



**The Ordinary Meeting of the
Kawerau District Council will be held
on Tuesday, 27 April 2021
in the Council Chamber commencing
at 9.00am**

AGENDA

GUIDELINES FOR PUBLIC FORUM AT MEETINGS

1. A period of thirty minutes is set aside for a public forum at the start of each Ordinary Council or Standing Committee meeting, which is open to the public. This period may be extended on by a vote by members.
2. Speakers may address meetings on any subject. However, issues raised must not include those subject to legal consideration, or be issues, which are confidential, personal, or the subject of a formal hearing.
3. Each speaker during the public forum is permitted to speak for a maximum of three minutes. However, the Chairperson has the discretion to extend the speaking time.
4. Standing Orders are suspended for the duration of the public forum.
5. Council and Committees, at the conclusion of the public forum, may decide to take appropriate action on any of the issues raised.
6. With the permission of the Chairperson, members may ask questions of speakers during the period reserved for public forum. Questions by members are to be confined to obtaining information or clarification on matters raised by the speaker.

**The Ordinary Meeting of the Kawerau District Council
will be held on Tuesday 30 March 2021
in the Council Chamber commencing at 9.00am**

Present: His Worship the Mayor M J Campbell
Deputy Mayor F K N Tunui
Councillor W Godfery
Councillor B J Julian
Councillor C J Ion
Councillor D Sparks
Councillor A Rangihika
Councillor R G K Savage
Councillor S Kingi

In Attendance: Chief Executive Officer (R George)
Manager, Operations & Services (H van der Merwe)
Manager, Finance & Corporate Services (P Christophers)
Communications Manager (T Humberstone)
Administration Officer (T Barnett)

Apologies

No apologies were received.

Leave of Absence

Resolved

Councillor Ion / Deputy Mayor Tunui

A leave of absence was received from Councillor Godfery for the Regulatory and Services Committee meeting scheduled for Tuesday 13 April 2021.

Opening Prayer

Pastor Mark Kingi opened the meeting with a prayer.

Public Forum

Graham Burke

Has concerns of the safety of residents living next to the Robinson Street alleyway after an incident that could have resulted in serious harm. He would like to Council to investigate options to help keep the residents safe from objects being thrown onto properties from the alleyway.

Action Item:

The Manager, Operations and Services to investigate and liaise with Mr Burke.

Jeanette Tioke

Expressed her interest in the Pavilion being a multi-purpose facility.

Declarations of Conflict of Interest

No Conflict of Interest were declared.

1 CONFIRMATION OF COUNCIL MINUTES

1.1 Ordinary Council – 23 February 2021

Resolved

Councillors Sparks / Savage

That the Minutes of the Ordinary Council meeting held on 23 February 2021 is confirmed as a true and accurate record.

2 CONFIRMATION OF COMMITTEE MINUTES

2.1 Regulatory and Services Committee – 16 March 2021

Correction: Item 5 – Page 7 – The resolution was seconded by Councillor Sparks.

Resolved

Councillors Ion / Rangihika

That the Minutes of the Regulatory and Services Committee meeting held on 16 March 2021 is confirmed as a true and accurate record.

3 Action Schedule (101120)

Resolved

Councillors Kingi / Savage

That the updated Action Schedule of resolutions/actions requested by Council is received.

4 His Worship the Mayor's Report (101400)

Resolved

His Worship the Mayor / Deputy Mayor Tunui

That His Worship the Mayor's report for the period Wednesday, 17 February 2021 to Wednesday, 23 March 2021 is received.

5 Budget Allocations – Storm Water – Manager, Operations and Services (401520)

Council discussed the report 'Budget Allocations – Storm Water'

Resolved**Councillors Julian / Savage**

1. That the report 'Budget Allocations – Storm Water' is received.

2. That Council reallocate unspent funds to the following:

- Storm water Maintenance	\$10,000
- Street Cleaning	\$15,000
- Footpath Replacement	\$75,000

6 Dog Registration Fees 2021/22 (Manager, Operations and Services) (213100)

Council discussed the report 'Dog Registration Fees 2021/22'.

Resolved**Councillors Julian / Ion**

1. That the report 'Dog Registration Fees 2021/22' is received.

2. That Council resolved to set the Dog Registration Fees for 2021/22 as follows:

Neutered Dog	\$35.00
Entire Dog	\$70.00
Late payment penalty – applied 2 August 2021	50% additional to the fee charged
Seizure Fee (at the Dog Control Officers Discretion)	\$80.00
Fee for first impounding	\$80.00
Fee for second impounding	\$110.00
Third and subsequent impounding	\$140.00
Sustenance Fee (Daily)	\$10.00
Microchipping Fee	\$15.00
Replacement Tag Fee	\$5.00
Rehoming Fee	\$10.00

7 Significance and Engagement Policy – Manager, Finance and Corporate Services (103015)

Council discussed the report 'Significance and Engagement Policy' for adoption.

Resolved**Councillors Rangihika / Julian**

1. That the report 'Significance and Engagement Policy' is received.

2. That Council agreed that it has sufficient information about community interests and preferences without consulting in accordance with section 82 of the Local Government Act 2002.

3. *That Council adopts the Significance and Engagement Policy as presented with an effective date of 1 April 2021 with the amendment that KADAP is added to the third Schedule – Consultation Partners.*

Action Item:

The Manager, Finance and Corporate Services to contact Karen Stanton from KADAP to discuss being included in the third Schedule as a Consultation Partner.

