

Extraordinary Meeting of Council

OPEN MINUTES

Meeting Date: **Wednesday 12 July 2017**
Time: **3pm-3.18pm**
Venue: **Small Exhibition Hall,
Napier Conference Centre, Marine
Parade**

Present: The Mayor (In the Chair), Councillors Boag, Brosnan, Dallimore, Jeffery, McGrath, Price, Tapine, Taylor, White, Wise and Wright

In Attendance: Chief Executive, Director Corporate Services, Director City Strategy, Director Community Services, Manager Communications and Marketing, Chief Financial Officer, Revenue and Treasury Manager, Rates Coordinator, Manager Business Transformation and Excellence

Administration: Governance Team

APOLOGIES

COUNCIL RESOLUTION

Councillors Wright/ Brosnan

That the apologies from Cr Claire Hague be accepted.

CARRIED

CONFLICTS OF INTEREST

Nil

PUBLIC FORUM

Clare Plug spoke to Council regarding her concerns on the proposed rates increase and particularly the 1% increase directly attributable to changes in water services. She noted that her household, along with many others, was on a fixed income with little ability to absorb increases in costs, and suggested that savings should be found within existing programmes of work, or that proposed projects not progress in order to redirect the savings into the water space.

ANNOUNCEMENTS BY THE MAYOR

The Mayor advised that the trip to Canada as a sister city delegate to their anniversary celebrations had been very successful and those who had attended had represented the particular strengths of Napier, including Art Deco, very well.

ANNOUNCEMENTS BY THE MANAGEMENT

Nil

LOCAL GOVERNMENT ACT 2002

COUNCIL RESOLUTION

Councillors Wise / Price

The Council resolves, in terms of Section 82 (3) of the Local Government Act 2002, that the principles set out in that section have been observed in such manner that the Napier City Council consider, in its discretion, is appropriate to make decisions on the recommendations set out in this agenda (including the Public Excluded section).

CARRIED

NEW REPORTS

1. FORMAL RESOLUTION - RATES 2017/18

Type of Report:	<i>Procedural</i>
Legal Reference:	<i>Local Government (Rating) Act 2002</i>
Document ID:	<i>371351</i>
Reporting Officer/s & Unit:	<i>Ian Condon, Revenue and Treasury Manager</i>

1.1 Purpose of Report

To set rates for 2017/18 in accordance with the Local Government (Rating) Act 2002.

At the Meeting

The Chief Executive spoke briefly to the item, noting:

- The proposed rates increase of 4.9% remains within and slightly lower than the 5% increase forecast for the year within the Long Term Plan.
- Napier City Council's rates remains lower than comparable Councils by an approximate average of \$300 per ratepayer.
- The big driver for the water specific rates increase are the changing expectations following the inquiry into the Havelock North water borne illness, much of which could not be forecast. For example:
 - The creation of a new Drinking Water Quality Manager role
 - Undertaking a significant testing regime
 - Additional network maintenance and
 - Capital works.
- Efficiencies are actively sought across all Council activities both through the Local Government Excellence Programme and the s17a reviews, and any savings identified are reallocated within existing activities.

In response to questions from Councillors it was advised that:

- The \$150,000 for water capital works is primarily related to moving the 11 bore heads as required following water inquiry identification of issues around bore security.

Several Councillors spoke to the item, noting:

- There is a high awareness amongst the elected members of the impacts of a rates increase on some households, and that rates increases do get passed on as rent increases therefore widening the overall implications for the city.
- Notwithstanding this, it is believed that the rates increase, while not considered palatable is necessary at this point in time to ensure that the core business of infrastructure is able to be addressed now, and possible future changes (such as chlorination and UV treatment of drinking water) prepared for.
- The Long Term Planning process is now beginning and this is an excellent and appropriate time to consult with the community on what they see as the most important areas for Council to focus on over the next ten years. There may be a change in priorities through this process.
- Napier not only has very low rates comparable to other Councils but also includes a great deal within these rates that other areas pay for separately (for example, rubbish collection).

