

Notice is hereby given that an ordinary meeting of the Horowhenua District Council will be held on:

Date: Wednesday 27 June 2018
Time: 4.00 pm
Meeting Room: Council Chambers
Venue: 126-148 Oxford St
Levin

Council OPEN AGENDA

MEMBERSHIP

Mayor	Mr Michael Feyen	
Deputy Mayor	Mr Wayne Bishop	
Councillors	Mr Ross Brannigan	
	Mr Ross Campbell	
	Mr Neville Gimblett	
	Mr Barry Judd	
	Mrs Victoria Kaye-Simmons	
	Mrs Jo Mason	
	Mrs Christine Mitchell	
	Ms Piri-Hira Tukapua	
	Mr Bernie Wanden	
Reporting Officer	Mr David Clapperton	(Chief Executive)
Meeting Secretary	Mrs Karen Corkill	
	Ms Sharon Bowling	

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Horowhenua District Council Service Centre, 126 Oxford Street, Levin
Te Awahou Nieuwe Stroom, Foxton,
Shannon Service Centre/Library, Plimmer Terrace, Shannon
and Te Takeretanga o Kura-hau-pō, Bath Street, Levin

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1 Apologies

2 Public Participation

Public Participation will not be available for 7.1 Adoption of the Long Term Plan and 7.2 Adoption of the Rates Resolution for the year ending 30 June 2019 as these are procedural items.

3 Late Items

To consider, and if thought fit, to pass a resolution to permit the Council to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:

- (i) The reason why the item was not on the Agenda, and
- (ii) The reason why the discussion of this item cannot be delayed until a subsequent meeting.

4 Declarations of Interest

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.

5 Confirmation of Minutes

5.1 Meeting minutes Council, 23 & 24 June 2018

6 Announcements

File No.: 18/315

Adoption of 2018-2038 Long Term Plan

1. Purpose

The purpose of this report is to adopt the Horowhenua District Council Long Term Plan 2018-2038.

2. Executive Summary

- 2.1 Council's Consultation Document for its 2018-2038 Long Term Plan was the subject of consultation from 23 February 2018 to 26 March 2018. 244 submissions were received as part of the consultation process. Council heard submissions on the 2 and 3 May 2018, and undertook deliberations on 23 and 24 May 2018.
- 2.2 This report seeks to adopt the Horowhenua District Council Long Term Plan 2018-2038. It incorporates the changes made by Council as a result of the deliberations.
- 2.3 The Long Term Plan 2018-2038 incorporates the following rate income increases for the first three years, 5.55% for 2018/2019, 5.96% for 2019/2020 and 5.54% for 2020/2021.
- 2.4 Note that the rates for the year commencing 1 July 2018 and concluding on 30 June 2019 need to be set by Council in accordance with Section 23 and 24 of the Local Government Rating Act. A separate report for this purpose will be presented, at the Council meeting of 27 June 2018.

3. Recommendation

- 3.1 That Report 18/315 Adoption of 2018-2038 Long Term Plan be received.
- 3.2 That this decision is recognised as significant in terms of S76 of the Local Government Act.
- 3.3 That the Horowhenua District adopts the recommendation of the Foxton Community Board for a grant of \$164,869.50 to be given to the Foxton and Beach Bowling Club, funded from the Foxton Beach Freeholding Account.
- 3.4 That the Horowhenua District Council, having taken into account the submissions received during the formal Long Term Plan public consultation process, adopts the HDC Infrastructure Strategy 2018-2048.
- 3.5 That the Horowhenua District Council, having taken into account the submissions received during the formal Long Term Plan public consultation process, adopts the Financial Strategy
- 3.6 That the Horowhenua District Council, having taken into account the submissions received during the formal Long Term Plan public consultation process, adopts the Revenue and Financing Policy.
- 3.7 That the Horowhenua District Council, having taken into account the submissions received during the formal Long Term Plan public consultation process, adopts the Community Outcomes.
- 3.8 That the Horowhenua District Council, having taken into account the submissions received during the formal Long Term Plan public consultation process, adopts the Remissions of Rates on Maori Freehold Land Policy.
- 3.9 That the Horowhenua District Council, having taken into account the submissions received

during the formal public consultation process, adopts the Long Term Plan 2018-2038 including the policies and statements contained therein, in accordance with Section 83 and 93 of the Local Government Act.

- 3.10 That the Chief Executive be given delegated authority to make editorial changes that arise as part of the publication process for the Long Term Plan 2018-2038.

4. Background / Previous Council Decisions

- 4.1 At its 19 February 2018 Extraordinary Council meeting, Council resolved that the Long Term Plan 2018-2038 Consultation Document and associated Supporting Documents be adopted for consultation.

