

STAFF REPORT

TO: Chairman & Members Corporate Services Committee
FROM: Corporate Services Manager, D G Ward
DATE: 17 November 2005
SUBJECT: Corporate Services Manager's Report – November 2005

1 LOAN REQUIREMENTS

THAT the loans identified in the table to this resolution are to meet the costs of projects in the 2005/2006 Annual Plan previously adopted by Council.

i		The Council shall borrow the sum of one million and five thousand dollars from (\$1,005,000) from (bank).	
ii		The loan documentation shall comprise the following:	
	a	Existing deed of charge entered into between Tasman District Council, Bank of New Zealand, National Bank of New Zealand, Westpac and ASB Bank Ltd.	
	b	A letter of offer from Westpac.	
iii		The Mayor and the Chief Executive are authorised to sign the loan documentation on behalf of the Council.	
iv		The Chief Executive is authorised to sign a certificate, pursuant to S122ZG(3) of the Local Government Act 1974.	
v		The loan advance of dollars shall be used to finance the following projects identified in Council's Annual Plans:	
		Motueka Sewerage Pump Station Treatment Motueka Sewerage Pump Station Motueka Sewerage Treatment Renewal Murchison Sewerage Renewal	\$140,000 \$165,000 \$400,000 \$300,000
vi		The Council shall charge rates revenue as security for the loan and the performance of its obligations pursuant to the loan documentation.	
vii		The Council acknowledges that by charging rates revenue, the Council is deemed to have made a special rate of such amount each year, on the rateable value of every rateable property in the District, as is sufficient to provide in that year for the payment of its commitments in respect of the loan or loan documentation during	

		that year plus 10% thereof until the loan is repaid or the obligations incurred under the loan documentation are fully performed.
viii		The Council has considered the risks and benefits to the Council of the loan and loan documentation and of the security to be given in relation to the loan and loan documentation.
ix		The Council is satisfied that the general terms and conditions of the loan and loan documentation and of the security to be given in relation to the loan and loan documentation are in accordance with the borrowing management policy adopted by the Council and, in particular, the limits and guidelines set out in that borrowing management policy.
x		The Council delegates to the Chief Executive and the Corporate Services Manager the authority to further determine the precise terms and conditions of the loan, loan documentation and security, to be negotiated at the best current terms and conditions, such terms and conditions to be advised to the Council following the raising of the loan.

2 LIQUOR BAN

The Tasman District Council (hereinafter referred to as the Council) hereby gives notice that pursuant to Section 7.1 of the Tasman District Council Consolidated Bylaw Chapter 3, Control of Liquor in Public Places it has resolved:

That between the hours of 4.00 pm on Saturday 31 December 2005 and 4.00 am on Sunday 1 January 2006, the following specified public places will be subject to a prohibition of the consumption and possession of intoxicating liquor, and the closure of roads to ordinary vehicular traffic (where specifically stated) as described hereunder, and that the liquor ban for the Kaiteriteri area as described in the TDC Control of Liquor in Public Places Bylaw 2004 Schedule A, commences from 4.00pm on Saturday 31 December 2005 instead of the usual 9.00pm commencement under the said Bylaw:

A DESCRIPTION OF THE SPECIFIED PUBLIC PLACES:

- i) Torrent Bay
 - a) The public road in Torrent Bay Township.
 - b) The public reserves in Torrent Bay Township.
 - c) The beaches and foreshores adjoining the Torrent Bay Township.
- ii) Lake Rotoiti
 - a) Lake Road
 - b) Kerr Bay

- iii) Kaiteriteri/Breaker Bay
 - a) That part of the Kaiteriteri-Riwaka Road from the track at Breaker Bay to the Kaiteriteri Inlet Bridge (hereinafter referred to as the specified road). This road will be closed to ordinary vehicular traffic.
 - b) Breaker Bay Beach
 - c) Kaiteriteri Beach
- iv) Little Kaiteriteri
 - a) That part of Rowling Road from Goodall Place to the end of Rowling Road
 - b) The Public Reserves at Little Kaiteriteri
 - c) Little Kaiteriteri Beach.

B ACT PROHIBITED IN THE SPECIFIED PUBLIC PLACES:

- i) The consumption of intoxicating liquor in the specified road or public places;
- ii) The bringing of intoxicating liquor into the specified road or public places;
- iii) The possession of intoxicating liquor in the specified road or public places;
- iv) The driving or riding of any motor vehicle in the specified road during the specified period other than the following vehicles: fire fighting appliances, police officers' vehicles, ambulances and District Council vehicles.

