



Hastings District Council

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OPEN A G E N D A

HASTINGS DISTRICT RURAL COMMUNITY BOARD MEETING

Meeting Date: **Monday, 10 September 2018**

Time: **2.00pm**

Venue: **Landmarks Room
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

Members	Chair: Mr P Kay Mr N Dawson, Mr M Lester and Mrs S Maxwell Councillors Kerr and Lyons
Officer Responsible	Group Manager: Asset Management – Craig Thew
Committee Secretary	Jackie Evans (Ext 5018)

Hastings District Rural Community Board – Terms of Reference

The Community Board is a separate entity to the Council. The role of the Community Board is set out in Section 52 of the Local Government Act 2002. The Council is authorised to delegate powers to the Community Board.

Membership (6 members)

The Board elects its own Chairman

4 Elected Community Board Members

1 Mohaka Ward Councillor

1 Kahuranaki Ward Councillor

Quorum – 4 members

DELEGATED POWERS

General

1. To maintain an overview of services provided by the Council within the Community Board's area.
2. To represent, and act as an advocate for, the interests of the community represented.
3. To consider and report on all matters referred to the Board by the Council, or any matter of interest or concern to the Community Board.
4. To communicate with community organisations and special interest groups within the community;
5. To undertake any other responsibilities that are delegated to it by the Council.
6. To appoint a member of the Community Board to organisations approved by the Council from time to time.

LONG TERM PLAN/ANNUAL PLAN/POLICY ISSUES

7. Authority to make a submission to the Long Term Plan/Annual Plan process on activities, service levels and expenditure (including capital works priorities) within the Board's area or to make a submission in relation to any policy matter which may have an effect within the Board's area.

ROADING AND TRAFFIC

8. Authority to exercise the Council's powers and functions in relation to roads within the Board's area under the following sections of the Local Government Act 1974:
 - Section 335 (vehicle crossings);
 - Section 344 (gates and cattle stops);
 - Section 355 (overhanging trees).
9. Authority to exercise the Council's statutory powers (including any relevant powers conferred by bylaw) over roads within the Board's area in respect of:
 - (i) Road user behaviour at intersections;
 - (ii) Controls on stopping or overtaking
 - (iii) Controls on turning
 - (iv) Pedestrian safety,
 - (v) Footpath maintenance and improvements.
 - (vi) Accident investigation studies, lighting and other safety works
10. For the avoidance of doubt, nothing in this delegation authorises a Community Board to deal with a matter, in the exercise of delegated authority, in a manner which is conflict with any policy or decision of the Council or any standing committee of the Council in relation to the same matter.

HASTINGS DISTRICT COUNCIL
HASTINGS DISTRICT RURAL COMMUNITY BOARD
MEETING

MONDAY, 10 SEPTEMBER 2018

VENUE: Landmarks Room
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings

TIME: 2.00pm

A G E N D A

1. Apologies

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.

2. 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 Democratic Support Manager (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.

3. Confirmation of Minutes

Minutes of the Hastings District Rural Community Board held Monday 28 May 2018.
(Previously circulated)

4.	Rural Transportation Activities Report	5
5.	Rating Area 2 - Financial Result	39
6.	Additional Business Items	
7.	Extraordinary Business Items	

REPORT TO: HASTINGS DISTRICT RURAL COMMUNITY BOARD

MEETING DATE: MONDAY 10 SEPTEMBER 2018

FROM: TRANSPORTATION OPERATIONS MANAGER
ADAM JACKSON

SUBJECT: RURAL TRANSPORTATION ACTIVITIES REPORT

1.0 SUMMARY

- 1.1 The purpose of this report is to update The Rural Community Board with the Rural Transportation Programmed Project Status and Activities Report.
- 1.2 This issue arises from the Board's desire to receive regular updates on progress with the works programme and other activities.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by Section 10 of the Local Government Act 2002. That purpose is to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses. Good quality means infrastructure, services and performance that are efficient and effective and appropriate to present and anticipated future circumstances.
- 1.4 This report concludes by recommending that the report be received.

2.0 2018/19 RURAL TRANSPORTATION ACTIVITIES REPORT – ESK FLOOD EVENT, JUNE 12 FLOOD EVENT

- 2.1 Two storm events were experienced between March 2018 and June 2018. These are known as Esk Flood Event, and June 12 Flood event. Costs to attend these events are spread across two financial years being 2017/18 and 2018/19

2.2 Emergency Repair Costs

- The estimated cost of the storm event, known as the Esk Flood that occurred at the beginning of March 2018 is \$690,240. This is an increase on the estimated amount reported to the Rural Community board previously of approximately \$120,000. Additional works were identified following completion of road inspections.
- The estimated cost of the storm event, known as the June 12 Flood event is \$1,200,000.
- The total costs of emergency events for these two events 2017/18 was \$1,220,322 and for 2018/19 is estimated to be \$620,000
- The major emergency budget allowance in the 2018/19 Annual Plan is \$283,880
- This leaves a budget shortfall of \$336,120

- The local share shortfall at 54% NZTA financial assistance rate is \$154,615

2.3 This local share shortfall can be funded from the Rural Flood Emergency Event Reserve which at 20 August has a balance of \$1,117,963.74.

