

SHOALHAVEN CITY COUNCIL

E X T R A – O R D I N A R Y M E E T I N G

To be held on Thursday, 7 March, 2013
Commencing at the conclusion of the Policy and Resources Committee (which commences at 4.00 pm).

City Administrative Centre
Bridge Road
NOWRA NSW 2541

4 March, 2013

Councillors,

NOTICE OF MEETING

You are hereby requested to attend the Extra-Ordinary Meeting of the Council of the City of Shoalhaven, **to be held in the Council Chambers at the City Administrative Centre, Bridge Road, Nowra on Thursday, 7 March, 2013 commencing at the conclusion of the Policy and Resources Committee (which commences at 4.00 pm)** for consideration of the following business.

R D Pigg
General Manager

Membership
All Councillors

BUSINESS OF MEETING

1. **Apologies / Leave of Absence**
2. **Declarations of Interest**
3. **Report of the General Manager**
 - Finance & Corporate Services – Special Variation – General Rate Increase 2013/2014 – Community Consultation
 - City Services & Operations – Tender – Ulladulla Civic Centre Library & Visitors Centre
4. **Confidential Report of the General Manager**
 - City Services & Operations – Tender – Ulladulla Civic Centre Library & Visitors Centre

Note:- This meeting has been called in accordance with section 366 of the Local Government Act.

Cell Phones:

Council's Code of Meeting Practice states that "All cell phones are to be turned off for the duration of the meeting".

LOCAL GOVERNMENT ACT 1993

Chapter 3

Section 8(1) - The Council's Charter

(1) The council has the following charter:

- to provide directly or on behalf of other levels of government, after due consultation, adequate, equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively
- to exercise community leadership
- to exercise its functions in a manner that is consistent with and actively promotes the principles of multiculturalism
- to promote and to provide and plan for the needs of children
- to properly manage, develop, protect, restore, enhance and conserve the environment of the area for which it is responsible, in a manner that is consistent with and promotes the principles of ecologically sustainable development
- to have regard to the long term and cumulative effects of its decisions
- to bear in mind that it is the custodian and trustee of public assets and to effectively account for and manage the assets for which it is responsible
- to facilitate the involvement of councillors, members of the public, users of facilities and services and council staff in the development, improvement and co-ordination of local government
- to raise funds for local purposes by the fair imposition of rates, charges and fees, by income earned from investments and, when appropriate, by borrowings and grants
- to keep the local community and the State government (and through it, the wider community) informed about its activities
- to ensure that, in the exercise of its regulatory functions, it acts consistently and without bias, particularly where an activity of the council is affected
- to be a responsible employer.

REPORT OF GENERAL MANAGER

EXTRA ORDINARY MEETING

THURSDAY, 7 MARCH 2013

FINANCE AND CORPORATE SERVICES

1. Special Variation - General Rates Increase 2013/2014 - Community Consultation **File 46813E**

PURPOSE: Delivery Program Activity: 4.5.1.15

Review and implement Council's Revenue Policy in accordance with statutory requirements

RECOMMENDED that Council proceed with an application under Section 508 (2) of the Local Government Act (1993) to the Independent Pricing and Regulatory Tribunal (IPART) to increase rates by a total amount of 8% in 2013/14.

OPTIONS

1. Adopt the above recommendation
2. Council not proceed with an application to IPART for a Special Variation.

DETAILS

Council at its meeting held 13th December 2012, resolved as follows:

Council notify the Division of Local Government and Independent Pricing & Regulatory Tribunal (IPART) of its intention to apply for a Special Variation to increase General Rates by a total amount of 8% in 2013/14.

This resolution was part of a suite of changes to Council's financial strategy recommended by the Financial Strategy Sub-Committee to address the projected financial deficit results Council was facing over the next 10 years as indicated in its Resourcing Strategy.

The Independent Pricing & Regulatory Tribunal (IPART) is the body responsible for making determinations on applications by NSW Local Government to increase rates by more than the statutory rate-pegging limit. In 2013/14, IPART have determined that the statutory rate-pegging limit in NSW is 3.6%. Council has indicated to IPART that it wishes to increase rates by 8% in 2013/14, and therefore needs to officially resolve whether it intends to proceed with this strategy and submit a Special Variation application by Monday 11th March 2013.

