



Hastings District Council

*Civic Administration Building
Lyndon Road East, Hastings*

Phone: (06) 871 5000

Fax: (06) 871 5100

WWW.hastingsdc.govt.nz

OPEN A G E N D A

COUNCIL MEETING

Meeting Date: **Wednesday, 27 November 2019**

Time: **1.00pm**

Venue: **Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

Council Members	Chair: Mayor Hazlehurst Councillors Barber, Corban, Dixon, Harvey, Kerr, Lawson, Nixon, O'Keefe, Oli, Redstone, Schollum, Siers, Travers and Watkins
Officer Responsible	Chief Executive – Mr N Bickle
Manager: Democracy & Governance	Mrs J Evans (Extn 5018)

HASTINGS DISTRICT COUNCIL

COUNCIL MEETING

WEDNESDAY, 27 NOVEMBER 2019

VENUE: Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings

TIME: 1.00pm

A G E N D A

1. Prayer

2. Apologies & Leave of Absence

At the close of the agenda no apologies had been received.

At the close of the agenda no requests for leave of absence had been received.

3. Seal Register

4. Conflict of Interest

Members need to be vigilant to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to scan the agenda and assess their own private interests and identify where they may have a pecuniary or other conflict of interest, or where there may be perceptions of conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the relevant item of business and withdraw from participating in the meeting. If a Member thinks they may have a conflict of interest, they can seek advice from the General Counsel or the Manager: Democracy and Governance (preferably before the meeting).

It is noted that while Members can seek advice and discuss these matters, the final decision as to whether a conflict exists rests with the member.

5. Confirmation of Minutes

Minutes of the Council Meeting held Thursday 7 November 2019 and reconvened Tuesday 19 November 2019.
(Previously circulated)

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REPORT TO: COUNCIL

MEETING DATE: WEDNESDAY 27 NOVEMBER 2019

FROM: PROJECT ADVISOR
ANNETTE HILTON

SUBJECT: PRESENTATION - LUCKNOW SCHOOL

1.0 PURPOSE AND SUMMARY - *TE KAUPAPA ME TE WHAKARĀPOPOTOTANGA*

- 1.1 The purpose of this report is to inform Council that students from Lucknow School will make a brief presentation to Council regarding their recent success at the World Lego championships in the USA.
- 1.2 The students were recipients of a \$250.00 grant from the Mayoral Fund to assist with financial costs to represent New Zealand at the First Lego League – Robotics International Tournament at Legoland in California during 2019.
- 1.3 Students will also share their ideas for bringing local historical stories to life through an interactive digital journey across the district.

2.0 RECOMMENDATIONS - *NGĀ TŪTOHUNGA*

- A) That the Council receives the report titled Presentation - Lucknow School.**

Attachments:

There are no attachments for this report.

REPORT TO: COUNCIL

MEETING DATE: WEDNESDAY 27 NOVEMBER 2019

FROM: MANAGER: DEMOCRACY AND GOVERNANCE
JACKIE EVANS

SUBJECT: PETITION - DEPARTMENT OF CORRECTIONS LEASED HOUSING

1.0 PURPOSE AND SUMMARY - TE KAUPAPA ME TE WHAKARĀPOPOTOTANGA

- 1.1 The purpose of this report is to inform the Council about a petition received on 11 November 2019 from residents opposing housing ex prisoners in an urban area. The petition will be tabled at the meeting.
- 1.2 The petitioner's prayer reads as follows:

"We the undersigned oppose the use of 122 Stortford Street to be used as a property to house ex prisoners for reintegration into society."
- 1.3 Attached is a summary of concerns in regard to the petition (**Attachment 1**).
- 1.4 There are 62 signatories to the petition.
- 1.5 The report concludes by recommending that the Council receive the petition.

2.0 RECOMMENDATIONS - NGĀ TŪTOHUNGA

- A) That the Council receives the report titled "Petition - Department of Corrections Leased Housing".**
- B) That the tabled "Petition : Housing Ex Prisoners" be received.**
- C) That officers prepare a report to a future Council meeting on "Petition : Housing Ex Prisoners".**
- D) That the lead petitioner Jeremy Pruckmuller be invited to speak to the petition, at the future meeting referred to in "C" above.**

Attachments:

1. Summary of Concerns regarding ex prisoners housed in urban area CG-14-1-01596

Summary of Concerns regarding housing ex prisoners for reintegration into society.



1. Large numbers of residents in one property all in one age bracket of under 30 years old and one sex, male.
2. Property size not designed to accommodate outside activities and privacy for residents
3. Concerns that residents will use outside berm to cater for their needs as mentioned above
4. Immediate, adjacent PROXIMITY TO CHILD CARE BUSINESS
5. Loss of income for said business
6. Proximity of property to neighbours and to footpath.
7. Neighbours feeling insecure as they are aware of such a large number of previous offenders in their neighbourhood
8. Proximity to TAB, Stortford Social Club where there is a bar and gambling, to two bottle stores
9. Proximity to vulnerable residents in street eg young and older females, some who are living on their own
10. Teenage females
11. Children
12. Due to proximity to residents, the opportunity to pass on information to mates and whanau re the coming and goings of neighbours
13. Effective management of publicly inappropriate social behavior and physical behavior, given that Police involvement is often too late.
14. Devaluation of property

* Original questions sent through to Corrections the morning after the previous evening's notification

Require full explanation in writing of the intended purpose of the property. Reintegration involves what criteria?

Duration it is expected to run this facility

Can criteria for use of property change eg house people who in past would be sent to prison but now placed in rehabilitation facility

Will Housing NZ continue to own property

What guarantees local residents will not be affected by ex prisoners living in neighbourhood.

What studies are available from which to compare changes in a community's demographic, in either social groupings of residents, crime prevalence, social anxiety, job loss and devaluation of property, due to ex prisoners taking up residency in areas where there is a reasonable balance of similar social groupings differing to those of ex prisoners

When is residency placement expected to begin?

When is consent from Resource Management expected to be completed?

At what stage can we as residents in the local area of this facility, object and have a fair opportunity to be heard?

Will there be limitations/criteria around visitors? What would this involve?

Would Plunket Street becomes a street for accommodation visitors car park?

Would there be a specific limit of number of residents at any one time?

If so, what guarantees are in place for this?

Would there be curfews for occupants and visitor?

What would these times be?

Would occupants have freedom of movement when not working?

Would occupants have access to own vehicle?

Will there be signage placed at the property indicating its purpose and will it be reasonably identifiable as being used by the Department of Corrections as a Department of Corrections facility

What does 24 hour one person supervision entail.....? What kind of jurisdiction does this person have?

Would supervision man power increase as numbers of residents increase?

Will there be cameras on site?

If a problem arises at the residency, can the person on site intervene effectively to minimise further problems, danger?

Do residents begin work immediately?

Are you aware of the limited recreational space available? This is a concern, as release of energy but also privacy is an important component for all humans. Shared bedroom space, a very small lounge and lawn and concrete area, along with proximity to footpath and road, could lead to times of frustration and angst. Not healthy for people who are trying to reintegrate. Nor the neighbours nearby. Currently the backpackers who reside there, "spill" out onto the road, to play games, talk on phones or work on cars, machines etc

We were advised property can house up to 28 residents. How is this provided?

Does this mean the existing caravans would be used?

Residents of the property are unlikely to feel included within the community.

We have been advised these residents would all be male Maori.

They are unlikely to feel included due to negative vibes and angst from the local community and not made to feel welcome. There would also be extremely limited opportunity for cultural identity as our block of residents are predominantly non Maori and house a number of women who are often living alone.

REPORT TO: COUNCIL

MEETING DATE: WEDNESDAY 27 NOVEMBER 2019

**FROM: MANAGER STRATEGIC FINANCE
BRENT CHAMBERLAIN**

**SUBJECT: NEW ZEALAND LOCAL GOVERNMENT FUNDING
AGENCY LIMITED - ANNUAL REPORT FOR THE YEAR
ENDED 30 JUNE 2019**

1.0 EXECUTIVE SUMMARY - *TE KAUPAPA ME TE WHAKARĀPOPOTOTANGA*

- 1.1 The purpose of this report is to inform the Committee of the financial results of New Zealand Local Government Funding Agency Limited (LGFA) for the year ended 30 June 2019.
- 1.2 This issue arises from the receipt of the annual report for the 12 months ended 30 June 2019 from the LGFA.
- 1.3 This report contributes to the purpose of local government by primarily promoting economic wellbeing and more specifically through the Council's strategic objective of providing good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- 1.4 LGFA's total interest income for the financial year was \$361.1m which was up 5.3% over the previous year.
- 1.5 LGFA's operating profit was \$11.2m which was a decrease of 5.1% on the previous year.
- 1.6 While the operating profit was lower than the previous year's result, it did exceed the Statement of Intent (SOI) forecast.
- 1.7 The LGFA has lent \$9,311m to 64 councils across New Zealand.
- 1.8 The LGFA continues to provide savings in borrowing costs for councils relative to other sources of borrowing.

2.0 RECOMMENDATIONS - *NGĀ TŪTOHUNGA*

- A) That the Committee receives the report titled **New Zealand Local Government Funding Agency Limited - Annual Report for the Year Ended 30 June 2019**

3.0 BACKGROUND – *TE HOROPAKI*

- 3.1 The LGFA was established on 1 December 2011 with 18 Local Government shareholders and the Crown. Hastings District Council became a shareholder with a shareholding investment of \$400,000 (1.8%). The LGFA is a Council Controlled Organisation.
- 3.2 During 2012, 12 new shareholders joined the LGFA as part of the second opening with Council selling down some shares to the 12 new shareholders. This reduced HDC's shareholding to \$373,196 (1.77%).

4.0 DISCUSSION - *TE MATAPAKITANGA*

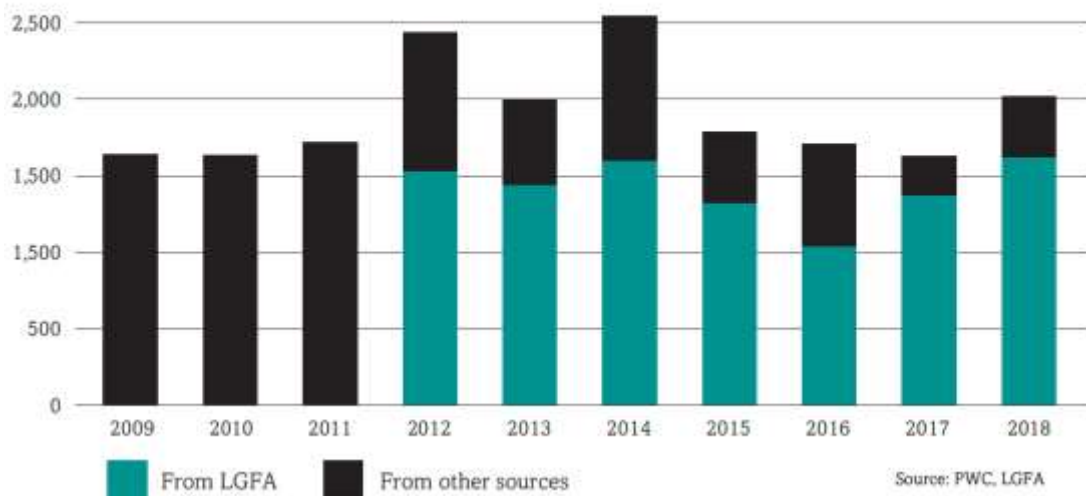
- 4.1 **Attachment 1** is a copy of the Annual Report for the 12 months ended 30 June 2019.
- 4.2 The Annual Report covers a number of topics including financial performance, how they manage their treasury risk, and how they performed against their Statement of Intent.
- 4.3 LGFA's total interest income for the financial year was \$361.1m which was up 5.3% over the previous year.
- 4.4 LGFA's operating profit was \$11.2m which was a decrease of 5.1% on the previous year.
- 4.5 While the operating profit was lower than the previous year's result, it did exceed the Statement of Intent (SOI) forecast due to larger than expected growth in council loans. The lower profitability was on the back of lower interest rate levels, and councils refinancing loans with high margins (the original loans when LGFA was first established) with loans with lower margins.
- 4.6 Expenses have been managed under budget.
- 4.7 LGFA has lent \$9,311m to 64 councils across New Zealand.

Borrower Type	Number of Councils	Amount Borrowed (NZ\$ million)	Percentage of Total Borrowing
Guarantors	52	9,200	98.8%
Non Guarantors	12	111	1.2%
Total	64	9,311	100.0%

- 4.8 The table below shows the borrowings undertaken across all New Zealand councils since LGFA's inception in 2012. During the 12 month period to 30 June 2019 the LGFA provided 92.3% of the sectors borrowings.

Councils' borrowing

All councils (NZ\$ million) calendar year



- 4.9 LGFA has 64 member councils with 8 new members being added during the year.
- 4.10 The LGFA continues to provide savings in borrowing costs for councils relative to other sources of borrowing (Auckland and Dunedin Councils are paying between 7 and 10 basis points more when borrowing externally than the LGFA equivalent offerings).
- 4.11 The LGFA allows Councils to borrow for periods anywhere from 30 days to 15 years in length.
- 4.12 LGFA bonds continue to be popular with investors with an average of 2.6 bids per bond being offered during 2018/9.
- 4.13 During the current financial year LGFA has been working on moving into a position where it can lend directly to Council Controlled Organisations in the future.
- 4.14 Officers are of the opinion that the LGFA's performance continues to be very successful; creating a more efficient and diversified funding market for Councils to participate in.

5.0 OPTIONS - NGĀ KŌWHIRINGA

Option One - Recommended Option - Te Kōwhiringa Tuatahi – Te Kōwhiringa Tūtohunga

- 5.1 The Council can receive the LGFA's Annual Report

6.0 NEXT STEPS - TE ANGA WHAKAMUA

- 6.1 No further steps are required.

Attachments:

1 ➡	LGFA Annual Report 2018-2019 Cover Letter	FIN-15-5-19-752	Under Separate Cover
2 ➡	LGFA Annual Report 2018-2019	FIN-15-5-19-751	Under Separate Cover

SUMMARY OF CONSIDERATIONS - *HE WHAKARĀPOOTO WHAIWHAKAARO*

Fit with purpose of Local Government - *E noho hāngai pū ai ki te Rangatōpū-ā-rohe*

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future

This report contributes to the purpose of local government by primarily promoting economic wellbeing and more specifically through the Council's strategic objective of providing good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

Link to the Council's Community Outcomes - *E noho hāngai pū ai ki te rautaki matua*

This proposal promotes the economic well-being of communities in the present and for the future by allowing Council to access funds to build/maintain infrastructure in a cost effective manner.

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

There are no known impacts for Tangata Whenua.

Sustainability - *Te Toitūtanga*

The LGFA's success allows councils to access funds to build/maintain infrastructure in a cost effective manner.

Financial considerations - *Ngā Whaiwhakaaro Ahumoni*

The LGFA's success allows councils to access funds to build/maintain infrastructure in a cost effective manner.

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This decision/report has been assessed under the Council's Significance and Engagement Policy as being of minor significance.

Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto, ā-waho*

There has been no external engagement. The Annual Report will be presented at the LGFA's AGM on the 21st November 2019 in Wellington.

Risks: Legal/ Health and Safety - *Ngā Tūrarū: Ngā Ture / Hauora me te Haumarū*

No Risks have been identified in this report.

Rural Community Board - *Ngā Poari-ā-hapori*

There are no implications for the rural community board.

REPORT TO: COUNCIL

MEETING DATE: WEDNESDAY 27 NOVEMBER 2019

**FROM: MANAGER STRATEGIC FINANCE
BRENT CHAMBERLAIN**

SUBJECT: HAWKE'S BAY MUSEUMS TRUST ANNUAL REPORT 2019

1.0 EXECUTIVE SUMMARY - TE KAUPAPA ME TE WHAKARĀPOPOTOTANGA

- 1.1 The purpose of this report is to update the Council on the performance of the Hawke's Bay Museums Trust (HBMT) for the year ended 30 June 2019.
- 1.2 This request arises from the receipt of the Hawke's Bay Museums Trust Annual Report for the year ended 30 June 2019.
- 1.3 This report contributes to the purpose of local government by primarily promoting cultural wellbeing and more specifically through the Council's strategic objective of fostering the arts and cultural experience.
- 1.4 The HBMT's annual report shows a surplus for the year of \$827,830. Most of this relates to the receipt of donated assets. The true underlying operating results was a modest surplus of \$26,129.
- 1.5 The Trust has net worth of \$41,562,592 of which \$40,983,614 is its Artworks and Collection.
- 1.6 The Trust has met most of its non-financial targets for the year as set out in its statement of intent (see 4.8 for more detail).

2.0 RECOMMENDATIONS - NGĀ TŪTOHUNGA

- A) That the Council receives the report titled Hawke's Bay Museums Trust Annual Report 2019**

3.0 BACKGROUND – *TE HOROPAKI*

- 3.1 The Hawke's Bay Museums Trust (HBMT) is a Council Controlled Organisation with 3 of the 5 Trustees appointed by Napier City Council (NCC) and Hastings District Council (HDC) and with the bulk of its funding provided jointly by those Councils. The HBMT Board is responsible for a management agreement between the HBMT and the NCC with the management agreement providing for the operations of the Museum, Art Gallery and associated activities which are operated by the NCC.

HBMT has 4 main goals:

- To protect the regional collection
- To maintain and enhance the quality of the collection
- To maximise access to the collection
- To further develop the collection

- 3.2 The HBMT (Incorporated) is registered as a charitable entity under the Charities Act 2005.

- 3.3 The Board is constituted to have five members appointed as follows:

- One appointed by Napier City Council
- One appointed by Hastings District Council
- One appointed by the Hawke's Bay Museums Foundation Charitable Trust
- One appointed by Ngati Kahungunu Iwi (Incorporated)
- The Chairperson who shall be appointed by Napier City Council and Hastings District Council jointly.

- 3.4 The Trustees as at 30 June 2019 were as follows:

Director	Effective From
Dr Richard Grant	December 2014
Deputy Mayor Faye White (Napier)	September 2015
Councillor George Lyons (Hastings)	December 2013
Johanna Mouat	December 2013
Mike Paku	December 2013

- 3.5 Dr Grant was appointed as the Independent Chairman by the joint appointments committee in late 2014. Council's Policy on Appointment and Remuneration of Directors for Council Organisations states that the Independent Chair be appointed jointly by NCC and HDC and that HDC's member on this Appointments Panel be the Mayor Hazlehurst or their delegate. Unfortunately Dr Grant is unable to attend the meeting to present the Annual Report, however with the ongoing review of the Hawkes Bay Museums Trust and the Regional Collection, there will be an opportunity for Dr Grant to present to Council in early 2020.