- 4.2 The Long Term Plan 2018-2038 Consultation Document went out for public consultation on the 23 February 2018. Submissions closed on 26 March 2018. In total 244 submissions were received.

- 4.3 When Council consulted on the Long Term Plan 2018-2038 Consultation Document it proposed rate income increases of 6.53% Year 1, 5.97% Year 2 and 6.42% Year 3.

- 4.4 The Consultation Document sought community feedback on three key challenges:

- Challenge 1 – The future of Community Halls (Memorial Halls in Foxton, Shannon and Levin, Foxton Coronation Hall and the Courthouse Museum in Foxton).
- Challenge 2 – Season length of Foxton Pool.
- Challenge 3 – Providing new drinking water and wastewater infrastructure to growing settlements.

- 4.5 The community was also asked for feedback on Council's Infrastructure Strategy and Financial Strategy and a wide range of matters including:

- Community Outcomes
- Water Sustainability
- Shannon Community Centre
- Review of the Remissions of Rates on Maori Freehold Land Policy

- 4.6 Following the submission process, Council held hearings on the 2 and 3 May 2018, and held deliberations on the 23 and 24 May 2018.

- 4.7 Officers have prepared the final Long Term Plan 2018-2038 incorporating the decisions made by the Council at the deliberations meeting on 23 and 24 May 2018.

- 4.8 In making its decision to adopt the Long Term Plan 2018-2038, the Council is adopting all of the components (e.g. policies, strategies and statements) that make up the Long Term Plan proper. The Infrastructure and Financial Strategies were for instance adopted separately to the Long Term Plan 2018-2038 Consultation Document on 19 February 2018. As a result of the submission and deliberation process, these documents have been updated to reflect the decisions of Council and will be adopted as part of this adoption process of the Long Term Plan 2018-2038.

5. Discussion

- 5.1 As a result of responses to submissions that have been received to the consultative process and decisions that Council made, the Long Term Plan 2018-2038 incorporates the following rate income increases for the first three years, 5.55% for 2018/2019, 5.96% for 2019/2020 and 5.54% for 2020/2021.

Key Decisions

- 5.2 At deliberations Council made the following decisions on the key challenges:
- **Challenge 1 – The future of Community Halls:** Council resolved to no longer retain Foxton Memorial Hall and Coronation Hall (Foxton). No action will be taken on Coronation Hall until a feasibility study on the future use of the facility is completed by 30 December 2018. Decisions about the future of the Shannon Memorial Hall, Courthouse Museum (Foxton) and Levin Memorial Hall were deferred until further information is gathered.
 - **Challenge 2 – Season length of Foxton Pool:** Council agreed to extend the swimming season from five months to eight months.
 - **Challenge 3 – Providing new drinking water and wastewater infrastructure to growing settlements:** Council resolved to proceed with feasibility studies for water supply and wastewater in Ōhau and water supply in Waitārere Beach. Council decided against proceeding with water supply and wastewater in Waikawa Beach and Hōkio Beach. Council deferred consideration of a feasibility study for providing water supply and wastewater to Manakau until Year Four of the Long Term Plan.
- 5.3 In terms of water sustainability, Council decided to proceed with its proposed approach involving installation of pressure reducing valves, leak detection and repair, continuous monitoring and conditions assessment. Council also decided it will establish a Horowhenua Water Working Party to consider water sustainability issues.
- 5.4 Another conversation was whether there is a need for a community centre in Shannon. Following feedback from residents, Council agreed to set aside \$15,000 to carry out a feasibility study in the 2019/2020 financial year (Year 2).
- 5.5 The Council supported adopting the Remissions of Rates on Maori Freehold Land Policy with further consultation to occur with iwi and hapu regarding any further wording changes requested as part of the wider review of funding policies next financial year (2018/19).
- 5.6 Further changes made as a result of consultation include funding granted to parks and property and community support activities in response to requests from community groups and organisations.
- 5.7 Minor wording improvements were made to the Community Outcomes following matters raised during the submission and hearing process.
- 5.8 A full list of all the decisions of Council from deliberations can be found in the minutes for the Council Meeting 23 and 24 May 2018.

Review of Development Contributions and Rating System

- 5.9 Conversation during the consultation and hearings phase of the process saw the topics of Development Contributions and a review of the Rating System raised. Both of these matters were identified as being matters that the Council would explore in the 2018/19 financial year. The reintroduction of the Development Contributions will be considered as part of potential options for funding infrastructure. Changes to the current rating system would also be explored during the 2018/19 financial year and could include options such as moving to a rating system based on capital value and changes to the targeted rates in relation to shared pathways. Changes to either the Development Contributions Policy or the Revenue and Financing Policy (in relation to the rating system) would involve public consultation processes before a final decision is made by Council.

