



LITHGOW CITY COUNCIL

“A Centre of Regional Excellence”

MINUTES

EXTRA ORDINARY MEETING OF COUNCIL

HELD AT

THE ADMINISTRATION CENTRE, LITHGOW

ON

14 APRIL 2009

**MINUTES OF THE LITHGOW CITY COUNCIL EXTRA ORDINARY MEETING
HELD AT THE CIVIC CENTRE, LITHGOW ON 14TH APRIL 2009**

Meeting Commenced 7.00pm

Public Gallery: NIL

PRESENT

His Worship the Mayor
Councillor Neville Castle
Councillor J J McGinnes
Councillor M F Ticehurst
Councillor W McAndrew
Councillor H K Fisher
Councillor C Hunter
Councillor R Thompson
Councillor W Marshall

APOLOGIES

An apology was received and accepted from Councillor G Danaher due to being out of the City on Leave.

MOVED: Councillor H K Fisher **SECONDED:** Councillor W McAndrew.

09-143 RESOLVED

CARRIED

Also in attendance

General Manager, Mr Roger Bailey
Group Manager Regional Services, Mr Andrew Muir
Group Manager Community and Corporate Services, Ms Suzanne Lollback
Finance Manager, Mrs Carol Farnsworth

DECLARATION OF INTEREST

His Worship the Mayor called for Declarations of Interest on any matter before the Meeting.

Councillor W McAndrew declared a pecuniary conflict of interest in Item 1 due to his wife being an employee of the Lithgow Golf Club. He vacated the Chambers.

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PUBLIC FORUM

Members of public gallery were invited to address questions through the Mayor to Councillors and Staff: -

PF - 14/04/09 - MARTIN WHYTE - WATER MAIN BREAK - SANDFORD AVENUE

1. Mr Mayor can you please explain why residents effected by the burst water main in Sandford Avenue were only provided with 10 litres of water per household?

The Mayor and Council staff responded that the houses affected were illegally connected to the water main. Council is in the process of connecting water meters to those houses without meters. Whilst they were paying access charges, similar to any other property within a certain distance of a main, they have not been paying consumption charges.

NOTICES OF MOTION**ITEM:1 NOTICE OF MOTION - 14/04/09 - COUNCILLORS TICEHURST AND MCGINNES - LITHGOW GOLF CLUB**

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LITHGOW CITY COUNCIL
CODE OF MEETING PRACTICE**APPENDIX 5****REQUEST FOR AN**
EXTRAORDINARY MEETING OF COUNCIL

We the undersigned two Councillors wish to seek an Extraordinary Meeting of the Lithgow City Council to deal with the following topic:

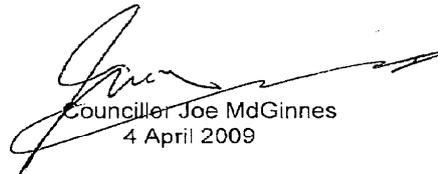
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- Q. That the Lithgow City Council determines what will be the future direct and indirect actual and in-kind financial commitment of ratepayer's monies that will be provided to the ASIC listed Registered Club, Lithgow Golf Club Ltd. for the benefit of their members and guests proposed ongoing use of assets of the Lithgow City Council: -
1. From the 1 May 2009 to 30 June 2009, which is within the Lithgow City Councils current financial budget; and
 2. Within the Lithgow City Councils 2009/2010 Draft Management Plan that will go to the Minister for Local Government, Department of Local Government and onto formal public exhibition for 28 days after Tuesday 14 April 2009 for consideration by all Lithgow City Council ratepayers?
-

We ask that the General Manager or Council Officers provide a detailed financial report in response to the above Questions to the requested Extraordinary Meeting of the Council for the information and consideration of all Councillors, particularly with respect to finalising the Lithgow City Councils 2009/2010 Draft Management Plan.

Note:

We would ask that this request be held in conjunction with the Lithgow City Council Extraordinary Meeting arranged for 7pm on Tuesday 14 April 2009 at which the Lithgow City Councils 2009/2010 Draft Management Plan is on the Agenda and is expected to be finally confirmed.


Councillor Martin Ticehurst
4 April 2009


Councillor Joe McGinnes
4 April 2009

Councillor W McAndrew declared an interest in this item and vacated the Chambers at 7.04pm.