4.0 DISCUSSION - *TE MATAPAKITANGA*

4.1 **Attachment 1** is a copy of the Hawke's Bay Museum Trust's Annual Report including signed and audited accounts for the year ended 30 June 2019.

4.2 Hastings District Council's representative on the Trust is George Lyons.

4.3 The HBMT received grants of \$1,181,397 in aggregate from the NCC and HDC compared to \$917,320 received in the 2018 financial year.

The grants cover the contracted costs to NCC to provide administrative and management services for the management of the collection. The costs of the regional collection are met equally by the HDC and NCC with HDC contributing \$598,198 in 2019 compared to \$466,160 in 2018.

The HDC contribution includes \$15,000 as a training grant to the Trust whereby the NCC training grant offsets expenditure incurred by NCC on behalf of the Trust.

4.4 The audited accounts show a net surplus from operating activities for the year ended 30 June 2019 of \$827,830 (\$78,444 in 2018). \$801,701 of this surplus is due to the recognition of the value of assets gifted to the Trust, with the remaining \$26,129 surplus coming from normal operations.

4.5 The Statement of Financial Position reports accumulated funds of \$41,648,770 as at 30 June 2019 compared with \$40,840,378 as at 30 June 2018. The majority of this change stems from the increase in value of the collection (mainly donations being recognised), with the balance coming from operating activities.

4.6 The statement of Financial Position records the collection at \$40,983,614 as at 30 June 2019 compared to \$40,179,424 in 2018.

4.7 The statement of Financial Position also records an operating bank balance of \$36,487 (\$17,786: 2018) with a further \$625,260 held in investments (\$635,260: 2018). Of the investments of \$625,260, \$524,209 are held as special purpose reserves (see note 7) with various restricted use applications.

4.8 The Annual Report also includes a comparison of the non-financial performance measures included in the Statement of Intent for the year ended 30 June 2019 against the actual results achieved, and these are as follows:

Key Result Area	Performance Indicator	Target /Reporting Method	
		2018/19 Target	2018/19 Actual
Protection	Full insurance cover is provided for the collection.	Yes	Yes
	Collections are stored in an acceptable environment	No items reported to have suffered deterioration due to the environment	No damage
Quality	Every item accessioned into the collection has undergone a detailed selection process within the framework of the Collection Strategy	Yes	Yes
	De-accessions are managed in accordance with the Collection Strategy and reported to the Board	Yes	Yes
Access	HBMT collections are used for academic and personal research	1,500 enquiries	13,374 online catalogue sessions 576 enquiries
	Collections are made available to the public through quality exhibitions	Minimum of five collection based exhibitions	3 Louis Hay exhibition Silver exhibition Five Pākehā Painters
Development	Bequests fund income is used in the manner determined by the donor	Yes	Yes
	Conservation funds income is used solely for collection care	Yes	Yes
	Joint HBMT/Te Rōpū Kaiawhina Taonga meeting held	1 per annum	0

- 4.9 Generally the targets set in the Statement of Intent have been met and officers believe that this plus the financial result reported in the Annual Report presents a good result for the Trust.
- 4.10 The HBMT owns, protects, and makes available the collection of art, local history, Maori and ethnographic objects. The primary place of display and storage of the collection is at the MTG Hawke's Bay, while overflow storage is housed at the Rothmans Building in Napier. This offsite storage has been a long standing issue as it is expensive and not ideal for storing historical artefacts (lack of climate control). A joint working group is currently investigating the feasibility of an alternative site adjoining the Hastings District Library in Civic Square.


5.0 OPTIONS - NGĀ KŌWHIRINGA

Option One - Recommended Option - *Te Kōwhiringa Tuatahi – Te Kōwhiringa Tūtohunga*

- 5.1 The Council can receive the HBMT's Annual Report

6.0 NEXT STEPS - *TE ANGA WHAKAMUA*

- 6.1 No further steps are required.

Attachments:1  HBMT Annual Report 30 June 2019

EXT-10-11-7-19-227

Under
Separate
Cover**SUMMARY OF CONSIDERATIONS - HE WHAKARĀPOPOTO WHAIWHAKAARO****Fit with purpose of Local Government - *E noho hāngai pū ai ki te Rangatōpū-ā-rohe***

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

This report contributes to the purpose of local government by primarily promoting cultural wellbeing and more specifically through the Council's strategic objective of fostering the arts and cultural experience.

Link to the Council's Community Outcomes - *E noho hāngai pū ai ki te rautaki matua*

This proposal promotes the cultural wellbeing well-being of communities in the present and for the future.

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

Part of the Trust's collection is Māori Taonga. Ngati Kahungunu Iwi (Incorporated) is represented on the Trust by Mike Paku to ensure that the Taonga is preserved for future generations, while being readily accessible to the public of today.

Sustainability - *Te Toitūtanga*

The Trust's result shows that it remains financially viable, however if one (or both) of the funding Councils were to withdrawal it's funding in whole (or part) then the Trust's sustainability would be questionable.

Financial considerations - *Ngā Whaiwhakaaro Ahumoni*

Receiving this report has no financial implications for Hastings District Council.

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This decision/report has been assessed under the Council's Significance and Engagement Policy as being of minor significance.

Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto, ā-waho*

The Trust's Annual Report has been presented to the two funding Council's and at its AGM.

Risks: Legal/ Health and Safety - *Ngā Tūrarū: Ngā Ture / Hauora me te Haumarū*

Receiving this report does not trigger any legal or health and safety issues.

Rural Community Board - *Ngā Poari-ā-hapori*

There are no implications for the Rural Community Board.

REPORT TO: COUNCIL

MEETING DATE: THURSDAY 28 NOVEMBER 2019

**FROM: FINANCIAL POLICY ADVISOR
ASHLEY HUMPHREY
CHIEF FINANCIAL OFFICER
BRUCE ALLAN**

SUBJECT: DISTRICT WIDE 2019 REVALUATION

1.0 EXECUTIVE SUMMARY - TE KAUPAPA ME TE WHAKARĀPOPOTOTANGA

- 1.1 This is an administrative report to inform the Council of the potential rating impacts of the 2019 District Wide Revaluation for the Hastings District.
- 1.2 Council is required by legislation to carry out a revaluation of all properties within its district every three years. These values are then used to determine that properties share of rates.
- 1.3 Under the 2019 revaluation, the average proposed land value increase across the district is 51.1%.
- 1.4 Whilst a revaluation does not increase or change the amount of rates council recovers across its district, it does redistribute the share of rates that each individual property pays depending on their individual land value change.
- 1.5 The impact upon any property will depend on **their land value increase in comparison to the average across the district**.
- 1.6 The 2019 Revaluation has generally seen some variable land value movements across Rating Area 1, with more modest changes across Rating Area 2. The following table summarising how some of our property categories or differential groups are affected under the 2019 District Wide Revaluation.

RATING AREA 1 Property Category / Differential Rating Group / Location	Summary
Residential – Hastings & Havelock North	Most properties have seen <u>average</u> increases in Land value (50%) so the rating impacts are generally minor for most.
Residential – Flaxmere / Whakatu	Most properties have seen <u>above average</u> increases in Land Value (100%), resulting in rate increases of 5% for most properties.
Residential – Clive, Haumona / Te Awanaga	Most properties have seen <u>below average</u> increases in Land Value (25-30%), resulting in rate decreases of around 8% for most properties.
CBD Commercial – Hastings & Havelock North	Most properties have seen <u>below average</u> increase in Land Value (25-40%), resulting in rate decreases of around 10% for most properties
Industrial (Whakatu / Irongate)	Most properties have seen <u>above average</u> Land Value increases (150%to 200%), resulting in rate increases of at least 21% for most properties.

Suburban Commercial (Other Commercial)	Most properties have seen below average increase in Land Value (30%), resulting in rate decreases of around 15% for most properties
Horticulture / Farming	Most properties have seen above average Land Value increases (100%), resulting in rate increases of at least 11% for most properties.

RATING AREA 2 Property Category / Differential Rating Group / Location	Summary
Dairy Farming	Most properties have seen decreases in Land Value (10%), resulting in rate decreases of 30% for most properties
Residential and Lifestyle / Horticulture / Farming	Most properties have seen Land value increase by a similar % (30-40%), so for most properties the rating impacts are generally minor (I.e 60% of all RA2 properties have a +/-5% increase)

- 1.7 Whilst acknowledging the rating impacts, Officers believe the impacts from the 2019 revaluation should however be viewed in the context of previous revaluations and not necessarily in isolation.

2.0 RECOMMENDATIONS - NGĀ TŪTOHUNGA

- A) That the Council/Committee receives the report titled District Wide 2019 Revaluation

3.0 BACKGROUND – TE HOROPAKI

- 3.1 The Rating Valuations Act 1998 requires a Local Authority to undertake a district revaluation no less than once every three years. The Council has contracted Quotable Value Ltd (QV) to undertake this process on Council's behalf, with the 2019 revaluation being signed off by the Valuer-General on 11 October 2019.
- 3.2 QV have sent individual revaluation notices to all property owners on 21 October 2019. Property owners can object to their property's valuation, providing they lodge their objection with QV by 4 December 2019. Once objections are settled the new district valuation will be used for rating purposes from 1 July 2020.
- 3.3 The following table shows a high level overview of the results of the district revaluation by property category.

Property Category	Number of Assessments	Capital Value % Change	Land Value % Change
Forestry	123	18.2%	20.7%
Dairy	28	-6.6%	-9.0%
Pastoral	1413	34.0%	34.7%
Horticulture / Specialist	1447	67.1%	84.6%
Lifestyle	2985	35.3%	40.3%
Commercial	866	24.9%	33.9%
Industrial	748	40.6%	77.8%
Residential	23589	43.3%	53.5%
Other (Mining, Utilities, Other)	866	23.1%	49.1%
AVERAGE % CHANGE		40.4%	51.1%

4.0 DISCUSSION - TE MATAPAKITANGA

- 4.1 Council currently collects approximately \$51m through its General Rate, which is recovered from properties based on their location, how the property is used, and based on the properties land value. A property's valuation therefore has the ability to influence the amount of rates recovered from any property.
- 4.2 A common misunderstanding is that an increase in land values across the district will lead to an increase in council's rate take. This is not the case, changes to valuations simply reallocate how the general rate requirement is allocated and shared across the properties within the district. Council's rating requirement is set separately by Council under its Annual Plan and Long Term Plan processes.

- 4.3 Another common misunderstanding is that an increase in land value will result in an increase in rates. This is not necessarily the case as it will depend on additional factors such as council's budgetary requirements and more pertinently the level of movement of other properties within the district. For example:
- If all properties increased at the same rate and there was no change to council's budget, there would be no impact on rates.
 - If a property's land value increases more than the average (greater than 51.1%) then it's likely their share of the rates would increase.
 - If a property's land value increases less than the average (lower than 51.1%), it's likely their share of rates would decrease.
- 4.4 Council will not finalise its rating requirement until June 2020 following the 2020/21 Annual Plan process, therefore all rating impacts illustrated throughout this report exclude any budgetary changes (including any changes to any of council's targeted rates). Impacts are shown using the 2019/20 rating requirement and show the impacts of the revaluation only.
- 4.5 The following table provides a high level summary of the shift in share of general rates collected by differential groups, as a result of the proposed 2019 revaluation.

Differential Group	Existing 2019/20 General Rates using 2016 LV (\$m)	Share %	Revised 2019/20 General Rates using 2019 LV (\$m)	Share %	Share Change %
Residential	\$18.59	45.8%	\$18.50	45.6%	-0.3%
Residential Clive	\$0.49	1.2%	\$0.40	1.0%	-0.2%
Residential Non-Urban	\$2.82	7.0%	\$2.58	6.4%	-0.6%
CBD Commercial	\$7.21	17.8%	\$5.97	14.7%	-3.1%
Other Commercial	\$3.69	9.1%	\$3.85	9.4%	+0.4%
Commercial Non-Urban	\$1.60	3.9%	\$2.25	5.5%	+1.6%
Horticulture / Farming	\$6.20	15.2%	\$7.05	17.4%	+2.1%
TOTAL (Rating Area 1)	\$40.60	100%	\$40.60	100%	-
Residential	\$0.80	7.7%	\$0.84	8.1%	+0.4%
Commercial	\$0.10	1.0%	\$0.09	0.9%	-0.1%
Lifestyle/Horticulture/Farming	\$9.50	91.3%	\$9.46	91.0%	-0.3%
TOTAL (Rating Area 2)	\$10.40	100%	\$10.40	100%	-
TOTAL GENERAL RATES	\$51.00		\$51.00		

- 4.6 In Rating Area 1, land values generally increased by 100% or greater across most Horticulture / Farming properties and Commercial Non-Urban properties, well above the average. As a result their share of the general rate increased by 2.1% and 1.6% respectively. CBD Commercial land values saw more modest increases in land value, well below the average, reducing their share of the general rate reduced by 3.1%.
- 4.7 Whilst the share of general rates recovered from Residential properties was relatively unchanged (-0.3%), the impacts were slightly more varied at a property level. These can be seen under Table 4.9.
- 4.8 In Rating Area 2, whilst the Residential share of general rates increased by 0.4%, the quantum of the shift in dollar terms was minor as the Lifestyle / Horticulture / Farming differential group represents approximately 90% of the total land value within Rating Area 2.
- 4.9 The following tables shows the impacts of the revaluation on a selection of sample properties within each rating area. Whilst the samples have been selected as representative of the impacts on that group, an individual property's impact will depend on their own land value increase in comparison to the average across the district.

Rating Area 1)

Differential Group / Location	2019 Proposed LV	% Change in LV	2019/20 Current Rates	2019/20 Rates based on Proposed Revaluations	\$ Change	% Change in Rates
Residential- Flaxmere	\$104,000	+100%	\$1790	\$1880	+\$90	+5.0%
Residential - Hastings	\$265,000	+51%	\$2546	\$2513	-\$32	-1.3%
Residential – Havelock Nth	\$340,000	+51%	\$2876	\$2832	-\$44	-1.5%
Residential Clive	\$225,000	+25%	\$2256	\$2078	-\$178	-7.9%
Residential Non-Urban (Haumoana)	\$305,000	+30%	\$2143	\$1958	-\$185	-8.6%
CBD Hastings Commercial	\$562,000	+25%	\$12128	\$10618	-\$1510	-12.5%
CBD Havelock Nth Commercial	\$840,000	+40%	\$14375	\$13199	-\$1176	-8.2%
Other Commercial	\$780,000	+30%	\$11568	\$9873	-\$1695	-14.7%
Commercial Non-Urban	\$110000	+91%	\$8841	\$10715	+\$1874	+21.2%
Horticulture / Farming	\$630,000	+80%	\$1999	\$2223	+4224	+11.2%

- 4.10 Whilst there are a number of differential groups showing a decrease in rates, it is likely that some of those decreases may be negated once Council

finalises its budgetary requirements through the 2020/21 Annual Plan process.

- 4.11 Those properties that stand out are Flaxmere Residential, Commercial Non-Urban and Horticulture / Farming, all groups that have seen their respective land value increase significantly. However, the increases should be put against the context of previous revaluations as illustrated under Tables 4.15 and 4.17.
- 4.12 Modest land value increases for the CBD and Other Commercial properties drive the magnitude of those rate decreases. Even accounting for changes in the budget, it is reasonable to believe some of these properties may see a rate decrease from July 2020.

Rating Area 2)

Differential Group	2019 Proposed LV	% Change in LV	2019/20 Current Rates	2019/20 Rates based on Proposed Revaluations	\$ Change	% Change in Rates
Residential (RA2) – Waimarama	\$360,000	+40%	\$1670	\$1671	+\$1	+0.1%
Lifestyle / Horticulture / Farming (RA2)	\$250,000	+35%	\$1034	\$1022	-\$12	-1.2%
	\$460,000	+39%	\$1461	\$1469	+\$8	+0.5%
	\$1,130,000	+35%	\$2962	\$2896	-\$67	-2.3%
Commercial (RA2)	\$245,000	+26%	\$1437	\$1350	-\$87	-6.0%

- 4.13 In Rating Area 2, under the 2016 revaluation, Residential properties saw small rate decreases with Lifestyle / Horticulture / Farming properties seeing a small rate increase. Under the 2019 revaluation, the position appears to have reversed, although the movements are relatively minor when considering the dollar impacts.
- 4.14 With any revaluation, the impacts on any individual or groups of property will vary. Whilst officers acknowledge the financial burden that the revaluation can place on some groups of property owners, it should be noted that Council has historically refrained from making changes to its rating policy in previously revaluations with the view that over time the impacts from any revaluation can even themselves out.
- 4.15 As a means of illustrating this, the following table illustrates the impacts of the 2016 and 2019 revaluation on properties under Rating Area 1, which has seen more variable land values movements.

Differential Group / Location	2016 % Change in LV	2019 % Change in LV	% Change in Rates (2016 Reval)	% Change in Rates (2019 Reval)
-------------------------------	---------------------	---------------------	-----------------------------------	-----------------------------------

Residential- Flaxmere	-10%	+100%	-5.0%	+5.0%
Residential - Hastings	+25%	+51%	+3.4%	-1.3%
Residential – Havelock Nth	+25%	+51%	+3.8%	-1.5%
Residential Clive	+20%	+25%	+1.5%	-7.9%
Residential Non-Urban (Haumoana)	+20%	+30%	+4.2%	-8.6%
CBD Hastings Commercial	No Change	+25%	-10.0%	-12.5%
CBD Havelock Nth Commercial	+20%	+40%	+3.5%	-8.2%
Other Commercial	+9%	+30%	-5.3%	-14.7%
Commercial Non-Urban	+10%	+91%	-5.0%	+21.2%
Horticulture / Farming	+21%	+80%	+3.4%	+11.2%

4.16 Whilst properties in Residential Flaxmere and Commercial Non-Urban properties are more adversely impacted under the 2019 revaluation, the reverse occurred under the 2016 revaluation.

4.17 The following table shows more historic data by property category, illustrating the % land value changes through the last five revaluations, including the cumulative % change since 2007.