3.0 Summary of Funding & Spend for 2017/18 :

3.1 A summary of spend for the year ended 30 June 2018 shows a local share of spend funded from the Rural Flood Emergency Event Reserve at \$605,791. This table also shows the resolutions and the amounts carried to approve the funding of that spend. The table highlights the need for a further recommendation for the Rural Community Board to approve final draw-down from the Rural Flood Emergency Event Reserve of \$257,195, to fund expenditure from the recent flood event including the Vista bridge repairs.

2017/18 Summary of spend and Approvals	
Local share at 46 % funded from Flood Damage reserve spent in 2017/18	\$ 605,791
Resolution carried 11 September 2017 to approve local share of \$216,200 from the Rural Flood Emergency Reserve for the Vista Bridge Slip repair	\$ 216,200
Resolution carried 28th May 2018 to approve the local share shortfall of \$132,395.82 be approved from the Rural Flood Emergency Event Reserve	\$ 132,396
	\$ 257,195
That the remaining 2017/18 spend of \$257,195 be approved as the local share from the Rural Flood Emergency Event Reserve	\$ 257,195

4.0 Forestry Effects on Roads

- 4.1 This report provides background to the Rural Community Board on the effects that logging is having on the unsealed road network due to winter logging activity, and the forward logging programme that is known.
- 4.2 Historically logging was discontinued during winter periods due to the low return on logs, and the negative revenue probability in the event of inclement weather holding up logging crews.
- 4.3 Current high log process combined with the high volume of wood lots at maturity is causing logging operators to work all through winter.
- 4.4 Winter logging is causing new problems on road network. Sealed and unsealed roads are very susceptible to damage when heavy loads pass over them in wet conditions.
- 4.5 Councils officers have commenced a programme to investigate options available to:
- Present options to minimise damage to roads, or increase funding for the roads
 - Use alternate materials to lessen the impact of loads in wet conditions

- 4.6 The outcome of this investigation will be presented to the Rural Community Board in December.

5.0 RECOMMENDATIONS AND REASONS

- A) That the report of the Transportation Operations Manager titled "Rural Transportation Activities Report" dated 10/09/2018 be received.
- B) That the local share shortfall from 2017/18 flood damage of \$257,195 be approved from the Rural Flood Emergency Event Reserve.

Attachments:

- | | | |
|---|---|----------------|
| 1 | Aug18 Appendices report-Adam.xlsx | PRJ17-122-0112 |
| 2 | Aug App3 June 12 Storm Event 2018-19 Expected Costs | PRJ17-122-0111 |
| 3 | Rural Community Board Photos August 2018 - Attachment | CG-14-26-00068 |
| 4 | Forward Works 2018/19 - Attachment 4 | CG-14-26-00069 |


**RURAL: Other Activities
Q3 2018**

ROAD	Activity	What Community will See	Current Status	Period
Various	Resealing	Preseal repairs being undertaken prior to new seal being placed on the road. Ensures waterproofing of the pavement.	Preseal repair work commenced	Aug - Feb
Tareha/Willowford	Unsealed Road Metalling	Clean metal, and pavement stabilising to cope with logging industry	Ongoing	Aug-October
Glenross	Unsealed Road Metalling	Clean metal, and pavement stabilising to cope with logging industry	Ongoing	Aug-October
Kahika	Unsealed Road Metalling	Clean metal, and pavement stabilising to cope with logging industry	Ongoing	Aug-October
Ridgemount	Unsealed Road Metalling	Clean metal, and pavement stabilising to cope with logging industry	Ongoing	Aug-October
Matapiro Rd	Dropout repair	Earthworks and reinstatement of full road width	To commence in dry period	November

2017-18 – HASTINGS DISTRICT COUNCIL






FLOOD DAMAGE ESTIMATE– RAIN EVENT of 12th JUNE 2018










EMERGENCY MAJOR EVENT – IDENTIFIED DAMAGE AND WORK TO BE COMPLETED

Road Name	Road No	RP Start	RP End	Location	Issue	Comment	Estimated Value (\$)	Status	RAMM dispatch #	Event Photos		
BEACH ROAD (TUTIRA)	1003	1850	1850	BEACH ROAD (TUTIRA)	Watertable	Located outlet down the bank but can't locate inlet, because of slip material. Clear inlet, establish the watertable. Clear blocked waterchannels full length	\$3500.00	Complete	65673			
CLAYMORE ROAD	1007	179	189	CLAYMORE ROAD	Dropout	Edge of road has dropped away, will need bench and back fill, netting needed to make safe.	\$20,000.00	Pending	65209			
DARKYS SPUR ROAD	1008	3744	3745	DARKYS SPUR ROAD	Culvert	Due to subsidence/slip the last 1m section of culvert has come away, needs repairing/replacing, causing a dropout.	\$2,500.00	Pending	65403			