MOVED

THAT the Lithgow City Council determines what will be the future direct and indirect actual and in-kind financial commitment of ratepayers monies that will be provided to the ASIC listed Registered Club, Lithgow Golf Club Ltd, for the benefit of their members and guests proposed ongoing use of assets of the Lithgow City Council: -

1. From the 1 May 2009 to 30 June 2009, which is within the Lithgow City Councils current financial budget: and
2. Within the Lithgow city Councils 2009/2010 Draft Management Plan that will go to the Minister for Local Government, department of Local Government and onto formal public exhibition for 28 days after Tuesday 14 April 2009 for consideration by all Lithgow City Council ratepayers?

MOVED: Councillor M F Ticehurst

SECONDED: Councillor J J McGinnes

This was declared LOST

Councillor W McAndrew returned at 7.11pm.

Councillor J J McGinnes left the Council meeting at 7.11pm and did not return.

GENERAL MANAGER REPORTS

ITEM:2 GM - 14/04/09 - DRAFT MANAGEMENT PLAN 2009/2010 - 2011/2012

REFERENCE

Min O08-210: Ordinary Meeting of Council 15 December 2008

Min 09-96: Ordinary Meeting of Council 9 March 2009

SUMMARY

The Council's Draft Management Plan 2009/10 – 2011/12 has been prepared and is provided for the consideration of Council to place on public exhibition.

COMMENTARY

The Draft Management Plan 2009/10 – 2011/12 has been prepared and details Council's activities for the next 3 years and the Revenue Policy for 2009/10. It incorporates the strategies of Council's Strategic Plan for the first year as noted as an action in the Management Plan 2009/10 – 2011/12.

The Draft Management Plan contains two options being:

- Option 1 with proposed Special Rate Variation to provide for infrastructure improvements for roads, building and library infrastructure.
- Option 2 without the Special Rate Variation

The Draft Management Plan community forums will be held on the following days and time:

- 15 April 2009 at 5.30pm - LBA, Futures Lithgow, Economic Development Advisory Committee, Tourism Advisory Committee - Council Chambers, Lithgow
- 15 April 2009 at 7.30pm - Community meeting - Council Chambers, Lithgow
- 16 April 2009 at 7.00pm - Community meeting - Hartley School, Hartley
- 22 April 2009 at 6.00pm - Community meeting - Community Room Wallerawang Sporting Complex
- 22 April 2009 at 8.00pm - Community meeting - Portland Central School Library
- 23 April 2009 at 7.00pm - Community meeting - Little Union Church, Rydal
- 29 April 2009 at 7.00pm - Community meeting - Capertee Hall, Capertee

The Draft Management Plan is provided for Council's consideration to place on public exhibition for a minimum period of 28 days. Closing date for public submissions will be Monday 11 May 2009.

Council has over recent weeks been involved in budget workshops to develop the 2009/10 to 2011/12 Management Plan. The plan is now available in draft format and provides a continuing improvement program to further develop Council's initiatives and strategic goals.

The community continually highlights the need for Council to improve the roads, buildings, and water and sewerage networks. The Draft plan currently before Council not only delivers answers to this expectation but it also meets the Community's social and cultural requirements and considers appropriate rating and revenue policy to ensure income for improvements are possible.

SPECIAL RATE APPLICATION:

Council resolved on the 9 March 2009 to make application to the Minister for Local Government for a special rate variation for infrastructure improvements in the local government area. Funding raised by this initiative will be used to meet the deteriorating condition of many of the local roads, community buildings and our library resources.

The local infrastructure has been deteriorating over a number of years and in many cases may be regarded as being in a very poor condition. This matter has been highlighted by Councillors, community concerns and also re enforced by recent grant applications to both the State and Federal governments and an immediate injection of funds to improve the situation is required.

As required by the Act the basis of the application will reflect the purpose of the special variation:

A special variation designed to address a council's longer term financial position (eg. to provide additional funding for infrastructure maintenance and renewal) should be sought on an ongoing basis, where tis need can be justified.

Council at the meeting of 9 March 2009 resolved to make application for a 5% special rate variation for infrastructure works to be applied to residential, farmland and mining categories only. The special variation will not be applied to business properties. Should the application be successful it will provide additional income of \$473,865 and will be applied to road improvements of \$376,365 per annum, \$75,000 for community buildings and \$22,500 for the purchase of new library resources.

