%
Q = \$ dollar amount of cost saving per km of overhead cables -
\$100,000
R = total km length of all cables overhead
U = useful life of cables estimated at 20 years

Further, the income raised by this charge be placed into a separate reserve to provide a Council contribution towards an ongoing strategy to underground all overhead cabling in Manly.

4. The current **List of Fees for the Provision of Services** has been amended in accordance with the Draft Schedule effective (and as may be further amended) from 1st July, 2002 and further:
- (a) The estimated income from such fees be incorporated in the Draft Management Plan for the period 1st July 2002 to 30th June 2003.
 - (b) The operations of the Commercial and Trade Waste Service continue as stated with the aim of providing a reasonable return to Council, whilst maintaining market share.

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Item 135 Cont.

6. The amounts for rates proposed to be charged for carrying out works on private land be:-

The rates to be charged by Council for any type of private work are to be competitive with private contractors, but must reflect as far as practicable the fully absorbed cost of the work. If Council cannot be truly competitive in its pricing and not rely on some cross subsidisation, then Council should not put itself into the market unless there are measurable objectives and deadlines which would in a short period make undertaking the work imperative.

7. The amounts of proposed borrowings be:-

- 7.1 Council's borrowings strategy be to borrow sufficient funds as limited by the Minister of Local Government under the global limits set by the Federal Government's Loan Council.
- 7.2 Council's loan programme be for the acquisition and/or construction of works of a capital nature. Consistent with this strategy, bank overdraft facilities will only be used in cases of emergency, or in the short term, with most uses only occurring over night.
- 7.3 Council limit its external borrowings in 2002/2003 to \$1,000,000.

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