**COUNCIL
RESOLUTION**

Mayor Dalton / Councillor Wise

That the Napier City Council

set the following rates under the Local Government (Rating) Act 2002, on rating units in the city for the financial year commencing on 1 July 2017 and ending on 30 June 2018, and that all such rates shall be inclusive of Goods and Services Tax (GST).

(A) GENERAL RATE

A general rate set under Section 13 of the Local Government (Rating) Act 2002 made on every rating unit, assessed on a differential basis on the rateable land value to apply to the Differential Groups and Differential Codes as follows:

Differential Group	Differential Code	General rate - cents in the \$
1		0.65023
2		1.63201
3	Except 3.3.8	0.65023
	3.3.8	0.00000
4		0.41030
5		0.41030
6		0.44027

(B) UNIFORM ANNUAL GENERAL CHARGE

A Uniform Annual General Charge of \$366.00 per separately used or inhabited part of a rating unit for all rateable land (except that under Differential Code 3.3.8), set under Section 15 of the Local Government (Rating) Act 2002.

A nil UAGC will apply for land included in 3.3.8.

(C) WATER RATES as follows:

1. Fire Protection Rate

A targeted rate for fire protection, set under Section 16 of the Local Government (Rating) Act 2002 on a differential basis and on the rateable capital value on every rating unit connected to either the City Water Supply System, or the Bay View Water Supply System, such rates to apply to the Differential Groups and Differential Codes as follows:

Differential Group	Differential Code	Fire Protection Rate - Cents in the \$
1		0.00678
2	2.1.1, 2.1.2, 2.1.3, 2.2.1, 2.2.2, 2.2.3, 2.2.4 2.3.1, 2.3.2, 2.3.3, 2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.6.1, 2.6.2, 2.7.1 2.5.1, 2.5.2	0.02712
3	All except 3.3.7 and 3.3.8	0.01356 0.00678 0.00678
4		0.00678
5		0.00678
6		0.00678

A nil rate will apply for land included in 3.3.7 and 3.3.8.

The following rate will apply on the rateable capital value for those rating units not connected to either the City water supply system or the Bay View water supply system, but located within 100 metres of either system.

Differential Group	Differential Code	Fire Protection Rate - Cents in the \$
1		0.00339
2		0.00339
3	All except 3.3.7 and 3.3.8	0.00339
4		0.00339
5		0.00339
6		0.00339

A nil rate will apply for land included in 3.3.7 and 3.3.8.

2. City Water Rate

A targeted rate for water supply, set under Section 16 of the Local Government (Rating) Act 2002 as a fixed amount on a uniform basis, applied to each separately used or inhabited part of a rating unit connected to the City water supply system, such rate to apply to the Differential Groups and Differential Codes as follows:

Differential Group	Differential Code	Water Rate
1		\$175.00
2		\$175.00
3	All except 3.3.7 and 3.3.8	\$175.00
4		\$175.00
5		\$175.00

A nil rate will apply for land included in 3.3.7 and 3.3.8.

The following rate will apply for each rating unit not connected to the City water supply system but located within 100 metres of the system.

Differential Group	Differential Code	Water Rate
1		\$87.50
2		\$87.50
3	All except 3.3.7 and 3.3.8	\$87.50
4		\$87.50
5		\$87.50

A nil rate will apply for land included in 3.3.7 and 3.3.8.