Additional items to the LTP as a result of the deliberation decisions

- 5.10 As a result of the Council LTP deliberation meeting 23 and 24 May 2018 the following items were added to LTP budgets and would have the effect of increasing the rates requirement for year 1.

- Insurance premiums (\$75,000)
- Heritage incentives (\$5,000)
- Rent contribution to Jack Allen Community Hub (\$30,000)
- Increased funding for International Representation Grant (\$2,500)
- Funding for security cameras at Waitarere Beach (\$3,500)
- Funding for Horowhenua Neighbourhood Support (\$5,000)
- Funding for Levin Crime Prevention Camera Trust (\$5,000)
- Funding for Levin Community Patrol (\$5,000)
- Review of current Reserve Management Plan, facility provision and user needs at Donnelly Park (\$50,000)
- Funding to Save Our River Trust (\$10,000)

Utilisation of Reserves Funds collected from Financial Contributions

5.11 Two additional projects that were added to the LTP funding for year 1 included the Solway Park Pump Track and the preparation of a Reserve Management Plan for the Lake Domain/Muaupoko Park. Rather than create an additional rating impact the Council propose to utilise the reserve account (funds collected from historical financial contributions under the District Plan prior to the implementation of Development Contributions) to fund the following additional items agreed in the Council deliberations:

- | | |
|---|----------|
| • Solway Park Pump Track | \$50,000 |
| • Reserve Management Plan for Lake Domain/Muaupoko Park | \$10,000 |

5.12 The forecast balance of this reserves account at 30 June 2018 is anticipated to be \$652,000.

Funding Assistance Rates (FAR)

5.13 Council had included in each year of the LTP the following for footpath maintenance, renewal and development budgets:

Footpath Maintenance	\$60,000
Footpath Renewals	\$400,000
New Footpath	<u>\$100,000</u>
Total	\$560,000

5.14 This amount, until recent advice from NZTA, was unsubsidised, i.e. fully funded from funded depreciation. Council has now been advised that NZTA will fund 59% of the costs for these items, resulting in a total subsidy of \$330,400.

5.15 One option available to Council is to 'bank' the \$330,400 saving and reduce the rate requirement in year 1 of the LTP and subsequent years.

5.16 The advice to Council, which has been incorporated into the Long Term Plan has been to reinvest all of the FAR subsidy into more roading improvements and renewal and development of footpaths within the District.

5.17 If the Council supports this approach the overall budget (for road improvements and footpaths) would be increased to \$1.365m with no additional impact on rates. The local share of footpaths would remain at \$560,000, the same as is currently funded from depreciation and therefore no additional cost to the ratepayers beyond what was proposed.

5.18 The one downside with this option is the ability to ensure contractor resource is available to undertake almost a trebling of the current road improvement and footpath work. This also does account for the shared pathways work. To mitigate these concerns it is recommended

that the increased work programme for road improvements and footpaths is phased in over the first three years as Council works towards building construction capacity within the Horowhenua.

Foxton & Beach Bowling Club

- 5.19 Late last year Council resolved to allocate, by way of a grant, \$164,869.50 to the Foxton and Beach Bowling Club funded from the Foxton Beach Freeholding Account, subject to a supporting recommendation from the Foxton Community Board.
- 5.20 A petition instigated by the Foxton Community Board has shown overwhelming support from Foxton Beach residents for the grant to be given to the Foxton and Beach Bowling Club, funded from the Foxton Beach Freeholding Account. That supporting recommendation has now been made by the Foxton Community Board, at their meeting on the 18 June 2018. Consequently the grant of \$164,869.50 has been included in Year 1 of the LTP under Community Services. This has no rate impact as it is all funded from the Foxton Beach Freeholding Account.
- 5.21 To enable the correct order of procedures to be followed a separate resolution has been included in this report to enable Council to confirm the recommendation of the Foxton Community Board.

Lake Horowhenua

- 5.22 Within the LTP Consultation Document that Council signaled a focus for the Council was improving the discharge quality of stormwater at Lake Horowhenua and working towards discharge consent. The issue of stormwater in relation to Lake Horowhenua was raised by several submitters. During the deliberations Council saw fit to commit to funding a feasibility study for stormwater to Lake Horowhenua that would be undertaken in the first three years of the LTP. The Council allocated \$5.5m for years 4 to 7 to enable the implementation of some of the findings and actions in relation to stormwater at Lake Horowhenua that could arise from the feasibility study. This indicative amount will be further considered as part of the next Long Term Plan in 2021 and once the feasibility study has been completed and the options and costs (including potential co-funding) have been identified.