DARKYS SPUR ROAD	1008	2448	2448	DARKYS SPUR ROAD	Culvert	Culvert inlet is damaged, needs headwall installed to prevent further damage. Culvert diameter is 375mm & material is fibrolite	\$1,500.00	Pending	65419			
DARKYS SPUR ROAD	1008	1506	1506	DARKYS SPUR ROAD	Culvert	Unable to locate culvert, slip & silt covering. A. Blair to clear inlet & establish the watertable. Likely to need new culverts	\$11,000.00	Pending	65420			
DARKYS SPUR ROAD	1008	3740	3747	DARKYS SPUR ROAD	Dropout	Dropout needs fencing.	\$15,000.00	Pending	65560			
DARKYS SPUR ROAD	1008	3519	3525	DARKYS SPUR ROAD	Dropout	Dropout to be made safe	\$15,000.00	Pending	65561			
MATAHORUA ROAD	1021	3870	3874	MATAHORUA ROAD	Watertable	Silt/undergrowth blocking flow of water in watertable, needs clearing, with 6m of watertable also	\$500.00	Complete	65407			
MOKAMOKA ROAD	1026	7574	7577	MOKAMOKA ROAD	Slip	Slip restricting the water flow in watertable, Remove slip from watertable plus bank	\$500.00	Complete	65053			
OLD COACH ROAD	1029	1787	1768	OLD COACH ROAD	Culvert	culvert blocked at inlet, water ponding and flowing across road, small slips beside and may be the cause	\$500.00	Complete	65200			



POHOKURA ROAD	1032	7970	8100	POHOKURA ROAD	Watertable	Water table full of silt, nowhere for water to flow, will need scraping and levelling form digger	\$1,500.00	Complete	65423			
POHOKURA ROAD	1032	12393	12401	POHOKURA ROAD	Dropout	Dropout requiring attention, Retaining wall, cannot be benched. May need poles driven in by large digger, back boarded, backfilled with rock, plate compacted to road height. Would need Traffic Management since very narrow road and sometimes busy. In the meantime, will need warratahs/orange netting to make safe. Have just put up Warratahs, Orange netting. 25/6/18	\$25,000.00	Pending	65472			
POHOKURA ROAD	1032	13820	13826	POHOKURA ROAD	Dropout	Dropout on this piece of road, had 4 cones, only 1 left, will need netting off, wooden retaining wall would be easier option as benching is in Forestry sector, 5 concrete/ wooden post i.e. telephone poles, backing board and rock fill with plate compaction until height of existing road	\$25,000.00	Pending	65488			


TANGOIO ROAD	1045	4609	4700	TANGOIO ROAD	Scour	Scouring has occurred in this watertable to culvert, exposing strainer post attached to boundary fence, will need a load of goulies (rock) to form new dish channel	\$1,500.00	Pending	65054			
TANGOIO ROAD	1045	1937	1940	TANGOIO ROAD	Slip	Slip restricting the water flow in watertable, Remove slip from watertable plus bank	\$1,500.00	Complete	65055			
TANGOIO ROAD	1045	1706	1708	TANGOIO ROAD	Slip	Slip restricting the water flow in watertable, Remove slip from watertable plus bank	\$1,500.00	Complete	65056			
TE WAKA ROAD	1048	2709	2710	TE WAKA ROAD	Culvert	culvert blocked , water scouring downhill from here	\$2,500.00	Complete	65205			
TE WAKA ROAD	1048	2796	2797	TE WAKA ROAD	Culvert	culvert blocked due to slip , slip partially cleared ,, watertable needs clean and metal needed on road	\$10,000.00	Complete	65206			









WAIPUNGA ROAD	1057	1478	1528	WAIPUNGA ROAD	Scour	Watertable is scoured out. Will need filling with rock. Edge of road starting to scour also., between 450/500mm depth	\$2,500.00	Pending	65036			
WAIPUNGA ROAD	1057	1470	1471	WAIPUNGA ROAD	Culvert	Headwall has broken away from Culvert due to heavy flooding, needs to be rebuilt, also digger required to locate Inlet and drainage 5m either side of Inlet	\$2,500.00	Pending	65037			
WAIPUNGA ROAD	1057	1470	1471	WAIPUNGA ROAD	Culvert	Inlet end of Culvert is damaged, will need attention with a New Concrete Headwall built, will prevent further erosion 300mm earthenware pipe	\$2,500.00	Pending	65038			
WAIPUNGA ROAD	1057	2073	2074	WAIPUNGA ROAD	Culvert	Culvert needs flushing	\$1,000.00	Pending	65545			
FLAG RANGE ROAD	2013			FLAG RANGE ROAD	Tree	Pine tree has a broken branch that is hanging very dangerously over the Rd - it is about 1.5 Kms along	\$800.00	Pending	65487			

