

South Taranaki District Council

Minutes of the Special Meeting of the South Taranaki District Council held in the Council Chamber on Wednesday 8 July 2009 commencing at 1.00 pm.

PRESENT: Mayor R Dunlop, Councillors I Armstrong, K Bourke, A Ballantyne, A Beccard, P Johnson, G Lawson, D Packer, M Powell, I Smith and I Wards.

IN ATTENDANCE: Chief Executive (Mr Stevenson), Group Manager Environment and Information Services (Mr Young), Group Manager Community Services and Development (Mrs Martin), Support Services Manager (Miss Cox), Corporate Planner (Mrs Jane), Communications Officer (Miss Murphy), Financial Consultant (Mr Dudley) and two members of the media.

APOLOGIES: Councillors Hickey and Rangiwahia and the Group Manager Engineering Services (Mr McCann).

RESOLUTION

(Cr Bourke/Cr Packer)

104/09 **THAT the apologies from Councillors Hickey and Rangiwahia and the Group Manager Engineering Services (Mr McCann) be received.**

CARRIED

1 **CONFIRMATION OF MINUTES**

(a) **South Taranaki District Council**

(i) Special Council Meeting held on 12 June 2009

Councillor Smith considered that 20% water loss was significant and that water metres should be installed to reduce consumption.

RESOLUTION

(Mayor/Cr Smith)

105/09 **THAT the minutes of the Special Meeting of Council held on 12 June 2009 be received and confirmed as a correct record of proceedings.**

CARRIED

(ii) Special Council Meeting held on 17 June 2009

The Mayor advised that the Egmont Plains councillors would receive a copy of the letter written to the Egmont Community Arts Council regarding their discontinuation of allocation of grants on behalf of Creative Communities.

RESOLUTION**(Cr Packer/Cr Powell)**

106/09 **THAT the minutes of the Special Meeting of Council held on 17 June 2009 be received and confirmed as a correct record of proceedings.**

CARRIED**2** **REPORT****(a) Chief Executive****(i) Adoption of Ten Year Plan and Rates Strike**

The Council was asked to adopt the 2009-2019 Ten Year Plan and approve the rates strike for the 2009/10 year along with providing authorisation for the Council's borrowing requirements.

Councillor Wards referred to the unbalanced budget and asked if this meant that internal borrowing would continue for longer than proposed. Mr Stevenson replied that there was a clear signal from the Finance Portfolio Group to move the internally loaned portfolio into the external markets and there was still a timeframe for undertaking this movement.

Councillor Lawson asked why the three years of general rate deficit did not show up as part of the unbalanced budget. Mr Stevenson replied that rating was made up of several components such as the general rate, Uniform Annual General Charge, roading and residual general rates and the targeted rates. The smoothing that had been proposed for the rates component would only be applied to the general rate component which meant that the deficit only related to the general rate which was offset by the surplus created in the other separate rating areas.

Councillor Armstrong noted that the Ten Year Plan highlighted that internal borrowing would be repaid by September 2009 and asked that if this was not going to occur then the Plan should be updated. He did not consider that the Council had any chance of repaying the internal borrowing with the current forecasted projections. Mr Dudley replied that the intention was to have the internal borrowing repaid by September 2009 and additional lines of credit were in place to ensure that this could occur.

Councillor Johnson noted that the rates increase was 13.5% prior to any smoothing which would reduce the rates to a 9.5% increase. He asked if the ratepayers needed to be made aware of the proposed change. Mr Stevenson confirmed that the figures contained within the Plan were correct and the recommendations included all the information that was required relating to the smoothing of the rates. He noted that it was already in the public arena as he had already received a number of telephone calls regarding the rates.

Councillor Wards was unhappy with the proposed rate increases as the initial draft Plan had proposed a 9.4% increase and the Council had then ended up with a 13.57% increase. He noted that he supported the smoothing process, however, his concerns related to the removal of the general rate differentials which he did not support. He considered that the huge increase in rates bore little relationship to the minimal benefits that those affected by the removal of the differential received from the Council.

Councillor Wards acknowledged that the review of the Revenue and Financing Policy would occur and supported the review which would consider a number of issues that had been raised by the submitters.

The Mayor advised that the councillors had been through a robust debating process to get to this meeting to adopt the Ten Year Plan. He noted that the Council had proposed a number of changes following the submission process including reviewing the UAGC and levels of service. He added that it was too late now to start re-debating the Ten Year Plan.

Councillors Armstrong and Beccard agreed that it was too late now to review the rate increase and differentials again and noted that the Council had undertaken a long deliberation meeting and discussions regarding the submissions and finalising of the Ten Year Plan.

Councillor Powell considered the rate increases was fairly reasonable given the extensive capital works programme for the next ten years.

Councillor Lawson did not support the recommendations, however, agreed that it was too late to re-debate the issues. He noted that the only way to solve the rate increases was to find a way to increase the rating base across the district rather than increasing the rates. He noted that increasing rates could result in rating people out of our District.

RESOLUTION

(Mayor/Cr Packer)

107/09

THAT having taken into account the submissions received during the formal public consultation process and the advice contained in various Officer reports, the Council adopt the 2009-19 Ten Year Plan (Volumes 1 and 2) with the following amendment:

Volume 2

**Liability Management Policy - Approved foreign exchange instruments
Addition of "foreign exchange swaps".**

THAT in doing so, the Council notes the balanced budget requirements of Section 100 of the Local Government Act 2002 and resolves that it is financially prudent to run an operating deficit for 2013/14 (\$786,000) in the 2009-2019 Ten Year Plan because of the strategy to invest in increased levels of service for water supplies, while smoothing the water rates over the next ten years.