The following table is included in the 2009/10 to 2011/12 Management Plan:

PROPOSED INFRASTRUCTURE LEVY: 5% SPECIAL RATE VARIATION			
SEC 508 (2) OF THE LG ACT 1993			
	2009/10	2010/11	2011/12
ROAD INFRASTRUCTURE			
Sodwalls Tarana Road	\$ 70,000	\$ 160,000	
Rydal Hampton Road	\$ 115,000		
Cox's River Road		\$ 25,000	\$ 40,000
Magpie Hollow Road			\$ 145,000
Reseals - 10mm	\$ 101,365	\$ 101,365	\$ 101,365
Lithgow/ Portland Lanes	\$ 90,000	\$ 90,000	\$ 90,000
TOTAL INFRASTRUCTURE	\$ 376,365	\$ 376,365	\$ 376,365
BUILDINGS			
Crystal Theatre: Major Improvements	\$ 45,000		
Lake Wallace Toilets: Refit & Security	\$ 20,000		
Wallerawang Memorial Hall - Flooring		\$ 45,000	
Civic Ballroom: Repoint Brickwork		\$ 20,000	
Lithgow Pool Amenities			\$ 50,000
Family Historical Society Tank St: Roof			\$ 15,000
General Asset Building Maintenance	\$ 10,000	\$ 10,000	\$ 10,000
TOTAL BUILDING	\$ 75,000	\$ 75,000	\$ 75,000
LIBRARY			
Library Resources	\$ 22,500	\$ 22,500	\$ 22,500
TOTAL LIBRARY	\$ 22,500	\$ 22,500	\$ 22,500
TOTAL EXPENDITURE	\$ 473,865	\$ 473,865	\$ 473,865

ROADS

In order to understand funding principles as it applies to road network management, the IPWEA, through the NSW Roads Directorate undertakes an annual benchmarking survey of all NSW Councils. As a result of the survey and the data collected, various tools become available for Councils to utilize.

The attached Road Management Model is one such tool. The model provides Council's managers with details of current road funding levels and desirable levels of funding to maintain the road network asset in an acceptable condition.

The model is based on a number of assumptions, the key ones being:

- The useful life of a sealed pavement is 12 years for a Regional Rd and 15 years for a local road. (ie the pavement should be bitumen resealed every 12/15 years at a present day average cost of \$31,500/km)
- The useful life of a fully constructed sealed formation is 55 years, at a present day average cost of \$170,000/km. (subject to the above reseal frequency being achieved).
- The useful life of an unsealed gravel pavement is 8 years for a Regional Rd and 12 years for a local road. (ie a gravel pavement should be resheeted each 8/12 years at a present day average cost of \$26,000/km)

The model provides the following key outcomes which are important consideration for budget planning.

1. Resealing of local sealed roads

Total sealed local network of 444.1km at a bitumen reseal frequency of 15 years equates to 29.6km/pa to be resealed at a cost of \$932,610. In 07/08 Council spent \$55,168 on reseals and in 09/10 is proposing to spend \$280,000 plus \$100,000 Infrastructure Levy funds, being a total of \$380,000.

This proposed expenditure leaves a significant shortfall in expenditure of \$552,610

2. Rehabilitation/reconstruction of local sealed roads

Total sealed local network of 444.1km at a rehabilitation frequency of 55 years equates to 8.1km/pa to be rehabilitated at a cost of \$1,372,673. In 07/08, Council spent \$220,671 on rehabilitation/reconstruction and in 09/10 is proposing to spend \$470,000 plus \$185,000 Infrastructure Levy funds, being a total of \$655,000.

This proposed expenditure leaves a significant shortfall in expenditure of \$717,673

3. Gravel resheeting of unsealed roads

Total unsealed local network of 423.8 at a gravel resheeting frequency of 12 years equates to 35.3km/pa to be resheeted at a cost of \$918,233. In 07/08 Council spent \$0 on gravel resheeting and in 09/10 is proposing to spend \$20,000 plus \$90,000 Infrastructure Levy funds, being a total of \$290,000.

This proposed expenditure leaves a significant shortfall in expenditure of \$628,233.

BUILDINGS

Council staff have prepared a ten year works program for its major buildings to identify major works that will need to be undertaken in the coming years. This plan has identified \$4.37M in works required over the next 10 years.

This plan has identified that

Asset	Description (Cost Estimates Highlighted)
1. Civic Ballroom	<p>The present minimal work to the building would be of the order of \$51,000 and should include</p> <ul style="list-style-type: none"> • structural engineer's advice, • replacement of roof structure and rainwater goods to the foyer, • waterproofing cracks to the north tower/wall junction • Replacing the kitchen ceiling.