C EXEMPTIONS

In relation to the closure of the Kaiteriteri/Riwaka Road the resolution does not prohibit:

The transport of intoxicating liquor onto premises or land having frontage to the specified road, if the liquor is being carried by or for delivery to a person residing on those premises or that person's bona fide visitors provided the liquor is promptly removed from the road.

The driving or riding of any motor vehicle from or to premises having frontage to the specified road by a person residing in those premises or by that persons bona fide visitors.

D POWERS OF THE POLICE:

Any further effect of the resolution of the Council is that any constable may without warrant:

- i) Arrest any person who commits an offence as mentioned herein.
- ii) During the period of closure and prohibition arrest any person he or she has reasonable cause to suspect of having committed such an offence.
- lii) Search any vehicle in entering, or about to enter the specified public places in respect of which the prohibition relating to liquor is for the time being in force, for the purpose of ascertaining whether or not the vehicle contains any liquor:
- iv) Search any parcel, package, bag, case, or other container in the possession of any person in, entering, or about to enter the specified public places in respect of which the prohibition relating to liquor is for the time being in force, for the purpose of ascertaining whether or not the parcel, package, bag, case, or container contains any liquor.
- v) Before exercising the power of search conferred by Clauses iii) and iv), a member of the Police must inform the person in possession of the vehicle or parcel, package, bag, case, or other container of the provisions of Clause vi), and in any case where the person is in possession of the vehicle or item in the specified public place, give the person a reasonable opportunity of removing the vehicle or item from the specified public place.
- vi) A member of the Police must not exercise the power of search conferred by Clauses iii) and iv) if the person in possession of the vehicle or parcel, package, bag, case, or other container removes it from or, as the case may be, refrains from taking it into the specified public place and leaves it outside the public place until the period of the prohibition ceases.
- vii) A member of the Police may seize and remove any liquor and its container or any other container which he or she has reasonable cause to believe would be evidence of committing such an offence.

E DEFINITION

In this notice "Intoxicating liquor" means liquor as defined in the Sale of Liquor Act 1989.

F OFFENCES

Any person who knowingly acts in breach of these prohibitions commits an offence and is liable on conviction to a fine up to \$500.

3 ABBEYFIELD GOLDEN BAY

At our meeting of 13 October 2005, this Committee considered a request from Abbeyfield Golden Bay for an interest free loan of \$10,000 for a term of ten years. The Committee resolved to forward the request to the Golden Bay Community Board for their comments.

At the Golden Bay Community Board meeting of 8 November 2005, advice was given that there was an error in the Abbeyfield Golden Bay letter of 19 September 2005. The request

to Council should have been for an interest free loan of \$50,000 for a term of ten years, not \$10,000.

Recommendation

That the funding request of \$50,000 from Abbeyfield Golden Bay be referred to the Golden Bay Community Board with a suggestion that the Golden Bay DILs account be used to “bank” the interest free loan over a ten year period.

4 RURAL PROPERTY NUMBERING PROJECT

The rural addressing project within Golden Bay Ward is nearing completion. To date, this has involved the erection of 2,100 plaques and the GPS capture of each of these sites. A mop-up exercise will be undertaken to try and identify any properties missing from this first phase of the project.

Feedback from the Golden Bay community has been positive. The contractor has also been well received during the field capture.

Road centreline definitions within Golden Bay have been reviewed as part of this project. Numerous corrections (and additions) have been provided to Land Information New Zealand (LINZ) for action in the national road name database.

At present outstanding issues relating to each set of sites supplied by the contract are being revisited. Once this is completed, the entire dataset will be forwarded to LINZ for inclusion in the national addressing database.

There is still some work to be done in-house, including the cross-matching of address sites to valuation assessment, then bulk updating the location and mailing address fields within our rating database.

Whilst the financial aspects of the project are not yet completed, early indications are that the project has been undertaken within the allocated budget.

Council had indicated earlier in this calendar year, that once rural property numbering in Golden Bay had been successfully completed, we would look to undertaking a similar project within the Lakes/Murchison Ward. This exercise would commence with staff undertaking a feasibility study which will identify the number of properties to have identification numbers attached and acknowledgement of those properties who have already purchased emergency numbers. Staff will consult with emergency services and Federated Farmers, and will prepare an indicative cost and timeframe that may be attached to such an exercise.

Once this feasibility process has been completed, an information brochure will be forwarded to all directly affected property owners within the defined area detailing the proposal and the cost that they may be required to pay as a rate to Council.

We would anticipate an information brochure being forwarded to property owners by the end of March 2006, with the project commencing in late April 2006.

