



NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

Napier Civic Building
231 Hastings Street
t +64 6 835 7579
e info@napier.govt.nz
www.napier.govt.nz

EXTRAORDINARY MEETING OF COUNCIL

Open Minutes

Meeting Date: Friday 28 June 2019

Time: 3.00pm-3.28pm

Venue Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
Napier

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

In Attendance Chief Executive, Director Corporate Services, Director Community Services, Director City Services, Director City Strategy, Manager Communications and Marketing, Chief Financial Officer, Team Leader Transportation, Manager Community Strategies

Administration Governance Team

Apologies

Council resolution

Councillors Wright / Tapine

That the apology from Mayor Dalton be accepted.

Carried

Conflicts of interest

Nil

Public forum

Nil

Announcements by the Acting Mayor

Nil

Announcements by the management

Nil

AGENDA ITEMS

1. ADOPTION OF ANNUAL PLAN 2019/20

Type of Report: Legal

Legal Reference: Local Government Act 2002

Document ID: 724867

Reporting Officer/s & Unit: Caroline Thomson, Chief Financial Officer

1.1 Purpose of Report

To adopt the 2019/20 Annual Plan in accordance with the Local Government Act 2002.

At the Meeting

The Chief Financial Officer *tabled (attachment A)* minor changes to the 2019/20 Annual Plan which included an amendment to the Total Net Assets on page 16 and a paragraph added to the bottom of page 44 to explain the carryforwards from 2018/19. It was noted that the carryforwards will be included in the 2019/20 forecast.

Councillors acknowledged and thanked staff for their work and involvement in the Annual Plan process. Councillors raised the following points during discussion:

- Council to remain focused on core services and infrastructure.
- One Councillor noted that they wished to see hearings reinstated to Council's Annual Plan process in future, and noted that online submissions may not be considered user friendly for a number of people in the community.
- Chlorination of the network was addressed, noting the unanimous decision on 4 June 2019 to make water the number one priority.
- The Annual Plan is Council's plan for the next 12 months.

Council resolution

Councillors Wise / Taylor

That Council:

- a. Note and action where necessary any feedback from the Audit and Risk Committee
 - b. Agree the Annual Plan 2019/20 has been developed in accordance with section 95 of the Local Government Act 2002 and meets all requirements under the Act.
 - c. Adopt the Annual Plan 2019/20 as attached in Attachment A.
 - d. Delegate responsibility to the Chief Financial Officer to approve any final edits required to the Annual Plan and supporting information in order to finalise the documents for uploading online and physical distribution.
-

-
- e. Direct officers to comply with section 95 (7) of the Local Government Act 2002 and make the annual plan publicly available.

Councillors McGrath and Tapine voted against

Carried

2. RESOLUTION TO SET THE RATES FOR 2019/20

Type of Report: Legal

Legal Reference: Local Government (Rating) Act 2002

Document ID: 762298

Reporting Officer/s & Unit: Ross Franklin, Consultant

2.1 Purpose of Report

To set rates for 2019/20 in accordance with the Local Government (Rating) Act 2002 and with the Funding Impact Statement.

At the Meeting

There was no discussion on this item.

Council resolution

Councillors Taylor / Wright

That Council:

- a. Resolve 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 2019 and ending on 30 June 2020, 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 as follows:

Differential Group	Differential Description	General rate - cents in the dollar on Land Value
1	City Residential	0.51749

2	Commercial and Industrial	1.39386
3	Miscellaneous	0.51749
4	Ex-City Rural	0.33332
5	Other Rural	0.33332
6	Bay View	0.38383

(B) UNIFORM ANNUAL GENERAL CHARGE

A Uniform Annual General Charge of \$368.00 per separately used or inhabited part of a rating unit for all rateable land set under Section 15 of the Local Government (Rating) Act 2002.

(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 or able to be connected and within 100 metres of either the City Water Supply System, or the Bay View Water Supply System. This rate will apply to the Differential Groups and Categories as follows:

Fire Protection Rate Differential Description (cents per dollar of Capital Value)	Connected to water Supply System	Not connected but within 100m of water Supply System
Central Business District and Fringe Area	0.02540	0.01270
Suburban Shopping Centres, Hotels and Motels and Industrial rating units outside of the CBD	0.01270	0.00635
Other rating units connected to or able to be connected to the water supply systems	0.00635	0.00318

2. City Water Rate

A targeted rate for Water Supply, set on a differential basis 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 or able to be connected to and within 100 metres of the City water supply system. This such rate will apply as follows:

Description	Amount
Rating units connected to the City Water Supply System	\$221.00
Rating units able to be connected to and within 100m of the City Water Supply System	\$110.50

3. Bay View Water Rate

A targeted rate for Water Supply, set on a differential basis 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 or able to be connected to and within 100 metres of the Bay View water supply system. This rate will apply as follows:

Description	Amount
Rating units connected to the Bay View Water Supply System	\$221.00
Rating units able to be connected and within 100m of the Bay View Water Supply System	\$110.50

4. Water by Meter Rate

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 Rate per cubic metre
Non-Domestic Supplies Napier City(\$/m ³)	\$0.52017
Metered Domestic and Other Supplies (\$/m ³)	\$0.96522

(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. This rate will apply as follows:

RATE		
1 COLLECTION PER WEEK	2 COLLECTIONS PER WEEK	3 COLLECTIONS PER WEEK
\$83.00	\$166.00	\$249.00

(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. This rate will apply as follows:

Charge per separately used or inhabited part of a rating unit	\$58.00
---	---------

(F) SEWERAGE RATE

A targeted rate for sewerage treatment and disposal, is set on a differential basis under Section 16 of the Local Government (Rating) Act 2002 as a fixed amount on a uniform basis. The rate is applied to each separately used or inhabited part of a rating unit connected or able to be connected and within 30 metres of the City Sewerage system (including the Bay View Sewerage Scheme). This rate will apply as follows:

Description	Amount
Rating units connected to the City and Bay View Sewerage Systems	\$372.00
Rating units able to be connected to and within 30m of either the City or Bay View Sewerage Systems	\$186.00

(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.

The rate to apply for 2019/20 is \$941.36

(H) CBD OFF STREET CARPARKING RATE

A targeted rate to provide funding for additional off street carparking in the Central Business District set under Section 16 of the Local

Government (Rating) Act 2002 on a differential basis on the rateable land value, to apply to rating units in the Central Business District. The rate to apply to the Differential Groups is as follows:

Description	Cents in the dollar on Land Value
Properties where council provides additional parking due to the property receiving a 100% parking dispensation.	0.14825
Properties where council provides additional parking due to the property receiving a 50% parking dispensation.	0.07436

(I) SUBURBAN OFF STREET CARPARKING RATE

A targeted rate to provide funding for additional off street carparking in 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 as a rate in the dollar on Land Value as follows:

Description	Cents in the dollar on Land Value
Suburban Shopping Centres and Commercial properties in residential areas	0.10526

(J) TARADALE OFF STREET CARPARKING RATE

A targeted rate to provide funding for additional off street carparking in the Taradale Shopping and commercial area and to maintain existing offstreet parking areas in Taradale, set under Section 16 of the Local Government (Rating) Act 2002 as a rate in the dollar on Land Value as follows:

Description	Cents in the dollar on Land Value
Taradale Suburban Commercial and Shopping area	0.10526

(K) 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:

Description	Cents in the dollar on Land Value
Properties in the CBD Promotion Rate area	0.20973

(L) 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:

Description	Cents in the dollar on Land Value
Properties in the Taradale Promotion Rate area	0.23200

(M) SWIMMING POOL SAFETY RATE

A targeted rate to fund the cost of pool inspections and related costs, set under Section 16 of the Local Government (Rating) Act 2002, as a fixed amount on every rating unit where a swimming pool or small heated pool (within the meaning of the Building (Pools) Amendment Act 2016) is located, of \$51 per rating unit.

(N) DUE DATES FOR PAYMENT AND PENALTY DATES (For Rates other than Water by Meter Rates)

That rates other than water by meter charges are due and payable in four equal instalments. A 10% penalty will be added to any portion of rates (except for Water by Meter) assessed in the current year that remains unpaid after the relevant instalment date, on the respective penalty date as shown in the following table as provided for in section 57 and 58(1)(a) of the Local Government (Rating) act 2002

Instalment	Due date	Penalty Date
1	21 August 2019	27 August 2019
2	20 November 2019	26 November 2019
3	19 February 2020	25 February 2020
4	20 May 2020	26 May 2020

Any portion of rates assessed in previous years (including previously applied penalties) which remains unpaid on 30 July 2019 will have a further 10% added, firstly on 31 July 2019, and if still unpaid, again on 31 January 2020.

(O) WATER RATES

Targeted rates for metered water supply will be separately invoiced from other rates invoices. Metered water supply for commercial properties is invoiced quarterly and metered water for domestic (residential) water supply is invoiced annually. A 10% penalty will be added to any part of the water rates that remain unpaid by the due date as shown in the table below as provided for in section 57 and 58(1)(a) of the Local Government (Rating) Act 2002.

Metered Water Supply rates are due for payment as follows:

Instalment	3 monthly invoicing Due Date	Penalty date
1	20 July 2019	26 July 2019
2	20 October 2019	25 October 2019
3	20 January 2020	24 January 2020
4	20 April 2020	25 April 2020
Period Ending	Annual invoicing Due Date	Penalty date
30 June 2019	20 July 2019	26 July 2019
30 June 2020	20 July 2020	24 July 2020

A penalty of 10% will be added to any portion of water supplied by meter, assessed in the current year, which remains unpaid by the relevant instalment due date, on the respective penalty date above.

