

STAFF REPORT

TO: Mayor and Councillors
FROM: D Ward, Corporate Services Manager
DATE: 14 February 2007
SUBJECT: Corporate Services Manager's Report

1 Rural Property Numbering

Council's contractor commenced property numbering within the Inland Moutere/Rural Motueka area during the fourth quarter of the 2006 calendar year. To date we have completed approximately 1,500 sites in the Motueka Valley and areas north of Motueka, including Awaroa and Torrent Bay.

There is still the area west of the Moutere Highway to the Motueka Valley to be completed. The contractor anticipates this numbering and any related matters within the area will be completed mid-March 2007.

The rural property numbering project has been extremely successful for Council with 4,800 sites captured to date. There is now only one area of the district remaining – Coastal Moutere/Rural Waimea. Staff are currently preparing an information brochure to be direct mailed to all affected properties within this area during the next fortnight. Staff estimate that there are approximately 3,500 properties within this area. Assuming there are no concerns raised during the consultative process with property owners in this area, we would anticipate that the contractor will be available to commence numbering of these properties in early April 2007.

In Council's Funding Impact Statement, we have retained the rural property numbering rate of \$30 which will be applied as a one-off specifically to properties that have received the benefit of this service in both the Inland Moutere/Rural Motueka and the Coastal Moutere/Rural Waimea areas. This rate will be levied in the 2007/2008 year only. Again, those properties that already have a property number will not be charged this rate, regardless of whether their number alters or not.

Recommendation:

That:

- a) **the Corporate Services Committee approve rural property numbering for the area designated Coastal Moutere/Rural Waimea and that properties directly benefiting from this service be levied a one-off rate of \$30.**

- b) **Staff prepare an appropriate contract between Council and Rural Property Numbering for the provision of services within the defined Coastal Moutere/Rural Waimea area.**

2 Funding Requirements

The following loans have been included in Council's 2005/2006 or 2006/2007 Annual Plans. Works have commenced, or about to commence, on the listed projects below, thus the requirement to pass the appropriate resolution to allow staff to raise the approved loans.

THAT:

- i) **The Council shall borrow the sum of three hundred and eighty thousand dollars (\$380,000) 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:**
 - Pohara/Tata Beach Wastewater \$380,000**
- 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.

3 2007/2008 Draft Annual Plan Timetable

At a Special Council meeting following today's Corporate Services Committee meeting we will formally adopt an amended Funding Impact Statement for incorporation into Council's 2007/2008 draft Annual Plan. Immediately following today's meeting, staff will complete the writing of the draft annual plan document. Emphasis will be placed on:

- those major projects proposed for completion during the 2007/2008 year
- major areas of activity (eg road maintenance, parks and reserves)
- any significant variations from Council's LTCCP Year Two
- Funding Impact Statement
- Development Contribution Policy variations
- Any other policy amendments that we may consider at today's meeting

The following dates are proposed for public consultation and adoption of the Plan.

22 February 2007

- Adoption of draft Annual Plan incorporating Funding Impact Statement

9 March 2007

- Draft Annual Plan released for public consultation

15 March 2007

- Newline – The Mag special edition devoted to Council's 2007/2008 draft Annual Plan

26 March 2007

- Public meetings commence, provisionally scheduled as follows:
 - Monday 26 March 2007 - Mapua
 - Tuesday 27 March 2007 – Collingwood
 - Wednesday 28 March 2007 – Wakefield
 - Thursday 29 March 2007 – Richmond
 - Friday 30 March 2007 – Murchison
 - Monday 2 April 2007 – Motueka
 - Tuesday 3 April 2007 – Tapawera

15 May 2007

- Submissions Close

5 June 2007

- Submission Hearings during this week

21 June 2007

- Adopt as final Annual Plan

Recommendation:

That Council adopts the timetable identified in this report for the release, consultation and adoption of its draft 2007/2008 Annual Plan.

4 Port Company Share Buy-back Funds Consultation Process

During the draft Annual Plan workshops held in December 2006, Council discussed and agreed in principle to a process to be followed to solicit submissions from the public on potential allocation of the \$12.5 million received from a share buy-back by Port Nelson Ltd.

It is proposed that a parallel (but separate) consultative process on this matter be undertaken with any potential outcomes being debated by Council for inclusion in its draft 2008/2009 Annual Plan (or alternatively, an amended LTCCP for preparation at that time).

The following timetable is proposed for the consultation process associated with this matter.

22 February 2007

- Confirm consultation process

15 March 2007

- Newsline – The Mag will contain details of the consultation process

26 March 2007

- public meetings will include reference to the consultation process associated with these funds

22 June 2007

- submissions on suggested allocation of funds close

9 July 2007

- hearing of submissions to be held this week

31 August 2007

- Council to resolve appropriate allocation of share buy-back funds

Recommendation:

That the identified timetable and process for consultation on potential allocation of Port Nelson Ltd share buy-back funds be adopted.

5 Rating Matters

5.1 Low Value Properties

Over recent months Council has undertaken a review of those low value properties within the District upon which Council continues to levy rates. These properties generally comprise of roadside reserves and ad hoc pieces of land for which rates have been charged on a perennial basis, albeit that the value of that rate has only become a concern when the application of District-wide targeted and UAGC rates.

At today's meeting staff will table a spreadsheet detailing those properties with a capital rating value of \$1,000 and less and those with a capital value of \$2,000 and less, together with the applicable rate being charged on those properties. These spreadsheets will identify the quantum of the rate applied to these properties.

Schedule One of the Local Government (Rating) Act 2002 specifically identifies those areas of land deemed to be non-rateable. None of those parcels of lands that I refer to in the introductory paragraphs (or indeed on the tabled spreadsheets) fall within these non-rateable categories.