Property Category	2007 LV % Change	2010 LV % Change	2013LV % Change	2016 LV % Change	2019 LV % Change	Cumulative LV % Change 2007 to 2019
Lifestyle	+30.7%	-9.7%	-9.1%	+14.0%	+40.3%	+66.2%
Farming	+27.7%	-7.3%	+0.9%	+32.8%	+34.7%	+88.8%
Horticulture / Specialist	+14.9%	+4.0%	-3.5%	+22.7%	+85.6%	+123.7%
Residential	+48.5%	-6.7%	-0.8%	+20.7%	+53.5%	+115.2%
Commercial	+66.7%	-4.2%	-0.3%	+5.3%	+33.9%	+101.4%
Industrial	+76.4%	+2.6%	+0.7%	+11.4%	+77.8%	+168.9%
Other (Utilities)	+57.0%	-5.3%	-0.4%	+18.3%	+38.0%	+107.6%

4.18 Whilst Horticulture / Specialist land values have seen the most significantly increases under the 2019 revaluation by sector, they have seen more modest changes in previous revaluations particularly in 2007 where most other sectors faced much greater increases.

- 4.19 With regards to communication, Council and Quoteable Value issued a joint press release in October in the local media outlining the general trends of the 2019 Revaluation.
- 4.20 Further communication has been added to Council's Facebook page and its website, including showing the potential rating impacts of the revaluation on each property, using the 2019/20 rating budget.
- 4.21 Customer Service staff have seen an increase in their call volumes as a result of the district wide revaluation, although there doesn't appear to be any reoccurring trends.

5.0 OPTIONS - NGĀ KŌWHIRINGA

- 5.1 The purpose of this report is to inform the Council of the impacts of the 2019 revaluation for the Hastings District.
- 5.2 If council is concerned about the rating impacts from the revaluation on a group of properties or particular sector, it could direct officers to explore options to potentially soften some of those impacts. It should be mindful that any intervention would move rates from those properties to others within the district, and that such intervention may set a precedent moving forward to resolve similar property impacts under future revaluations.

Attachments:

There are no attachments for this report.

SUMMARY OF CONSIDERATIONS - HE WHAKARĀPOPOTO WHAIWHAKAARO

Fit with purpose of Local Government - *E noho hāngai pū ai ki te Rangatōpū-ā-rohe*

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

This is an administrative report for information purposes only.

Link to the Council's Community Outcomes - *E noho hāngai pū ai ki te rautaki matua*

N/A

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

N/A

Sustainability - *Te Toitūtanga*

N/A

Financial considerations - *Ngā Whaiwhakaaro Ahumoni*

N/A

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

N/A

Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto, ā-waho*

N/A

Risks: Legal/ Health and Safety - *Ngā Tūrarū: Ngā Ture / Hauora me te Haumarū*

N/A

Rural Community Board - *Ngā Poari-ā-hapori*

The rating revaluation covers the whole of Hastings District including rural areas.

REPORT TO: COUNCIL

MEETING DATE: WEDNESDAY 27 NOVEMBER 2019

**FROM: FINANCIAL CONTROLLER
AARON WILSON**

**SUBJECT: FINANCIAL QUARTERLY REPORT FOR THE THREE
MONTHS ENDED 30 SEPTEMBER 2019**

1.0 EXECUTIVE SUMMARY - TE KAUPAPA ME TE WHAKARĀPOPOTOTANGA

- 1.1 The purpose of this report is to inform Council of the financial result for the three months ended 30 September 2019.
- 1.2 This report contributes to the purpose of local government by primarily promoting economic wellbeing and more specifically through the Council's strategic objective of ensuring all treasury activity within the Council is prudently managed.
- 1.3 This report recommends that the financial quarterly report for the three months ended 30 September 2019 be received.
- 1.4 Attachment one is the Dashboard for the first quarter.
- 1.5 Attachment Two is the October Financial Summary for Council provided as an update.

2.0 RECOMMENDATIONS - NGĀ TŪTOHUNGA

- A) **That the Council receives the report titled Financial Quarterly Report for the three months ended 30 September 2019**

3.0 BACKGROUND – TE HOROPAKI

- 3.1 The accounting operating financial result is reported on quarterly during the year and at year end a report is prepared on the financial as well as the rating result. The rating result differs from the accounting result in respect of non-cash items such as depreciation, vested assets and development contributions that are not included.
- 3.2 This financial report is governance focussed and allows significant variances to be highlighted with explanations provided in a way this is easy to read and understand through dashboard analytics and commentary.
- 3.3 If Councillors require clarification on any points, please contact the writer prior to the meeting to ensure complete answers can be given at the meeting on the detail in these reports.

4.0 DISCUSSION - TE MATAPAKITANGA

- 4.1 Set out below is a summary of the operating financial result year to date. The financial results detailed below represent the accounting view and does not reflect the potential rating result for 2019/20:

	\$'000	\$'000	\$'000	Full year Revised Budget*
2019/20	YTD Actual	YTD Revised Budget	YTD Variance	
Operating Revenue	34,242	32,440	1,802	136,810
Operating Expenditure	33,464	32,637	(826)	127,617
Net Surplus/(Deficit)	778	(197)	976	9,153

- Revised budget includes the Annual budget, Brought Forwards and surplus allocations from 18/19 financial year

- 4.2 The result above is presented against the revised budget. The revised budget includes changes and decisions made during the year on Council budgets which includes carry forwards from 2018/19.
- 4.3 Council's overall financial performance is \$0.976m ahead of the YTD budget for the quarter ended 30th September 2019. Revenue is favourable to budget by \$1.802m and expenditure is unfavourable budget by \$0.826m.

Revenue

- 4.4 Subsidies, grants and donations are unfavourable to YTD budget by \$0.175m mainly driven by lower transport project subsidies.
- 4.5 Fees and charges revenue across Council are favourable by \$1.143m with the main drivers being:
- Asset management is favourable to budget by \$547k. This is driven by higher than budgeted revenues at the Landfill (203k), Water metre

charges (106k), along with \$204k subsidy received from the Ministry of Health for the drinking water booster pump project in Bridge Pa.

- Planning and Regulatory services are favourable to budget by \$195k driven by higher building consents (\$146k) revenue along with higher than budgeted parking revenues (\$20k) and environmental health (19k).
- Community facilities and programme fees are favourable to budget by \$230k mainly driven by insurance reimbursement (127k), Housing for the elderly (45k) along with a number of the pools being favourable to budget.

4.6 Development contributions are favourable to YTD budget by \$0.589m. This positive variance is the result of residential sub-divisions in Frimley and Northwood being completed earlier than projected.

4.7 Phasing of budgets in relation to when contributions occur is difficult, and creates timing differences as it is not always known in advance in what month a payment will occur when the budget is being set.

Expenditure

4.8 Overall expenditure is tracking unfavourable to year to date budget as at 30th September 2019 by \$0.826m or 3.0% of total budgeted expenditure year to date. Main drivers include:

4.9 The negative variance to budget for non-cash entries in terms of Depreciation (\$0.658m) are driven by higher asset values due to prior year revaluations in Parks, along with increased spend on capital projects.

4.10 Other donations and grants in parks show an overspend of \$280k to budget. This is a timing of spend versus the phasing of the budget and relates to the Council's donation to the Te Mata Park Trust Board's land purchase.

4.11 Finance costs are favourable by \$453k which is a reflection of lower levels of debt than phased in the budget and lower actual interest rates compared with those assumed in the budget.

4.12 Costs to repair fire damage this financial year in Opera House have totalled \$101k. These unbudgeted costs have been offset by the insurance settlement received in the revenue line.

4.13 Contracts for services show an overspend of \$155k to budget. This is a timing of spend versus the phasing of the budget and relates to election expenses.

4.14 Drinking water services operational expenditure when split out shows a favourable variance to budget of \$69K. Below shows a summary table of spend to budget in this area:

Water Services		30 September 2019		
Operating Expenditure	YTD Actual	YTD Budget	Full Year Budget	Variance
Strategy & planning	58,957	237,500	950,000	178,543
Service assurance	301,561	259,000	1,036,000	(42,561)
Preventative Maintenance	185,504	187,325	749,300	1,821
Reactive maintenance	387,991	336,000	1,344,000	(51,991)
Electricity	241,663	235,800	900,000	(5,863)
Other Costs	44,250	32,898	131,592	(11,352)
Total	1,219,926	1,288,523	5,110,892	68,597

Craggy Range Track Project:

- 4.15 Council has spent \$18k in the current financial year, (\$586k in total) on the Craggy Range Te Mata Peak Track with the current years spend focused on remediation. The track remediation has since been completed with costs coming in under that estimated.

Areas of Interest

1. Building consents :

As was highlighted in the 2018/19 year end overview to Council, this is an area that has seen a large increase in volumes, with a corresponding increase in expenditure outstripping additional revenues.

This trend has continued in the new financial year, and as previously highlighted the revenues are ahead on last year's actuals that were already strong. The impact of the higher volumes however is also reflected in higher than budgeted expenditure as shown in the table below, with the contracted services and personnel costs the main drivers in the rating requirement budget to actuals variance deficit of (\$110K).

While Council is keeping up with demand the pressures of doing so are coming at additional cost that is not currently recoverable through the current fees and charges schedule.

YTD September	Variance to budget
Revenue	\$145,678
Personnel	(\$126,458)
Legal Advice	(\$29,225)
Expert Advice	(\$11,235)
Contracted Services	(\$88,947)
Rating Requirement	(\$110,187)

2. Environmental Consents:

The second area where there has been ongoing high levels of demand is in the environmental consent area, with additional resources required to meet the ongoing demand. Those additional resources have been achieved through extra staff and the use of consultants to process consent applications.

It is likely that this area will experience increased legal costs for a number of outstanding consents going forward.

YTD September	Variance to budget
Revenue	\$7,385
Contracted Services	(\$53,858)
Rating Requirement	(\$46,473)

Capital Spend

- 4.16 Council's total capital budget (including carry forwards, renewals, new works, and growth projects) for 2019/20 is \$106m. This level of expenditure is a significant increase on what has been delivered previously by Council and there is some risk associated with the ability of Council to deliver on this programme. Helping to offset some of this risk is a much more detailed programme understanding the various aspects of completion and requirements for each project.
- 4.17 Capital spend for the year to date is \$18.4m. Whilst this is behind current year to date budget of \$22.7m it is \$3m ahead of last year's actuals for the same period.
- 4.18 Major projects by segment within the three types of capital spend are shown below:

Year to date Summary of Capital Spend by Type				
	YTD Actuals ('000)	YTD Budgets ('000)	YTD variance	Revised Budgets ('000)
RENEWALS				
Stormwater Services	58,885	123,750	64,865	765,000
Wastewater Services	3,462,768	3,050,472	(412,297)	12,983,250
Water Services	257,252	471,237	213,985	3,926,280
Transportation RA 1	3,176,617	3,654,505	477,888	15,428,005
Parks	222,391	260,863	38,472	1,043,453
Building services	355,263	433,077	77,814	2,185,405
Rest of Council	2,832,373	3,588,020	755,647	16,477,988
	10,365,548	11,581,923	1,216,375	52,809,381
NEW WORKS				
Stormwater Services	121,196	248,975	127,779	2,749,900
Wastewater Services	114,946	43,250	(71,696)	473,000
Water Services	2,449,570	2,334,203	(115,366)	18,504,814
Transportation	846,124	995,025	148,901	5,215,600
Parks	1,098,583	1,736,338	637,755	6,321,978
Building services	155,801	92,500	(63,301)	2,321,000
Rest of Council	712,381	1,908,602	1,196,221	7,460,407
	5,498,601	7,358,893	1,860,292	43,046,699
GROWTH				
Stormwater Services	156,346	413,500	257,154	1,617,000
Wastewater Services	327,275	885,500	558,225	3,332,000
Water Services	156,666	263,750	107,084	1,111,000
Transportation RA 1	985,930	1,072,625	86,695	2,702,500
Parks	959,240	1,140,238	180,998	1,482,950
	2,585,457	3,775,613	1,190,155	10,245,450
Total Capital	18,449,606	22,716,429	4,266,823	106,101,530

Treasury

Total net external borrowing as at the end of September 2019 is \$115.7m including term deposits of \$22m held for future capital work along with funding for term loans rolling over.

	30-Sep-19
	\$'000
Borrowing at start of year	106,241
New Loans Drawn	34,400
Loan Repayments	(2,900)
Borrowings as at 30 September 2019	137,741
Less Term Deposits held	(22,000)
Total Net borrowings	115,741

Council is currently compliant with Treasury Management Policy. The Risk and Audit Subcommittee is responsible for reviewing Council's treasury performance and policy with advice from PricewaterhouseCoopers (PwC).

SIGNIFICANCE AND CONSULTATION

This report does not raise any issues that are significant in terms of the Council's Significance and Engagement Policy that would require consultation.

5.0 OPTIONS - NGĀ KŌWHIRINGA

Not applicable.

Attachments:

- | | |
|--|------------------|
| 1 Financial Management - Reports - Quarterly Reports - Quarter 1 DSHBRD September 2019 | FIN-09-01-19-179 |
| 2 Financial Summary for Council October 2019 | FIN-09-01-19-180 |

SUMMARY OF CONSIDERATIONS - HE WHAKARĀPOPOTO WHAIWHAKAARO

Fit with purpose of Local Government - *E noho hāngai pū ai ki te Rangatōpū-ā-rohe*

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

Link to the Council's Community Outcomes - *E noho hāngai pū ai ki te rautaki matua*

N/A

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

N/A

Sustainability - *Te Toitūtanga*

N/A

Financial considerations - *Ngā Whaiwhakaaro Ahumoni*

N/A

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This decision/report has been assessed under the Council's Significance and Engagement Policy as being of <Enter text> significance.

Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto, ā-waho*

No external engagement.

Risks: Legal/ Health and Safety - *Ngā Tūraru: Ngā Ture / Hauora me te Haumarū*

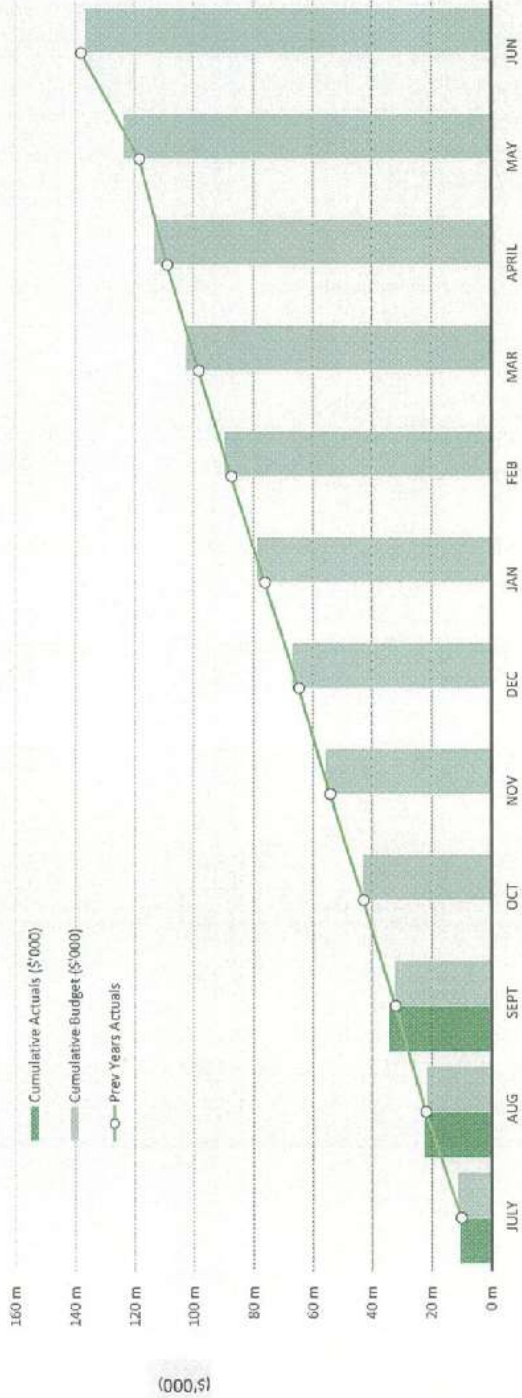
N/A

Rural Community Board - *Ngā Poari-ā-hapori*

N/A:

Hastings District Council Quarterly Dashboard as at 30 September 2019

Whole of Council Revenue

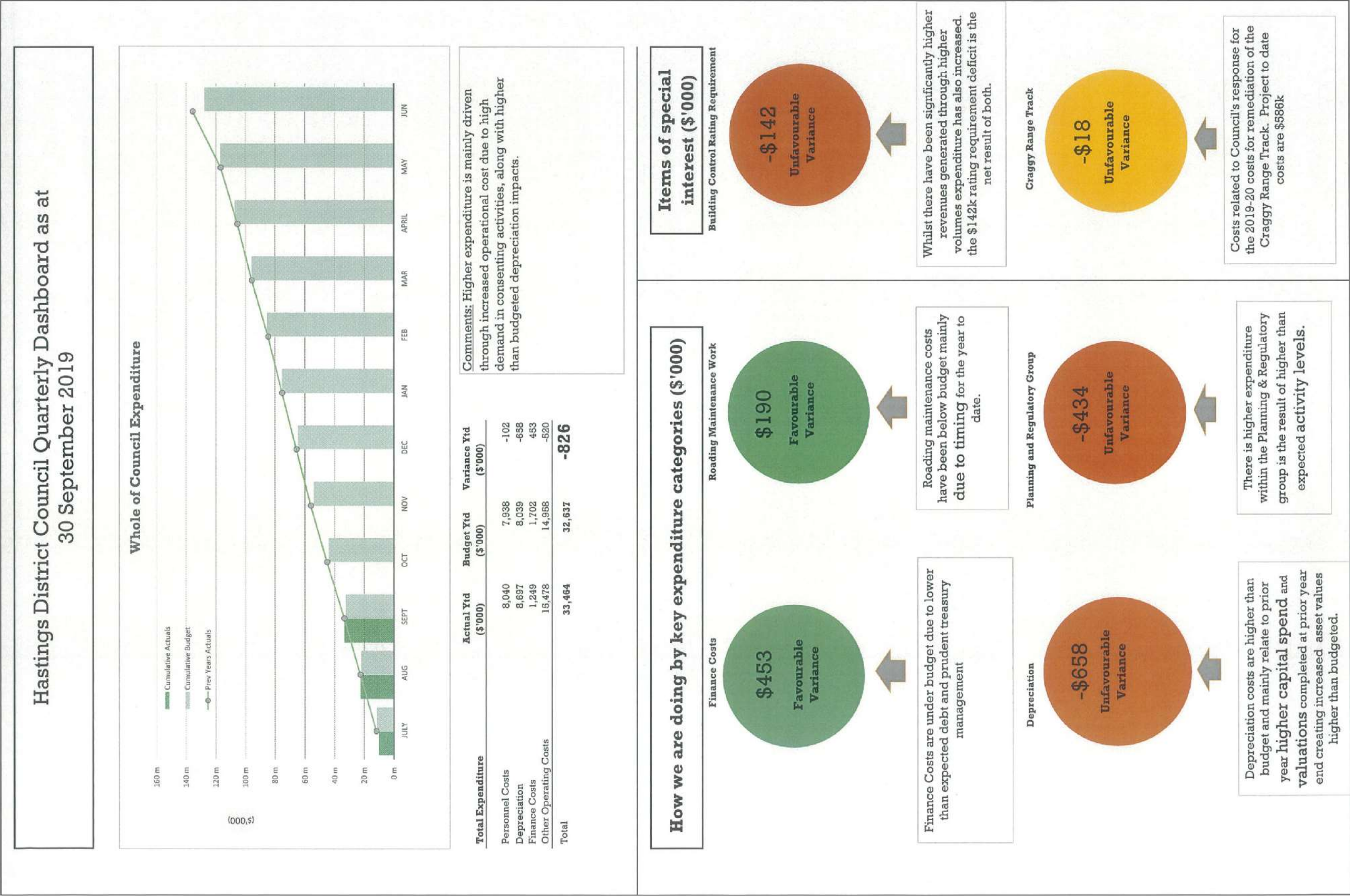


Total Revenue Streams	Actual Ytd (\$'000)	Budget Ytd (\$'000)	Variance Ytd (\$'000)
Rates (Budget)	20,555	20,412	143
Fees, charges & metered water supply charges	7,370	6,226	1,143
Subsidies and Grants	4,113	4,288	-175
Development and financial contributions	1,927	1,352	575
Interest revenue	14	0	14
Other revenue	264	161	103
Total	34,242	32,440	1,802

Comments: The overall revenue result has been driven by higher fees and charges along with Development contributions being ahead of budget for the first quarter.