The eventual total work recommended would be of the order of **\$77,000** and should be completed within the next 5 to 6 years to maintain the useability of the building. We believe that the useful life span of this building in its present form is about 10 to 12 years with diminished function and higher maintenance costs over the years.

For the long term future there are two options being:

1. Modernisation and retention
2. Replacement

Option 1 - Since the finishes and facilities are dated it would be possible to provide substantial improvement with a major renovation. This strategy would retain the shell and refit the whole interior. The aim would be to provide a more flexible facility catering to a larger variety of uses. The benefit to Council would be a broader use base providing a better rental return. This kind of approach would require a budget in the order of **\$1.2m to \$1.5m**

Option 2 - The replacement option would mean the demolition of the present building and replacement with a purpose built, state-of-the-art, convention/function centre. The Showground location would be ideal for a multipurpose building which could be used by the community as well as for imported functions and conventions. This strategy would require a budget of the order of **\$3m to \$5m** depending on size and sophistication of the facilities.

2. Lithgow Pool Buildings	<p>Any proposed upgrade to these facilities must be considered in the context of future plans for a new aquatic centre. However, since any new centre is at least 5 years away, it may be beneficial to consider some improvements of an aesthetic nature. In the first instance Council should allow about \$7,000 for minor works.</p> <p>A notional budget for improvements would be of the order of \$90,000 with a further \$25,000 for gym equipment. (NB: \$15,044 included in 2009/2010)</p>
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3. QE Park toilets	<p>Council should allow \$15,500 for basic upgrading work if a total refit is not possible at this stage.</p> <p>A new unisex disabled/baby change facility would cost of the order of \$50,000 including demolition. And a total refit to the existing facilities would cost of the order of \$30,000.</p>
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Note: Total = \$95,500

4. Pioneer Park Toilets	Replacement
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PROJECT COST.

Demolition	\$6,000
New amenities	\$40,000
Refurbished amenities	\$15,000
Paving	\$8,000
Pergola and bus shelter	\$10,000
Furniture	\$5,500
Planting and irrigation	\$2,000

Project cost	\$86,000
Fees	\$6,500
Total Project Cost.....	say <u>\$95,000</u>

5. Family History Building

Proposed additions, based on drawings dated 30/10/03 would cost of the order of **\$60,000 to \$70,000**. This would include a concrete slab floor on fill matching the present floor level.

A fire proof room measuring 4m x 5m with a compactus to suit would be an additional **\$40,000**. So a **total project** cost of say **\$100,000** should be allowed for this option. Meanwhile council should allow **\$11,500** for basic upgrading work as above.

6. Wallerawang Public Toilets – Daintree Lane

Demolish and re-locate - **\$200,000**

7. Lake Wallace Amenities

Basic upgrade and target hardening - **\$32,000**

8. South Littleton Hall

Option 1 – Demolish = **\$10,000** Option 2 – Demolish and rebuilt with light weight structure **\$300,000 - \$400,000**

9. Endeavour Park Toilets

Refurbish - **\$150,000**

10. Wallerawang Memorial Hall.

Replace floor and general asset improvement - **\$80,000**

11. Crystal Theatre

Complete all stages of work **\$200,000 - \$300,000**

12. Ashley Grandstand

Minimal program of works if unsuccessful with RLCIP funding **\$460,000**

13. Tennis Clubhouse

Basic refurbishment - **\$50,000**

14. Kremer Park

Grandstand – basic refurbishment **\$10,000** & Amenities – basic upgrade **\$50,000**

15. Wallerawang Oval

Grandstand – basic refurbishment **\$10,000** & Amenities – basic upgrade **\$50,000**

16. Hermitage Hall

Basic refurbishment - **\$10,000**

17. Vale Hall

Basic refurbishment - **\$10,000**

18. Vale Toilets

Basic refurbishment - **\$20,000**

19. Marjorie Jackson Buildings and Amenities

Basic refurbishment - **\$50,000**

20. Capertee Park Toilets

Basic refurbishment - **\$10,000**

21. Zig Zag Toilets

Basic refurbishment - **\$80,000**

22. New Public Toilets Lithgow CBD

Replace parents room in Railway building - **\$200,000**

23. Cemetery Buildings

Basic refurbishment - **\$20,000**

24. Depot Buildings

Basic refurbishment pending move to new depot **\$50,000 plus \$45,000 allocated in 2009/2010**