Recommendation

That approval be given for a rural numbering feasibility study to be undertaken in the Lakes/Murchison Ward, with a required report detailing suggested outcomes to be received at the scheduled Corporate Services Committee meeting of 9 March 2006.

5 KAHURANGI EMPLOYMENT TRUST AND KAHURANGI WASTE MINIMISATION SERVICES LTD

At the annual general meeting of these two entities held on 4 October 2005, Council's representatives, Crs Higgins and Kempthorne, tendered their resignations. These resignations were accepted with regret by both entities.

Whilst the resignations have been reported to Council, we have never formally resolved to acknowledge the resignations, thus the purpose of the following recommendation.

Recommendation

That the resignations of Crs M J Higgins and R G Kempthorne from Kahurangi Employment Trust and Kahurangi Waste Minimisation Services Ltd be acknowledged, effective from 4 October 2005.

6 NELSON REGIONAL SEWERAGE BUSINESS UNIT

I have received a copy of the Nelson Regional Sewerage Business Unit Annual Report for the year ended 30 June 2005. Attached is a copy of the Audit Report, the Statement of Financial Performance, Statement of Financial Position and Statement of Cashflows.

Any Committee members requiring either a copy of this report or any further information are requested to contact the Corporate Services Manager prior to today's meeting.

Council's representatives on the Nelson Regional Sewerage Business Unit are Cr M J Higgins and Mr J C Rogers who is currently Chairman.

Recommendation

That the 2004/2005 Annual Report for the Nelson Regional Sewerage Business Unit be received.

7 COMMUNITY HALLS REQUESTING REFUSE/RECYCLING RATE TO BE REMITTED.

Council has received a request from five community halls (Brooklyn, Foxhill, Korere, Mapua and Riwaka Pioneer) asking that the refuse/recycling charge of \$55 for the 2005/2006 year be remitted. Their reasoning is that all hall users are responsible for

clearing their own rubbish and therefore do not require the service or want to pay for it. Under Council's current rate remission policies each of these halls receives 100% remission of their general and separate rates – in other words, the \$55 refuse charge is the only rate charged to them.

At this point we note there are a number of halls within the district that despite having received a remission on their general and separate rates, have in fact paid the \$55 without querying the matter.

The majority of halls receiving 100% remission were unprepared for the refuse/recycling charge and have received a rate invoice for the first time in many years. They state the halls are administered by volunteers on behalf of the community and they charge low rental fees to encourage the community to use the facility. This means the halls have minimal income and therefore request the council to reconsider the refuse/recycling charge.

The refuse recycling rate was introduced to meet the cost of a specific Council service that is directly provided for these entities, regardless of whether they use the service or not. To grant a remission to one particular group of users without wider consideration would, in my opinion be imprudent. Rather, Council should acknowledge the request and identify this as an issue for review when considering our rate remission policies through the consultative process associated with the 2006 LTCCP. We do not know how many similar properties may be affected, nor the financial impact that any remissions given will have on those ratepayers who continue to be levied the refuse recycling rate.

Recommendation

That:

- a) requests for remission of the refuse recycling rate for the 2005/2006 financial year from those ratepayers identified in this report, be declined.**
- b) Council review its rate remission policy to give consideration to whether this policy should extend to all separate rates charged for specific services.**

8 RATES POSTPONEMENT

On 4 November 2005, Rates Officer Anthea Campbell attended a presentation by a consortium of councils on their rates postponement scheme. The following report has been prepared by Anthea for consideration at today's meeting.

The Consortium represents six Councils (Far North, Gisborne, Rodney, Thames-Coromandel, Western Bay of Plenty and Environment Waikato). They have been operating their rates postponement scheme since July 2005.

Their main reasons for introducing rates postponement are as follows:

- Need to fund infrastructure due to increase growth
- Rising rates
- Options for ratepayers who were struggling to pay the huge increases
- Aging population

The scheme has two basic principles:

- 1) No cross subsidy between ratepayer and group
- 2) No risk of loss to the Council – through adequate reserving against contingencies.

The Consortium has a collective buying power to source loans and is presently sourcing information on providing insurance for those ratepayers who don't have insurance.

General Rules for Rate Postponement were as follows:

- Need to be over 65 years of age. (Postponement goes for 15 years, exceptional circumstances eg ill health may also be considered by individual councils)
- Must be on main residential house
- Rate postponement must not exceed 80% of value of property.
- All applicants must attend a Relationship Service counselling session so they are very clear on the processes and impact on them.
- All properties must be insured – a copy of a receipt must be produced each year for evidence
- Ratepayers can transfer rate postponement between properties and between councils providing both are in the scheme.
- Ratepayer decides how much of his/her rates they wish to postpone. Can be all or part.
- Cannot postpone rates on Maori Freehold Land.
- No judgement on income or assets

Cost to Council

Suggested initial joining fee of \$20,000 (includes access to software, assistance with drafting rate postponement policies and full range of support services and the right to share in future revenues).