8 Adoption of Councils Financial Contributions Policy – Manager, Finance and Corporate Services (110551)

Council discussed the report 'Adoption of Councils Financial Contributions Policy' for adoption.

Resolved

Deputy Mayor Tunui / Councillor Kingi

1. *That the 'Adoption of Councils Financial Contributions Policy' is received.*
2. *That Council adopts the Financial Contributions Policy as presented.*

9 Adoption of Councils Investment and Liability Management Policies – Manager, Finance and Corporate Services (110551)

Council discussed the report 'Adoption of Councils Investment and Liability Management Policies' for adoption.

Resolved

Councillors Ion / Julian

1. *That the 'Adoption of Councils Investment and Liability Management Policies' is received.*
2. *That Council adopts the Investment Policy as presented.*
3. *That Council adopts the Liability Management Policy as presented.*

10 Financial Strategy and Infrastructure Strategy – Manager, Finance and Corporate Services (103015)

Council discussed the report 'Financial Strategy and Infrastructure Strategy' for adoption.

Resolved

Councillor Ion / Deputy Mayor Tunui

1. *That the 'Financial Strategy and Infrastructure Strategy' is received.*
2. *That Council adopts the Financial Strategy and Infrastructure Strategy as presented.*

11 Draft Long Term Plan 2021 – 2031 Overview and Fees and Charges – Manager, Finance and Corporate Services (201600)

Council discussed the report 'Draft Long Term Plan 2021 – 2031 Overview and Fees and Charges'.

Resolved

Deputy Mayor Tunui / Councillor Kingi

1. *That the 'Draft Long Term Plan 2021 – 2031 Overview and Fees and Charges' is received.*
2. *That Council approves the budgets for inclusion in the LTP 2021 – 2031 Consultation Document.*
3. *That Council adopts the Fees and Charges (including GST) for 2021/22.*

11 Exclusion of the Public

Resolved

Councillors Kingi / Julian

That the public is excluded from the following part of the proceedings of this meeting, namely:

1. *Netball Pavilion Rebuild.*
2. *Acceptance of offer for repairs to Blue Bridge.*

The general subject of the matter to be considered while the public is excluded; the reason for passing this resolution in relation to the matter, and the specific grounds under Section 48(1) of the Local Government Information & Meetings Act 1987 for the passing of this resolution is as follows:

General Subject of the matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
<i>1. Netball Pavilion Rebuild. 2. Acceptance of offer for repairs to Blue Bridge.</i>	<i>Maintain the effective conduct of public affairs through the free and frank expression of opinions.</i>	<i>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48 (1) (a) (i)</i>

This resolution is made in reliance on Section 48(1) (a) of the Local Government Official Information & Meetings Act 1987 and the particular interest or interests protected by Section 7 (2) (b) (i) of that Act.

Following the resumption of open meeting.

Meeting closed 10.50am

M J Campbell

Mayor

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**Minutes of the Regulatory & Services Committee
held on Tuesday, 13 April 2021
in the Council Chamber commencing at 9.00am**

Present: Councillor C J Ion (Chairperson)
His Worship the Mayor M J Campbell
Deputy Mayor F K N Tunui
Councillor B Julian
Councillor S Kingi
Councillor R G K Savage
Councillor A Rangihika
Councillor D Sparks

In Attendance: Chief Executive Officer (R George)
Manager, Finance and Corporate Services (P Christophers)
Manager, Operations and Services (H van der Merwe)
Manager, Economic and Community Development (G Sutton)
Events and Venues Manager (L Barton)
Communications Manager (T Humberstone)
Administration Officer (T Barnett)

Apologies

No apologies were received.

Leave of Absence

Resolved

Councillors Kingi / Julian

That Councillor Godfery is granted a Leave of Absence from the 13 April 2021 Regulatory and Services meeting.

Public Forum

No speakers for public forum.

Declarations of Conflict of Interest

No conflict of interest were declared.

PART A – REGULATORY

1 Monthly Report - Regulatory and Planning Services (340000)

The Committee discussed a report covering Planning, Compliance and Capability activities for the month of March 2021 is received.

Resolved

Councillor Rangihika / Deputy Mayor Tunui

That the report covering Planning, Compliance and Capability on Regulatory and Planning Services activities for the month of March 2021.

PART B – NON REGULATORY

2 Monthly Report - Finance and Corporate Services (211000)

The Committee discussed a report from the Manager, Finance and Corporate Services covering activities for the month of March 2021.

Action Item

Water and Waste Water Request for Service figures to be reported separately.

Resolved

Councillors Savage / Sparks

That the report from the Manager, Finance and Corporate Services for the month of March 2021 is received.

3 Monthly Report - Operations and Services (440000)

The Committee discussed a report from the Manager, Operations and Services covering activities for the month of March 2021.

Action Item

Formal letter to be written to the swimming club in regards to the redevelopment of the former changing rooms.

Organise a site visit for the Councillors to the pools to show the redevelopments to date.

Resolved

Councillors Kingi / Rangihika

That the report from the Manager, Operations and Services for the month of March 2021 is received.

4 Monthly Report - Economic and Community Development (309005)

The committee discussed a report from the Manager, Economic and Community Development covering activities for the month of March 2021.

Resolved

Councillors Savage / Julian

That the report from the Economic and Community Development Manager for the month of March 2021 is received.

5 Monthly Report – Events and Community Activities (Events and Venues Manager) (340000)

The Committee discussed a report from the Events and Venues Manager covering events and community activities for the month of March 2021.

Action Item

Remaining Youth Councillors to be sworn in as soon as possible.