3. Bay View Water Rate

A targeted rate for Water Supply, set under Section 16 of the Local Government (Rating) Act 2002 as a fixed amount on a uniform basis, applied to each separately used or inhabited part of a rating unit connected to the Bay View water supply system, such rate to apply to the Differential Groups as follows:

Differential Group	Water Rate
5	\$175.00
6	\$175.00

The following rate will apply for each rating unit not connected to the Bay View water supply system but located within 100 metres of the system:

Differential Group	Water Rate
5	\$87.50
6	\$87.50

4. Water by Meter Charge

A targeted rate for water supply, set under Section 19 of the Local Government (Rating) Act 2002, on a differential basis per cubic metre of water consumed after the first 300m³ per annum, to all metered rating units as follows:

	Water Meter Charge
Non-Domestic Supplies (\$/m³)	\$0.41468
Metered Domestic Supplies (\$/m³)	\$0.76946

(D) REFUSE COLLECTION AND DISPOSAL RATE

A targeted rate for refuse collection and disposal, set under Section 16 of the Local Government (Rating) Act 2002 as a fixed amount on a uniform basis, applied to each separately used or inhabited part of a rating unit, for which a weekly rubbish collection service is available, with the rate being 2 or 3 times the base rate for those units where 2 or 3 collections per week respectively is available. The rate to apply to the Differential Groups and Differential Codes as follows:

DIFFERENTIAL GROUP	DIFFERENTIAL CODE	RATE		
		1 COLLECTION PER WEEK	2 COLLECTIONS PER WEEK	3 COLLECTIONS PER WEEK
1		\$66.00	\$132.00	\$198.00
2		\$66.00	\$132.00	\$198.00
3	All except 3.3.7 and 3.3.8	\$66.00	\$132.00	\$198.00
4		\$66.00	\$132.00	\$198.00
5		\$66.00	\$132.00	\$198.00
6		\$66.00	\$132.00	\$198.00

A nil rate will apply for land included in 3.3.7 and 3.3.8.

(E) KERBSIDE RECYCLING RATE

A targeted rate for Kerbside Recycling, set under Section 16 of the Local Government (Rating) Act 2002 as a fixed amount on a uniform basis, applied to each separately used or inhabited part of a rating unit for which the Kerbside recycling collection service is available, such rate to apply to the Differential Groups as follows:

Differential Group	Kerbside Recycling Rate
1	\$18.00
3	\$18.00
4	\$18.00
5	\$18.00
6	\$18.00

(F) SEWERAGE RATE

A targeted rate for sewerage treatment and disposal, set under Section 16 of the Local Government (Rating) Act 2002 as a fixed amount on a uniform basis, applied to each separately used or inhabited part of a rating unit connected to the City Sewerage system (including the Bay View Sewerage Scheme), such rate to apply to the Differential Groups and Differential Codes as follows:

Differential Group	Differential Code	Sewerage Rate
1		\$337.00
2		\$337.00
3	All except 3.3.7 and 3.3.8	\$337.00
4		\$337.00
5		\$337.00
6		\$337.00

A nil rate will apply for land included in 3.3.7 and 3.3.8.

The following rate will apply for each rating unit (excluding Bay View properties) not connected to the City Sewerage system but located within 30 metres of the system.

Differential Group	Differential Code	Sewerage Rate
1		\$168.50
2		\$168.50
3	All except 3.3.7 and 3.3.8	\$168.50
4		\$168.50
5		\$168.50

A nil rate will apply for land included in 3.3.7 and 3.3.8.

The following rate will apply for each rating unit located within the Bay View Stage 1 urban drainage area not connected to the sewerage system but located within 30 metres of the system.

Differential Group 6	Sewerage Rate \$168.50
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(G) BAY VIEW SEWERAGE CONNECTION RATE

A targeted rate for Bay View Sewerage Connection, set under Section 16 of the Local Government (Rating) Act 2002 as a fixed amount on a uniform basis, applied to each separately used or inhabited part of a rating unit connected to the Bay View Sewerage Scheme, where the lump sum payment option was not elected, such rate to apply to the Differential Groups as follows:

Differential Group 6	Bay View Sewerage Connection Rate \$941.36
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(H) OFF STREET CARPARKING RATE