25. Lake Lyell Amenities

Basic refurbishment - **\$30,000**

26. Glen Davis Park Amenities

Basic refurbishment - **\$10,000**

27. Administration Centre

Internal Alterations **\$75,000** – Basic Refurbishment - **\$600,000**

28. Union Theatre

Dressing Rooms - **\$500,000** – Refurbish outside Balcony area - **\$200,000**

29. Red Cross Building

Refurbishment - **\$50,000**

30. Learning Centre

Repaint - **\$20,000**

GENERAL RATES:

The Minister for Local Government, under the rate pegging legislation, announced on Friday 3 April 2009 the permitted increase to General Fund for 2009/10 will be 3.5%. The rate pegging limit has been reflected in the Management Plan and will provide additional income of \$331,706 the General rate income received in 2008/09.

As required by legislation Council has included two rating models in the Draft Management Plan. Both models endeavour to set a rating structure which would be favourable to all rating categories. Should any category show a notable variation this may be due to the number of land sales in that particular area or fluctuations in land valuations but Council has pursued an option to provide a rating structure which 'smooths' out any dramatic rate burden on any one area.

Option 1:**Rating Model including a Special Variation to the Ordinary Rate for Infrastructure Improvements**

Option 1 allows for the Special Rate application income and expenditure of \$473,865 predicting the Minister for Local Government will approve the application for a special rate variation of 5%, as well as an increase of \$10 on the 2008/09 base rate and an increase of 3.5% on the ad valorem rate for rate pegging.

Residential			
	Base Amount (\$)	Ad Valorem Amount (c in the \$)	Total Yield (\$)
Lithgow	\$235	0.00522990	\$ 3,001,269.14
Wallerawang	\$205	0.00342000	\$ 379,242.14
Portland	\$205	0.00342000	\$ 367,616.78
Strathlone/Littleton	\$235	0.00522990	\$ 364,000.68
Lidsdale	\$235	0.00522990	\$ 75,484.34
Marrangaroo	\$235	0.00522990	\$ 93,329.23
General	\$165	0.00286500	\$ 1,314,448.81
Farmland			
Intense Use	\$305	0.00250850	\$ 184,210.59
Farmland	\$305	0.00250850	\$ 1,218,568.30
Business			
Lithgow	\$330	0.01967300	\$ 1,186,441.06
Wallerawang	\$330	0.01154500	\$ 93,416.02
Portland	\$330	0.01154500	\$ 29,736.99
Lidsdale	\$225	0.01963000	\$ 4,887.60
General	\$225	0.00392200	\$ 123,311.94
Mining			
Coal Mines	\$8,055	0.1126502	\$ 1,640,102.00
Total Estimated Yield			\$ 10,076,074.85

Option 2:**Rating Model without the inclusion of a Special Variation to the Ordinary Rate**

Rating Model 2 details the identical proposed works program as Rating Model 1 with the exception of income and expenditure of \$473,865 should the Minister for Local Government *not approve* the application for a special rate variation of 5%. The model increases the General rate by \$10 on the 2008/09 base rate and an increase of 3.5% for rate pegging has been applied to the ad valorem rate.

It should be noted that by adjusting the base rate the effect is even across all properties, by adjusting the rate in the dollar the effect is evident on properties with high valuations.

Residential			
	Base Amount (\$)	Ad Valorem Amount (\$)	Total Yield (\$)
Lithgow	\$235	0.00481000	\$ 2,850,880.67
Wallerawang	\$205	0.00312500	\$ 360,948.07
Portland	\$205	0.00312500	\$ 352,067.59
Strathlone/Littleton	\$235	0.00481000	\$ 343,020.88
Lidsdale	\$235	0.00481000	\$ 71,857.77
Marrangaroo	\$235	0.00481000	\$ 87,458.61
General	\$165	0.00266200	\$ 1,245,877.16
Farmland			
Intense Use	\$305	0.00233600	\$ 173,955.11
Farmland	\$305	0.00233600	\$ 1,157,088.00
Business			
Lithgow	\$330	0.01969000	\$ 1,187,384.66
Wallerawang	\$330	0.01155500	\$ 93,486.76
Portland	\$330	0.01155500	\$ 29,753.29
Lidsdale	\$225	0.01969000	4,900.47
General	\$225	0.00392200	\$ 123,311.94
Mining			
Coal Mines	\$8,055	010379407	1520218.63
Total Estimated Yield			\$ 9,602,209.60

It should be noted that by adjusting the base rate the effect is even across all properties, by adjusting the rate in the dollar the effect is evident on properties with high valuations.