GLENROSS ROAD	2014	5404	5414	GLENROSS ROAD	Dropout	Large Dropout has occurred at edge of seal. Will need Reconstruction from FH or Subcontractor, Signed with 4 cones until warratahs/orange netting arrive.	\$20,000.00	Pending	65247			
HAWKSTON ROAD	2015	5441	5441	HAWKSTON ROAD	Dropout	Dropout requires reinstatement	\$15,000.00	Pending	65252			
HENDLEY ROAD	2016	TBC	TBC	12 HENDLEY ROAD	Culvert	blocked culvert causing surface flooding outside Patoka School - near 12 Hendley Rd, - Ben Cross 0274877335	\$1,000.00	Pending	65064			
HUIARANGI ROAD	2018	6818	6823	HUIARANGI ROAD	Dropout	Small dropout edge of road.	\$5,000.00	Pending	65382			
HUIARANGI ROAD	2018	4876	4881	HUIARANGI ROAD	Culvert	blocked culvert	\$1,000.00	Pending	65393			
HUIARANGI ROAD	2018	6163	6178	HUIARANGI ROAD	Dropout	large dropout into road	\$15,000.00	Pending	65564			

KAWERA ROAD	2021	4771	4777	KAWERA ROAD	Slip	Slip restricting the water flow in watertable, Remove slip from watertable plus bank and slip is on edge of road	\$500.00	Pending	65268			
MOTEO PA ROAD	2034	3364	3369	MOTEO PA ROAD	Culvert	Drainage required on Outlet end of Culvert, to allow excess water to flow towards drain and not into paddock. Could add headwall to divert water to main drain	\$1,000.00	Pending	65328			
OTAMAURI ROAD	2040	4722	4727	OTAMAURI ROAD	Slip	Slip sitting on Shoulder only small amount on road, will need to be picked up, will need signage and 1 t/c for here	\$500.00	Pending	65186			
OTAMAURI ROAD	2040	4631	4641	OTAMAURI ROAD	Slip	Slip restricting the water flow in watertable, Remove slip from watertable plus bank. Also on left hand lane of road	\$500.00	Pending	65187			
PUKETITIRI ROAD	2046	26400	26408	PUKETITIRI ROAD	Culvert	culvert flowing at 1/4 volume clear outlet cleared in as far as can go with shovel possible roots restricting water flow	\$500.00	Pending	65150			

PUKETITIRI ROAD	2046	25378	25383	PUKETITIRI ROAD	Dropout	small dropout in watertable – culvert repair	\$5,000.00	Pending	65475			
PUKETITIRI ROAD	2046	37519	37519	PUKETITIRI ROAD	Dropout	Large Dropout requires repair	\$20,000.00	Complete	TBC			
PUKETITIRI ROAD	2046	37457	37457	PUKETITIRI ROAD	Dropout	2 x Large dropouts require repair	\$30,000.00	Complete	TBC			
Pakatutu Road					Mohaka River washout	Beca designing permanent repair.	\$150,000	Design underway. Work to be done outside of fish spawning				
Pakaututu Road					Metal all gone from most of this road	Running course to be placed full length	\$23,000					

TAIHAPE ROAD	2056	52079	52080	TAIHAPE ROAD	Culvert	Previous downpour had slip/slash/trees amongst it, Inlet end blocked, water backing up and making its way to next Culvert. Will require Digger to clear this Culvert.....13/6 /18	\$2,000.00	Complete	65232			
TAIHAPE ROAD	2056	50203	50222	TAIHAPE ROAD	Dropout	Dropout formed 1.1m from Shoulder white line, into Forestry, will need Reconstruction from FH or Subbie to retain and rebuild. Signed up with 2 cones until Warratahs/Orange netting arrive. Made Safe for now	\$18,000.00	Pending	65250			
TAIHAPE ROAD	2056	31533	31663	TAIHAPE ROAD	Culvert	Slip restricting the water flow in watertable, Remove slip from watertable and scallop channel for excess water to flow to nearest culvert	\$1,500.00	Complete	65270			
TAIHAPE ROAD	2056	37410	37460	TAIHAPE ROAD	Scour	Scouring has occurred in drain running down side of road, needs goulies (rock) to be laid and bring up to required height for easy flow of water	\$3,500.00	Pending	65274			
TAIHAPE ROAD	2056	45901	45910	TAIHAPE ROAD	Dropout	Dropout has occurred 1m away from road edge, undermined, will need to be benched, backfilled with rock or goulies to required height	\$15,000.00	Pending	65324			