Shared Pathways Targeted Rate

- 5.23 While Council passed a resolution as part of the deliberations held 23 and 24 May 2018 that supported a targeted rate for shared pathways. Because the expenditure on new shared pathways is all capital expenditure and loan funded, there is no expenditure for this activity to be rate funded in year 1. In year 2 \$16k would be rate funded and \$28k in year 3. The rate funded amount for shared pathways reaches \$100k in 2026 and doesn't reach \$250k until 2035. On that basis it is prudent to defer the introduction of a targeted rate for shared pathways until 2019/20 (being year 2) when there is an amount to rate. This change would be incorporated into the review of the Revenue and Financing Policy.

Key Projects to be undertaken in 2018/19

- 5.24 The following list of projects is a summary of key projects that are identified to commence or be undertaken during the 2018/19 financial year:
- Foxton Water Supply Improvements at Water Tower and Clarifier
 - Levin Water Supply reticulation renewals
 - Desludging of the Foxton Wastewater Ponds
 - Foxton Wastewater Disposal scheme
 - Levin Wastewater growth area upgrades
 - Levin Wastewater reticulation renewals
 - Levin Wastewater Treatment Plant Tree Planting
 - Tokomaru Wastewater irrigation scheme for wastewater to land project

- Commence feasibility study to explore options of providing a wastewater and water service to Ohau
- Commence feasibility study to explore options of providing a water service to Waitarere
- Feasibility study for stormwater in relation to Lake Horowhenua
- District wide Stormwater improvements
- Levin North East Stormwater improvements
- Rail/Road crossing improvements
- New Shared Pathways
- New footpaths and Road improvements
- Levin - Avenue Road Cemetery upgrade
- Hyde Park and Te Maire Park improvements
- Levin Town Centre Projects
- Implementation of the Foxton Beach Reserves Investment Plan

Updated Rate Income Increases for Year 1 to Year 3

- 5.25 The decisions made during deliberations, including the key decisions outlined above have resulted in the following rate income increases for the first three years of the LTP.

<u>Rate Income Increase</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Consultation Document – Draft LTP 2018-2038	6.35%	5.97%	5.40%
Final LTP 2018-2038 for adoption	5.55%	5.96%	5.54%

The key drivers behind the Year 1 increase of 5.55% include, 3.17% from increased funded depreciation from rates due to the revaluation of Council's infrastructural assets, 0.42% from increased external interest paid funded by rates as a result of increased borrowing to fund infrastructural projects, and the remaining 1.96% is a result of cost increases and inflation.

The Positive Effect of District Growth

- 5.26 Over the last two years the District has experienced higher population growth than it has over the last 25 years, with the district population increasing by 1,100 people between June 2015 and June 2017.
- 5.27 The positive effect of this district growth is that it increases the rating base that contributes to funding the rates income.
- 5.28 The process of engaging with the community highlighted the limited understanding by some of the rates system, a common misconception being that an increase in the number of rate payers meant an increase in the amount of rates collected. This view being associated with the perception of Council having an agenda of pushing growth to simply get more rates. What is important to understand about the rating system is that an increase in ratepayers does not change the total amount of rates collected by Council. An increase in ratepayers, provides more ratepayers to share the cost of funding the rate income. In other words it means the rates income 'pie' is sliced up into smaller pieces.
- 5.29 To demonstrate the positive impact of the growth that has occurred in the rating base over the last year, the tables below show four indicative types of property in the district. (These indicative properties are taken from the same list of indicative properties the Council displays every year in the Annual Plan and Long Term Plan publications). The tables show the current 2017/18 financial year rates and then a comparison with the rates for the upcoming financial year 2018/19, firstly with the additional ratepayers since 1 July 2017 included and then secondly with the additional ratepayers not included (imagining there had been no growth). Taking the first table below as an example that property owner would have a rates increase of 3.93% above the rates they have paid this year (2017/18), however had there

been no growth in the ratepayer base the property owner would have experienced a rate increase of 5.29%.