Volume Two of Council's LTCCP identifies a number of policies that we have currently have for the remission of rates. The more specific policy to consider in this matter is our Policy on Uneconomic Balances which applies to rating units which are charged annual rates, excluding metered water rates, of \$10 or less. This policy is made under Section 54 of the Local Government (Rating) Act 2002 which gives councils the power not to collect small amounts. There is no definition of "small amounts" in this Section of the Act.

The main rating component charged to these low value properties is the uniform annual charge which is set under Clause 15 of the Act as either a fixed amount per rating unit or a fixed amount per separately used or inhabited part of a rating unit.

At today's meeting, there will be an opportunity to discuss how rating of these low value properties may be considered in the future and the impact that it may have on Council revenue.

5.2 Local Government Rating Enquiry Discussion Paper

Local Government New Zealand and SOLGM have recently released a paper entitled "Local Government Funding : A Statement of Issues". Local authorities have been asked to consider this paper and respond by 2 March 2007. It is proposed that the paper will be presented to the independent inquiry into rating being undertaken by the recently formed Local Government Funding Advisory Group.

I would recommend that Council form a subcommittee of interested Councillors and staff to consider the draft paper and prepare Council's response to LGNZ/SOLGM.

Recommendation:

That a subcommittee comprising Crs, the Acting Chief Executive and the Corporate Services Manager be formed to prepare Council's response to the LGNZ/SOLGM paper entitled "Local Government Funding : A Statement of Issues".

5.3 Rates Rebate

Whilst the rates rebate scheme applies throughout the course of any financial year, I can advise that to date, 1,308 property owners have received rates rebates to the value of \$596,419 for the 2006/2007 year, with an average rebate of \$456.

Shortly Council will provide a further reminder in Newsline – The Mag of the existence of the scheme and the process to follow for those persons who have still to apply for their rebate for the 2006/2007 year.

Council staff will be attending a National Rating Seminar at which the rates rebate scheme is an agended item. It is anticipated a number of procedural issues relating to the administration of the scheme will be raised at the seminar. The outcomes will be reported to the next Corporate Services meeting, together with the process we intend to follow for scheme applications in the 2008/2009 financial year.

6 Associate Annual Reports

6.1 Golden Bay Medical Centre Community Trust

Under its constitution, the Golden Bay Medical Centre Community Trust is required to provide an annual audited report to Council for receipt and discussion if appropriate. Attached to this report is a copy of the Trust's Annual Report for the year ended 30 June 2006.

Recommendation:

That the Golden Bay Medical Centre Community Trust Annual Report for the year ended 30 June 2006 be received.

6.2 Bishop Suter Art Gallery Trust Board Annual Report

I previously advised Council that I have copies of Bishop Suter Art Gallery Trust Board Annual Report that any Councillors may wish to receive or peruse. It has been suggested that I report on the content of the document to today's Corporate Services meeting, acknowledging that Council provides considerable operational funding to the Suter and is likely to come under further pressure for closer involvement and capital commitment.

I will provide a verbal report on the Trust's Annual Report at today's meeting. If there are any specific matters that Committee members wish to receive information on, would you please contact me prior to today's meeting.

7 Members Interest Register

For the past two years Council has retained a Members Interest Register which is reviewed on an annual basis, at the start of each calendar year. As we go through the annual review process again at this meeting, we are reminded of the Accounting Manager's presentation to the Audit Subcommittee meeting held on 8 February 2007, specifically in relation to International Financial Reporting Standards.

The Local Government Act places restrictions on being involved in contracts with the Council. I remind you that you cannot be a member of the Council, Community Board or a committee of Council, a Community Board or a key staff member of Council, if the total payments made by the Council in respect of a particular contract in which you are concerned or interested, exceeds \$25,000. The prohibition is not restricted to contracts to which you are a party. It extends to contracts between the Council and a company in which you or your spouse have an interest. Once again, there are exceptions to the general rule, but they are limited and if you are in any doubt, I suggest that you raise the matter with either the Acting Chief Executive or myself. In addition, NZ Reporting Standards require the following transactions with Councillors other than payments of rates or rubbish bags etc to be disclosed in the annual report:

- The amount of the transaction
- The amount of any outstanding balances at reporting date
- Any allowance for bad debts

There is no dollar threshold in regard to this disclosure. As indicated to the Audit Subcommittee it would be preferable if the Interests Register was adopted annually for inclusion in Council's Annual Report.

Attached for information is a memo prepared in October 2004 by Council's legal advisors.

I would suggest that any Councillor, Community Board Member or key staff member who believes they may be involved in any organisation or transaction that could trigger a need for inclusion of a transaction in Council's Members Interest Register, to contact me personally.

Recommendation

That the Interests Register be adopted annually for inclusion in Council's Annual Report.

8 Future Corporate Services Meetings

This Committee has scheduled meetings on 12 April 2007 and 24 May 2007. As the major focus of Corporate Services work during this time will be related to our annual plan, and given that I will be absent between Easter and Queen's Birthday, it is proposed that these meetings be cancelled.

Any Corporate Services-related issues will be dealt with at either scheduled meetings of Full Council or any other Committee of Council that is deemed appropriate during that period.

9 Capital Development Fund

The Council meeting of 8 February 2007 requested that staff prepare a further report on the proposed funding scheme for land recently acquired at Best Island. In preparing this report it was requested that further details be provided in relation to work currently being undertaken and work currently being funded from the Capital Development Fund.

At the date of issuing this agenda, that report has not been completed. It will however be circulated for consideration and resolution at today's meeting.

David Ward
Corporate Services Manager