TAIHAPE ROAD	2056	45888	45894	TAIHAPE ROAD	Dropout	Drop has occurred 1m from road edge, will require backfilling with rock or goulies and compaction	\$19,000.00	Pending	65325			
TAIHAPE ROAD	2056	42628	42640	TAIHAPE ROAD	Dropout	Dropout, will need attention to stop erosion, backfilled compaction	\$15,000.00	Pending	65327			
TAIHAPE ROAD	2056	35158	35170	TAIHAPE ROAD	Culvert	Culvert needs flushing	\$500.00	Pending	65554			
TAIHAPE ROAD	2056	33692	33694	TAIHAPE ROAD	Culvert	Culvert needs flushing	\$500.00	Pending	65555			

TAREHA ROAD	2057	921	925	TAREHA ROAD	Slip	Slip restricting the water flow in watertable, Remove slip from watertable plus bank	\$1,500.00	Complete	65175			
DUFF ROAD	4007	2571	2571	DUFF ROAD	Slip & Scour	Due to June storm event, slips & scouring have occurred below outlet. This is not affecting cut-out culvert but may need building up at some stage.	\$2,000.00	Pending	65344			
MANGATAHI ROAD	4018	3012	3012	MANGATAHI ROAD	Bridge	Debris/trees blocking inlet of Low Level.	\$4,000.00	Complete	65593			
POPORANGI ROAD	4025	4139	4146	POPORANGI ROAD	Culvert	Culvert needs flushing	\$1,000.00	Complete	65346			
MACKENZIE ROAD	3023	819	819	MACKENZIE ROAD	Culvert	Debris/vegetation & metal pushed up against inlet, needs clearing.	\$1,000.00	Complete	65596			
MARAETOTARA ROAD	3025	TBC	TBC	MARAETOTARA ROAD	Culvert	Blocked Drain (road sump), 1303 Maraetotara Road.	\$500.00	Complete	65060			
						Sub-Total	\$520,800.00					
						Contingency (20%)	\$100,000					
						Total	\$620,800.00					

Middle Road – Sign Repairs

Before:



After:



Heays Access – Slip removal

Before:



During:



Kahuraniki Road – Pavement repairs

Before:



During:



Old Coach Road – Slip removal

Before:



After:



Te Waka Road – Slip Removal

Before:



After:



Tangio Road – Watertable Scour Repairs

Before:



After:



Puketitri Road – Drop out Repairs

Before:



During:



Ohurakura Road – Sign repairs

Before:



After:



Pirau Road – Culvert repairs

Before:



After:



Puketitiri Road – Drop out Repairs

After:



After:



Tuki Tuki Road – Shoulder verging

Before:



After:



Puketitiri Road: Sightrail repairs

Before:



After:



Okaihau Road: bridge repairs

Before:



After:



Darkys Spur Road: Watertable Cleaning

During:



After:



Taihape Road – Footpath Construction

During:



Tareha Road: Grading and metaling

During:



Rural Community Board Report - Forward Works Programme Update

Road Name	Start	End	Length	Treatment	Treatment	Comments
KAHURANAKI ROAD	8946	10670	1724	2018/19	AWPT	In design phase - to be tendered
KERERU ROAD	12900	13456	556	2018/19	AWPT	To be done through maintenance contract
MCVICAR ROAD	3933	3963	30	2018/19	AWPT	To be done through maintenance contract
MIDDLE ROAD	9162	10431	1269	2018/19	AWPT	In design phase - to be tendered
TAIHAPE ROAD	26900	27400	500	2018/19	AWPT	To be done through maintenance contract
KERERU ROAD	11057	11856	799	2019/20	AWPT	
MT ERIN ROAD	20	1800	1780	2019/20	AWPT	
MIDDLE ROAD	4938	5127	189	2019/20	AWPT	
MIDDLE ROAD	7160	8820	1660	2019/20	AWPT	
MIDDLE ROAD	17310	18300	990	2019/20	AWPT	
KERERU ROAD	18107	18600	493	2019/20	AWPT	
KERERU ROAD	21200	21400	200	2019/20	AWPT	
KAHURANAKI ROAD	11750	12070	320	2020/21	RHAB	
KAHURANAKI ROAD	15500	15880	380	2020/21	RHAB	
MIDDLE ROAD	8820	9162	342	2020/21	AWPT	
MIDDLE ROAD	18300	18943	643	2020/21	AWPT	
RAUKAWA ROAD	10340	10750	410	2020/21	AWPT	