- Management Fee of 1% of rates postponed
- Annual Relationship Service Fee
- Cost of staff administration work

Advantages for Council

- Less debt management
- Providing another option for property owners who are facing hardship
- No rating loss for Council

Disadvantages for Council

- Extra administration work
- Families unhappy with Councils taking a large amount of money from parents estate.

Costs to Applicant Ratepayers

- Application fee of \$300.00 – which covers Statutory Land Charge Fee and Administration

- 1% Management fee
- Interest costs based on 180 day bank rate.
- An extra loading fee can be added for high risk properties eg eroding of beach frontage

Advantages for Applicant Ratepayers

- Another option for paying rates
- Can stay in their own homes longer
- Postponement amount is flexible
- No judgement on income or assets
- Postponement of rates is not treated as income and therefore ratepayers can claim the rebate and then postpone the lesser amount of rates.

Conclusion

My initial reaction to Rates Postponement was wary to say the least, but on hearing the presentation I can see it has a place. The six councils had obviously put in a great deal of thought, time and effort. Any questions or concerns were quickly answered by the team.

The biggest advantage I can see is when a ratepayer who does not fit the criteria for a Rates Rebate we have another option to offer them. It is entirely up to them whether they wish to explore this path. At the present we have no other option to offer them.

The application model shown seemed extremely easy to use and follow. The forms to fill in were simple and very few questions were required not like a bank loan application.

With the new rates rebate scheme coming into effect July 2006 where ratepayers who qualify may receive up to \$500.00 will provide a huge relief for many of our elderly ratepayers. Whether the need for rates postponement will be as great is unknown.

Comment

Having read Anthea's report, and having given reference to the impending rates rebate scheme, I would suggest that the prudent course of action for this Council is to continue to monitor the rates postponement scheme, to evaluate whether there is any strongly perceived need for Council to join with the six councils who are currently enacting the scheme and, if the answer is yes, to include this as a consultation item in our 2006 LTCCP.

9 THREE MONTHLY FINANCIAL REPORTS

A copy of Council's three monthly financial reports to 30 September 2005 has been forwarded to Committee members under separate cover.

Should Committee members have any queries or information requests in relation to these accounts, would you please contact me directly, prior to the commencement of today's meeting, in order that we can respond appropriately to questions raised during the course of the meeting.

Recommendation

That the financial reports to 30 September 2005 be received.

10 LTCCP UPDATE

I have forwarded under separate cover, a copy of the audit report in relation to Council's LTCCP self assessment process. I am very happy with the report received which clearly indicates that the Office of the Auditor General is satisfied with the processes, systems and timetable that Council has in place for the preparation and adoption of this document.

Staff are currently finalising the financial aspects of Council's asset management plans and are shortly to integrate responses to the community consultation processes with these plans.

All Councillors are reminded of the series of workshops that we propose to hold on 6, 7, 9 and 12 December 2005. It is imperative that all Councillors are in attendance at these meetings as the outcome will be to give clear direction to staff of the work required through to the end of January 2006 at which time we will adopt our first draft of the LTCCP. Whilst this timeframe may seem somewhat restrictive, you will recall that we are bound by a statutory requirement to have the document audited and this is the timeframe that has been agreed to.

11 INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INFLATION ACCOUNTING

The SOLGM Finance Managers Working Party continues to work with government agencies and Office of the Auditor General on specific local government compliance requirements for the implementation of international financial reporting standards (effective from 1 July 2006) and the need to inflation-adjust the financial contents of our 2006 LTCCP.

There is a significant amount of debate still taking place on these matters, however it is the view of the Working Party that a nation wide response and set of standards will be required on both issues.

At today's meeting, I will give a verbal update on other issues the Working Party is currently addressing.

12 SEASON'S GREETINGS

Believe it or not, this is the last scheduled meeting for the Corporate Services Committee for 2005. On behalf of staff I wish to thank Councillors for their support during this calendar year.

No doubt the focus for all of us over the next few months will be the LTCCP – the respective consultative processes and the final adoption by 30 June 2006.

I hope you all rest well and enjoy a happy holiday break with your families and return eagerly looking forward to the challenges that the early part of 2006 will collectively bring to all of us.

David Ward
Corporate Services Manager