Resolved

Councillors Sparks / Rangihika

That the report from the Events and Venues Manager for the month of March 2021 is received.

The meeting closed at 9.50am

C J Ion

Chairperson

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**Kawerau District Council Minutes of an
Audit and Risk Committee held on 6 April 2021
in the Council Chamber commencing at 1.00pm**

Present: Phillip Jones – P J Associates (Chair)
His Worship the Mayor – M J Campbell (Deputy Chair)
Councillor F K N Tunui
Councillor C J Ion
Councillor A Rangihika
Councillor D Sparks

In Attendance: Chief Executive Officer (R George)
Manager, Finance & Corporate Services (P Christophers)
Manager, Operations & Services (H van der Merwe)
Health and Safety Officer (P Snook)
Customer Service Officer (C Kinley)
Jo Smail – (Director, Audit NZ) – via zoom

Apologies

No apologies

Declarations of Conflict of Interest

No conflicts of interest were received.

Tabled – Minutes of Meeting – 2 February 2021

Received the minutes of meeting 2 February 2021

Resolved **Chair Jones / Deputy Mayor Tunui**

1 Occupational Health and Safety Management System Status (Health and Safety Officer) (509500)

The Health and Safety Officer provided an overview of his report.

Resolved **Councillor Sparks / Deputy Mayor Tunui**

That the report "Occupational Health and Safety Management System Status" is received.

2 Treasury Report to 28 February 2021 (Manager, Finance and Corporate Services) (110551)

The Committee reviewed the Treasury Report to 28 February 2021.

Resolved

Chair Jones / Councillor Ion

That the report "Treasury Report to 28 February" is received.

3 Annual Plan Performance for the Six Months Ended 31 December 2020 (Manager, Finance and Corporate Services) (110400)

The Committee reviewed the Annual Plan Performance for the Six Months Ended 31 December 2020.

Resolved

Councillors Sparks / Rangihika

That the report "Annual Plan Performance for the Six Months Ended 31 December 2020" is received.

4 2021 – 2031 Long Term Plan – Revised Timetable (Manager, Finance and Corporate Services) (110400)

The Committee reviewed the 2021-2031 Long Term Plan – Revised Timetable.

Resolved

Councillor Ion / Deputy Mayor Tunui

That the report "2021 – 2031 Long Term Plan – Revised Timetable" is received.

5 Audit Management Report for year ended 30 June 2020 (Manager, Finance and Corporate Services) (201000)

The Committee reviewed the Audit Management Report for the year ended 30 June 2020.

Resolved

Councillor Rangihika / Deputy Mayor Tunui

That the report "Audit Management Report for the year ended 30 June 2020" is received.

6 Minutes Audit and Risk Committee – 2 February 2021

The Committee reviewed the Minutes from 2 February 2021.

Resolved

Councillors Ion / Sparks

That the Minutes from 2 February 2021 is received.

The meeting closed at 1.55pm

P Jones

P J Associates

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Action Schedule

Meeting Date	Resolution / Action Requested	Action	Status	Comments	Estimated Completion Date
R&S 12.02.19	Monthly Report – Finance & Corporate Services Advise Council whether insurance will be paid for the bridge repair work. <u>26.05.20</u> Staff were asked to contact Council's lawyers and request arbitration.	MFCS	In progress	A report was considered at the March Council. Council's acceptance of the offer is with Trident's lawyers, awaiting signing.	April 2021
R&S 16.07.19	Earthquake Prone Buildings The Committee expressed a desire to understand what was required for Rautahi Marae and then to discuss the issues with Trustees.	MOS/EVM	In Progress	A report on CDEM status will be provided to a Council workshop. Council can then determine their next steps.	May 2021
A&R 04.02.20	Council's Risk Maturity – Improvement Programme Arrange KPMG to review Council's Risk Management Maturity profile once the tasks in progress / underway are completed.	MFCS	In Progress	There are still a couple of tasks remaining. Following their completion, a further review will be undertaken.	June 2021
Council 26.05.20	Results of 2020 NRB Survey Elected Members agreed to review the way in which Council engages community satisfaction.	CEO	Pending	Staff will review how to measure community satisfaction for 2022-2023 and report to Council.	May 2021
R&S 16.06.20	Monthly Report – Operations & Services Elected Members requested a report on the downstairs ladies toilets.	MOS/EM	In Progress	Minor works has commenced. A full report will be provided to the May R&S Meeting.	May 2021

Meeting Date	Resolution / Action Requested	Action	Status	Comments	Estimated Completion Date
R&S 16.03.21	Monthly Report, Operations & Services The Manager, Operations and Services to address the water damage on the ceiling above the steps in Concert Chambers, and also fix the tiles leading into the Concert Chamber as they pose a health and safety risk when it's been raining making them very slippery. The lifting on the low hanging trees in Porritt Drive needed to be completed immediately.	MOS		The ceiling will be repaired in April. The stairs have been relined with non-slip covers. The tree work along Porritt Drive was completed in April.	April 2021
Council 30.03.21	Public Forum Graham Burke was concerned of the safety of residents living next to the Robinson Street alleyway after an incident that could have resulted in serious harm. He would like Council to investigate options to help keep the residents safe from objects being thrown onto properties from the alleyway. The Manager, Operations and Services to investigate and liaise with Mr Burke.	MOS	In Progress	The alleyway is currently covered by 2 CCTV cameras and lighting was previously improved.	June 2021
Council 30.03.21	Significance and Engagement Policy The Manager, Finance and Corporate Services to contact Karen Stanton from KADAP to discuss being included in the third Schedule as a Consultation Partner.	MFCS	Pending	The Manager, Finance and Corporate Services will contact KADAP and discuss whether they would like to be included as a consultation partner.	May 2021
R&S 13.04.21	Monthly Report - Finance and Corporate Services Water and Waste Water Request for Service figures to be tabled separately.	MFCS	In Progress	A separate table will be included in the April report to the R&S Meeting.	May 2021