As required by Local Government regulations the 'farmland' and 'intensive use' farmland remain the lowest rate in the dollar.

PARKING RATES:

The parking rate will remain at 0.00818c in dollar as an ad valorem rate applied to the valuation of the property. This is unaltered from 2008/09 and will to generate income of \$207,435. The parking rate is charged to indented properties in Railway Pde, Mort and Lithgow Sts and the rate in the \$ has remained unaltered since 2000/01. Should an increase in the parking levy occur on a property this would be attributed to a change in the property valuation.

WASTE CHARGES:

The further development of the waste disposal facility at Blackman's Flat and closure of the existing depots at Lithgow, Capertee, Portland, Wallerawang, Cullen Bullen and Angus Place will be funding during 2009/10 and it is recommended the residential garbage charge be increased by \$14.00 per property from \$273.00 to \$287.00 and no increase to be applied to the business garbage charge.

Waste Charges		
Type	Charge (\$)	Estimated Yield (\$)
Residential	\$287.00	\$2,267,587
Residential 2 nd service	\$287.00	\$2,009
Business per service	\$287.00	\$174,496
Non Rateable	\$287.00	\$61,418
Base – Unoccupied	\$108.00	\$78,084
Base Rural	\$70.00	\$164,430
Total Estimated Yield		\$2,748,024

STORMWATER CHARGES

The following stormwater charges will be levied on all residential and business properties, except those which are vacant land and remain unchanged from the 2008/09 stormwater charges. The levy is used to partly fund the maintenance and improvements to urban drainage and the flood mitigation works at Farmers Creek, Lithgow but it should be noted that the projects also require additional funding from Council in relation to the Farmers Creek flood mitigation works, two thirds of the contribution are sourced from the State and Federal Governments.

Stormwater Charges		
Type	Charge (\$)	Estimated Yield (\$)
Residential	\$25.00	\$147,650
Strata Unit (Residential)	\$12.50	\$1,087
Business	\$25.00 per 350 sq metres or part thereof	\$47,850
Total Estimated Yield		\$196,587

BEST PRACTICE WATER & SEWER PRICING:

Over recent years Council has been progressively implementing Best Practice water and sewer pricing as required by the NSW Government and Department of Land & Water Conservation (DLWC) through the 'Natural Competition Policy' to improve the effectiveness of non – metropolitan water, sewerage and also liquid trade waste services.

Best practice pricing was introduced in NSW to provide the fair sharing of the cost of a utility providing the service. With increasing demand being placed on the finite water resources of NSW it is vital that we use the resources efficiently and the introduction of best practice pricing for water, sewerage and also liquid trade waste is an essential step for achieving these objectives in non metropolitan NSW. Best practice pricing for water and sewerages services provides benefits for all customers, the environment and Council by ensuring water resources are used efficiently.

The purpose of restructuring the water and sewerage charges is to provide an equitable 'Access Charge' (Levy) on the rate notice and 'Usage Charge' which provides a financial benefit to the low water users and imposes a high usage charge on the heavy water users in the community.

Customers benefit from appropriate pricing as they can balance the benefits and costs of their use of water supply and sewerage services. They can make a rational decision on how much water to use or what volume of wastewater a non residential customer discharges to the sewerage system. For example best - practice pricing removes the overcharging of cross sections of the community where some sections are over charged such as a lone pensioner in a household and others undercharged such as a family of six.

Council's ultimate aim is to increase income to provide for escalating costs associated with infrastructure improvements and ongoing routine expenditure and the water and sewerage tariffs must raise sufficient annual income to ensure the service is delivered and future infrastructure costs are provided for.

SEWERAGE CHARGES:

During 2009/10 Council will be required to undertake significant capital works particularly on sewerage infrastructure and as shown below over the next three to four years Council will spend \$39,300,000 on new sewerage treatment plants in Lithgow, Wallerawang and Portland. To ensure funding for the projects are met Council needs to raise sewerage charges to a sufficient level to ensure that infrastructure is maintained and redeveloped.