**Urban Residential property with a
Capital value of \$225,000 and Land value of \$83,000**

Rate	2017/18 Current Rate charged (\$)	2018/19 New Rate to be charged (\$)	2018/19 What the rates would have been if there had been no growth (\$)
General	463	444	447
Roading	175	173	175
Stormwater	94	89	90
Community Centres and Library	238	259	261
Representation and Community Leadership	233	224	226
Aquatic Centres	148	150	151
Solid Waste	23	22	22
Water Supply	401	469	484
Wastewater Disposal	589	627	633
Total Rates	2,364	2,457	2,489
Total \$ increase		93	125
Total % increase		3.93%	5.29%

**Urban Business property with a
Capital value of \$525,000 and Land value of \$175,000**

Rate	2017/18 Current Rate charged (\$)	2018/19 New Rate to be charged (\$)	2018/19 What the rates would have been if there had been no growth (\$)
General	976	936	943
Roading	353	352	355
Stormwater	220	208	211
Community Centres and Library	238	259	261
Representation and Community Leadership	233	224	226
Aquatic Centres	148	150	151
Solid Waste	23	22	22
Water Supply	401	469	484
Wastewater Disposal	589	627	633
Total Rates	3,181	3,247	3,286
Total \$ increase		66	105
Total % increase		2.07%	3.30%

**Rural Residential (Lifestyle) property with a
Capital value of \$430,000 and Land value of \$163,000**

Rate	2017/18 Current Rate charged (\$)	2018/19 New Rate to be charged (\$)	2018/19 What the rates would have been if there had been no growth (\$)
General	790	872	878
Roading	334	331	335
Community Centres and Library	238	259	261
Representation and Community Leadership	233	224	226
Aquatic Centres	148	150	151
Solid Waste	17	15	16
Total Rates	1,760	1,851	1,867
Total \$ increase		91	107
Total % increase		5.17%	6.08%

**Farming Business property with a
Capital value of \$1,440,000 and Land value of \$1,180,000**

Rate	2017/18 Current Rate charged (\$)	2018/19 New Rate to be charged (\$)	2018/19 What the rates would have been if there had been No growth (\$)
General	1,836	1,903	1,898
Roading	968	964	974
Community Centres and Library	238	259	261
Representation and Community Leadership	233	224	226
Aquatic Centres	148	150	151
Solid Waste	17	15	16
Total Rates	3,440	3,515	3,526
Total \$ increase		75	86
Total % increase		2.18%	2.50%

Debt

- 5.30 In the past, Council has used debt to fund some of the renewals of assets and to keep rates affordable. This is unsustainable and has resulted in above average debt and an unbalanced budget. Council has now decided that debt should be used to fund new assets to improve the Level of Service or growth projects. The proposed work programme over the 20 years of the LTP has been phased to keep the debt below Council's new debt limit capped at 195% of Council's operating income (previous debt limit was 175%). Council net debt is predicted to peak at \$146m in 2031.
- 5.31 Council first received a credit rating from Standard and Poors in May 2015 and has maintained an A+ credit rating with each annual review since. This credit rating enables the LGFA (Local Government Funding Agency) limit to be set at 250% of Council's operating income. LGFA is the Agency where Council sources the bulk of its loan funding. Gaining a credit rating has also helped to reduce Council's interest rates on new borrowings since May

2015. Council will be within \$17m of the new proposed limit in year 13 (2030/31). Council has deliberately set the new limit substantially below the maximum LGFA limit for Councils that have a credit rating (195% rather than the maximum 250%). Council made this decision to provide sufficient headroom to cover an emergency event or natural disaster (e.g. earthquake). The new debt limit of 195% will ensure that Council can handle future growth and provide for disaster recovery. Council ensures that there are funding sources and cash immediately available in excess of 110% of total net debt. Preserving the capacity to borrow in exceptional circumstances is part of Council's long-term strategy to be financially sustainable and have the ability to respond to emergencies or natural disasters.

Balance the Budget

- 5.32 In order to meet statutory requirements to balance the budget Council is required to resolve that it is financially prudent, after considering the matters set out in Section 100(2)(a)-(d) of the Local Government Act, that the Long Term Plan 2018-2038 has projected operating revenues at a level that is insufficient to meet projected operating expenses. Council resolved this when adopting the Draft Financial Strategy and Long Term Plan 2018-2038 Consultation Document on the 19 February 2018. However, following the changes from deliberations, from 2018-2019 projected operating revenues will exceed projected operating expenses. This has been made possible by the New Zealand Transport Agency's Funding Assistance Rate (FAR subsidy) on roading increasing as a consequence of the government's new policy statement for Land Transport, along with other subsidies for infrastructural projects.

Setting the Rates for 2018/19

- 5.33 While the Long Term Plan includes the proposed rate income increases for the next 20 years, the rates for the year commencing 1 July 2018 and concluding on 30 June 2019 need to be set by Council in accordance with Section 23 and 24 of the Local Government Rating Act. This needs to be done after the Long Term Plan has been adopted by Council. A separate report is on the agenda for this 27 June Council Meeting seeking approval of the rates strike for the 2018/2019 year.

Independent Audit

- 5.34 In addition to the independent audit undertaken by Audit New Zealand on the Consultation Document and supporting information, the full Long Term Plan document has now been independently audited and the auditor's report once signed following adoption, will form part of the final Long Term Plan document.