Council has further resolved that it intends to allocate the additional funding received from the Special Variation as follows:

a) \$1,800,000 from the rate rise be allocated to the following road renewal projects

- Currarong Road (5.6km to 6.8km from Coonemia Road) - \$624,000
- Jindy Andy Lane (0.0km to 0.7km from Comerong Is Road) - \$364,000
- Quinns Lane (0.4km to 0.8km from Princes Highway) - \$512,000
- Lake Conjola Entrance Road (within tourist park) - \$300,000
- Orient Point Roadworks (amount to specified)

b) \$500,000 from the rate rise be allocated to the following path projects

- Woollamia Road (community) path - \$200,000
- Princes Highway (south of Canberra Cres) path - \$90,000 in lieu of using Roads to Recovery funding (Refer to Minute13.25)
- Berry Street Nowra path – replace old concrete and asphalt sections between Emporium Lane and Worrigea Street - \$210,000

If Council chose to proceed with an application to increase rates by 8% in 2013/14, an extensive amount of information will be provided to IPART addressing the following criteria:

- 1 The need for the variation
- 2 The community engagement
- 3 Rating structure and its impact on ratepayers
- 4 Delivery Program & Long Term Financial Plan assumptions
- 5 Productivity improvements and cost containment strategies

In regard to the above criteria, Council has been previously briefed on much of the background to the Special Variation application.

In summary, Council needs the Special Variation to address the shortfall in funds being allocated to renew and maintain its infrastructure assets as identified in Special Schedule 7 of its Annual Financial Statements and in its Asset Management Plans for each category of assets.

Council's Resourcing Strategy has identified a significant shortfall in funds over the next 10 years, and a combination of increased revenue and operating cost reductions are required to address this shortfall.

An increase in General Rates of 8% would cost the average residential ratepayer approximately \$70 per year, (\$30 would be the increase if Council kept to the rate-pegging limit).

Other cost containment measures have been introduced by Council to assist in addressing the projected future deficits. These measures include undertaking an organisational structure review, examining delivery methods for a wide range of Council services, reducing the size of Council's fleet and examining other services levels currently provided by Council.

FINANCIAL IMPLICATIONS:

A Special Variation to increase Council's revenue received from General Rates by a total of 8% in 2013/14 would deliver an additional \$2.35 million above the revenue that would be received from a 3.6% increase received under rate-pegging. After increasing rates by

8% in 2013/14, if Council chose to then increase rates in following years by the rate-pegging amount, this additional \$2.35 million would remain in Council's rate base, and would be available for further investment in works to renew existing infrastructure every year from that time onward.

COMMUNITY ENGAGEMENT:

- # Council released a Discussion Paper in regard to the Special Variation (Annexure 1) which set out the reasons why a Special Variation was being sought and invited the community to comment on the proposal.

The Discussion Paper was sent to all Community Consultative Bodies for comment, was available at all Council Administrative Buildings, Libraries & Leisure Centres, and was displayed prominently on Council's website for the information of the community.

- # The local media have run numerous stories in regard to Council's intention to apply for a Special Variation (Annexure 2) and this should have led to a heightened awareness in the community of Council's potential move to increase rates by more than the rate-pegging limit.

Council convened a meeting of the Community Consultative Bodies executives on Friday 22nd February 2013 where a detailed presentation on the issue was given to all CCB executives present, and a lengthy question and answer segment was held.

- # A table of submissions received from the community is attached (Annexure 3). A total of 50 submissions were received in relation to this issue. In broad terms, 16 submissions were in support of the Special Variation and 34 submissions were against the Special Variation (32% for and 68% against).

The submissions against the Special Variation application were mostly on the issues of affordability and the need for Council to improve the way in which it currently delivers its works programmes. These submissions indicated that parts of the City population are "doing it tough" through increases in the cost of living, and a further impost through a larger than normal rate increase would make it even more difficult "to make ends meet". The comments in regard to Council's present expenditure of ratepayer funds were suggesting that other more efficient ways of delivery should be investigated to save money, and this should be done before ratepayers are asked to pay higher rates.

The submissions for the Special Variation application in the main agreed that more funding needed to be allocated to infrastructure assets if they were to be improved. Some indicated that roads was a greater priority than cycleways or pathways. Some indicated that it was important to address the problems on a city wide basis ensuring that all parts of the city benefited from the increased expenditure.

- # All submissions received in regard to this issue have been copied and included in Councillors Information Folder.

CONCLUSION

Council needs to resolve at this Extra Ordinary meeting whether it intends to proceed with an application to IPART to increase General Rates in 2013/14 by a total of 8%. This decision needs to be made as the cut-off date for this application is Monday 11th March 2013.

If Council chooses to proceed with this Special Variation application, the Delivery Program & Operational Plan will be prepared with 2 separate scenarios for Revenue Policy (one with the 8% increase and one with a 3.6% increase) and 2 different Capital Works Programmes (one with the additional works and one without).