29/08/2018

REPORT TO: HASTINGS DISTRICT RURAL COMMUNITY BOARD

MEETING DATE: MONDAY 10 SEPTEMBER 2018

**FROM: FINANCIAL CONTROLLER
AARON WILSON**

SUBJECT: RATING AREA 2 - FINANCIAL RESULT

1.0 SUMMARY

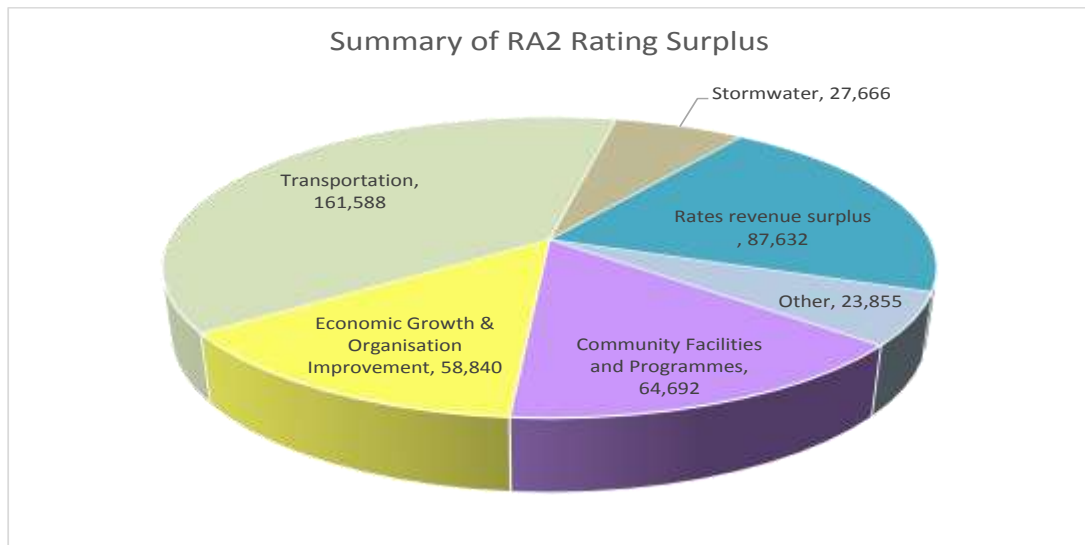
- 1.1 The purpose of this report is to inform the Hastings Rural Community Board (RCB) of the indicative rating result for the year ended 30 June 2018.
- 1.2 The Council is required to give effect to the purpose of local government as prescribed by Section 10 of the Local Government Act 2002. That purpose is to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses. Good quality means infrastructure, services and performance that are efficient and effective and appropriate to present and anticipated future circumstances.
- 1.3 The indicative result for Rating Area 2 for the 2017/18 year is favourable to budget and is a \$424,274 rating surplus. The results are unaudited and indicative at this stage and consequently there may be some variation to the figures in the final result. Additional to this is the Rating Area 2 share of the Landfill surplus of \$282,576.
- 1.4 This report concludes by recommending that the Hastings Rural Community Board recommend to the Finance and Risk Committee that the remaining rating surplus after specific allocations is allocated to the Rural Flood and Emergency Event Reserve.

2.0 CURRENT SITUATION

- 2.1 The unaudited result for the year ended 30 June 2018 will be presented to the Finance & Risk Committee on 11 September 2018.
- 2.2 This report sets out the indicative rating result for the year ended 30 June 2018 for Rating Area 2.

The Rating Result

- 2.3 The indicative rating result for the 2016/17 financial year is a positive result for Rating Area 2, a \$424,274 surplus.
- 2.4 A more detailed breakdown of this result is available in **Attachment 1**.
- 2.5 The overall rating surplus is due to savings across a number of Council activities. The following graph demonstrates from what activities the surplus has accumulated:



- 2.6 The largest single contributor of the RA2 surplus was Transportation with lower maintenance and renewals costs. The rates revenue for RA2 had a surplus after rates remissions, penalties and doubtful debts were taken into account, and has contributed to the surplus favourably.
- 2.7 The net rating result is shown in the attached schedule “Analysis of Year End Result for 2017/18 for Rating Area 2”. This shows the budgeted and actual cost for the various activities and the amount requested to be carried forward. The final column shows the rating surplus or deficit (negative) for the activities. Also attached as **Attachment 2** is the 2016/17 result for comparison.
- 2.8 The following table summarises the allocation of the 2017/18 Rating Area 2 surplus:

	\$
RA2 Surplus on General Rate	424,274
<u>Allocation of Surplus:</u>	
Rural Flood & Emergency Event Reserve	424,274
Allocated Surplus	424,274

Landfill Surplus allocation:

- 2.9 In addition to the rating surplus, the Council has received for allocation, revenue from the surpluses generated at the Landfill totalling \$2.3m. Prior to last year surpluses generated at the Landfill were used to replay Landfill debt. The remaining debt was extinguished by application of surpluses from the 2015/16 financial year. Last year the RCB recommended to Council that the RA2 share of the Landfill surplus be allocated to the RA2 Capital Reserve.
- 2.10 In 2008 the Rural Community Board recommended to Council that the landfill rating formula be changed to designated population which is the basis for the allocation above. This recommendation was approved by Council.