How we are doing by key revenue streams (\$'000)



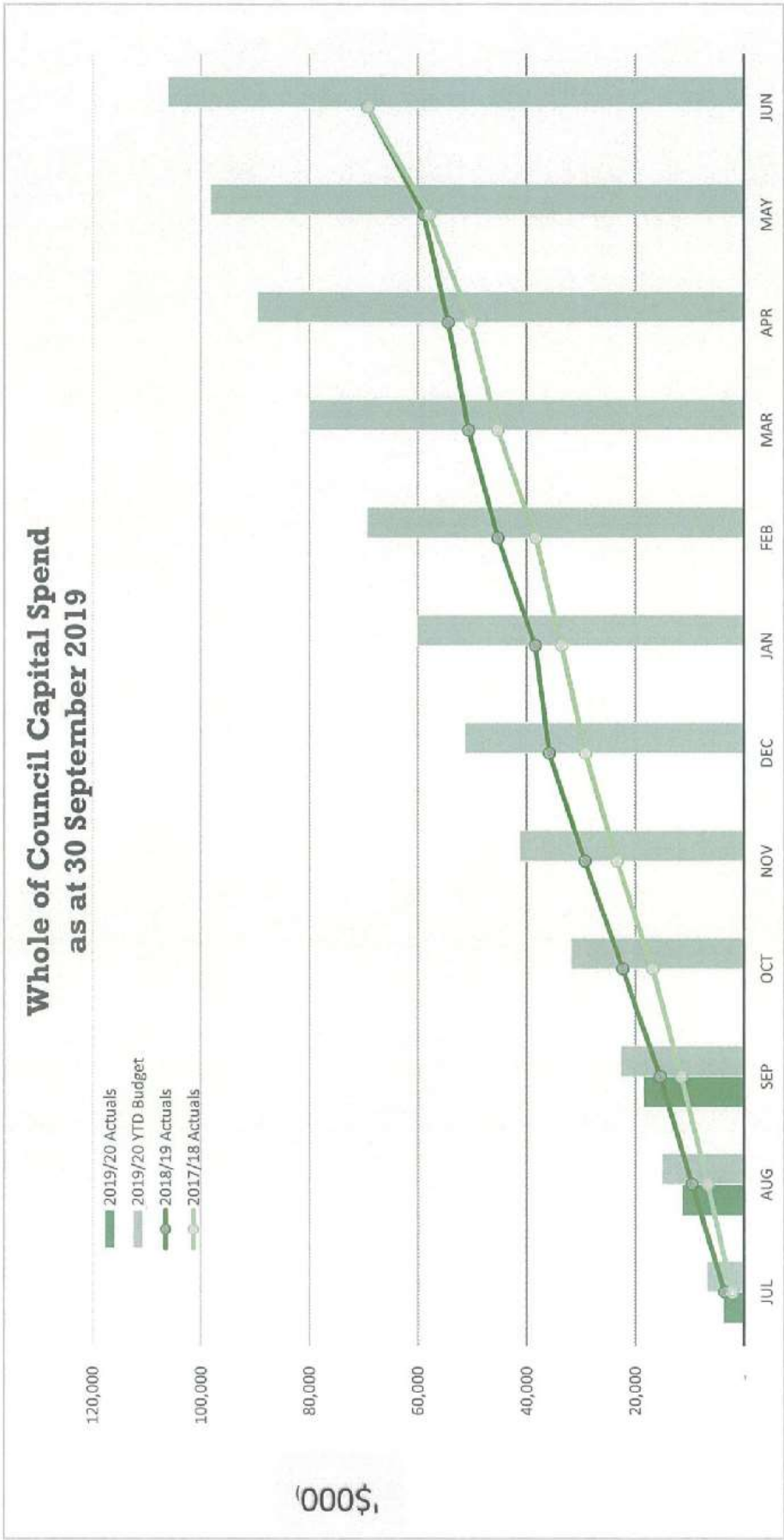


Hastings District Council Statement of Comprehensive Revenue and Expense as at 30 September 2019

Previous YTD Actuals (\$'000)	Description	Actuals (\$'000)	Budgets (\$'000)	Variance (\$'000)	Total Budget (\$'000)
19,415	<u>Revenue</u>				
6,240	Rates	20,555	20,412	143	81,648
5,146	Fees, charges & metered water supply	7,370	6,226	1,143	25,640
1,075	Subsidies and Grants	4,113	4,288	(175)	22,468
23	Development and financial contributions	1,927	1,352	575	5,408
154	Interest revenue	14	-	14	-
	Other revenue	264	161	103	1,646
32,052	Total Revenue	34,242	32,440	1,802	136,810
8,221	<u>Expenditure</u>				
8,614	Personnel Costs	8,040	7,938	(102)	35,137
939	Depreciation & Amortisation Expense	8,697	8,039	(658)	32,141
15,659	Finance Costs	1,249	1,702	453	6,807
	Other Operating Costs	15,478	14,958	(520)	53,532
33,433	Total Expenditure	33,464	32,637	(826)	127,617
(1,381)	SURPLUS/(DEFICIT)	778	(197)	976	9,193

Hastings District Council Funding Impact Statement As At 30 June 2019

Previous YTD Actuals (\$'000)	Description	Actuals (\$'000)	Budgets (\$'000)	Variance (\$'000)	Full Year Budget (\$'000)
19,415	<u>Operations - Funding Source</u>				
1,863	Rates	20,555	20,412	143	81,648
6,140	Subsidies and Grants	1,665	1,701	(36)	6,801
43	Fees, charges metered water supply	7,276	6,127	1,149	25,240
232	Interest and dividend revenue	140	32	108	126
	Other revenue	229	229	(1)	920
27,693	Total Operating Funding	29,864	28,501	1,363	114,735
8,221	<u>Operations - Use of Funding</u>				
12,362	Personnel Costs	8,040	7,938	(102)	35,137
942	Supplier Costs	13,116	12,789	(327)	46,630
3,395	Finance Costs	1,250	1,708	459	6,833
	Other Operating Costs	2,292	1,823	(469)	5,946
24,919	Total Use of Operating Funding	24,697	24,258	(439)	94,546
2,774	Operating Funding Surplus/(Deficit)	5,167	4,243	924	20,190
3,283	<u>Capital - Funding Source</u>				
1,034	Capital Subsidies grants	2,448	2,587	(139)	15,667
8,661	Development financial contributions	1,874	1,284	589	5,138
166	Debt - Increase or (decrease)"	9,595	12,647	(3,052)	54,292
41	Sale of Assets	183	103	80	422
	Other Capital Funding	53	68	(15)	270
13,185	Total Capital Funding	14,153	16,689	(2,536)	75,789
2,203	<u>Capital - Use of Funding</u>				
5,814	To meet additional demand (Growth")	2,881	3,517	(636)	10,092
7,120	To improve the level of service (New Works")	5,203	7,618	(2,414)	43,085
-476	To replace existing assets (Renewals")	10,236	11,713	(1,477)	53,270
-2,443	To Increase or (decrease") reserves	370	(1,130)	1,500	(8,373)
1,966	Adjustment to reserves	(126)	882	(1,008)	2,478
440	To Increase or (decrease") reserves	496	(2,012)	2,508	(10,851)
	To Increase or (decrease") Investments	503	96	408	383
17,544	Total use of Capital Funding	19,319	20,932	(1,612)	95,979
(4,359)	Capital Funding Surplus/(Deficit)	(5,166)	(4,243)	(924)	(20,190)
(1,585)	TOTAL FUNDING BALANCE	-	-	-	-



Key projects				
	Actual Ytd (\$'000)	Budget Ytd (\$'000)	Var Ytd (\$'000)	Total Budget (\$'000)
Renewal Projects				
Opera house	2.2 m	2.5 m	0.3 m	11.6 m
Streetlight LED Upgrade	0.4 m	0.2 m	-0.1 m	0.9 m
Wastewater Rising mains	0.6 m	0.6 m	0.0 m	5.4 m
Trunk Sewer	2.3 m	1.6 m	-0.7 m	3.6 m
Outfall	0.0 m	0.0 m	0.0 m	1.2 m
New Works projects				
Drinking water project	2.2 m	2.1 m	0.0 m	17.6 m
CBD Upgrades Hastings	0.4 m	0.4 m	-0.1 m	0.6 m
CBD Redevelopment	0.0 m	0.4 m	0.4 m	1.8 m
Growth projects				
Omahu	0.6 m	1.0 m	0.4 m	2.0 m
Lyndhurst	0.1 m	0.7 m	0.6 m	2.2 m
Irongate	0.8 m	0.8 m	0.0 m	1.1 m
Iona/Middle	0.0 m	0.1 m	0.0 m	2.7 m
Howard	0.1 m	0.1 m	0.0 m	0.6 m

Capital - Commentary

Capital spend to the year ended 30 September 2019 is \$18.4m compared to a 1st quarter budget of \$22.6m. Full year budget has been set at \$106m and includes \$40.3m of approved carry forwards from the 2018/19 year. Whilst under expected budget spend for the 1st quarter, the actual spend is at a historical high with a number of significant projects well underway, including the Opera House, Municipal Building, Drinking Water and sewer projects.

Statement of Comprehensive Revenue & Expense - Commentary

Revenue Variances

Revenue is \$1.8m favourable to budget for the 2019/20 year, with higher fees and charges across almost all activities of Council, along with higher interest revenue. This is offset by lower than expected Subsidies & Grants revenue mainly within the transport group.

Expenditure is \$0.826m above budget (unfavourable) for the 1st quarter. Key cost drivers have been the impact of non cash items such as depreciation (\$0.658m), along with higher operational pressures in responding to some areas of Council that are experiencing significant demand pressures in meeting legislative requirements within the strong local economy.

Result

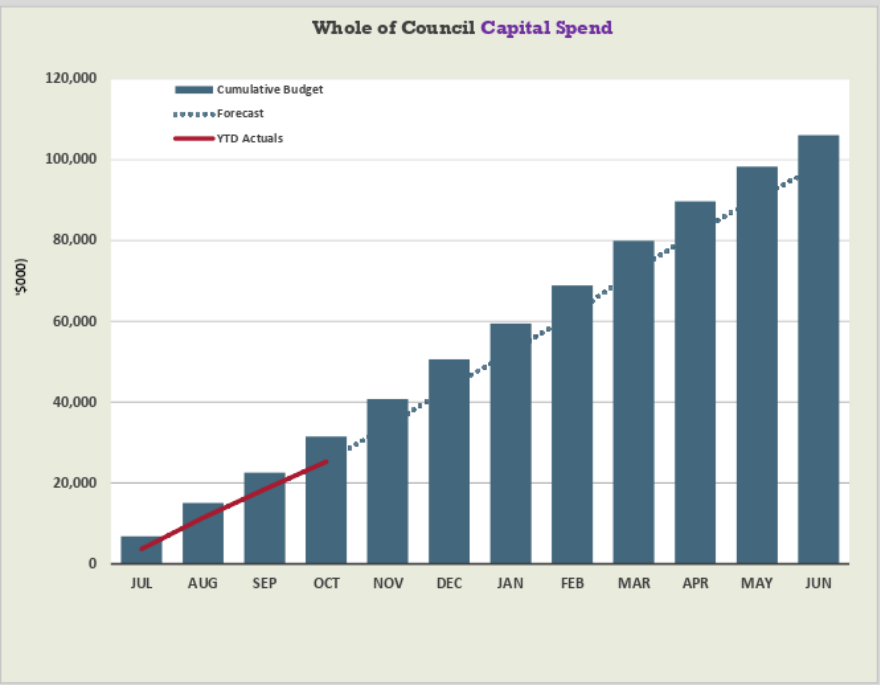
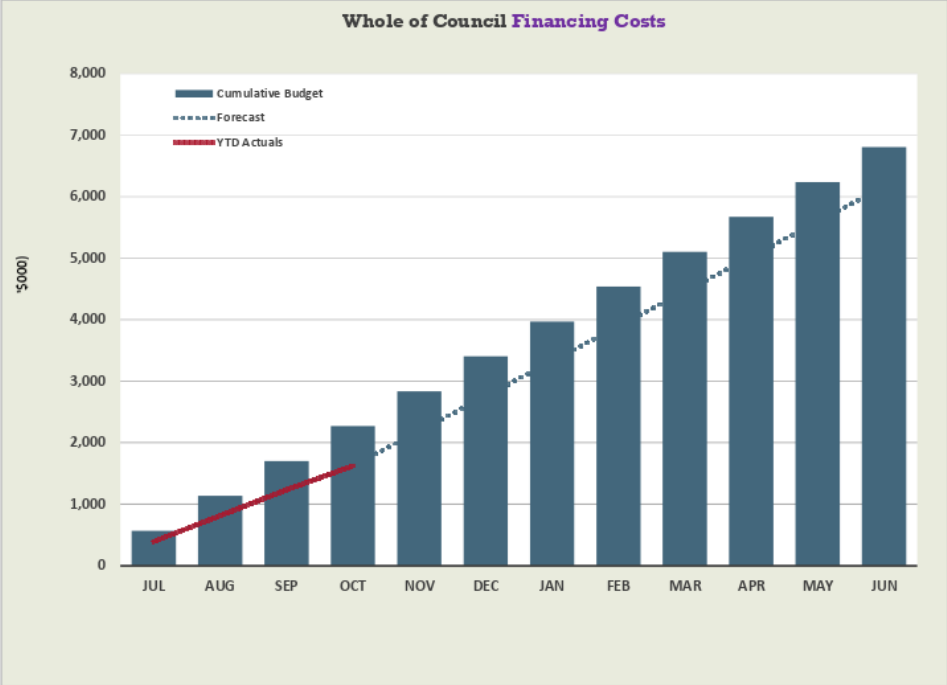
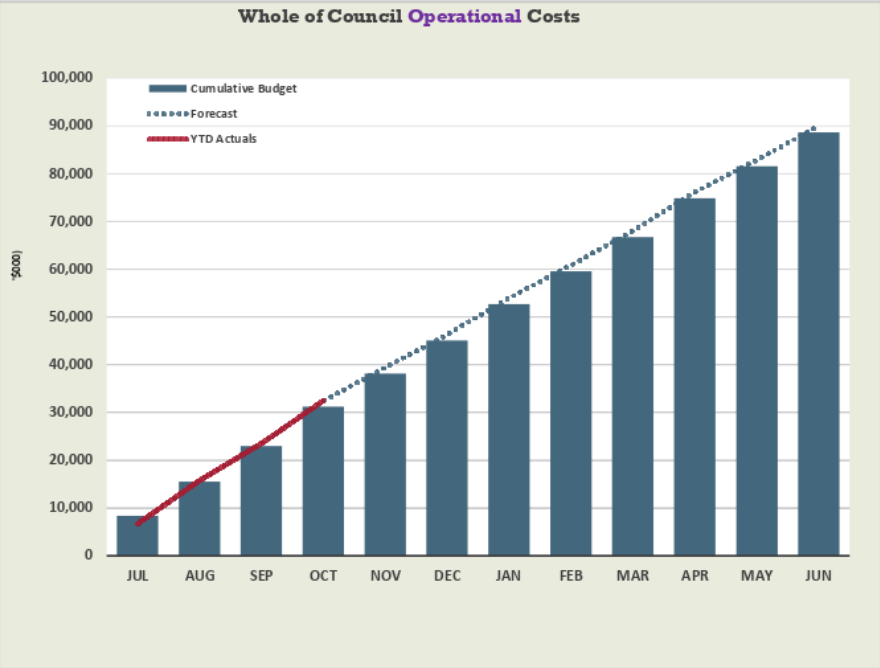
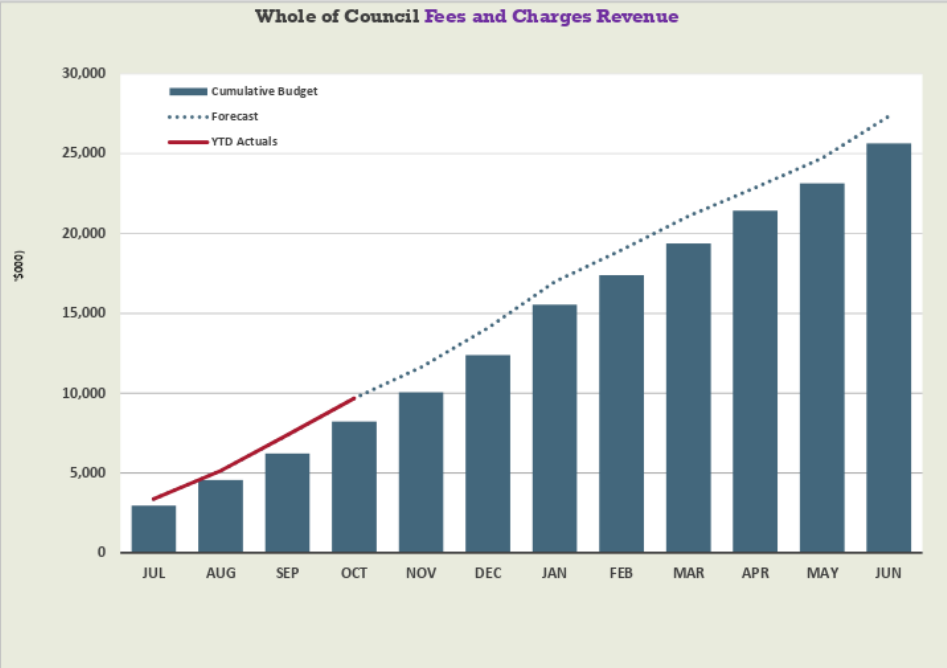
Considering the strength of the local economy, the increasing demand and complexity on various areas of Council has seen a real focus on risk mitigation, meeting legislative requirements in the regulatory space, whilst still engaging actively in the social development areas of the community. The challenge going for the current financial year is on understanding how to manage cost pressures whilst still meeting required targets.