It is expected that IPART will not advise Council of its final decision on the Special Variation until early June 2013, therefore the Delivery Program & Operational Plan will be on public exhibition for most of May 2013 with the above 2 scenarios included.

It is possible for Council (after the period of public consultation in May 2013) to resolve to not proceed with the Special Variation even if IPART consents to the increase. There is still plenty of opportunity for those members of the community who may be opposed to this rate increase to “have their say” and let Council know of their views. The statutory process being followed allows more community consultation before a final determination must be made by Council at its Ordinary Meeting scheduled for 21 June 2013.

P.J. Dun

DIRECTOR FINANCE AND CORPORATE SERVICES

R.D Pigg

GENERAL MANAGER

REPORT OF GENERAL MANAGER

EXTRA-ORDINARY MEETING

THURSDAY, 7 MARCH, 2013

CITY SERVICES AND OPERATIONS

2. Tender - Ulladulla Civic Centre Library & Visitors Centre

File 46369E

PURPOSE: Delivery Program Activity: 1.3.3.1 – Implement renewal projects under the Capital Works and other programs.

To inform the Council on Tender results for the Construction of Ulladulla Civic Centre Library & Visitors Centre redevelopment.

In accordance with Section 10A(2)(d)(i) of the Local Government Act 1993 some information should remain confidential as it would if disclosed prejudice the commercial position of the person who supplied it, and will be considered under a separate confidential report.

RECOMMENDED that in accordance with Section 10(2)(d)(i) of the Local Government Act 1993, Council consider a separate confidential report on the Tender for the Ulladulla Civic Centre Library & Visitors Centre.

OPTIONS

1. Council accept the recommendation as presented.
2. Council amend the recommendation.
3. Council not accept the recommendation, giving reasons and propose an alternative resolution.

DETAILS

Council called tenders for the construction of the Ulladulla Civic Centre Library & Visitors Centre, and nine (9) tenders were received as below:

No.	Tenderer	District
1	Ablock Builders Pty Ltd	Shoalhaven
2	Batmac Constructions Pty Ltd	Shoalhaven
3	BG Construction Management	Victoria
4	Edwards Constructions (NSW) Pty Ltd	Shoalhaven & Batemans Bay

5	Hines Constructions Pty Ltd	Bathurst
6	Lotus Folding Doors & Walls Pty Ltd	Sydney & Victoria
7	Manteena Pty Ltd	Canberra & Wollongong
8	Momentum Built Pty Ltd	Sydney
9	Zauner Construction Pty Ltd	Albury & Shoalhaven

Tenders were evaluated against criteria established in the tender document, and will be discussed in the Confidential report.

Council proceeded to tender following Council Minute MIN12.1127D, in October 2012 which states that Council:

“d) Proceed with plans as discussed at the Councillor Briefing for the Ulladulla Civic Centre 937026E.”

A risk analysis was undertaken by staff considering the Development Approvals process running in parallel with the tender process, and it was recognised that having conducted two (2) Development Assessment Unit meetings, it was unlikely there would be any unknown elements that could not be managed in a contract by variations that the general conditions of contract provide. If however, Development Approval led to more than 10% cost of the contract value, the General Manager would report the result to Council.

Although the project had been the subject of considerable Community Consultation, it was decided to hold an information session on 7 December 2012 which invoked some changes from the significant amount of consistency in the public submissions received.

During the Tender Period, and following the above public information session, Council at its meeting of 14 December 2012 resolved that (MIN12.1386):

- “a) Council support the following design amendments to the Ulladulla Civic Centre, Library and Tourist Information Centre development plans:*
- i. Amend the colour of the external colours to allow more uniform aesthetics;*
 - ii. Subject to meeting compliance of Part J of the Building Code of Australia, Council staff to review increasing the glazing in the curved wall for a more expansive view of the harbour which may require the incorporation of a formal shade structure to the entry court;*
 - iii. Incorporate a cut Milton monzonite or sandstone stone work wall facade to the curved wall to link with the stone design of the neighbouring church and the Ulladulla location sign;*
 - iv. Provide carpet in the Civic Centre up to the timber joint.*
- b) The amended plans are provided to Development Services for reporting to the Joint Regional Planning Panel (JRPP); and*
- c) Council acknowledge that the amended plans have been considered as part of the verbal comments received during the information session and that the*

submissions received will be assessed and reported separately to the JRPP via Council's Development Services Group."

FINANCIAL IMPLICATIONS:

The project's full scope of work including options as previously determined by Council fit within prescriptive budget limitations.