Proposed Sewerage Capital Works									
PROJECT	EXPENDITURE				FUNDING SOURCES				
	09/10	10/11	11/12 +	TOTAL EXP	GRANT FUNDS			LOANS / RESERVES	TOTAL INC
	\$'000	\$'000	\$'000	\$'000	Dept Com: 39%	SCA	Total Grants	Total Loans / Res	\$'000
Lithgow: STP	\$10,000	\$11,300		\$21,300	\$7,527	\$1,300	\$8,827	\$12,473	\$21,300
W'wang: STP	\$3,000	\$2,500	\$2,500	\$8,000	\$2,808	\$700	\$3,508	\$4,492	\$8,000
Portland: STP		\$400	\$9,600	\$10,000	\$Nil	\$0	\$Nil	\$10,000	\$10,000
TOTAL	\$13,000	\$14,200	\$12,100	\$39,300	\$10,335	\$2,000	\$12,335	\$26,965	\$39,300

The following residential and business sewerage access charges will be levied on all rateable and non rateable properties which are connected to or are within 50 metres of Council's reticulated sewerage system:

Sewerage Access Charge		
Type	Charge (\$)	Estimated Yield (\$)
Residential	\$339	\$2,387,577
Business (main size):		
200mm	\$1,660	\$1,660
100mm	\$840	\$22,680
50mm	\$740	\$58,460
20mm	\$560	\$227,360
Total Estimated Yield		\$2,697,737

Sewerage usage charges are levied on all properties using Council's reticulated sewerage system:

Sewerage Usage Charges	
Type	Charge (\$)
Residential	\$143
Business (95% of water usage) @	\$1.03 / kl

WATER CHARGES:

Proposed Water Capital Works								
PROJECT	EXPENDITURE				FUNDING SOURCES			
	09/10	10/11	11/12 +	TOTAL EXP	GRANT FUNDS		LOANS / RESERVES	TOTAL INC
	\$'000	\$'000	\$'000	\$'000	State Govt	Total Grants	Total Loans/ Res	\$'000
Clarence Trans S/Bowen Res	\$2,350	\$2,000		\$4,350	\$4,350	\$4,350	\$0	\$4,350
Reservoirs Mains Renewal		\$945		\$945	\$0	\$0	\$945	\$945
		\$230	\$500	\$730		\$0	\$1,170	\$1,170
		\$977	\$600	\$1,577	\$0	\$0	\$2,177	\$2,177
TOTAL	\$2,350	\$4,152	\$1,100	\$7,602	\$4,350	\$4,350	\$4,292	\$8,642

The following residential or business water availability charge will be levied on all rateable and non rateable properties which are connected to or within 50 metres of Council's reticulated water supply system:

Water Access Charge		
Type	Charge (\$)	Estimated Yield (\$)
Residential	\$236	\$1,796,904
Business (main size):		
200mm	\$1,660	\$1,660
100mm	\$840	\$22,680
50mm	\$740	\$57,720
20mm	\$560	\$229,600
Total Estimated Yield		\$2,108,564

Water usage charges will be levied on all properties using Council's reticulated water supply system. The water allowance for the first tier tariff has reduced from 500kl to 450kl and will be charged at \$1.02 per kl and increase of 0.14c per kl from 0.88c charged in 2008/09. The tariff for the second tier, ie all water consumed over 450kl, remains unchanged at \$1.76.:

Water Usage Charges	
Kilolitres Used	Charge (\$)
0 – 450	\$1.02 per kl
450+	\$1.76 per kl

INTEREST CHARGES ON OUTSTANDING PROPERTY BALANCES:

Interest to be charged on rate and water arrears has been determined by the Department of Local Government at 9%.

CAPITAL PROJECTS & DISCRETIONARY EXPENDITURE:

To highlight major Capital projects & discretionary expenditure in the Draft Management Plan they may be summarised as:

OPERATIONS:

\$ 55,000	Bridge Improvements
\$ 120,000	Drainage
\$ 30,000	Kerb & Guttering
\$ 35,000	Footpath Construction
\$ 60,000	Rural Road Reseals
\$ 200,000	Gravel Resheeting
\$ 440,000	RTA 3x3 / Repair / Block
\$ 470,000	Roads to Recovery
\$ 475,000	Special Rate Levy
\$ 200,000	Urban Road Reseals
\$ 50,000	Main St Pavers
\$ 176,000	Operations Miscellaneous
\$ 50,000	Floodplain Management

RECREATION:

\$ 20,000	Playground equipment
\$ 8,000	Endeavour Parl Picnic Equipment
\$ 10,000	Lake Lyell
\$ 32,000	Wallerawang Netball
\$ 30,000	Cricket Practice Nets
\$ 5,000	Endeavour Park BBQ
\$ 5,000	QE Park BBQ
\$ 40,000	HW Rd & other lookouts

