

# SPECIAL COUNCIL AGENDA

## MONDAY, 5 JULY 2010



### GLENORCHY CITY COUNCIL

\* *The General Manager certifies that the reports contained in this Agenda have been written by qualified persons under Section 65 of the Local Government Act 1993.*

**Hour:** 6.00 p.m.

**Present:**

**In attendance:**

**Leave of Absence:**

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**1. APOLOGIES**

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**2. PECUNIARY INTEREST NOTIFICATION**

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# ORGANISATION

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### **3. RATES FOR YEAR ENDED 30TH JUNE 2011**

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Author: General Manager (Frank Pearce)

Qualified Person: General Manager (Frank Pearce)

File Reference: Annual Budget 2010/2011

#### **Community Plan Reference:**

This item discusses a corporate management/governance issue. Since the Community Plan is outwardly focussed, there is no applicable reference to this matter.

#### **Strategic or Annual Plan Reference:**

4.2.1 Manage the Council's finances to ensure sustainable service delivery through a planned approach to the funding of Council's short and long term operations.

#### **Reporting Brief:**

To enable the Glenorchy City Council (GCC) to approve:

- The Rates that will be levied for the year ended 30th June 2011.

#### **Proposal in Detail:**

The Budget Workshop on 12th April 2010 presented Aldermen with a report on differential rating. Council subsequently adopted differential rating on the 24th May 2010. At the Council meeting on Monday, 21st June 2010 the Council passed a resolution to adopt the budget for the 2010/2011 financial year. However at this meeting the Council was unable to set the recommended differential rate in the dollar to be applied to properties within the City.

At a special Workshop on Monday, 28th June 2010, to facilitate how differential rating could be applied, management provided ten rating options that applied various differential rating scenarios for the Aldermen's consideration. In addition management also provided details on State Treasury's reduction in pension remission that takes Effect from 1st July 2010.

Within each option management presented:

- Dollar shift of rates burden between different property sectors as a reduction in rates charges for that sector.
- General rates cents-in-the-dollar for residential and commercial properties
- Affected Pensioners – Total number of pensioners who are affected by the change to pensioner remissions rebate.
- the impact upon Pensioners due to the combination of:
  - the application of differential rating; and
  - State Treasury's reduction in pension remission.

Also at the workshop there were discussions concerning the implementation of differential rating. Following on from the Workshop discussions, management has recommended within this report that Council adopt differential rating without applying a discount to any sector for the 2010/11 financial year. This option has been factored into the cents-in-the dollar in the recommendation below.

The Workshop also discussed the need to undertake further consultation in relation to the implementation of Council's differential rating policy. Over the next year, management will develop and provide a procedural framework that will guide Council with respect to applying the appropriate discount to the various differential rating factors.

Section 90(1) of the *Local Government Act 1993* provides that the Council after adoption of the budget may then proceed to set rates in order to give effect to the estimates in that particular financial year.

In order to adopt the rating recommendations of this report the Council needs to overturn by absolute majority several of the rating decisions made at the 21st June 2010 Council meeting. Local Government (Meeting Procedures) Regulation 18 sets out the requirements for a motion to be overturned. The motions to be overturned are:

1. The decision in Agenda Item 14 motion 6 of the Budget report to set a general rate in the dollar and a rate in the dollar for future municipal revaluation fees;  
and
2. The decision in Agenda Item 14 motion 14 of the Budget report to the instalment dates for payment of rates.

These decisions directed that particular ratings actions be taken and no action has yet been carried out to implement them.

**Ratings Conclusion:**

The rating revenue that has already been approved by Council for the 2010/11 budget:

- Supports vital infrastructure management - planned capital and maintenance spending as detailed within the paper;
- Supports the financial sustainability modelling;
- allows the reinstatement of prior year budget cuts to maintenance of \$808,000 that brought about an increase in complaints by discontented rate payers.

**Consultations:**

Aldermen through 12 budget workshops  
Executive Leadership Team  
Senior Finance staff

**Human Resource / Financial and Risk Management Implications:**

Rates modelling has shown that the rates reflected in the recommendations will achieve the required revenue levels as shown in the approved budget.

**Community Consultation and Public Relations Implications:**

The budget contains many initiatives designed to benefit the community while also ensuring the organisation addresses issues associated with cash, debt management and the community's infrastructure. In addition the budget and annual plans will receive full coverage in the Glenorchy Gazette.

Over the next year, management will develop and provide a procedural framework that will guide Council with respect to applying the appropriate discount to the various differential rating factors.