- 2.11 It is recommended that the RA2 share of the Landfill surplus of \$282,576 be allocated as it was last year to the Capital Reserve.

Rural Flood and Emergency Event Reserve

- 2.12 The Rural Flood and Emergency Event Reserve has a balance of \$1,117,963 as at 30 June 2018. The Hastings Rural Community Board on 21 September 2015 resolved:

“That the Hastings Rural Community Board recommend to Council that a new target level for the Rural Flood and Emergency Event Reserve be established of \$2,000,000.”

- 2.13 The above resolution was subsequently approved by Council.
- 2.14 The balance of the rural flood and emergency event reserve has fallen significantly during the 17/18 year, with costs totalling \$605,791, being funded from out of this reserve, due to two flood events.
- 2.15 The following table summarises the cost of these events and how they were funded:

Total Funding from RA2 Rural Flood and Emergency Event Reserve as at 30 June 2018			
Opening Reserve balance 1 July 2017			\$ 1,699,552
Esk valley flood	\$ 640,240		
June 12th Flood	\$ 580,082		
	<u>\$ 1,220,322</u>		
Vista Bridge repairs	\$ 379,545		
		\$ 1,599,867	
Less Budget for major reinstatement		\$ 283,880	
Total unbudgeted Cost		<u>\$ 1,315,987</u>	
Local share at 46 % funded from Flood Damage reserve			\$ 605,791
			<u>\$ 1,093,761</u>
Interest on reserve			\$ 24,202
Closing reserve balance 30 June 2018			<u><u>\$ 1,117,963</u></u>

- 2.16 In addition there are a number of costs to still come in from the second flood. These costs are likely to be covered by the flood budget provided for in the 18/19 year, however this will put pressure on this budget and increase the risk that other events may then need to be covered by this reserve.

2.17 Allocation of Surplus

Council's Treasury Policy states the following on the allocation of surpluses:

“The funds from all asset sales and operating surpluses will be applied to the reduction of debt and/or a reduction in borrowing requirements, unless the Council specifically directs that the funds will be put to another use.”

- 2.18 Rating Area 2 currently has no debt, with the last of the debt paid off with the 2016 surplus.
- 2.19 The exact allocation of funds to reserve contributions may change if Council determine that additional funds be set aside from the 2017/18 surplus to meet any other identified needs. The Rating Area 2 surplus allocation will only be affected by the relevant rating splits between Rating Area 1 and Rating Area 2.
- 2.20 The Rating Area 2 reserve balances as at 30 June 2018 are as follows:

Reserve Description <i>(Interest bearing Y/N)</i>	Balance (\$)
Rural Flood and Emergency Event Reserve (Y)	1,117,964
Rural Fire Contingency Fund (N)	6,457
General Purpose Reserve - Rating Area 2 (N)	559,683
Capital Reserve - Rating Area 2 (N)	1,778,708
Transportation NZTA Fund Reserve Rating Area 2 (N)	639,177

- 2.21 Given that Rating Area 2 has no debt, the Board can therefore only allocate the surplus to increasing reserves including the Rural Flood and Emergency Reserve, the Capital Reserve or some other reserve for another purpose.
- 2.22 In addition there are a number of costs to still come in from the second flood, in the early part of the 18/19 financial year. These costs are likely to be covered by the budget allowed for in the 18/19 year, however it will mean that other events may then need to be covered by this reserve.
- 2.23 It is recommended that the rural flood and emergency reserve be replenished from the 17/18 surplus to enable Council to help mitigate the cost of another event occurring.
- 2.24 The following table is a summary of the recommended allocations of the 2017/18 RA2 surplus:

2017/18 Rating	Surplus
RA2 Surplus on General Rate - Allocation to Rural Flood & Emergency Event Reserve	\$424,274
RA2 Surplus from Landfill Operations - Allocation to RA2 Capital Reserve	\$282,576
	\$706,850

3.0 SIGNIFICANCE AND CONSULTATION

This decision is not significant in terms of the Council's policy on significance and no consultation is required.

4.0 RECOMMENDATIONS AND REASONS

A) That the report of the Financial Controller titled "Rating Area 2 - Financial Result" dated 10/09/2018 be received.

B) That the Hastings Rural Community Board recommend to Council that

the Rating Area 2 Rating Surplus of \$424,274 be allocated to the Rural Flood & Emergency Event Reserve. Noting that the value of the surplus available will change if Council makes decisions to allocate the overall Council surplus to other projects that require a rating area allocation to be made.

- C) That the Hastings Rural Community Board recommend to Council that the RA2 allocation of the Landfill surplus of \$282,576 contribute to the RA2 Capital Reserve in accordance with the approved rating allocation for the Landfill.