Meeting Date	Resolution / Action Requested	Action	Status	Comments	Estimated Completion Date
R&S 13.04.21	Monthly Report - Operations and Services An updated formal letter to be communicated with the swimming club in regards to the redevelopment as the projects are completed. Organise a site visit for the Councillors to the pools to show the redevelopments to date.	MOS	In Progress	A letter was written to the Kawerau Swimming Club. A site visit has been scheduled following the May R&S Meeting.	Complete May 2021
R&S 13.04.21	Monthly Report – Events and Community Activities Remaining Youth Councillors to be sworn in as soon as possible.	EVM		A date is being coordinated with the Mayor and Youth Projects Officer.	April / May 2021

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OC: Ordinary Council EC: Extraordinary Council
MFCS: Manager, Finance & Corporate Services
MPCC: Manager, Planning, Compliance & Capability

A&R: Audit & Risk Committee R&S: Regulatory & Services Committee
MOS: Manager, Operations & Services EM: Engineering Manager
ECDM: Economic & Community Development Manager

Completed Items

Meeting Date	Action	Comments
R&S 14.07.20	Monthly Report – Operations & Services Elected Members requested an update on the status of CCTV cameras, where vandalism had been occurring and a mobile camera be put in the carpark behind the Library. <u>R&S 13.10.20 Monthly Report – Economic & Community Development</u> The Manager, Operations & Services to investigate the logistics in the installation of a mobile camera at the Community gardens.	A verbal update was provided to Elected Members. Two mobile cameras have been installed in an area subject to repeated vandalism. A presentation was made to Elected Members following the March Council meeting.

Meeting Date	Action	Comments
A&R 02.02.21	<p>Review of Council's Investment and Liability Management Policies</p> <p>The Manager, Finance & Corporate Services to amend the provisions relating to investment limits and the borrowing limits and provide an update for the next meeting.</p>	<p>The updated Policy was considered and resolved at the March Council meeting.</p>

Meeting Council
Meeting Date: 27 April 2021
Subject: His Worship the Mayor's Report
File No. 101400

1 Purpose

The purpose of this report is to outline meetings, functions and events that I have hosted, attended and/or participated in from the period Wednesday, 24 March to Tuesday, 20 April 2021.

March

- Careers Expo at Tarawera High School
- LGNZ Zone 2 Meeting to discuss Three Waters Reform, Rotorua
- Grand Opening of Gateway Funeral Services, Kawerau
- Eastern Bay of Plenty Joint Committee Meeting
- Monthly Council Meeting
- Community Awards Ceremony

April

- Funeral Service of Chris Jensen
- Audit & Risk Committee Meeting
- Eastern Bay of Plenty Mayoral Catch-up
- Monthly Regulatory & Services Committee Meeting
- Meet and Greet with new Toi-EDA Chair Wiremu Doherty
- Meeting with Steppleton Elliott
- Enviro Hui with Samuel Mikaere of Waiū Dairy
- Council Workshop
- Meeting with Paul Marshall of Generation Homes

2 RECOMMENDATION

That His Worship the Mayor's report for the period Wednesday, 24 March to Tuesday, 20 April 2021 be received.



Malcolm Campbell, JP
Mayor

Meeting: Council
Meeting Date: 27 April 2021
Subject: **Balanced Budget Requirement**
File No.: 201100

1 Purpose

The purpose of this report is consider Council's reasons for not setting operating revenue at a level sufficient to meet operating expenditure and determining that it is financially prudent not to do so.

2 Background

The Local Government Act 2002 requires Council to ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses, unless Council resolves that it is financially prudent not to do so.

If Council resolves not to balance the budget, it must have regard to:

- a) The estimated expenses of achieving and maintaining the levels of service in the Long Term Plan, including maintaining service capacity and the integrity of assets.
- b) The projected revenue available to fund those expenses.
- c) The equitable allocation of responsibility for funding the assets over their useful lives.
- d) Council's funding and financial policies.

The intent of these provisions is to ensure that adequate and effective provision is made for the ongoing maintenance of service levels.

In Council's 2021-31 Long Term Plan, Council proposed to utilise the provisions of the Local Government Act to run deficits in the ten years of the Long-Term Plan for the following purposes:

(i) Non-Funding of Depreciation for Specific Buildings

In 1998/1999, Council implemented and started phasing in the full funding of depreciation in order to comply with legislative requirements. At the time, guidelines issued by the Auditor-General indicated that it would be reasonable for councils not to fund depreciation on certain assets where they were non-strategic and there was no intention to replace them.

The non-strategic assets (building structures) identified by Council at that time were the following buildings:

- Council Buildings (including Town Hall, Concert Chamber, Library, Depot and District Office)
- Tarawera Park Amenity Building
- Recreation Centre
- Swimming Pool

In 2001/2002, Council added Pensioner Housing to the list of non-funded buildings.

These buildings remain non-strategic and in addition, the level of utilisation in many cases is significantly below total availability. As a result, it is unlikely that they would be replaced directly in their present form. Also, their replacement may be by rented accommodation or by buildings funded by way of loans/grants.

The advantage of not funding depreciation on these buildings is that the community is not funding depreciation for assets that are unlikely to be replaced with buildings of equivalent value.