FINANCIAL SUMMARY AS AT 31-October-2019

	2019/20 Actual	2019/20 YTD Budget	2019/20 Revised Budget	Percent to Full Year Budget
Total Fees and Charges	9,673,992	8,231,050	25,640,472	38%
Total Operational costs	32,481,810	31,213,649	88,668,961	37%
Total Financing Costs	1,624,380	2,269,048	6,807,145	24%
Total Capital	25,248,807	31,479,892	106,101,530	24%

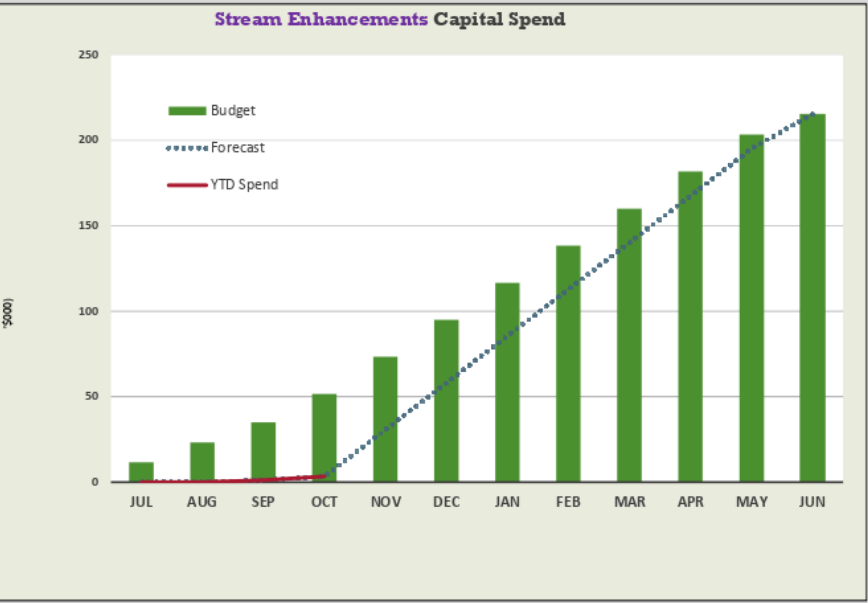
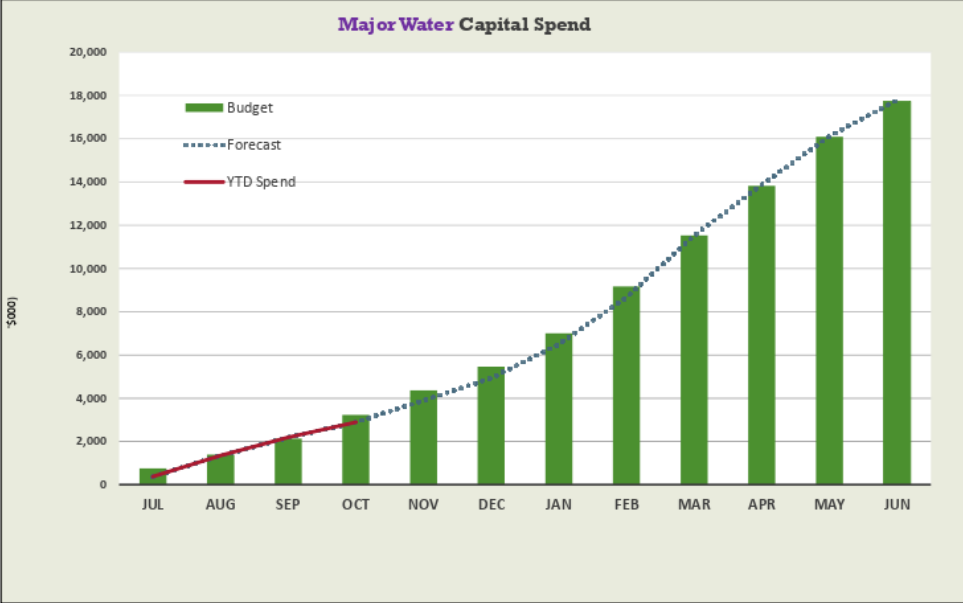
Key points

- Fees & Charges
- Building consents \$191k above YTD budget
 - Resource consents \$93k above YTD budget
- Operational Costs
- Financing Costs
- Net Interest saving of \$647k YTD.



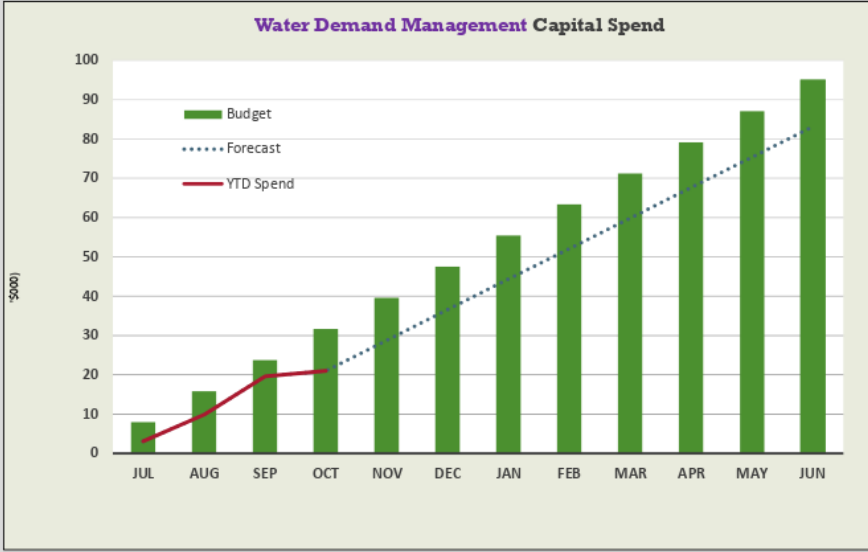
Risks

Capital Spend

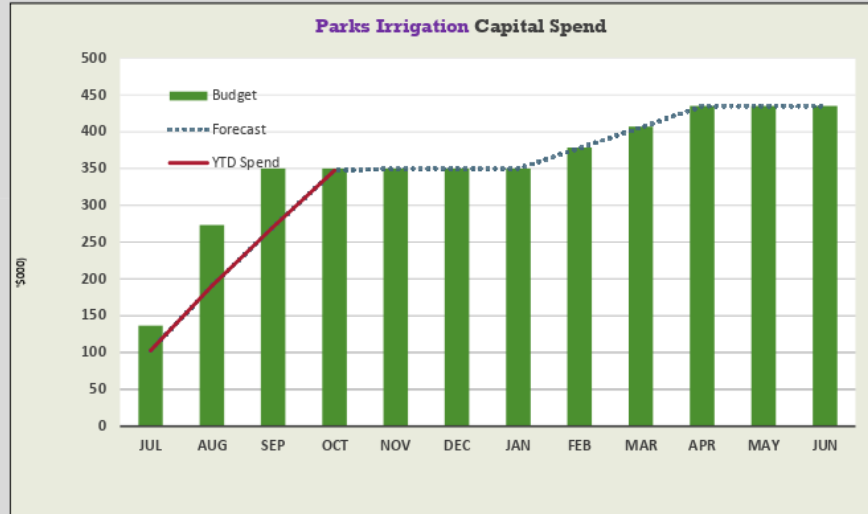
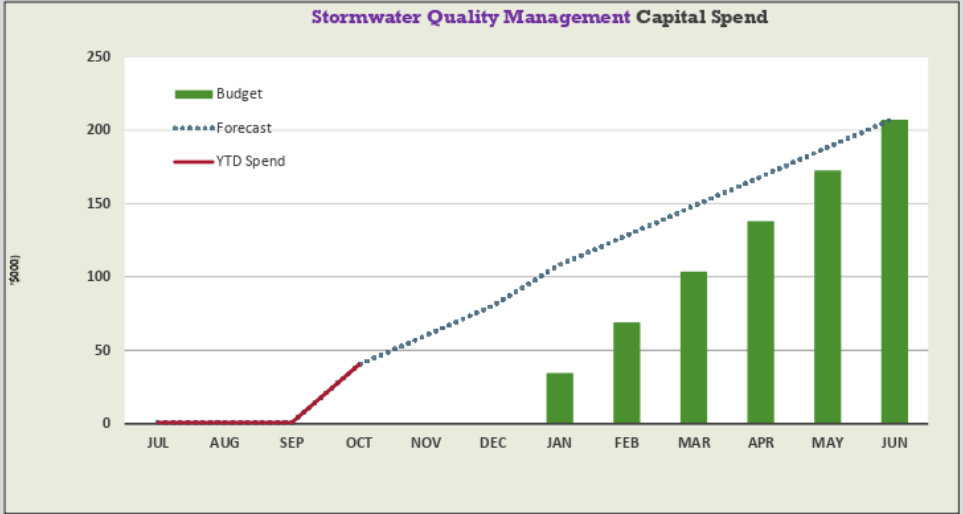


Key points

- Major Water Capital project**
- Booster Pump station underway and due to finish in December 2019
 - Small Supplies project underway
 - Design work for Eastbourne & Frimley underway with the Reticulation and Bore work due to be finished in Feb 2020
- Stormwater Quality Enhancements**
- Tonkin & Taylor work underway on Lowes Pit
- Parks Irrigation**
- Cornwall and Frimley park irrigation completed
 - Akina park due to start in February



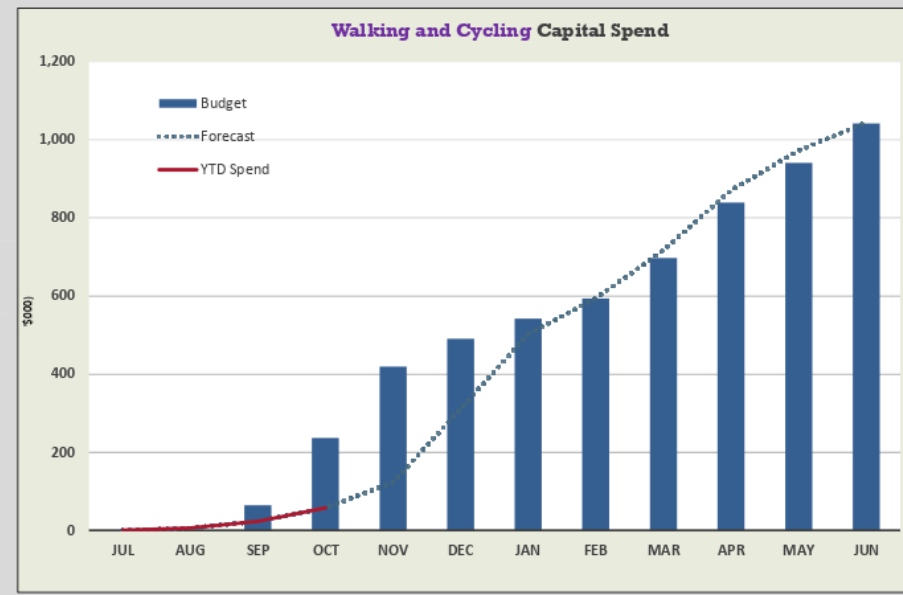
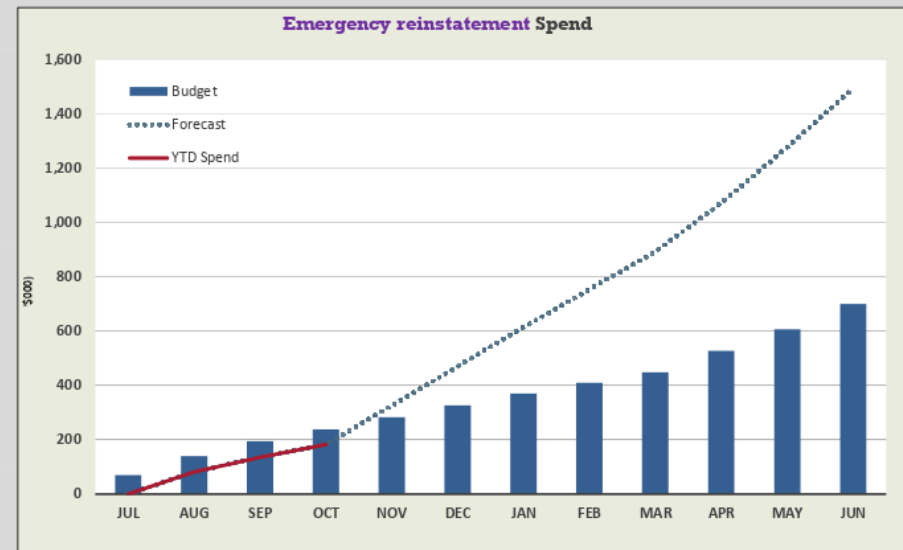
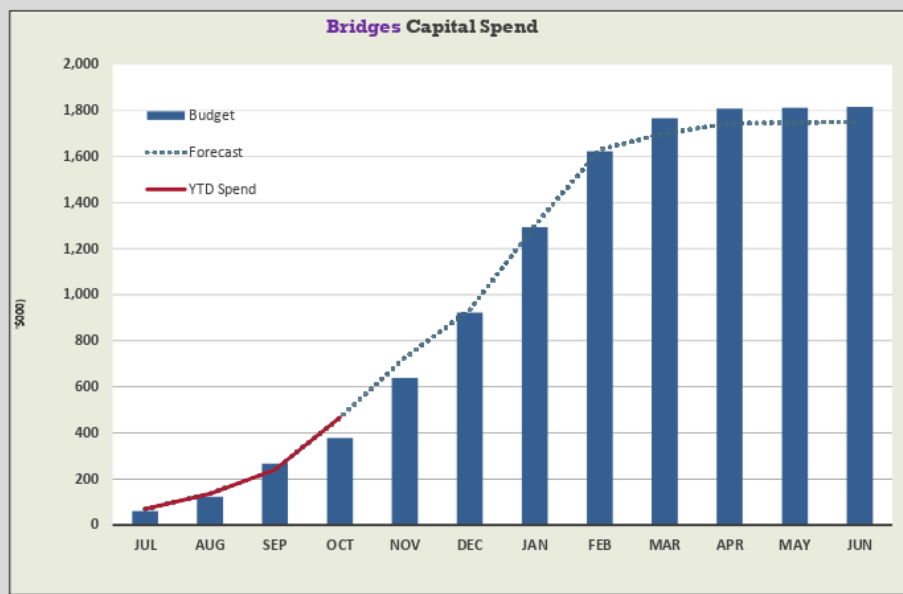
Milestones



Risks

- Major Water Capital project**
- Increase in Contractor rates could impact on the Major Water Capital project budgets.
- Lowes Pit**

Future projects:	Amount	Start date
Stormwater quality improvements	\$2.5m over 10 years	
Wastewater Treatment Plant strategy	\$1.0m over 10 years (starting 2025-26)	



Emergency reinstatement

- Forecast costs for the October storm event is approximately \$800k.
- The unbudgeted local share of approximately \$230k will be funded from the RA 2 flood damage reserve

LED Streetlights

- Ongoing programme scheduled to finish June 2021

Walking & Cycling

- Te Ara Kahikatea Bridge to Pakowhai rd to start December 2019
- Southland Drain Cycleway underway
- Essex cres cycleway to start Feb 2020

Roading Safety

- Major RA 1 projects include high risk RA 1 rural roads and Pedestrian improvements.
- Major RA 2 projects include high risk rural roads and high risk motorcycle routes.