6. Options

Council is required to adopt its Long Term Plan 2018-2038 no later than 30 June 2018 as per requirements of the Local Government Act 2002. The Long Term Plan 2018-2038 incorporates changes made by Council as a result of deliberations held on 23 and 24 May 2018. It is recommended that Council adopt the Long Term Plan 2018-2038.

7. Next Steps

If the Long Term Plan 2018-2038 is adopted Officers will within one month after the adoption make it publicly available and send copies of the plan to parties under Section 93(10)(b) of the Local Government Act.

Following adoption of the Long Term Plan, it is intended to undertake Post Adoption-engagement on the Long Term Plan. This will occur in July and involves communicating to the community what the outcomes of consultation were and Council's decisions.

8. Supporting Information

Risk Area	Risk Identified	Impact	Likelihood	Risk Assessment (Low to Extreme)	Managed how
Legal	The adoption of the Long Term Plan is delayed due to the lack of support for the plan in its current form from the majority of Elected Members requiring late additional changes to be made and audited, resulting in Council missing the deadline of 30 June 2018.	Council does not meet its requirements under the Local Government Act 2002 of adopting by 30 June 2018.	Low	High	Officers have provided Elected Members with details of the rate impacts of the decisions made during deliberations and provided the opportunity for Elected Members to raise any concerns prior to the audit process being completed. Officers have worked towards an adoption date of 27 June 2018 ahead of the 30 June 2018 deadline.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

9. Appendices

No.	Title	Page
A	HDC Long Term Plan 2018-2038 <i>(Under Separate Cover)</i>	

Author(s)	David McCorkindale Group Manager - Strategy & Development	
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Approved by	David Clapperton Chief Executive	
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Adoption of Rates Resolution for year ending 30 June 2019

File No.: 18/358

1. Purpose

The purpose of this report is for the Horowhenua District Council (Council) to formally adopt the Rates Resolution for the year ending 30 June 2019.

Having adopted the Long Term Plan 2018/2038 containing the Funding Impact Statement, Council is now required to formally adopt the Rates Resolution.

2. Recommendation

- 2.1 That Report 18/358 Adoption of Rates Resolution for year ending 30 June 2019 be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That the Horowhenua District Council sets the following rates under the Local Government (Rating) Act 2002 on rating units in the district for the financial year commencing 1 July 2018 and ending on 30 June 2019:

1. (a) General Rates

A general rate set under section 13 of the Local Government (Rating) Act 2002 made on every rating unit, set on a differential basis as described below:

- A rate of \$0.00161274 (GST Inclusive) of land value on every rating unit in the "rural " category
- A rate of \$0.00534831 (GST Inclusive) of land value on every rating unit in the "District wide" category.

(b) Rooding Rate

A targeted Rooding rate set under section 16 of the Local Government (Rating) Act 2002 made on every rating unit, set on a differential basis as described below:

- A rate of \$0.00066973 (GST Inclusive) of capital value on every rating unit in the " business" category
- A rate of \$0.00076965 (GST Inclusive) of capital value on every rating unit in the "District wide other" category.

(c) Stormwater Rate

A targeted Stormwater rate of \$0.00039581 (GST Inclusive) of capital value set under section 16 of the Local Government (Rating) Act 2002 on all "Urban" rating units.

(d) Community Centre/Library Rate

A targeted rate set under section 16 of the Local Government (Rating) Act 2002.

of \$259.20 (GST Inclusive) on every separately used or inhabited part of a rating unit in the district to fund the provision of Community Centres and library services.

(e) Representation and Community Leadership

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 of \$224.30 (GST Inclusive) on every separately used or inhabited part of a rating unit in the district to fund the Representation and Community Leadership costs.

(f) Solid Waste Disposal Rates

A targeted rate for solid waste disposal set under section 16 of the Local Government (Rating) Act 2002, to fund the Solid Waste activity costs set on a differential basis as described below:

- A rate of \$21.90 (GST Inclusive) on every separately used or inhabited part of a rating unit in the "urban" category,
- A rate of \$15.40 (GST Inclusive) on every separately used or inhabited part of a rating unit in the "rural" category.

(g) Swimming Pool Rate

A targeted rate for the provision of swimming pools set under section 16 of the Local Government (Rating) Act 2002, of \$150.20 (GST Inclusive) on every separately used or inhabited part of a rating unit in the district.

(h) Sewage (Waste Water) Disposal Rates

A targeted rate for sewage disposal set under section 16 of the Local Government (Rating) Act 2002 to fund the Waste water activity costs set on a differential basis as described below:

- A rate of \$627.10 (GST Inclusive) for each separately used or inhabited part of any rating unit that is connected to a sewer network;
- A rate of \$313.55 (GST Inclusive) for each separately used or inhabited part of any rating unit that is available to be connected to a sewer network.