(ii) Non-Funding of Depreciation N Z Transport Agency Funded Roothing and Stormwater

New Zealand Transport Agency (NZTA) contributes significantly to the costs of maintaining and renewing the roads and stormwater assets. Since 1998/1999, the assumption has been made that when roads and stormwater infrastructure are due for renewal, NZTA will contribute towards the cost at the agreed subsidy. There is a possibility that this may not occur, but that likelihood is considered to be very small.

The advantage of not funding the depreciation for these activities is that ratepayers are not funding depreciation that is unlikely to be required in the future.

The estimated amount of non-funded depreciation for the 2021/22 Annual Plan on these assets is:

- NZTA Subsidy \$787,880
- Buildings \$226,700

Most years of the 2021 – 2031 Long Term Plan there is a budgeted surplus due to additional revenue from the sale of residential sections and additional subsidy for capital work. However, Council should still resolve that it is financially prudent not for each year of the Long Term Plan to have projected revenues that are sufficient to meet that year's projected expenses.

3 Options Considered

The Long Term Plan estimates include the continued non-funding of depreciation for the NZTA subsidy portion of roading and stormwater assets, as well as that for the non-strategic buildings.

The options available to Council are:

- (i) That Council can either continue with the decision to not set revenues at a level sufficient to meet its projected operating expenses because of the decision not to fully fund the depreciation for specific assets, or

- (ii) Council can increase revenues to fully fund the depreciation on these assets. If Council were to increase rates for 2021/22 to fund this depreciation, rates would need to be increased by another 9.4%, which would make the total proposed rate increase 14.5%.

4 Policy and Plan Considerations

Non-funding of depreciation on these assets has occurred since 1998/99 and has been included in each Annual Plan and Long Term Plan since then.

The Local Government Act 2002 permits councils to not have revenues sufficient to meet their projected operating expenses as long as it is financially prudent to do so.

The Council is still in a strong financial position and has sound treasury management policies to build on this position.

5 Significance and Engagement

Consultation on this issue will need to occur as part of Long Term Plan consultation. The community has not previously indicated that it wants Council to fund this depreciation and increase rates accordingly.

6 Legal and Risk Considerations

Council is required to set projected operating revenue so that it meets the projected operating expenses for the year, unless Council resolves it is financially prudent not to do so.

Council believes it is acting prudently but not rating for the depreciation, which would be set aside in a reserve and unlikely to be spent.

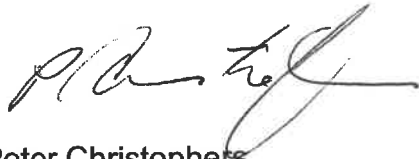
The risk associated with the decision to not fully fund the depreciation for these assets, is that if Council decides to renew or replace these assets, there are no reserves from which to fund this work.

The mitigation for this risk is that Council can borrow funds (internally) to fund any renewal or replacement of these assets.

7 RECOMMENDATIONS

1. That the report "Balanced Budget Requirement" be received.
2. That Council confirms the decision made in 1998/1999 to continue the policy of not funding depreciation on non-critical and non-strategic assets for the 2021 – 2031 Long Term Plan, as Council believes the reasons for doing so remain unchanged and that this policy is appropriate for the Kawerau District.

3. That Council confirms the decision made in 1998/1999 to continue the policy of not funding depreciation on the portion of Roading and Stormwater assets subject to New Zealand Transport Agency's subsidies for the 2021 – 2031 Long Term Plan, as Council believes the reasons for doing so remain unchanged and that this policy is appropriate for the Kawerau District.



Peter Christophers

Manager Finance & Corporate Services

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Meeting: Council
Meeting Date: 27 April 2021
Subject: Council's Rate Remission and Postponement Policies
File No: 110551

1 Purpose

The purpose of this report is to inform members of the rate remissions and postponement policies which are required if Council is going remit (or postpone) rates which are charged in accordance with the rating legislation.

2 Background

The Local Government Act 2002 requires that Council adopt a rate remission and postponement policy for Maori freehold land and other rate remission and postponement policies if Council intends to remit or postpone rates.

The policies must be reviewed at least every 6 years and consulted with the community. The policies were reviewed and consulted on prior to the adoption of the 2018 – 28 Long Term Plan. The only changes that have been made to the policies since then are:

- The percentage of remission given to farming properties following the revaluation of the district in September 2018 (Remission went from 70% to 45%)
- The annual increase in the rate maximum for residential properties - goes up by the overall rate increase (\$4,060.00 for 2020/21)

Council cannot remit rates (including penalties) unless there is a policy that permits that particular rate remission.

Council provided a 50% remission of rates to Waiu Dairy for 2019/20 and 2020/21 (2 years) in accordance with the remission policy for developments. As that period is now up, they will be fully rated from 1 July 2021.

3 Rate Remission and Postponement Policies

The current policies are attached and it is not proposed to make any changes apart from amending the quantum for the rate maximum for residential properties (annually) and the percentage remission given to farming properties (following each district revaluation).

Therefore, it is not intended that these policies will be consulted on prior to the adoption of the Long Term Plan.

4 Legal and Policy Requirements

The Local Government Act 2002 requires Council to adopt a rate remission and postponement policy for Maori freehold land. Also, Council may adopt other rate remission and postponement policies, and these policies must be reviewed every 6 years.