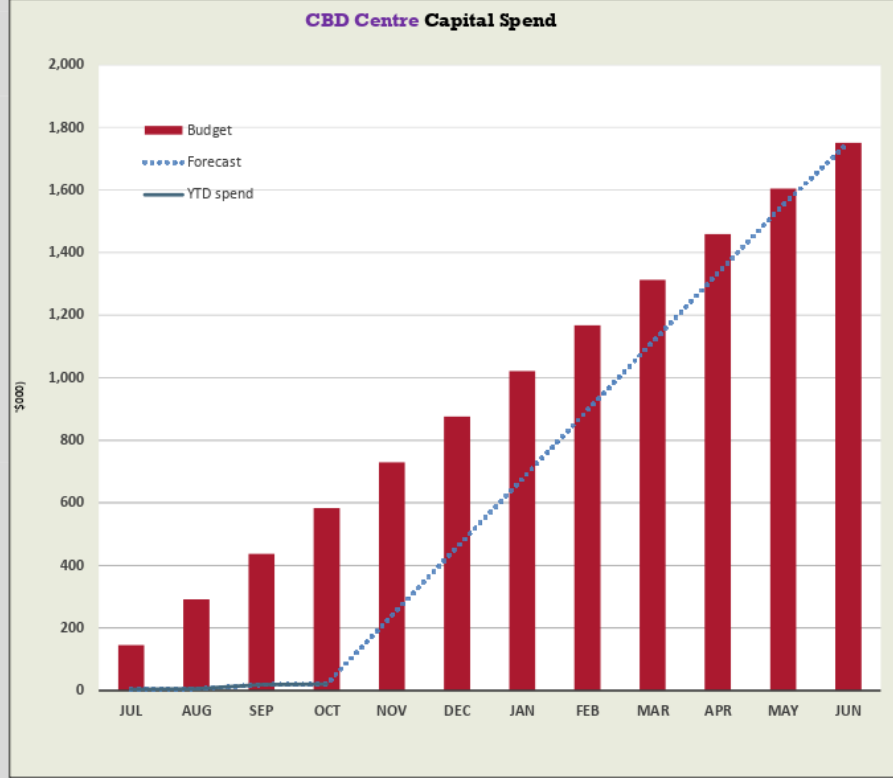
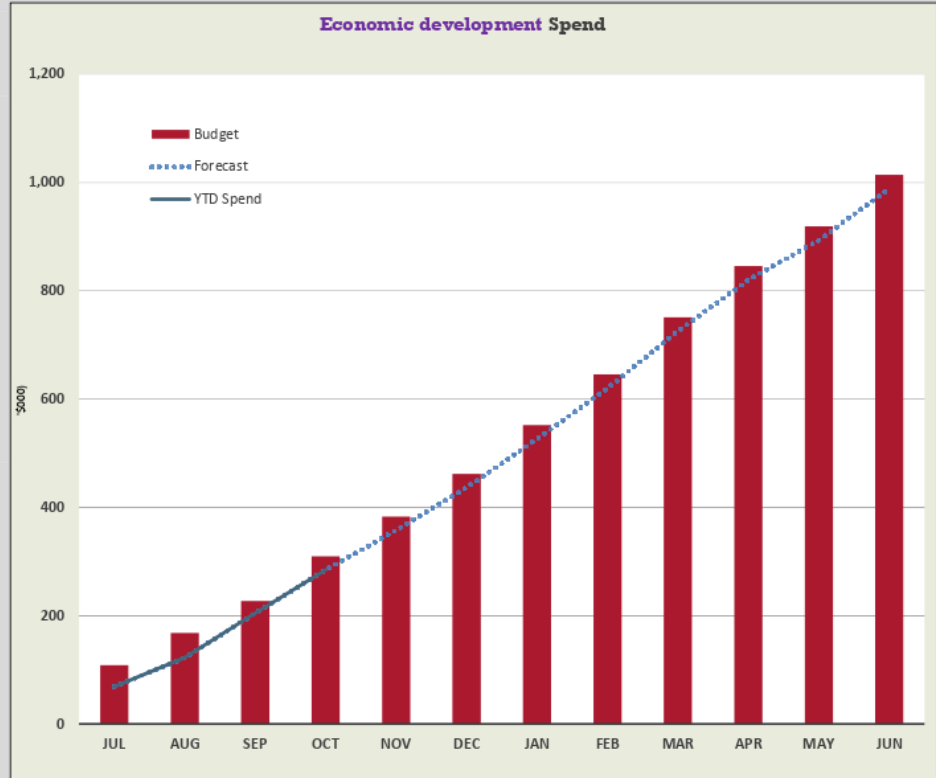
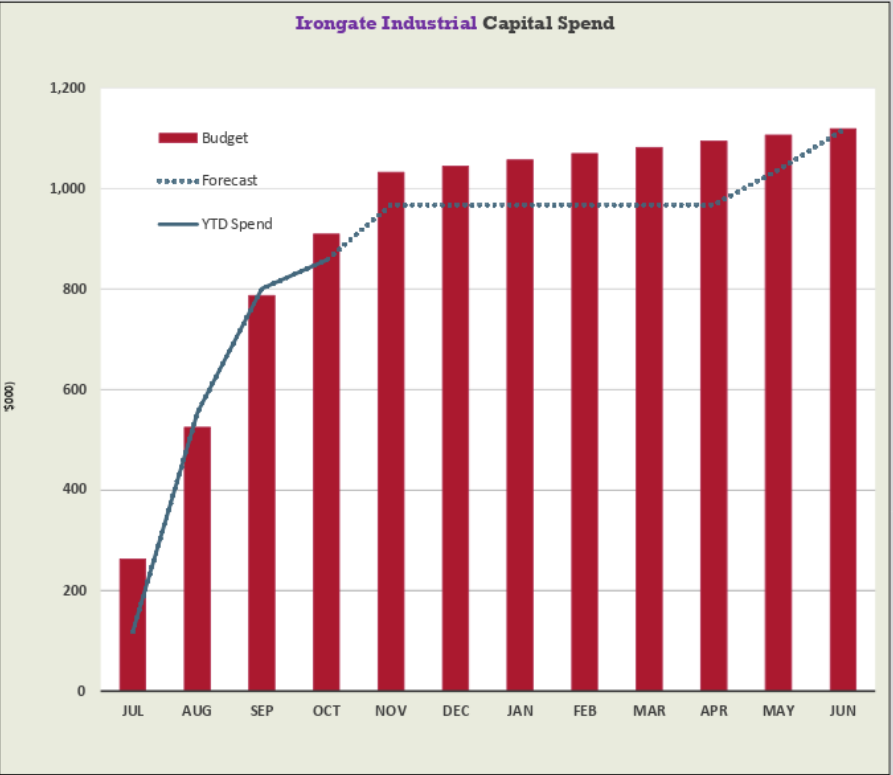
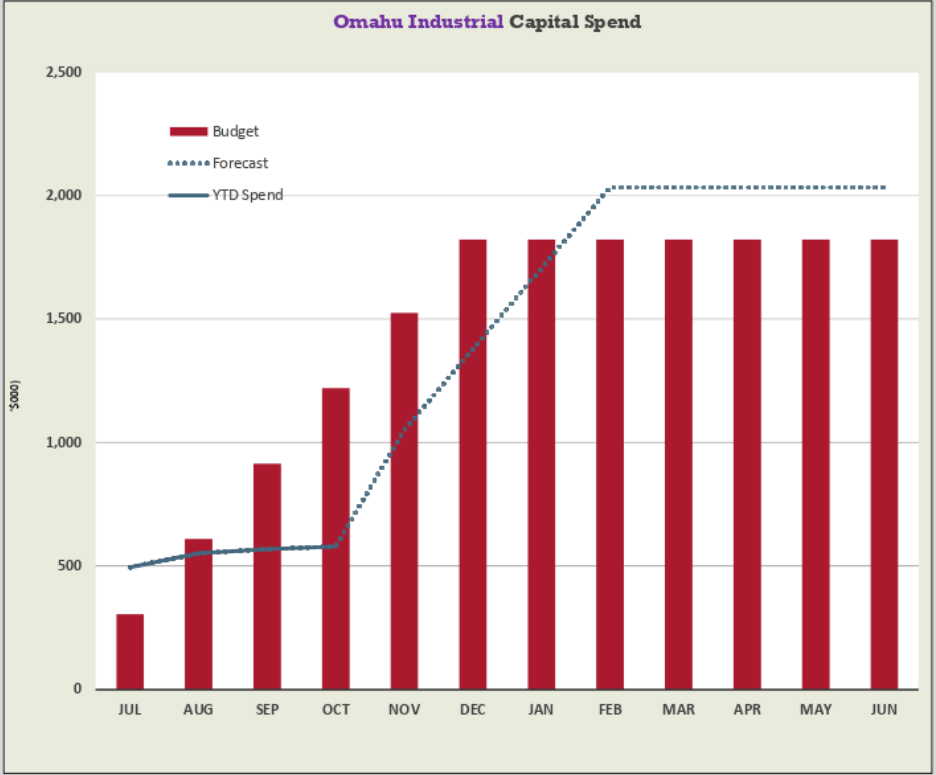
Footpath renewals

- Princes Street due to start in April

Milestones

Risks

Future projects:	Amount	Start date
Pakowhai Road CMP	\$1.2m	2023-24
North Eastern Area Wide CMP	\$1.5m	2021-22



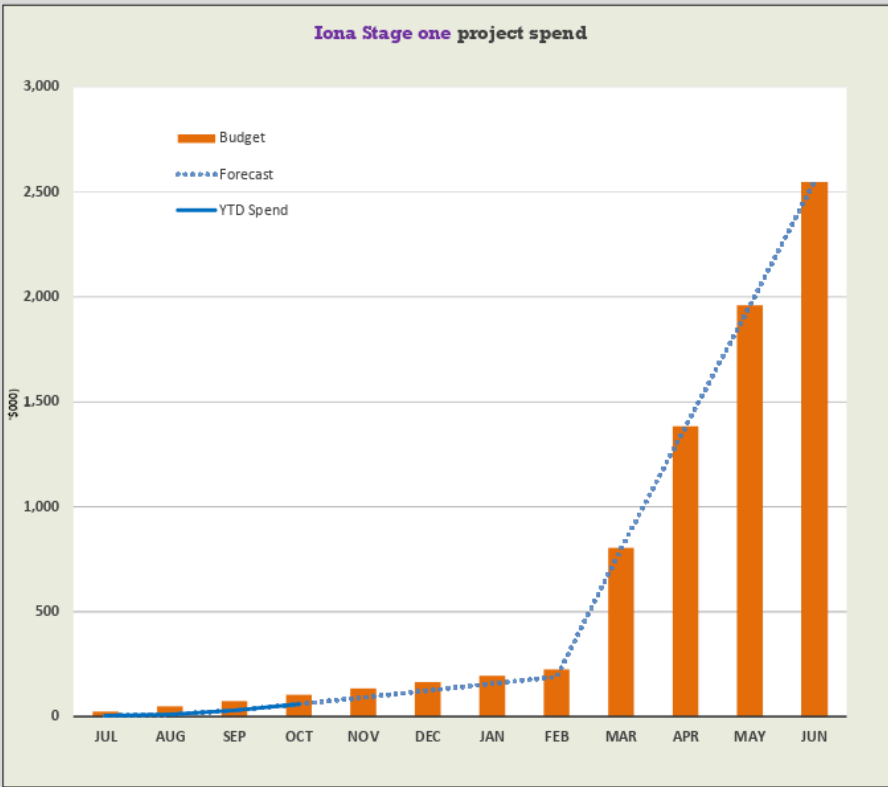
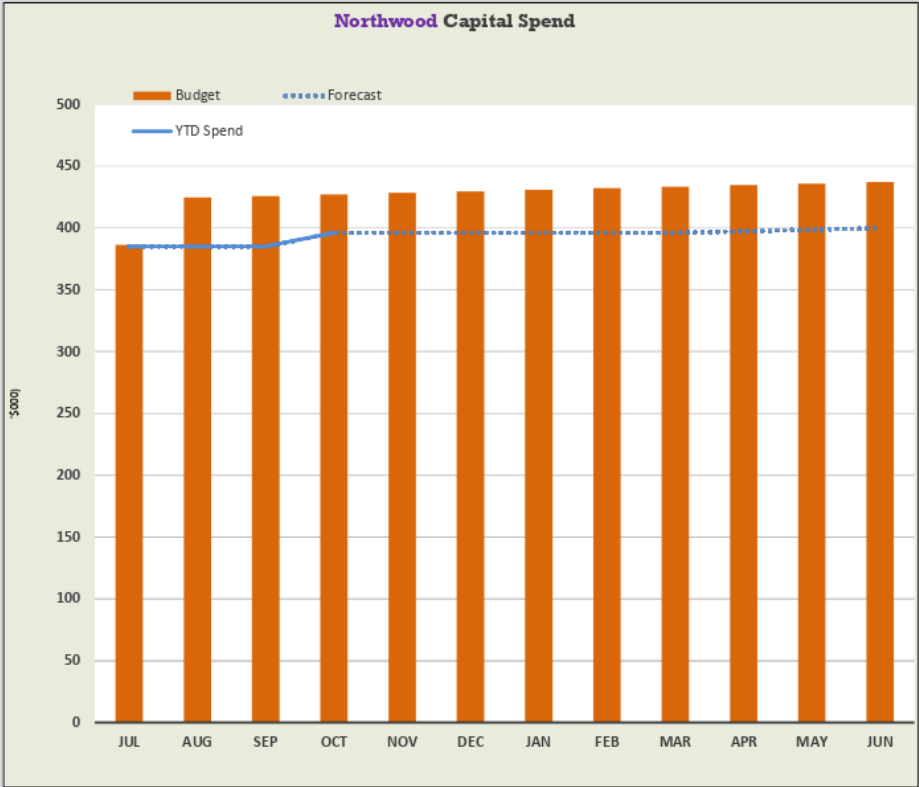
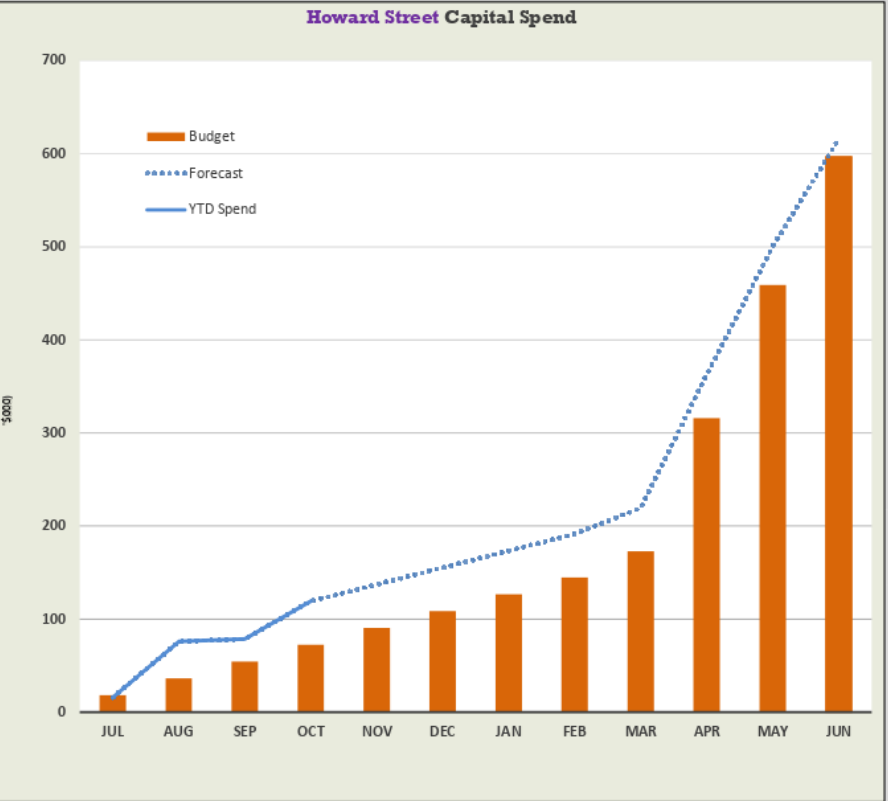
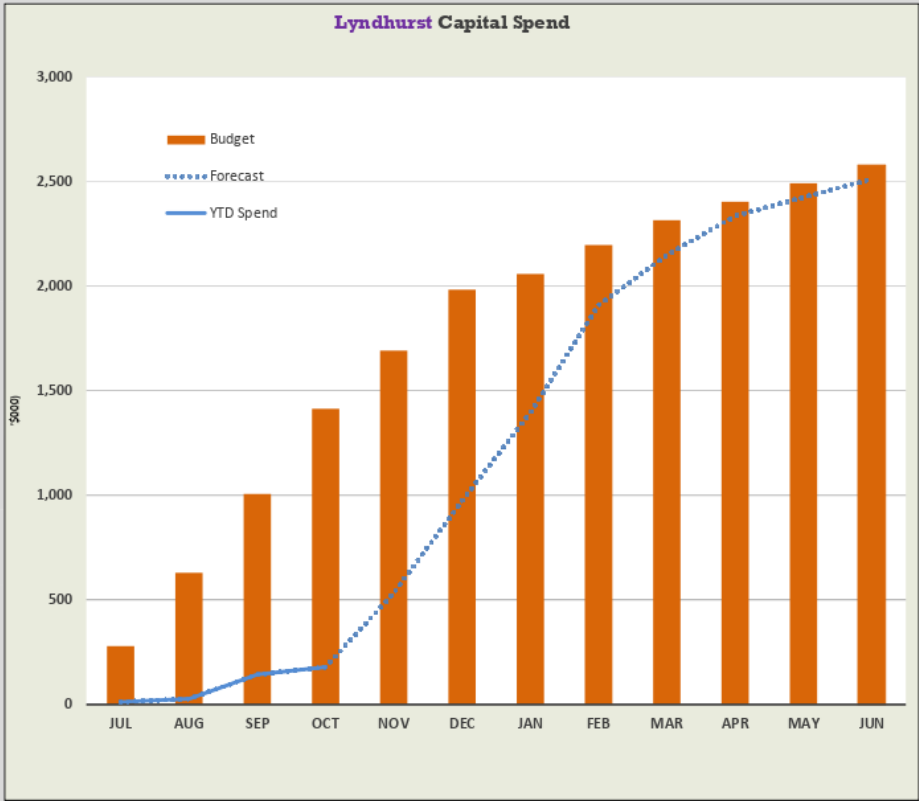
Key points

- CBD centre**
- Delays in start of programme. Full programme expected to be delivered.
- Omahu Industrial**
- Portion 5 & 6 delayed slightly
- Irongate Industrial**
- All Construction works are complete on Irongate road
 - All Construction works are complete on Irongate road

Milestones

Risks

Future projects:	Amount	Start date
Tomoana Stage 1	\$4.7m	2025-26
Whakatu Stage 2	\$1.4m	2021-22