A targeted rate to provide funding for additional off street carparking in the Central Business District, Taradale and Suburban Shopping and commercial areas and to maintain existing offstreet parking areas in suburban shopping and commercial areas, set under Section 16 of the Local Government (Rating) Act 2002 on a differential basis and on the rateable land value, to apply to rating units in the Central Business District, Taradale Suburban commercial area, and other suburban shopping centres and commercial properties located in residential areas which are serviced by Council supplied offstreet parking, such rate to apply to the Differential Groups and Differential Codes as follows:

Differential Group	Differential Code	Off Street Carparking Rate – Cents in the \$
2	2.1.1	0.14829
	2.1.2	0.07415
	2.3.2	0.10898
	2.4.3	0.10898
	2.4.4	0.10898
	2.4.5	0.10898
3	2.5.2	0.10898
	3.2.1	0.07415
	3.3.3	0.07415

(I) CBD PROMOTION RATE

A targeted rate to fund at least 70% of the cost of the promotional activities run by the Napier City Business Inc, set under Section 16 of the Local Government (Rating) Act 2002, and applied uniformly on the rateable land value of all rating units in the area defined as the Central Business District, such rate to apply to applicable properties within the Differential Groups and Differential Codes as follows:

Differential Group	Differential Code	CBD Promotion Rate – Cents in the \$
2	2.1 & 2.2	0.20129

(J) TARADALE PROMOTION RATE

A targeted rate to fund the cost of the Taradale Marketing Association’s promotional activities, set under Section 16 of the Local Government (Rating) Act 2002 and applied uniformly on the rateable land value of all rating units in the Taradale Suburban Commercial area, such rate to apply to the Differential Groups and Differential Codes as follows:

Differential Group	Differential Code	Taradale Promotion Rate – Cents in the \$
2	2.3.1, 2.3.2 & 2.3.3	0.22759

DIFFERENTIAL CATEGORIES

For each of the rates outlined in A to J above, the description of the Differential Groups applying is:

1. City Residential Properties
2. Commercial and Industrial Properties
3. Miscellaneous Properties (e.g. schools and kindergartens, churches, non-profit organisations, halls, private hospitals, etc) (Council properties (other than leased) are included in 3.3.7 and 3.3.8)
4. Ex-City Rural Areas (i.e. part of Napier City prior to 1.11.89)
5. Other Rural Areas
6. Bay View Differential Rating Area

Full description of the differential groups and differential codes is contained in the 2017/18 Annual Plan.

For the purpose of calculating the General Rate, the differential factor applying for each category is:

1.	City Residential	100%
2.	Commercial and Industrial	250.99%
3.	Miscellaneous	100%
4.	Ex-City Rural	63.10%
5.	Other Rural	63.10%
6.	Bay View	67.71%

DUE DATES FOR PAYMENT OF RATES

Instalment Rating

That rates other than water by meter charges are due and payable in four equal instalments as follows:

Instalment 1	due 23 August 2017
Instalment 2	due 22 November 2017
Instalment 3	due 21 February 2018
Instalment 4	due 23 May 2018

Water by Meter Charges

That water by meter charges are due for payment by the 20th of the month after the month of invoice as follows:

Metered Domestic Supplies - Invoiced annually

- June 2018, due 20 July 2018

Non-Domestic Supplies - Invoiced quarterly

- September 2017, due 20 October 2017
- December 2017, due 20 January 2018
- March 2018, due 20 April 2018
- June 2018, due 20 July 2018

PENALTIES

That pursuant to Sections 57 and 58 of the Local Government (Rating) Act 2002 a penalty of 10 per cent is added to each instalment or part thereof which is unpaid 2 full working days after the due date for payment. Previous years rates which remain unpaid will have a further 10 per cent added 2 full working days after the due date for instalments one and three.

CARRIED

The meeting closed at 3.18pm

APPROVED AND ADOPTED AS A TRUE AND ACCURATE RECORD OF THE MEETING

CHAIRPERSON: _____

DATE OF APPROVAL: _____