5 Options

Council has the following options concerning the rate remission and postponement policies:

- Confirm the existing policies with the only changes being the amount of the residential rating maximum and the amount of the remission given to farming properties
- Amend the current rate remission and postponement policies and undertake a public consultation highlighting the changes made

6 RECOMMENDATIONS

1. That the report "Council's Rate Remission and Postponement Policies" be received.
2. That Council confirms the current rate remission and postponement policies.



Peter Christophers, BBS, ACA
Manager, Finance & Corporate Services

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Rates Remission for High Value Property Policy

Policy Objectives

The objective of this policy is to cap residential rates by way of a rate remission (KDC rates only)

Principles

Council believes that disproportionately high rates would discourage residential development in the District and act as a disincentive for improvement to existing homes. It also considers that they would place an unfair burden on a small group of ratepayers.

Definitions

Capital Value

Capital value is the value of land plus improvements, as determined by the Valuer General.

Rating Unit

For land for which there is a certificate of title, a rating unit is the land comprised in the certificate of title. Where there is no certificate of title, what constitutes a rating unit is either the land described in an instrument which exists or if there is no instrument, the land that the Valuer General considers would be appropriate to sell or transfer as a separate property or, for crown land, to treat as if comprised in a certificate of title. If land in a rating unit is in two or more districts, the part in each district constitutes a separate rating unit.

Separately used or inhabited part of a rating unit

Separately used or inhabited part of a rating unit is any portion of a rating unit that is used or inhabited by a person who has the right to do so by virtue of a tenancy, lease, licence or other agreement.

Background

Council's rating system is based on capital value. This previously resulted in a small number of residential rating units with high capital values incurring disproportionately high annual rates. Therefore, Council decided to adopt a remission policy to put a cap on the rates that are charged to individual residential properties.

Council first adopted the Rates Relief for High Value Properties policy for the 2005/06 rating year. At that time, the cap was set at \$2,000 (including GST) per rating unit. For each subsequent year the level of the cap rose by the percentage increase in total rates. For the 2021/22 year, the proposed cap is \$4,270.00.

Year	Maximum Rates (Incl. GST)
2020/21	\$4,060.00
2021/22	\$4,270.00

Policy Statement

All residential rating units, or separately used or inhabited parts thereof, that incur rates above the cap will have the excess rates remitted automatically. The cap applies to the sum of the general rate, one uniform annual general charge and one standard targeted rate for each service rated in that way.

The following charges will be payable in addition to the cap:

1. Targeted rates for all services provided to each separately used or inhabited part of a rating unit.
2. Additional residual refuse bins supplied to any rating unit or separately used or inhabited part of a rating unit.
3. All rates levied by Bay of Plenty Regional Council and collected on its behalf.

Rates Relief for Farm Properties

Policy Objectives

The objectives of this policy are to ensure that the rates charged to farming properties are not unreasonably high and that they are comparable to the rates charged by other Councils for farming properties of similar value.

Principle

The level of rates charged for farming property should be fair and equitable.

Background

Council's rating system has two differentials for the general rate:

- Residential (which includes rural lifestyle) and
- Industrial/Commercial

Farming property is classified as 'residential' for the purposes of charging the general rate, but following the last revaluation, it has been recognised that the rates charged to these properties would not be reasonable if they were charged the rates applicable to residential property in full.

Following the revaluation of the district in 2018, Council revisited the portion of the remission and reduced it from 70% to 45% so the contribution by farming properties to the general rate was similar to that prior to the revaluation. Following the next revaluation in 2021, Council will again need to review the quantum of the remission.

Policy Statement

Council will grant a 45% remission for 2021/22 (45% 2020/21) for the general rate charged to farming properties comprising the following assessment numbers:

07284/906.00
07281/002.00

07281/008.01
07281/008.02
07281/008/03
07281/008.04
07281/008.05
07281/008.06
07281/008.07
07281/008.08

07284/906.00

This remission is conditional on the properties remaining farming (as the principal use).

It will apply only to the general rate which is charged on capital value. The remission will not apply to the Uniform Annual General Charge nor to any other rates charged.

This policy has been reviewed following the last triennial revaluation of the District (Sept 2018), and it was determined that it was fair and reasonable to continue providing this remission to these properties. The policy will be further reviewed following the next revaluation of the district in September 2021.

Rates Relief for Developments

Policy Objective

The objective of this policy is to encourage land development in the Kawerau District to stimulate employment opportunities and enhance the economic wellbeing of the Community.

Definitions

Development

The development or re-development of any land in the District:

- By constructing, erecting, or altering any one or more buildings on the land for the purpose of providing at least 10 new, or 9 additional household units; or
- By constructing, erecting, or altering any building or buildings, fixed plant and machinery, or other works, intended to be used solely or principally for industrial or commercial or administrative purposes (including hotels, motels and other transient accommodation), or any combination of those purposes;
- Does not include the sub-division of land.

Employment opportunities

Employment creation, employment growth or employment retention in the Kawerau District.

Policy Statement

Eligibility Criteria

Council will consider any application for development in the District which can demonstrate that it will be likely to lead to employment opportunities.

Forms of Rates Relief

Council may remit or postpone (or a combination of these), part or all of the rates otherwise payable on a property for any period subject to an annual application being made.

Council may impose conditions on the remission of rates and may cancel any remission for non-compliance, or if a project ceases to operate. In those circumstances, Council may require payment of full rates in respect of any year in which

rates have been remitted. Council does not consider that granting rates relief according to a strict formula or code is either practical or desirable. This policy is considered to constitute adequate guidelines for the consideration of applications.