Attachments:

- | | | |
|---|--|----------------|
| 1 | Analysis of Rating Area 2 Year End Result for
2017/18 & 2016/17 | CG-14-26-00070 |
|---|--|----------------|

Attachment One

ANALYSIS OF YEAR-END RESULT FOR 2017/18 INTO RATING GROUPS		Rating Area Two		
Activity	Budgeted Net Cost	Actual Net Cost	CiForwards to 17/18	17/18 Result Surplus(deficit)
Corporate and Customer Services	145,764	110,465	27,707	7,593
Rural Community Board	43,778	37,719	0	6,059
Finance Services	5,280	0	0	5,280
Community Facilities and Programmes	1,236,630	1,147,171	24,767	64,692
Planning and Regulatory Services	1,110,337	1,075,317	28,400	6,620
Economic Growth & Organisation Improvement	597,884	512,940	26,104	58,840
Parks and Property Management	638,620	645,952	18,896	-26,229
Transportation	5,659,544	5,447,955	50,000	161,588
Landfill	44,726	29,360	12,716	2,650
Stormwater	53,617	25,951	0	27,666
Recycling Depot & Trsfr Stn	54,733	41,484	6,518	6,730
Contingency Fund	40,000	24,492	0	15,508
Gross Requirement	9,630,914	9,098,808	195,108	336,998
Less Additional Funding				
Petrol Tax Credit	-75,984	-80,686	0	4,702
Investments	0	0	0	0
2016/17 Brought Forwards (excl UAC's)	-236,584	-236,584	0	0
	9,318,347	8,781,538	195,108	341,700
Add Uniform Annual General Charge Activities				
Economic Development (65%)	251,463	217,241	26,462	7,761
Civil Defence (50%)	37,346	35,499	483	1,364
Wastewater UAGC's (20%)	0	0	0	0
Waimarama Seawall UAGC (10%)	1,747	1,747	0	0
Rate Collection (100%)	127,631	122,467	0	5,164
Leadership (100%)	452,137	456,591	15,738	-20,191
Waipatiki Wastewater	0	0	0	0
Actual Rating Requirement	10,188,692	9,615,083	237,790	335,797
Budgeted Rating Requirement				
	10,188,692	9,615,083	237,790	336,642
Extra Rates Income (incl penalties & remissions)			0	87,632
				0
Surplus before Carry Forwards	10,188,692	9,615,083	237,790	424,274
Less				
Carry Forwards funded from rates to 2018/19				0
Surplus on General Rate				424,274

Attachment Two

ANALYSIS OF YEAR-END RESULT FOR 2016/17 INTO RATING GROUPS		Rating Area Two		
Activity	Budgeted Net Cost	Actual Net Cost	CI/Forwards to 17/18	16/17 Result Surplus(deficit)
Corporate and Customer Services	561,766	401,789	35,152	124,825
Rural Community Board	38,844	36,826	0	2,018
Finance Services	0	-30	5,280	-5,250
Community Facilities and Programmes	1,196,701	1,090,882	48,245	57,574
Planning and Regulatory Services	997,192	999,866	20,200	-22,874
Economic Growth & Organisation Improvement	622,472	545,351	37,904	39,218
Parks and Property Management	672,624	673,462	1,685	-2,523
Transportation	5,341,863	5,341,817	0	46
Landfill	60,203	34,098	20,522	5,584
Stormwater	69,380	33,599	0	35,781
Recycling Depot & Trsfr Stn	40,885	20,409	16,800	3,676
Contingency Fund	237,600	237,466	0	134
Gross Requirement	9,839,530	9,415,536	185,788	238,206
Less Additional Funding				
Petrol Tax Credit	-75,984	-79,437	0	3,453
Investments	0	0	0	0
2015/16 Brought Forwards (excl UAC's)	-567,527	-567,527	0	0
	9,196,020	8,768,573	185,788	241,659
Add Uniform Annual General Charge Activities				
Economic Development (65%)	273,485	179,927	40,724	52,834
Civil Defence (50%)	35,662	35,302	0	360
Wastewater UAGC's (20%)	0	0	0	0
Waimarama Seawall UAGC (10%)	1,747	1,747		0
Rate Collection (100%)	128,446	128,779	0	-333
Leadership (100%)	412,907	422,416	10,072	-19,580
Waipatiki Wastewater	0	0	0	0
Actual Rating Requirement	10,050,164	9,536,742	236,584	274,941
Budgeted Rating Requirement				
	10,050,164	9,536,742	236,584	276,837
Extra Rates Income (incl penalties & remissions)			0	104,122
Surplus before Carry Forwards	10,050,164	9,536,742	236,584	380,959
Less				
Carry Forwards funded from rates to 2017/18				0
Surplus on General Rate				380,959