Key points

Lyndhurst
Portions 2 and 3 delayed for 3 months but due to start shortly

Howard street

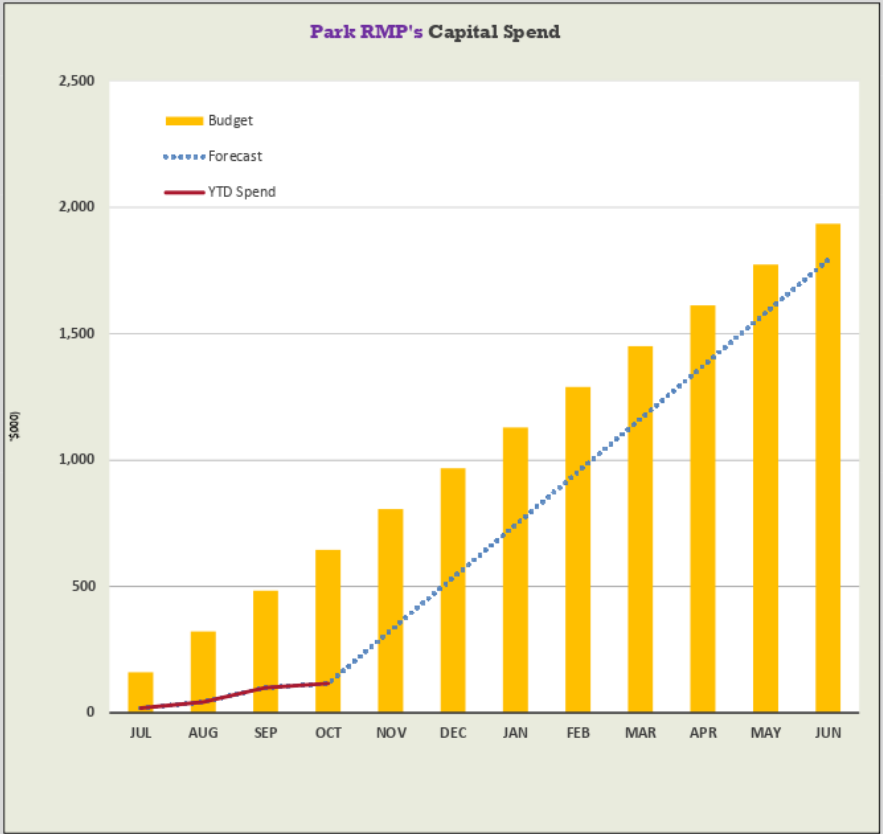
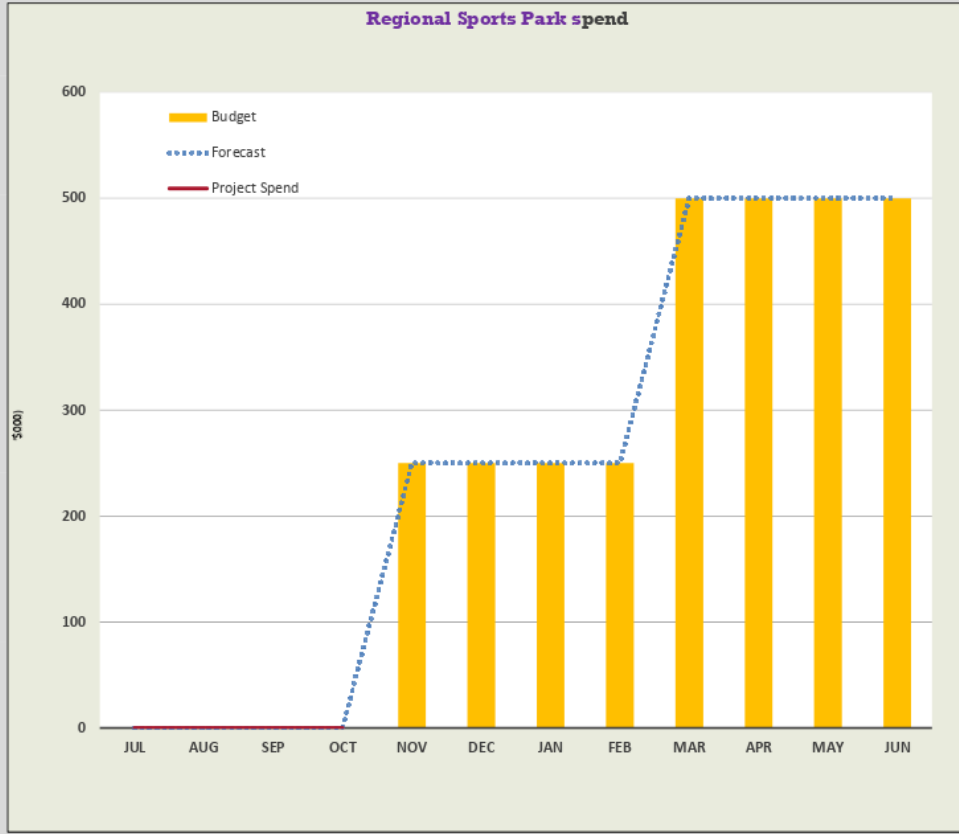
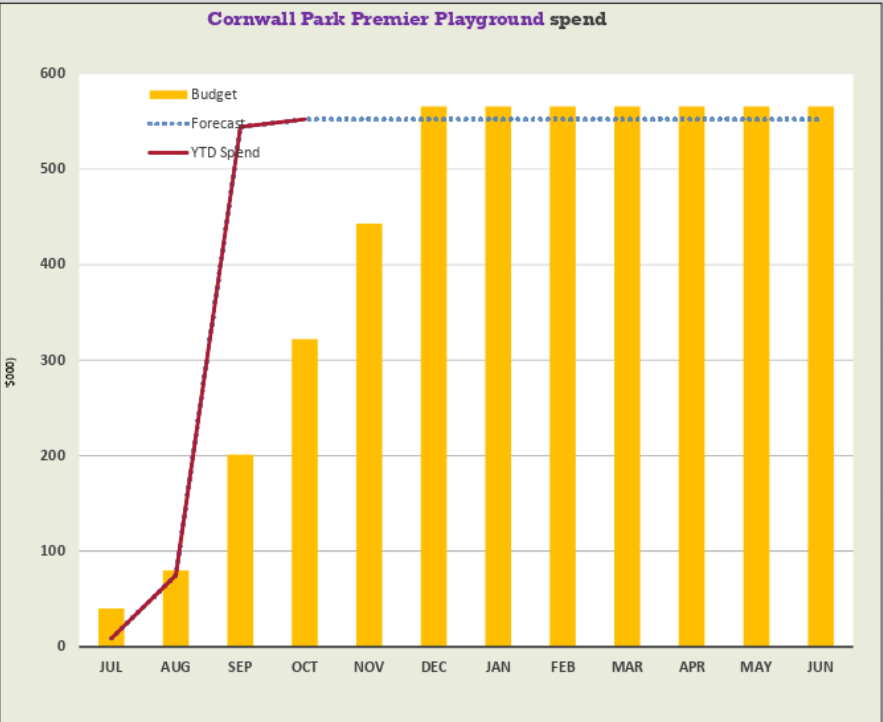
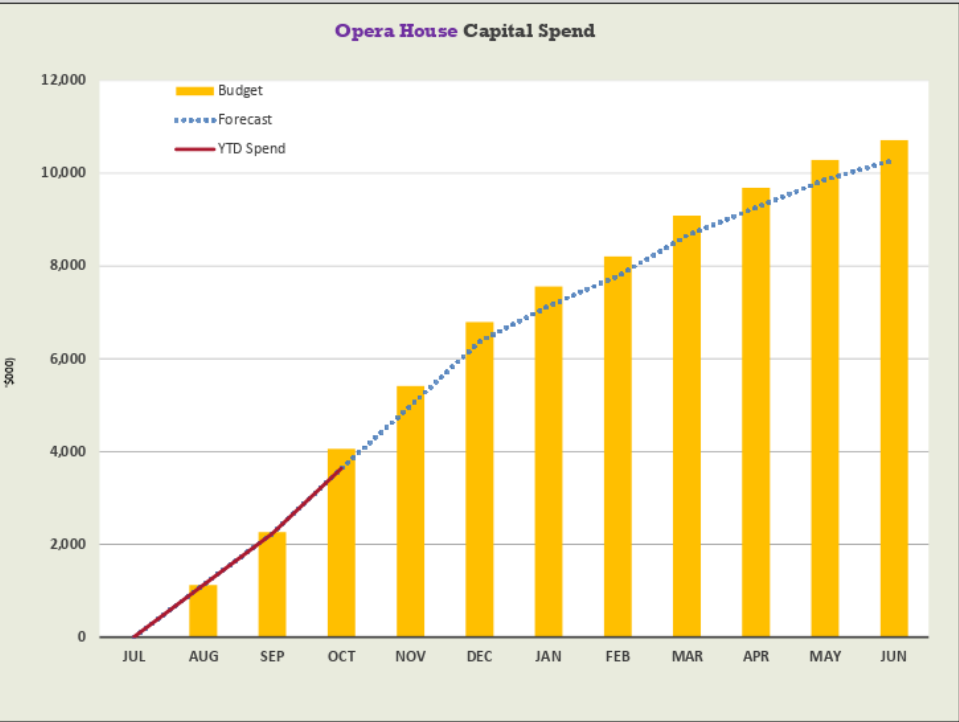
Iona/Middle

Milestones

- Lyndhurst reserve purchase completed in September 2019
- Northwood reserve purchase completed in July 2019

Risks

Future projects:	Amount	Start date
Brookvale Romanes stage 1	\$5.2m	2021-22
Lyndhurst Extension	\$3.3m	2023-24
Kaipō Road stage 1	\$2.0m	2024-25
Havelock Hills	\$5.0m	2018-19
Iona Stage 2	\$1.0m	2026-27
Haumoana Coastal Infrastructure	\$3.2M	2026-27



Key points

- Opera House**
- Opera House Strengthening, Plaza Re-development and Municipal strengthening construction continues on budget and on time.
- Cornwall Park Premier Playground.**
- Cornwall RMP costs have been included as part of Cornwall playground costs. These will be transferred in November.
- Regional Sports park**
- Regional Sports park Canoe Polo facility to commence shortly.
 - Regional Sports Park Floodlight project to commence in coming months. Lottery Application outcome pending

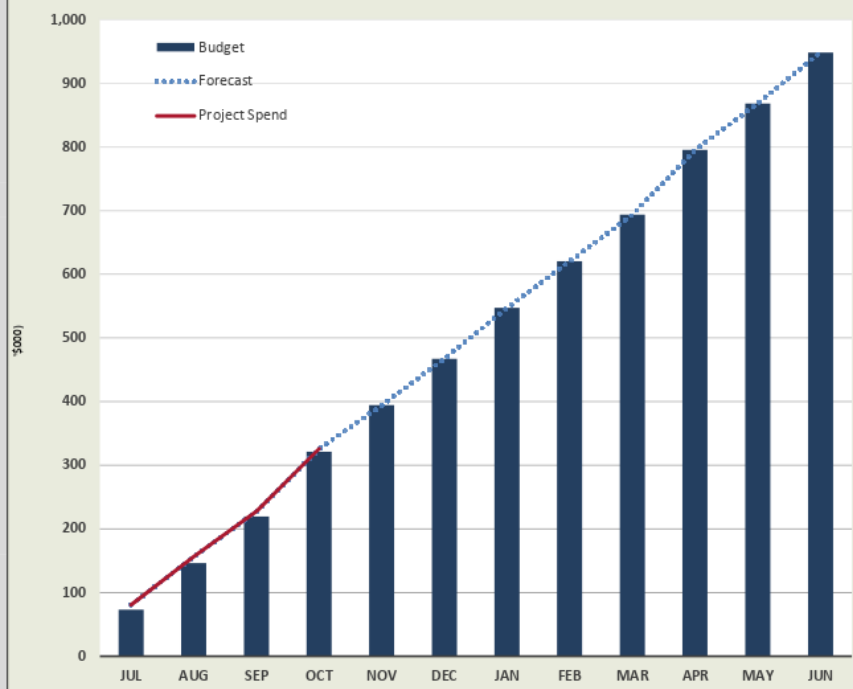
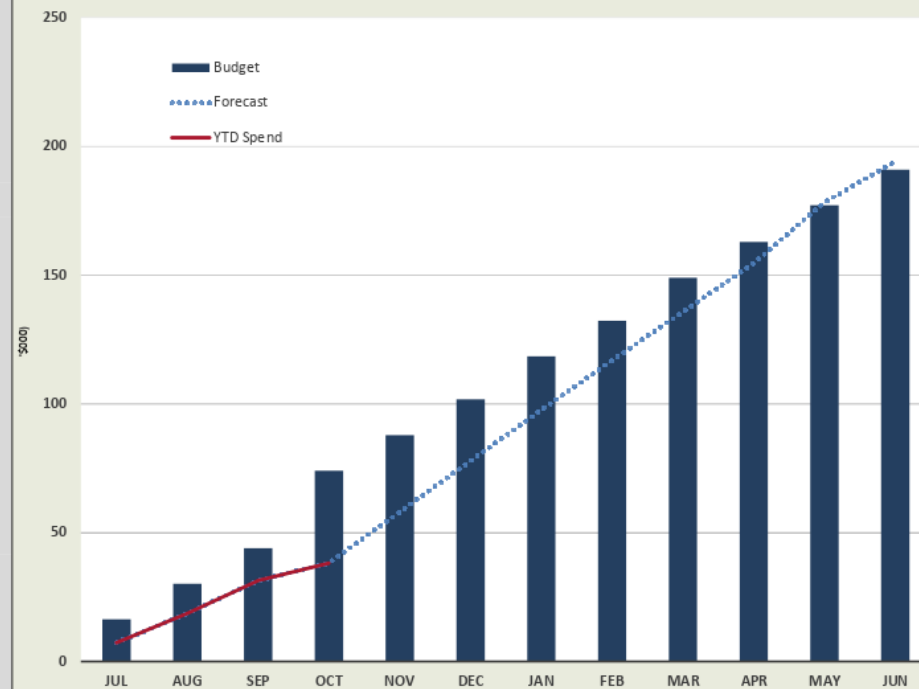
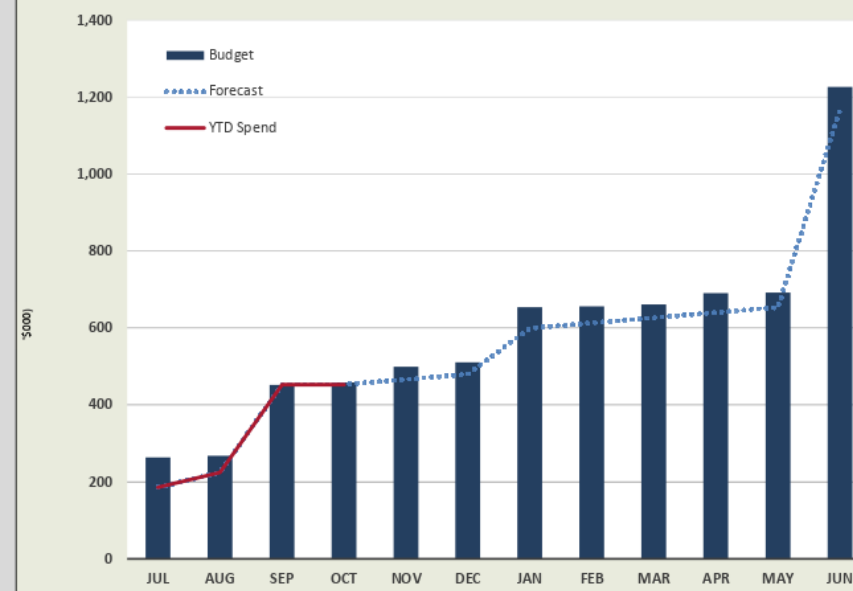
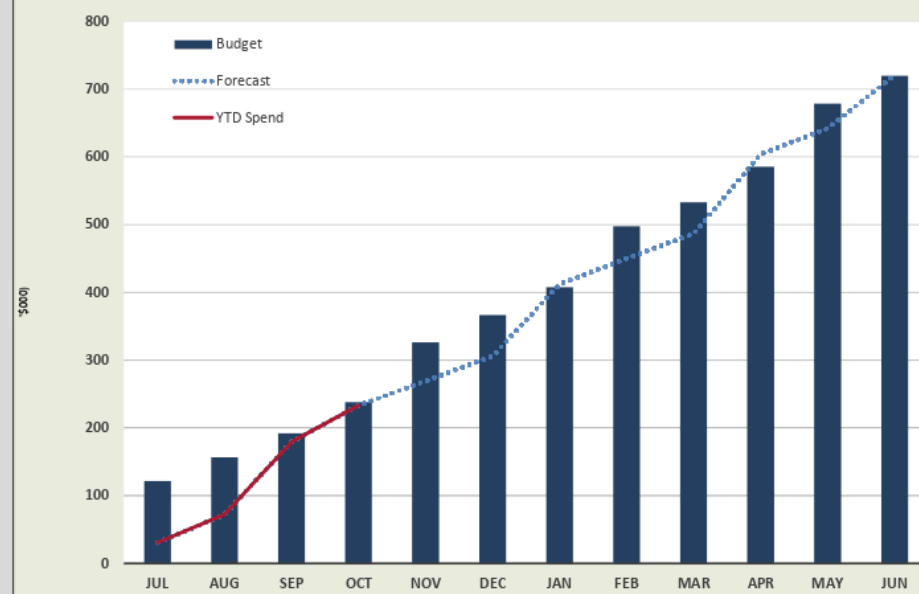
Milestones

Regional Sports park

Park RMP's

Risks

Future projects:	Amount	Start date
Ongoing RMP implementation	\$5.0m	2021-22



Community assistance Grants

- Cranford Hospice grant now likely to be paid by end of Financial year (30 June).

Hapu development and Community plans

Risks

Future projects:	Amount	Start date
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REPORT TO: COUNCIL

MEETING DATE: WEDNESDAY 27 NOVEMBER 2019

**FROM: MANAGER: DEMOCRACY AND GOVERNANCE
JACKIE EVANS**

**SUBJECT: REQUESTS RECEIVED UNDER THE LOCAL
GOVERNMENT OFFICIAL INFORMATION AND MEETINGS
ACT (LGOIMA) MONTHLY UPDATE**

1.0 EXECUTIVE SUMMARY - *TE KAUPAPA ME TE WHAKARĀPOPOTOTANGA*

- 1.1 The purpose of this report is to inform the Council of the number of requests under the Local Government Official Information Act (LGOIMA) 1987 received in October 2019.
- 1.2 This issue arises from the provision of accurate reporting information to enable effective governance.
- 1.3 This is an administrative report to ensure that the Council is aware of the number and types of information requests received and to provide assurance the Council meeting its legislative obligations in relation to the Local Government Official Information and Meetings Act (LGOIMA).
- 1.4 This report concludes by recommending that the report be noted.

2.0 RECOMMENDATIONS - *NGĀ TŪTOHUNGA*

- A) That the Council receives the report titled **Requests Received Under the Local Government Official Information and Meetings Act (LGOIMA) Monthly Update**
- B) That the LGOIMA requests received in October 2019 as set out in Attachment 1 (IRB-2-01-19-1790) of the report be noted.

3.0 BACKGROUND – TE HOROPAKI

- 3.1 The LGOIMA allows people to request official information held by local government agencies. It contains rules for how such requests should be handled, and provides a right to complain to the Ombudsman in certain situations. The LGOIMA also has provisions governing the conduct of meetings.

Principle of Availability

- 3.2 The principle of whether any official information is to be made available shall be determined, except where this Act otherwise expressly requires, in accordance with the purposes of this Act and the principle that the information shall be made available unless there is good reason for withholding it.

3.3 Purpose of the Act

- 3.4 The key purposes of the LGOIMA are to:

- Progressively increase the availability of official information held by agencies, and promote the open and public transaction of business at meetings, in order to:
- enable more effective public participation in decision making; and
- promote the accountability of members and officials; and
- so enhance respect for the law and promote good local government; and
- protect official information and the deliberations of local authorities to the extent consistent with the public interest and the preservation of personal privacy.
- City, district and regional councils, council controlled organisations and community boards are subject to LGOIMA and official information means any information held by an agency subject to the LGOIMA.
- It is not limited to documentary material, and includes material held in any format such as:
- written documents, reports, memoranda, letters, notes, emails and draft documents;
- non-written documentary information, such as material stored on or generated by computers, including databases, video or tape recordings;
- information which is known to an agency, but which has not yet been recorded in writing or otherwise (including knowledge of a particular matter held by an officer, employee or member of an agency in their official capacity);
- documents and manuals which set out the policies, principles, rules or guidelines for decision making by an agency;
- the reasons for any decisions that have been made about a person.