(i) Water Supply Rates

A targeted rate for water supply, set under section 16 of the Local Government (Rating) Act 2002 to fund the Water Supply activity costs set on a differential basis as described below:

- A rate of \$468.70 (GST Inclusive) for each separately used or inhabited part of any rating unit, or for each connection to each separately used or inhabited part of any rating unit, whichever is the greater, that is connected to a water supply network (except for Foxton Beach which has a lower fixed rate to recognise the fact that it has universal water metering. This exception does not apply to the district wide availability differential);
- A rate of \$234.35 (GST Inclusive) for each separately used or inhabited part of any rating unit that is available to be connected to a water supply network.

For the Foxton Beach water supply network:

- A rate of \$371.40 (GST Inclusive) for each separately used or inhabited part of any rating unit, or for each connection to each separately used or inhabited part of any rating unit, whichever is the greater, that is connected to the Foxton Beach water supply network where a water meter is connected.

Targeted rates for water supply set under section 19 of the Local Government (Rating) Act 2002 where a meter is used to measure consumption on the network during the period from 1 July 2018 to 30 June 2019 of:

- \$2.00 (GST Inclusive) per m³ of water consumed in excess of 91m³ per every quarter invoicing period on any rating unit connected to any water supply, except Foxton Beach.
- \$1.00 (GST Inclusive) per m³ of water consumed in excess of 91m³ per every quarter invoicing period on any rating unit connected to the Shannon untreated bore water supply.

- For Foxton Beach Water Supply
 1. **Step 1** - \$0.84 (GST Inclusive) per m³ for the first 50 m³ of water consumed per quarter on any rating unit or separately used or inhabited part of a rating unit connected to the Foxton Beach water supply network during the period from 1 July 2018 to 30 June 2019.
 2. **Step 2** - \$1.68 (GST Inclusive) per m³ for the second 50 m³ of water consumed per quarter in excess of 50 m³ on any rating unit or separately used or inhabited part of a rating unit connected to the Foxton Beach water supply network during the period from 1 July 2018 to 30 June 2019.
 3. **Step 3** - \$2.52 (GST Inclusive) per m³ for the balance of water consumed per quarter in excess of 100 m³ on any rating unit or separately used or inhabited part of a rating unit connected to the Foxton Beach water supply network during the period from 1 July 2018 to 30 June 2019.

2. DIFFERENTIAL CATEGORIES

That the Horowhenua District Council adopts the following definitions for its differential categories for the 2018/19 financial year.

General Rate

- (a) **Rural** - all rating units that are located in areas outside the urban centres of Levin, Shannon, Foxton, Waikawa Beach, Manakau, Ohau, Hokio Beach, Waitarere Beach, Foxton Beach and Tokomaru, as shown on the maps available defining these areas for rating purposes held at the Council office in Levin. However, this differential category does not include those rating units classified as Rural Residential being all rating units classified as Lifestyle and Residential in rural areas (other than those rating units identified as “vacant” or “bare”). These properties will be identified in the DVR using the “Property Category” codes from Appendix F of the Valuation Rules 2008, promulgated by the Valuer General. This Rural category has a differential factor of 25%.
- (b) **District Wide** - all rating units other than those in the rural category. Being all rating units located within the urban centres of Levin, Shannon, Foxton, Waikawa Beach, Manakau, Ohau, Hokio Beach, Waitarere Beach, Foxton Beach and Tokomaru, as shown on the maps available defining these areas for rating purposes held at the Council office in Levin. However, this differential category also includes those rating units classified as Rural Residential being all rating units classified as Lifestyle and Residential in rural areas (other than those rating units identified as “vacant” or “bare”). These properties will be identified in the DVR using the “Property Category” codes from Appendix F of the Valuation Rules 2008, promulgated by the Valuer General. This category has a differential factor of 75%.

Roading Targeted Rate

- (a) **Business** - all rating units identified as Arable, Commercial (including all Rest Homes/Retirement villages other than those that have separate title for the individual units or houses), Dairy, Forestry (except protected forestry), Horticultural, Industrial, Mining, Pastoral, Specialist livestock, and Utilities using the “Property Category” codes from Appendix F of the Valuation Rules 2008, promulgated by the Valuer General. This category has a differential factor of 35%.
- (b) **District Wide Other** - all rating units identified as Lifestyle, Residential (excluding all Rest Homes/Retirement villages but including those that have separate title for the individual units or houses) and Other using the “Property Category” codes from Appendix F of the Valuation Rules 2008, promulgated by the Valuer General. This category has a differential factor of 65%.