COMMUNITY ENGAGEMENT:

The Ulladulla Civic Centre Library & Visitors Centre Redevelopment has a long history of community consultation with some details as outlined below:

Date	Activity
12.12.12	Council resolved to amend design aspects of proposal as a result of the December Community Consultation and responses made to the Regional Application on exhibit.
7.12.12	Council provided an Information Session at the Ulladulla Civic Centre which was aligned to the approval application public exhibit closing on 14 December 2012.
26.10.12	New Council endorsed project. Proceed with plans as discussed at the Councillor Briefing for the Ulladulla Civic Centre
3.12.12	Proceed with Project Council proceed to detailed design for the redevelopment of the Ulladulla Civic Centre, Library and Tourist Information Centre and that the detailed design include the additional options discussed in the report; An increase in project budget from \$8 Million to \$10 Million be considered as part of the 2012/13 budget review process.
28.02.12	Community Consultation results Council present the results of the community consultation process to the Ulladulla Civic Centre & Library Redevelopment Project Steering Panel to prioritise any change to the concept plans;

The further consultation process be completed and the architects advice and preliminary cost estimates be reported to Council in March 2012;

In response to any recommendations of the Ulladulla Civic Centre & Library Redevelopment Project Steering Panel Council further consider all funding options as part of the 2012/2013 Delivery Program and Operational Plan;

Council supports the basic principles of the Plan and provide for:

- adequate toilet facilities,
- stage and change rooms,
- wet area bar,

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- contemporary acoustic ceiling,
 - multi functional grand entrance at street level,
 - exclude the “cave” from the Library,
 - at least two accessible toilets available at street level

when Council does tender, seek optional costing on:

- stage dressing rooms,
- manual stage extension,
- decommissioning of the downstairs kitchen, reline and wire as a genealogy room,
- zoned air conditioning

Council work with Family History seeking grant funding for suitable storage solutions;

In the event this matter is reported to Council in March the meeting be held in Ulladulla.

Note: 250 responses received (13 responses said the Visitors Centre should be bigger)

27.10.11 Project Budget Increase

Council increase the budget allocation for the Ulladulla Civic Centre, Library and Tourist Information Centre redevelopment project to \$8m.

The additional budget of \$2.9m be funded from borrowing and Council make adjustments to the 2012/13 budget and ‘out years’ in the long term financial plan (LTFP) to maintain a balanced budget result.

An Option 4a be identified as the preferred option for delivery to the value of \$8m.

Additional embellishments including senior level upgrade, landscaping and reduction of original option 4 be identified as an option 4b for possible future staging or grant applications.

20.09.11 Adoption of Project Steering Panel

The Ulladulla Civic Centre & Library Redevelopment Project Steering Panel was formed.

To provide guidance and comment to the appointed architect during consultation for the future design of the Ulladulla Civic Centre & Library redevelopment project.

21.12.11 Consideration of Community consultation:

Note the community consultation summary for information.

Endorse the attached draft design brief and proceed to seek quotations for the design of the redevelopment of the Ulladulla Civic Centre and Library site; and

Accept the implementation process and appointment of a project steering panel as a fair, equitable and transparent guide to architect appointment and project oversight;

Appoint 4 community representatives to the steering panel (including Youth Advisory Committee).

9.02.10 Decision to Investigate

Council undertake an investigation into the feasibility of upgrading the Ulladulla Civic Centre and the construction of a new attached or detached Library.

That the investigations include the following:

1. The conversion of the existing Library to a Tourist Centre/Cafe.
2. The relocation of the existing kitchen facility into a newly constructed extension on the South-Western side of the Auditorium and the upgrade of the stage area.

That the investigations regarding the Library include the possibility of a staged attached extension of the Civic Centre on the western side or as an alternative the staged construction of a freestanding building located on the North Western side of the Civic Centre.

The matter be further considered at the Councillor Workshop scheduled for 18 March 2010.

21.12.09 Site Masterplan

The upgrade of the Ulladulla Civic Centre be deferred pending a Councillor Workshop to determine a Masterplan for the site, incorporating the Ulladulla Civic Centre, Ulladulla Library, Ulladulla Visitor Information Centre, Bus Interchange and Café;

Subject to the results of the Councillor Workshop, public consultation be undertaken.

C W Harris
ACTING DIRECTOR CITY SERVICES & OPERATIONS

R.D Pigg
GENERAL MANAGER

CONFIDENTIAL BUSINESS PAPER AGENDA

CITY SERVICES & OPERATIONS

1. Ulladulla Civic Centre Library & Visitors Centre Tender

Reason

Section 10A(2)(d)(i) - Commercial information of a confidential nature that would if disclosed prejudice the commercial position of the person who supplied it.

Pursuant to Section 10A(4) the public will be invited to make representation to the Council meeting before any part of the meeting is closed, as to whether that part of the meeting should be closed.