- 3.5 It does not matter where the information originated, or where it is currently located, as long as it is held by the agency. For example, the information

could have been created by a third party and sent to the agency. The information could be held in the memory of an employee of the agency.

3.6 What does a LGOIMA request look like?

3.7 There is no set way in which a request must be made. A LGOIMA request is made in any case when a person asks an agency for access to specified official information. In particular:

- a request can be made in any form and communicated by any means, including orally;
- the requester does not need to refer to the LGOIMA; and
- the request can be made to any person in the agency.

3.8 The Council deals with in excess of 14,000 service requests on average each month from written requests, telephone calls and face to face contact. The LGOIMA requests dealt with in this report are specific requests for information logged under formal LGOIMA procedure, which sometimes require collation of information from different sources and/or assessment about the release of the information requested.

Key Timeframes

3.9 An agency must make a decision and communicate it to the requester 'as soon as reasonably practicable' and no later than 20 working days after the day on which the request was received.

3.10 The agency's primary legal obligation is to notify the requester of the decision on the request 'as soon as reasonably practicable' and without undue delay. The reference to 20 working days is not the de facto goal but the maximum unless it is extended appropriately in accordance with the Act. Failure to comply with time limit may be the subject of a complaint to the ombudsman.

3.11 The Act provides for timeframes and extensions as there is a recognition that organisations have their own work programmes and that official information requests should not unduly interfere with that programme.

4.0 DISCUSSION - TE MATAPAKITANGA

Current Situation

4.1 Council has requested that official information requests be notified via a monthly report.

5.0 OPTIONS - NGĀ KŌWHIRINGA

Not applicable

Attachments:

1 [LGOIMA Monthly Report to Council - October 2019](#) IRB-2-01-19-1790

**SUMMARY OF CONSIDERATIONS - HE WHAKARĀPOPOTO
WHAIWHAKAARO**
Fit with purpose of Local Government - *E noho hāngai pū ai ki te Rangatōpū-ā-rohe*

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

N/A

Link to the Council's Community Outcomes - *E noho hāngai pū ai ki te rautaki matua*

N/A

Māori Impact Statement - *Te Tauākī Kaupapa Māori*

N/A

Sustainability - *Te Toitūtanga*

N/A

Financial considerations - *Ngā Whaiwhakaaro Ahumoni*

N/A

Significance and Engagement - *Te Hiranga me te Tūhonotanga*

N/A

Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto, ā-waho*

N/A

Risks: Legal/ Health and Safety - *Ngā Tūrarū: Ngā Ture / Hauora me te Haumarū*

N/A

Rural Community Board - *Ngā Poari-ā-hapori*

N/A

LGOIMA – Monthly Report to Council – October 2019

	Requests Received	Responses to requests	Responses with information fully released	Responses with information partially withheld	Responses with information fully withheld	Average number of working days to respond	Requests resulting in a complaint to Ombudsman
October 2019	17	14	11	3	0	8.6	0

Requests - received since those last reported to Council

Completed			
Outstanding			
Month	From	Subject	Total
October	NZ Green Building Council	Building Energy Performance	
	Individual	Investigation into release of contaminants	
	Mediaworks	Information regarding Water Central proposal	
	Radio NZ	Information on proposed Water Museum	
	HB Today	Information on Water Central proposal	
	Individual	Dog attacks	
	Individual	Dog attack	
	Individual	Spraying of Roadsides, Playgrounds & Parks	
	Individual	Information on Resource Consent	
	Individual	Plastic Recycling	

	NZ Taxpayers Union	Staff Remuneration Exceeding \$250,000	17
	Individual	Complaints in relation to a property	
	Individual	Water supply and development Waimarama Road	
	Stuff	External catering costs 2017-2019	
	Individual	Submissions and applications for cell towers	
	Individual	Turamoe Road, Paki Paki	
	Office of the Auditor-General	Wastewater Consent information (Request withdrawn 31/10/19)	

Item 12

Attachment 1

REPORT TO: COUNCIL

MEETING DATE: WEDNESDAY 27 NOVEMBER 2019

**FROM: MANAGER: DEMOCRACY AND GOVERNANCE
JACKIE EVANS**

**SUBJECT: UPDATE 2019 MEETING SCHEDULE AND INTERIM
APPOINTMENT AND DELEGATION ARRANGEMENTS
PENDING THE INTRODUCTION OF THE 2019-2022
COMMITTEE STRUCTURE**

1.0 PURPOSE AND SUMMARY - TE KAUPAPA ME TE WHAKARĀPOPOTOTANGA

- 1.1 The purpose of this report is to obtain a decision from the Council to make arrangements for minor delegated decisions which cannot wait until the next Council meeting and representation on outside bodies on meetings up until the end of the year and to consider amendments to the schedule of Council and Committee Meetings for the 2019 Meeting Calendar which was adopted by Council 6 December 2018.
- 1.2 This report recommends that the 2019 Meeting Schedule as amended below be adopted.
- 1.3 The Local Government Act 2002, Schedule 7, Clause 19 states:
- (4) *A local authority must hold meetings at the times and places that it appoints".*
 - (5)
 - (6) *If a local authority adopts a schedule of meetings-*
 - a) *The schedule-*
 - i) *may cover any future period that the local authority considers appropriate, and*
 - ii) *may be amended*
- 1.4 Although a local authority must hold the ordinary meetings appointed, it is competent for the authority at a meeting to amend the schedule of dates, times and number of meetings to enable the business of the Council to be managed in an effective way.

Interim Appointments and Delegation Arrangements

- 1.5 The Local Government Act 2002 provides that all existing elected members vacate their positions when the members elected at the triennial election come into office, which is the day after the public notice officially declaring the result of the election is published. Thus even if a member is re-elected they actually leave and then come back into office as a new member.
- 1.6 In addition, any existing committee is deemed to be discharged on the coming into office of the members elected at that election. As a result of these provisions all Committees and appointments need to be re-made. A review of the committee structure and delegation arrangements is currently underway.

In the meantime, where possible governing body decisions will be made by full Council.

- 1.7 Appointments and delegations (where appropriate) need to be made to the following bodies to ensure that the following groups can meet prior or just after to the next Council meeting.
- 1.8 **Creative Communities and Local Funding Assessment Committee** (2 members)
- 1.9 **Omarunui Refuse Landfill Joint Committee** (4 Councillors) Heads of Agreement (copy attached).
- 1.10 The following meetings are proposed to be included in the 2019 meeting schedule:

Committee	Date	Time	Venue
Omarunui Refuse Landfill Joint Committee	10 December 2019	9.00am	Council Chamber
Creative Communities and Local Funding Assessment Committee	6 December 2019	11.30am	Guilin Room
Landmarks Advisory Group	18 December 2019	3.00pm	Landmarks Room
Council	10 December 2019 (changed from 12 December 2019)	1.00 pm	Council Chamber

- 1.11 This report concludes by recommending that the Council adopt the meeting schedule as outlined.

2.0 RECOMMENDATIONS - NGĀ TŪTOHUNGA

- A) That the Council receives the report titled Update 2019 Meeting Schedule and interim appointment and delegation arrangements pending the introduction of the 2019-2022 Committee Structure.
- B) That the following appointments be made to Creative Communities and Local Funding Assessment Committee for the 2019-22 triennium
- C) That the Omarunui Refuse Joint Landfill Committee be re-established according to the Heads of Agreement as set out in Attachment 1 to the report and the following Councillors be appointed to the Committee for the 2019- 22 triennium.
- D) The Council approve the following amendments to the 2019 meeting schedule:

Committee	Date	Time	Venue
Omarunui Refuse Landfill Joint Committee	10 December 2019	10.00am	Council Chamber
Creative Communities Local Funding Assessment Committee	6 December 2019	11.30am	Guilin Room
Landmarks Advisory Group	18 December 2019	3.30pm	Landmarks Room
Council	10 December 2019 (changed from 12 December 2019)	1.00pm	Council Chamber

Attachments:

- 1 [Solid Waste - Omarunui Landfill - Revised Final Heads of Agreement Omarunui Joint Refuse Landfill Committee 4 October 2010](#) SW-5-12-1031

OMARUNUI REFUSE LANDFILL JOINT COMMITTEE HEADS OF AGREEMENT

Heads of Agreement dated the 4th day of October 2010

1.	<i>Parties:</i>	Hastings District Council and Napier City Council (the Councils)
2.	<i>Nature of Relationship</i>	A Joint Committee between the Councils who already own a property at Omarunui as tenants in common in the following shareholding percentages for refuse disposal purposes: Hastings District Council: 63.68% Napier City Council: 36.32%
3.	<i>Objectives</i>	To jointly develop and operate generally for the benefit of the Councils a refuse disposal facility (including any ancillary activities) in compliance with resource and regulatory consents.
4.	<i>Participation of each Council</i>	Each Council shall participate on the basis of the following shareholding percentage: Hastings District Council – 63.68% Napier City Council – 36.32% (subject to any specific provisions following)
5.	<i>Joint Committee</i>	
5.1	<i>Omarunui Refuse Landfill Joint Committee (Joint Committee):</i>	This Committee shall comprise four elected members of the Hastings District Council and two elected members of the Napier City Council or the alternates of those elected members and an alternate when acting in the place of an elected member shall be deemed to be an elected member. The functions of this Joint Committee shall be to determine policies to ensure the objectives are achieved and to monitor the implementation of those policies by obtaining reports from the Facility Manager or any other persons involved in the refuse disposal operation.
5.2	<i>Administering Authority</i>	The Hastings District Council shall be the Administering Authority. It shall provide technical, financial and secretarial services and shall be the employing authority for staff required in the administration and conduct of the refuse disposal operation. The Administering Authority shall make any information required by the Joint Committee available to that Committee.
6.	<i>Joint Committee General Powers</i>	6.1 Subject to Clause 6.2 the general powers of the Joint Committee shall be: a. Except as provided in Clause 6.3 all such powers as shall be necessary to develop and operate the refuse disposal facility in compliance with the resource and regulatory consents already obtained including, if necessary, the power to seek further resource and regulatory consents. b. To construct buildings, purchase and dispose of plant, equipment and materials. c. Arrange insurance cover to ensure that there is comprehensive insurance in respect of the establishment and operation of the refuse disposal facility. d. To indemnify any Council or Council representative acting on behalf of the Councils pursuant to this agreement in

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		<p>connection with the development or operation of the refuse disposal operation after the execution hereof.</p> <p>e. To fix and recover fees and charges payable by landfill users.</p> <p>f.</p> <p>g. To recommend to the Councils the raising of loans. For the purpose of loan raising the 'Administering Authority' shall undertake all loan raising on behalf of the Councils.</p> <p>h. To enter into contracts within the estimates it being acknowledged by each of the Councils for the purposes of the Local Government Act 2002 that the Joint Committee shall be delegated power to enter into any contract limited to such an amount as may be fixed by the Councils from time to time unless the prior written approval of each Council shall have been obtained.</p> <p>i. To use any part of the Omarunui property not required for refuse disposal for any lawful purpose including the leasing thereof.</p> <p>j. Such further specific powers as may be delegated to it as agreed by the Councils.</p> <p>6.2 The Joint Committee shall operate within budgets approved by the Councils. In the event that overexpenditure is anticipated or incurred the Joint Committee shall immediately report that fact to the Councils.</p> <p>6.3 The powers delegated to the Joint Committee shall not entitle that Committee to sell or otherwise dispose of on behalf of any Council any asset owned by that individual Council or to sell the Omarunui land or any other land administered by the Joint Committee for refuse disposal purposes.</p> <p>6.4 Subject to Clause 6.2 and 6.3 all decisions made by the Joint Committee pursuant to its delegated powers shall without confirmation of the Councils bind each of the Councils as if it had been done in the name of each Council.</p>
7.	<i>Joint Committee Procedural Matters</i>	<p>7.1 Each elected member or the alternate of such member shall have one vote.</p> <p>7.2 The elected members shall elect a Chairman and Deputy Chairman.</p> <p>7.3 Quorum at meetings shall be four elected members including at least one elected member from each Council. The parties note that this conflicts with the provisions in clause 30 (9) (b) of schedule 7 of the Local Government Act 2002. To avoid any possible doubt the parties shall operate the committee based on the specific requirements in this agreement at all times.</p> <p>7.4 All meetings may be attended by officers of the Councils but officers shall not be entitled to vote.</p> <p>7.5 Meetings may be requisitioned by any two elected members who shall state the nature of the business and the Administering Authority shall convene a meeting (giving notice of the business) and Councils shall ensure that at least one of their</p>

		<p>elected members attends.</p> <p>7.6 Annual meetings shall be held within three months of the end of the financial year and the business of such meeting shall include the financial accounts for the previous year.</p> <p>7.7 Budget estimates for the following financial year shall be prepared and supplied to the Councils no later than 31 January in each year for their approval.</p> <p>7.8 Meeting procedures shall be in accordance with NZS 9202: 2003, or such other version of standing orders as mutually agreed between the parties, except to the extent that specific provision is contained herein and is not contrary to law.</p>
8.	<i>Joint Committee Financial Provisions</i>	<p>8.1 The Joint Committee shall provide financial and management accounting records and reports which provide sufficient detail to enable the committee and the Councils to assess performance of each separate business activity within the Landfill.</p> <p>8.2 The administering authority shall circulate a draft budget prior to the meeting at which the Joint Committee is to consider the estimates for recommendation to the Councils.</p> <p>8.3 Surpluses and deficits shall be received and borne by the Councils in the following shareholding percentage: Hastings District Council – 63.68% Napier City Council – 36.32%</p> <p>8.4 All amounts payable by each Council shall be paid within one calendar month of notification of the amount payable. If any Council shall consistently fail to make payments as required by this clause the Joint Committee may impose a penalty on the defaulting Council which shall be met by such Council.</p>
9.	<i>Duties of the Individual Councils</i>	<p>9.1 To comply with the resource and regulatory consents relating to the operation.</p> <p>9.2 The Councils shall make bylaws to ensure the efficient operation of the refuse disposal facility and set and adopt fees and charges and licensing procedures.</p> <p>9.3 To establish and operate transfer stations and to adopt charges in relation to such transfer stations.</p>
10.	<i>Changes in Participation</i>	<p>10.1 The establishment and operating costs of the Councils up to the time of any Change in Participation shall be safeguarded as far as possible.</p> <p>10.2 The addition or withdrawal of any party shall require agreement of the Councils.</p>
11.	<i>Staff Appointments</i>	<p>11.1 Where any Council is involved in the provision of staff or services, such Council shall be reimbursed for the cost of such persons or services.</p> <p>11.2 It is recognised that it will be desirable for the staff required to be employed by one of the Councils.</p>
12.	<i>Facility Manager</i>	<p>12.1 The Facility Manager appointed by the Administering Authority shall be a suitably qualified person who shall report to the Joint Committee and attend its meetings and will be responsible for</p>

		<p>the day to day operations at the landfill site.</p> <p>12.2 During any further development the Facility Manager, as appointed by the Administering Authority, shall be considered to be the officer responsible for all development activities unless otherwise directed by the Joint Committee.</p>
13.	<i>Secretarial Services</i>	<p>13.1 Secretarial and Accounting services shall be provided by the Administering Authority.</p> <p>13.2 The functions to be fulfilled shall include:</p> <ol style="list-style-type: none"> Convening of meetings. Keeping of minutes. Preparation of estimates and accounts. Keeping the Joint Committee informed. The recovery of fees and charges. Such further specific powers as may be delegated by agreement of the Councils. <p>13.3 All documents to be signed on behalf of the Joint Committee shall be signed by the Chairman (or in his absence one elected member of that Committee) together with such other person authorised by the Administering Authority.</p>
14.	<i>Commencement and Duration</i>	<p>14.1 This Joint Committee shall commence from the date of this agreement and shall continue thereafter until terminated by agreement of the Councils.</p> <p>14.2 On termination of this agreement the assets shall be applied, first, in the repayment of all debts, second, in the repayment of any capital contributions, advances or sums of money that may have been made or may be due to any of the Councils, third, the surplus, if any, shall be distributed between the Councils in the following shareholding percentage:</p> <p>Hastings District Council – 63.68% Napier City Council – 36.32%</p> <p>14.3 In the event of a short-fall on the termination of this agreement the Councils shall contribute in the following shareholding percentage:</p> <p>Hastings District Council – 63.68% Napier City Council – 36.32%</p> <p>to such short-fall, with any necessary adjustments being made to reflect any amounts due by or to any individual Council at termination.</p>
15.	<i>Arbitration</i>	<p>15.1 In the event of any dispute relating to this agreement the same shall be referred to arbitration pursuant to the Arbitration Act 1996 and each Council who is a party to the dispute shall be entitled to appoint an Arbitrator.</p> <p>15.2 The Arbitrators before embarking on the Arbitration shall appoint an umpire whose decision shall be final in the event that the Arbitrators are unable to agree.</p>
16.	<i>Substitution</i>	<p>16.1 It is agreed and acknowledged that this agreement shall take effect and be in substitution for the Heads of Agreement between the parties dated 18 February 1993.</p>

HASTINGS DISTRICT COUNCIL

COUNCIL MEETING

WEDNESDAY, 27 NOVEMBER 2019

RECOMMENDATION TO EXCLUDE THE PUBLIC

SECTION 48, LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987

THAT the public now be excluded from the following part of the meeting, namely:

- 17 Business Transaction**
- 18 Asset Retention or Sale**
- 19 Exercise of the Chief Executive's Delegated Authority during the Post Election Period**

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 Official Information and Meetings Act 1987 for the passing of this Resolution is as follows:

GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER, AND PARTICULAR INTERESTS PROTECTED	GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF EACH RESOLUTION
17 Business Transaction	<p>Section 7 (2) (b) (ii) The withholding of the information is necessary to protect information where the making available of the information would be likely to unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>Section 7 (2) (i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). To protect ongoing third party commercial negotiations.</p>	Section 48(1)(a)(i) Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act.

18 Asset Retention or Sale**Section 7 (2) (i)**

The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

To protect the Council's interests during any contract negotiation.

Section 48(1)(a)(i)

Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act.

19 Exercise of the Chief Executive's Delegated Authority during the Post Election Period**Section 7 (2) (i)**

The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

To enable the Council to finalise contract negotiations.

Section 48(1)(a)(i)

Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act.