Solid Waste Disposal Rate

- (a) **Urban** - all rating units within the towns of Levin, Foxton, Shannon, Tokomaru, Foxton Beach, Waitarere Beach, Hokio Beach, Ohau, Waikawa Beach and Manakau as shown on the maps available defining those areas for rating purposes held at the Levin Office. This category has a differential factor of 80%.
- (b) **Rural** - all rating units within the district that are outside the defined "urban" differential described above. This category has a differential factor of 20%.

Wastewater Rate

- (a) **Connected** - on all rating units across the District for which connection to a reticulated wastewater disposal system is available. A reticulated wastewater disposal system is available to a rating unit if a lateral or laterals exist for the purposes of accepting wastewater from the rating unit to the wastewater trunk main, where there is a connection from the land within the rating unit to that lateral/s or trunk main.
- (b) **Available** - on any rating unit that is not connected to a reticulated wastewater disposal system, but is within 30m of a trunk main that is available to take waste from the rating unit. A reticulated wastewater disposal system is available to a rating unit if a lateral or laterals exist for the purpose of accepting wastewater from the rating unit to the wastewater trunk main or, if no lateral exists, if Council will allow the rating unit to be connected. This rate is set at 50% of the fixed charge for a connected rating unit.

Water Supply Rate

- (a) **Connected** - A reticulated potable water supply is available to a rating unit if a lateral or laterals exist for the purpose of delivering water from the trunk main to the rating unit, and there is a connection from the land within the rating unit to that lateral/s or trunk main.
- (b) **Available** - any rating unit not connected to, but within 100 metres of a trunk main for a reticulated potable water supply that is available to the rating unit. A reticulated potable water supply is available to a rating unit if a lateral or laterals exist for the purpose of delivering water from the trunk main to the rating unit or, if no lateral exists, if Council will allow the rating unit to be connected. This rate is set at 50% of the fixed charge for a district wide connected rating unit.

3. DUE DATES FOR PAYMENT OF RATES

That all rates (except water-by-meter rates) will be payable in four equal instalments due on:

15th September 2018
15th December 2018
15th March 2019
15th June 2019

WATER-by- METER RATES DUE DATES 2018-2019		
AREA	WATER METERS READ DURING	DUE DATE
Foxton Beach 6-10,	Jul-18	25-Aug-18

Shannon, Tokomaru	Oct-18	25-Nov-18
	Jan-19	25-Feb-19
	Apr-19	25-May-19
Foxton Beach 1-5, Whirokino	Aug-18	25-Sep-18
	Nov-18	25-Dec-18
	Feb-19	25-Mar-19
	May-189	25-Jun-19
Levin, Ohau, Foxton	Sep-18	25-Oct-18
	Dec-18	25-Jan-19
	Mar-19	25-Apr-19
	Jun-19	25-Jul-19

4. PENALTIES

- (a) That the Council authorises the following penalties to be added to rates that are not paid by the due date:
- (i) a charge of 10 percent on so much of each instalment that has been assessed after 1st July 2018 and which is unpaid after the due date of each instalment, to be added to the amount of the unpaid rates on:
 - 15th September 2018
 - 15th December 2018
 - 15th March 2019
 - 15th June 2019
 - (ii) a charge of 10 percent on so much of any rates set before the 1st July 2018 which remain unpaid on 7th July 2018;
 - (iii) a further charge of 10 percent on any rates to which a penalty has been added under (ii) above if the rates remain unpaid on 7th January 2019;
 - (iv) a charge of 10 percent on so much of the amount of each instalment of a water supply rate where a meter is used to measure consumption that remains unpaid on the due date for each payment.
- (b) That the authority to apply the Council's policy on penalty rates be delegated to the Finance Manager.

5. PAYMENT OF RATES

That rates shall be payable at any of the following places:

Levin	Public Office, 126 Oxford Street,	Mon, to Fri	8.00 am to 5.00 pm
Foxton	Te Awahou Nieuwe Stroom 22 Harbour Street,	Mon to Fri	8.00 am to 5.00 pm
Shannon	Library/Service Centre Plimmer Terrace	Mon to Fri	10.00 am to 12 noon 1.00 pm to 5.00 pm
		Sat	10.00 am to 12 noon

Tokomaru	Tokomaru Store Tokomaru road	During store opening hours
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Where a payment made by a ratepayer is less than the amount now payable, the Council will apply the payment firstly to any arrears from previous years and then proportionately across all current year rates due.

Attachments


There are no attachments for this report.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Doug Law Chief Financial Officer	
Approved by	David Clapperton Chief Executive	