THAT in accordance with the 2009-19 Ten Year Plan the Council resolves to issue debt throughout the 2009/10 year in such amount as will yield the Council \$32,984,000 and will be *secured by a charge over the rateable properties within the South Taranaki District*; and

THAT the Chief Executive and approved signatories be delegated authority to negotiate the terms and conditions of the said debt and to use any of the approved debt and interest rate management instruments for the period ending 30 June 2010, after discussion with Asia Pacific Risk Management Limited.

THAT South Taranaki District Council set the following rates under the Local Government (Rating) Act 2002, on rating units in the district for the financial year commencing on 1 July 2009 and ending on 30 June 2010.

(a) General Rate

- A general rate of 0.0008744 cents in the dollar (GST inclusive) of capital value on every rating unit set under Section 13 of the Local Government (Rating) Act 2002

(b) Uniform Annual General Charge

A uniform annual general charge of \$400.00 (GST inclusive) for each separately used or inhabited part of a rating unit, set under section 15 of the Local Government (Rating) Act 2002.

(c) Rooding Rate

- A targeted rate for rooding of 0.0009168 cents in the dollar on capital value on every rating unit set under Section 16 of the Local Government (Rating) Act 2002.

(d) Hawera Business Rate

- A targeted rate set under Section 16 of the Local Government (Rating) Act 2002 0.0011384 cents in the dollar on capital value on all rating units used for commercial or industrial purposes located within Hawera and including areas of the formal Hawera County that are located within 500 metres of the former Hawera Borough boundary.

(e) Water Supply Rates

A targeted rate for water supply, set under Section 16 of the Local Government (Rating) Act 2002 of:

- \$429.00 (GST inclusive) for each separately used or inhabited part of a rating unit connected to urban water supply schemes. (excluding properties subject to metered supply).
- \$214.50 (GST inclusive) for each separately used or inhabited part of a rating unit that is not connected but is within 100 metres of such waterworks and is serviceable.

A targeted rate for water meter servicing charge set under Section 16 of the Local Government (Rating) Act 2002 of \$100 (GST Inclusive) on each urban metered connection within Council's Water Billing System.

A targeted rate for water meter servicing charge set under Section 16 of the Local Government (Rating) Act 2002 of \$100 (GST Inclusive) on each rural metered connection within Council's Water Billing System.

Targeted rates for water supply set under Section 19 of the Local Government (Rating) Act 2002 based on a fixed charge per cubic metre of water consumed as follows:

- \$1.19c per cubic metre (GST inclusive) for all urban supplies.

- 99c per cubic metre (GST inclusive) for Riverlands Eltham.
- 43c per cubic metre (GST inclusive) for Waimate West rural supply.
- 63c per cubic metre (GST inclusive) for Kaponga farmers on Waimate West rural supply.
- 56c per cubic metre (GST inclusive) for Inaha rural supply.
- 77c per cubic metre (GST inclusive) for Pope rural supply.

(f) Inaha Targeted Rate for Loan Charges

A targeted rate set under Section 16 of the Local Government (Rating) Act 2002 for two specifically identified Eltham rural rating units of:

- 0.00055518 cents in the dollar (GST inclusive) on land value of the two identified properties.

(g) Wastewater Disposal Rate

A targeted rate for sewage disposal set under Section 16 of the Local Government (Rating) Act 2002 of:

- \$410.00 (GST inclusive) for each separately used or inhabited part of a rating unit connected to a scheme.
- \$205.00 (GST inclusive) for each separately used or inhabited part of a rating unit that is not connected to a public sewage drain but is within 30 metres of such a drain and is serviceable.

(h) Eltham Drainage Area

Targeted rates for drainage maintenance works set under Section 16 of the Local Government (Rating) Act 2002 on differing classes of land as follows:

- All land classified Class A – Differential 1.00.

A targeted rate in the dollar on land value of \$0.0001752c (GST Inclusive) per \$ of land value.

- All land classified Class B – Differential 0.65.

A targeted rate in the dollar on land value of 0.0001139 (GST inclusive) per \$ of land value.

- All land classified Class C – Differential 0.35.

A targeted rate in the dollar on land value of \$0.00613c (GST inclusive) per \$ of land value.

(i) Kerbside Collection Rate

A targeted rate for kerbside collection on the following basis:

- Urban – \$179.00 (GST inclusive) for each set of bins (refuse and recycling) on every rating unit situated within the urban areas of Pungarehu, Rahotu, Opunake, Kaponga, Eltham, Manaia, Ohawe, Hawera, Patea and Waverley to which Council is prepared to provide the service.
- Rural – \$179.00 (GST inclusive) for each set of bins on every rating unit situated within the rural area which is on the collection route and which the Council is prepared to provide the service.

Urban Water Supply Rate

The differential categories for the uniform water supply rates will be:

- Connected – any rating unit that is connected to a Council operated waterworks.
- Serviceable – any rating unit that is not connected to a Council operated waterworks but is within 100 metres of such waterworks.

Wastewater Disposal Rate

The differential categories for the wastewater disposal rate will be:

- Connected – any rating unit that is connected to a public sewage drain.
- Serviceable – any rating unit that is not connected to a public sewage drain but is within 30 metres of such a drain and is serviceable.

Due Dates for Payment of Rates

All rates will be payable in four instalments due on:

1st Instalment	26 August 2009
2nd Instalment	25 November 2009
3rd Instalment	24 February 2010
4th Instalment	26 May 2010

Penalties

A charge of 10% on so much of any instalment that has been assessed after 1 July 2009 will be added the day after the due date of each instalment on so much as remains unpaid on that date.

Early Payment Discount

That the Council will allow a discount of 3% where a ratepayer pays the years rates in full on or before the due date of the first instalment for the year. This will be 26 August 2009.