Factors to be Considered

Council will have regard to the following matters when considering applications for rates relief:

- Whether and to what extent, the development will create employment opportunities. (NB: While actual job creation will be a strong factor in favour of granting rates relief, potential for job creation will also be a positive factor).
- Whether and to what extent, the granting of rates relief would be of material benefit to the development and the developer.
- Such other matters as Council may consider relevant.

Council does not consider rates to be of themselves a significant factor in a decision to carry out a new development. However, Council shall take into account the fact that rating relief may use this policy to assist the viability of a development and may use this policy to assist in expediting such a development.

Procedures

Applications for rates relief should be addressed to the Chief Executive Officer. Applications will be required to provide statements of intent, supporting critical statistics and such other information as is reasonably necessary to enable Council to assess the application in relation to this policy. Every decision of Council shall be publicly notified and the notice shall include:

- The reasons for the decision to approve or decline the application; and
- If the application is approved, the identity of the occupier of the land and the estimated amount of the rates remitted or postponed.

Council Policy Affecting Applications

The provisions of this policy constitute guidelines for the consideration of applications, as the granting of rates relief according to a strict formula is neither practical nor desirable. The ability of an applicant to meet the above requirements does not in itself constitute a right to rates relief. Council will consider each application on its merits in relation to Council's Economic Development Strategy.

Rates Remission and Postponement for Māori Freehold Land

Policy Objective

The objective of this policy is to ensure the fair and equitable collection of rates from all ratepayers, recognising that certain Māori owned lands have particular conditions, features, ownership structures or other circumstances which make it appropriate to provide relief from rates.

Principles

The principles which underpin this policy are:

- That, as provided by section 91 of the Local Government (Rating) Act 2002, Māori freehold land is liable for rates in the same manner as if it were general land.
- That Council will decide on the provision of rate relief on Māori Freehold Land should any applications be received.
- That the policy does not provide for the permanent remission or postponement of rates on the land concerned.

Definitions

Māori freehold land

Means land whose beneficial ownership has been determined by the Māori Land Court by freehold order (that is; the Court has created a title for the land and determined the beneficial owners to that land).

Background

The LGA requires Council to adopt a policy on the remission and postponement of rates on Māori freehold land. A policy adopted under this requirement does not need to provide for the remission and postponement of rates on Māori freehold land, but in determining a policy, Council must consider the following matters:

1. The desirability and importance within the District of each of the objectives listed below.

2. Whether and to what extent, the attainment of any of those objectives could be prejudicially affected if there is no remission of rates or postponement of the requirement to pay rates on Māori freehold land.
3. Whether and to what extent, the attainment of those objectives is likely to be facilitated by the remission of rates or postponement of the requirement to pay rates on Māori freehold land.
4. The extent to which different criteria and conditions for rates relief may contribute to different objectives.

The objectives that Council must consider are:

- a) Supporting the use of the land by the owners for traditional purposes.
- b) Recognising and supporting the relationship of Māori and its culture and traditions with its ancestral lands.
- c) Avoiding further alienation of Māori freehold land.
- d) Facilitating any wish of the owners to develop the land for economic use.
- e) Recognising and taking account of the presence of waahi tapu that may affect the use of the land for other purposes.
- f) Recognising and taking account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere).
- g) Recognising and taking account of the importance of the land for community goals relating to:
 - i. The preservation of the natural character of the coastal environment.
 - ii. The protection of outstanding natural features.
 - iii. The protection of significant indigenous vegetation and significant habitats of indigenous fauna.
- h) Recognising the level of community services provided to the land and its occupiers.
- i) Recognising matters related to the physical accessibility of the land.

Policy Statement

Applications for rates remission or postponement should include the following information:

- Details of the rating unit or units involved.
- Documentation that shows that the land qualifies as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court.

Council may, of its own volition, investigate and grant remission or postponement of rates on any Māori freehold land in the District.

Relief and the extent thereof, are at the sole discretion of the Council and may be cancelled and reduced at any time.

Council will give a remission or postponement of up to 100% of all rates for the year for which it is applied, based on the extent to which the remission or postponement of rates will achieve objectives described in the background section of this policy. In addition, Council will consider how an application would provide for an efficient collection of rates and the removal of rating debt.

Rates Penalty Remission Policy

Policy Objective

The objective of this policy is to enable Council to act fairly and reasonably when considering applications for the remission of penalties on rates that have not been received by Council.

Background

Council presently charges the following penalties on unpaid rates:

- (a) Penalties on current rates that not paid by the due date during the year.
- (b) Penalties on rates charged in the previous financial year, which remain outstanding on the first day of the new financial year or 5 working days after the resolution is made (whichever is the later) and
- (c) Further penalties charged on rates to which penalties were added under (b) and remain unpaid, 6 months after the day the penalty was added

Council has adopted the following remission policy to remit rates penalties as long as specific criteria are met and the ratepayer has settled the outstanding rates.

Policy Statement

All applications for the remission of rates penalties must be in writing.

Rates must be paid in full before Council remits the penalties charged.

Council will consider applications for the remission of rates penalties in circumstances where:

- Significant disruption to the ratepayer such as the death of a family member; or
- Matters outside the ratepayers' control such as a late sales notice, have contributed to a late payment and it is reasonable to remit the penalty; or
- The ratepayer is new to the District and for whatever reason did not receive a rate invoice; or
- The ratepayer (that is in arrears) entered into an acceptable payment arrangement and complied with those arrangements for the payment of all current rates and arrears.

(NB: A ratepayer who has been in arrears and has had penalties remitted will not be eligible for a further remission of rate penalties for a period of 3 years.)

The Chief Executive Officer is delegated to approve rate penalty remissions in accordance with the conditions of this policy.