**Recommendation:**

**Management recommends to the Glenorchy City Council to approve the following items, as documented within this report:**

- A.** That the following decisions made by the Council at its 21 June 2010 Council meeting be overturned:
6. That pursuant to Section 90(1) of the Act, for the period of 12 months commencing on 1 July 2010 and ending on 30 June 2011 inclusive (here referred to as the "**financial year**"), the Council makes a general rate of 8.3777 cents in the dollar on the assessed annual value (here referred to as the "**AAV**") of all rateable land in the municipal area of Glenorchy and is calculated as follows:
    - a. 8.3213 cents in the dollar for general revenue; and
    - b. 0.0564 cents in the dollar for future municipal revaluation fees.and
  14. Rates levied in accordance with this resolution are payable to the Council by two (2) equal instalments,
    - (a) the first by 16th August 2010
    - (b) the second by 1st February 2011
- B.** That Council adopt the following resolutions to be used in conjunction with the 21st June 2010 Agenda Item 14 resolutions which were adopted:
6. That pursuant to section 89A of the *Local Government Act, 1993* (here referred to as the "**Act**"), values under the *Valuation of Land Act, 2001* be used as a basis of rates; and
    - a. That pursuant to Section 90(1) of the Act, for the period of 12 months commencing on 1st July 2010 and ending on 30th June 2011 inclusive (here referred to as the "**financial year**"), the Council makes a general rate of 7.7118 cents in the dollar on the assessed annual value (here referred to as the "**AAV**") of all rateable land in the municipal area of Glenorchy and is calculated as follows:

- a. 7.6554 cents in the dollar for general revenue; and
  - b. 0.0564 cents in the dollar for future municipal revaluation fees.
- and
- 14. Rates levied in accordance with this resolution are payable to the Council by two (2) equal instalments,
    - (a) the first by 30th August 2010
    - (b) the second by 1st February 2011
  - 15. That during 2010/11 in consultation with the community a procedural framework be developed that will guide Council with respect to applying differential rating.

**Attachments/Annexures**

Nil.

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## **4. WASTE MANAGEMENT CHARGES FOR THE YEAR ENDED 30TH JUNE 2011**

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Author: Manager - Environment, Planning and Development  
(Greg French)

Qualified Person: Manager - Environment Planning and Development  
(Greg French)

File Reference: Annual Budget

### **Community Plan Reference:**

This item discusses a corporate management/governance issue. Since the Community Plan is outwardly focussed, there is no applicable reference to this matter.

### **Strategic or Annual Plan Reference:**

4.2.1 Manage the Council's finances to ensure sustainable service delivery through a planned approach to the funding of Council's short and long term operations.

### **Reporting Brief:**

To consider the waste management charges for commercial and industrial premises that were included as recommendation 17 of item 14 Operating Budget 2010/11 and Rates and Charges for the Year Ended 30th June 2011 in the report to Council on the 21st June 2010, but were not adopted.

### **Proposal in Detail:**

On the 21st June 2010 Council deferred a decision on the waste management charges for commercial and industrial premises pending a further report on differential rating options. However in doing so Council has not set the charges for the waste management services for those commercial and industrial premises requesting such services.

### **Consultations:**

ELT

### **Human Resource / Financial and Risk Management Implications:**

If these charges are not adopted then Council will not be able to deliver this service that is requested by the commercial and industrial properties.

### **Community Consultation and Public Relations Implications:**

Nil, if adopted.

### **Recommendation:**

1. That pursuant to Section 94(3) of the Act, Council makes variations to the waste management service charge for the period of 12 months commencing on 1st July 2010 and ending on 30th June 2011 inclusive, within the Glenorchy municipal area or within different parts of the Glenorchy municipal area according to the use of land as follows:



- a. in respect to land used for commercial purposes or land used for industrial purposes (which means land used wholly or predominantly for commercial purposes or industrial purposes, and includes all land coded ‘C’ or ‘I’ in the valuation list), where a *mobile recycling bin* service has been provided by Council, the waste management service charge is varied to:

\$211.00	140 litre weekly collection;
\$345.00	240 litre weekly collection;
\$105.60	140 litre fortnightly collection; and
\$172.20	240 litre fortnightly collection.

Pursuant to *Goods and Services Tax Act 1999*, a Goods and Service Tax may be levied on any of the above services.

and

- b. in respect to land used for commercial purposes or land used for industrial purposes, where a *mobile garbage bin* service has been provided by Council, the waste management service charge is varied to:

\$186.80	140 litre weekly collection;
\$320.00	240 litre weekly collection;
\$93.40	140 litre fortnightly collection; and
\$160.20	240 litre fortnightly collection.

Pursuant to *Goods and Services Tax Act 1999*, a Goods and Service Tax may be levied on any of the above services.

**Attachments/Annexures**

Nil.

**CLOSED TO MEMBERS OF THE  
PUBLIC**

# ORGANISATION

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**5. EXEMPTION FOR CHARITABLE PROPERTIES**

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*This item is to be considered at a closed meeting of Council by authority of the Local Government (Meeting Procedures) Regulations 2005 Section 15(2)(j).*