BUILDING:

\$ 75,000	Admin Building
\$ 40,000	Council Buildings trade waste requirements
\$ 75,000	Public Toilets construction
\$ 20,000	Eskbank House flooring
\$ 15,000	Swimming Pool amenities
\$ 10,000	Glen Davis Toilets
\$ 13,000	Golf Club Improvements
\$ 12,000	Lake Wallace Improvements
\$ 7,000	SES Shed
\$529,000	RLCIP Grant
\$102,000	Depot Improvements
\$130,000	EPA Requirement depot fuel bowsers
\$ 96,000	Future infrastructure works

PLANNING:

\$ 40,000	Open Space Study
\$ 20,000	Heritage Study Planning
\$ 20,000	Finalise LEP
\$126,000	Additional strategic studies

COMMUNITY:

\$198,000	Community Incentive programs
\$ 85,000	Donations

LOANS:

In 2009/10 Council intends to borrow \$5,450,000 to complete detailed design, tender and construct Stage 2 augmentation of the Lithgow Sewerage Treatment Plant and \$1,480,000 to complete the detailed design, tender and commence augmentation of the Wallerawang Sewerage Treatment Plant.

Total loan borrowing program for 2009/10 is \$6,930,000.

DEPRECIATION:

Council's treatment of depreciation has altered in this Management Plan to previous plans. Council had previously 'cash funded' depreciation, this draft Management Plan reflects Council's injection of the depreciable value, \$3,871,506 back into infrastructure improvements.

SUPERANNUATION SHORTFALL

It was previously reported to Council that advice received from the Local Government Superannuation Scheme (LGSS) that there is a shortfall in employer superannuation contribution rates.

The initial advised rates represented a substantial increase, an additional \$486,000, in contributions compared to previous years and will have a very serious impact on Council's operating budget, and the respective funds, i.e. water, sewer and waste. The LGSS has since met and decided to meet the shortfall over a 10 year period rather than a 5 year period. This will see Council's contribution rate reduce to \$345,000.

The budget was initially prepared on a balanced basis. Staff have revisited the budget to determine how this additional amount may be accommodated with the following being proposed.

General Fund	268,000
Water	31,000
Sewer	31,000
Domestic Waste	15,000
Total	345,000

The effect that this will have on each respective budget will be:

General Fund	
Reserves	222,000
Rate Pegging	46,000
Total	268,000

Council initially budgeted for a 3% rate pegging increase. With the announced 3.5% increase Council the additional 0.5% will provide approximately an additional \$46,000 in revenue. Council also was providing for reserves for workers compensation and infrastructure. The amounts previously highlighted to be transferred to these reserves has been reduced to accommodate the superannuation shortfall.

Water

An additional two cents per kilolitre charge will be required to pay for the superannuation shortfall for this fund.

Sewer

An additional \$5 charge will be required to pay for the superannuation shortfall for this fund.

Waste

No change to charges proposed.

As advised previously Council is obliged under Commonwealth Superannuation Guarantee legislation to make payments into the scheme on behalf of employees.

POLICY IMPLICATIONS

NIL

FINANCIAL IMPLICATIONS

Funding for the Draft Management Plan preparation and exhibition is provided in the 2008/09 Recurrent Budget.

The financial implications of the Draft Management Plan 2009/10 – 2011/12 are detailed in the budgets provided.

LEGAL IMPLICATIONS

The Local Government Act 1993 and Local Government (General) Regulation 2005 outlines requirements for the preparation, exhibition and adoption of management plans. The Draft Management Plan must be exhibited for a minimum period of 28 days.

MOVED**THAT:**

1. The Draft management Plan 2009/2010 - 2011/2012 be placed on public exhibition for a minimum period of 28 days excluding Option 1 with Special Rate Variation to the Ordinary Rate.
2. Closing Date for submissions be Monday 11th May 2009

MOVED: Councillor M F Ticehurst**SECONDED:** NILThere being no seconder to the Motion, the motion **LAPSED**.**09-144 RESOLVED****THAT:**

1. The Draft Management Plan 2009/10 – 2011/12 be placed on public exhibition for a minimum period of 28 days.
2. Closing date for public submissions be Friday 15 May 2009.

MOVED: Councillor R Thompson**SECONDED:** Councillor H K Fisher.**CARRIED**

Councillor M F Ticehurst requested that his name be recorded against the motion.

The meeting closed at 7.25pm.