Rates Relief for Elderly Care

Policy Objectives

The objectives of this policy are to ensure that institutions providing aged care are treated similarly to DHB organisations.

Principle

The level of rates charged for elderly care facilities should be fair and equitable.

Background

Council had previously provided a rate remission to the Mountain View Rest Home, for its aged care facility and also retirement units. Council reviewed this decision in light of the amendments to the Rates Rebates legislation and how other similar organisations were rated.

Council initially decided that it would be more equitable to make the retirement units rateable from 1 July 2018 and continue to provide a rate remission for the aged care facility. However, following discussions with the Rest-home Management, it was agreed that the retirement

units would continue to receive a rate remission until 1 July 2022, or a new residents occupies the unit.

Policy Statement

Council will grant a rate remission (apart from water and wastewater charges) for the Mountain View Rest Home aged care and hospital wing facility.

A rate remission will also apply to each of the retirement units but only up to 30 June 2022 or when a new resident occupies the unit (whichever occurs first).

If the facility requires a refuse collection service at some time in the future, this will also be charged (along with water and wastewater costs)

This remission is conditional on the property continuing to provide aged care services (as the principal use).

This policy has been reviewed by Council as part of the 2018 – 2028 Long Term Plan preparation and it is still considered fair and reasonable to continue providing a rate remission to this property.

**The Ordinary Meeting of the Kawerau District Council
will be held on Tuesday, 27 April 2021
in the Council Chamber commencing at 9.00am**

A G E N D A

Apologies

Leave of Absence

Opening Prayer

Public Forum

A period of 30 minutes is set aside for public forum at the commencement of this meeting. Each speaker during the public forum section of the meeting may speak for 3 minutes.

Declarations of Conflict of Interest

Any member having a "conflict of interest" with an item on the Agenda should declare it, and when that item is being considered abstain from any discussion or voting. The member may wish to remove themselves from the meeting while the item is being considered.

1 CONFIRMATION OF COUNCIL MINUTES

1.1 Ordinary Council – 30 March 2021

Pgs. 1 - 6

Recommendation

That the Minutes of the Ordinary Council meeting held on 30 March 2021 be confirmed as a true and accurate record.

2 RECEIPT OF COMMITTEE MINUTES

2.1 Regulatory and Services Committee – 13 April 2021

Pgs. 7 - 9

Recommendation

That the Minutes of the Regulatory and Services Committee meeting held on 13 April 2021 be confirmed as a true and accurate record.

2.2 Audit and Risk Committee – 6 April 2021

Recommendation

Pgs. 11 - 13

That the Minutes of the Audit and Risk Committee meeting held on 6 April 2021 be confirmed as a true and accurate record.

3 Action Schedule (101120)

Pgs. 15 - 18

Recommendation

That the updated Action Schedule of resolutions/actions requested by Council be received.

4 His Worship the Mayor's Report (101400)

Pg. 19

Recommendation

That His Worship the Mayor's report for the period Wednesday 24 March 2021 to Tuesday 20 April 2021 be received.

5 Balanced Budget Requirement (Manager, Finance and Corporate Services) (201100)

Pgs. 21 - 24

Attached is a report requesting elected members to approve the policy of not setting revenues sufficient to meet expenses, as it is financially prudent to do so.

Recommendation

- 1. That the report "Balanced Budget Requirement" be received.*
- 2. That Council confirms the decision made in 1998/1999 to continue the policy of not funding depreciation on non-critical and non-strategic assets for the 2021 – 2031 Long Term Plan, as Council believes the reasons for doing so remain unchanged and that this policy is appropriate for the Kawerau District.*
- 3. That Council confirms the decision made in 1998/1999 to continue the policy of not funding depreciation on the portion of Roading and Storm water assets subject to New Zealand Transport Agency's subsidies for the 2021 – 2031 Long Term Plan, as Council believes the reasons for doing so remain unchanged and that this policy is appropriate for the Kawerau District.*

6 Council's Rate Remission and Postponement Policies (Manager, Finance and Corporate Services) (110551)

Pgs. 25 - 33

Attached is a report requesting electing members to confirm Councils rate remission and postponements policies for the 2021 – 2031 Long Term Plan.

Recommendation

- 1. That the report "Council's Rate Remission and Postponement Policies" be received.*
- 2. That Council confirms the current rate remission and postponement policies.*

7 Exclusion of the Public

Recommendation

That the public is excluded from the following part of the proceedings of this meeting, namely:

1. **Confirmation of Minutes of the Ordinary Council Meeting (Confidential) – 30 March 2021**
2. **Porritt Glade Retirement Village – Progress Report (Manager, Finance and Corporate Services) (206700)**
3. **Schedule 7 Clause 35 Local Government Act (His Worship the Mayor)**

The general subject of the matter to be considered while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds under Section 48(1) of the Local Government Information & Meetings Act 1987 for the passing of this resolution is as follows:

General Subject of the matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
<ol style="list-style-type: none"> 1. Confirmation of Minutes of the Ordinary Council Meeting (Confidential) – 30 March 2021 2. Porritt Glade Retirement Village – Progress Report. 3. Schedule 7 Clause 35 Local Government Act. 	<p>Maintain the effective conduct of public affairs through the free and frank expression of opinions.</p>	<p>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48 (1) (a) (i)</p>

This resolution is made in reliance on Section 48(1) (a) of the Local Government Official Information & Meetings Act 1987 and the particular interest or interests protected by Section 7 (2) (b) (i) of that Act.

R B George
Chief Executive Officer

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