Any portion of water rates assessed in previous years (including previously applied penalties) which are unpaid by 30 July 2019 will have a further 10% added, firstly on 31 July 2019, and if still unpaid, again on 31 January 2020.

Any water payments made will be allocated to the oldest debt.

Carried

PUBLIC EXCLUDED ITEMS

Council resolution

Councillors Brosnan / Hague

That the public be excluded from the following parts of the proceedings of this meeting.

Carried

Agenda Items

1. Contract 1215 - Road Maintenance and Renewal Contract

The general subject of each matter to be considered while the public was excluded, the reasons for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution were as follows:

General subject of each matter to be considered.	Reason for passing this resolution in relation to each matter.	Ground(s) under section 48(1) to the passing of this resolution.
	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to:	48(1)(a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist:

Agenda Items

1. Contract 1215 - Road Maintenance and Renewal Contract	<p>7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities</p> <p>7(2)(i) Enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>48(1)A That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist:</p> <p>(i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.</p>
--	--	--

The meeting moved into Committee at 3.28pm.

Approved and adopted as a true and accurate record of the meeting.

Chairperson

Date of approval

Attachment A (tabled changes to the 2019/20 Annual Plan)**Prospective Statement of Financial Position****Forecast for year ending 30 June 2020**

	AP 2019/20 \$000	LTP 2019/20 \$000	AP/LTP 2018/19 \$000
Assets			
Current assets			
Cash and cash equivalents*	2,334	13,602	9,929
Debtors and other receivables	17,046	15,840	14,374
Prepayments	245	171	171
Inventories	5,063	2,992	3,284
Biological assets	322	292	288
Other financial assets	4,500	20,000	55,000
Total current assets	29,510	52,897	83,046
Non-current assets			
Property, plant and equipment	1,546,554	1,590,984	1,488,580
Intangible assets	1,030	1,471	1,749
Inventories	12,520	7,527	8,524
Investment property	40,757	36,378	35,595
Investment in associates	7,838	8,380	8,231
Other financial assets	3,924	3,416	3,416
Total non-current assets	1,612,623	1,648,156	1,546,095
Total assets	1,642,133	1,701,053	1,629,141
Liabilities			
Current liabilities			
Trade payables and other accruals	15,838	14,924	14,476
Employee benefit liabilities	4,688	3,962	3,908
Total current liabilities	20,526	18,887	18,384
Non-current liabilities			
Revenue received in advance	-	269	269
Employee benefit liabilities	790	1,015	1,069
Provisions	2,457	4,959	5,059
Total non-current liabilities	3,247	6,243	6,397
Total liabilities	23,773	25,129	24,781
Total net assets	1,618,360	1,675,924	1,604,360
Net assets / equity			
Accumulated revenue & expenses	804,539	832,655	798,830
Other reserves	813,821	843,269	805,530
Total net assets / equity	1,618,360	1,675,924	1,604,360

* In the LTP Cash and Cash equivalents included Omarunui Landfill (\$2,968). This has been reclassified to Non-current Other Financial Assets in the AP 2019/20.

Project Name	2019/20 \$000	Project Growth %	Project Improved Level of Service %	Project Renewal %
Chief Executive				
Minor Capital General Provision	70	0	100	0
Chief Executive Total Spend	70			
Faraday Centre				
Minor Capital	5	0	100	0
Seismic Strengthening	300	0	0	100
Faraday Centre Total Spend	305			
MTG				
Building Renewals	23	0	0	100
MTG Minor Capital	80	0	100	0
MTG Renewals	80	0	0	100
MTG Total Spend	183			
Property Holdings				
Assessment & Compliance Projects	1,150	0	0	100
Pandora Pond Buildings	250	0	0	100
Property Holdings Total Spend	1,400			
Housing				
Retirement Housing Minor Capital	89	0	0	100
Retirement Housing Renewals	782	0	0	100
Rental Housing Minor Capital	21	0	0	100
Rental Housing Renewals	117	0	0	100
Housing Total Spend	1,009			
Inner Harbour				
Ahuriri Masterplan - Iron Pot Public Access	300	0	100	0
Inner Harbour Facilities I.A.R.	2,000	0	0	100
Inner Harbour Total Spend	2,300			
CIT				
Corporate IT Network	13	0	100	0
Software Replacements and Upgrades	230	0	100	0
CIT Total Spend	243			
Internal Leases				
Technology Equipment Minor Capital	700	0	0	100
Internal Leases Total Spend	700			
Total Capital Spend*	72,008			

*NB: The capital spend for the 2019/20 year does not include a number of projects for which funding has been approved in Year 1 of the LTP. These projects will be carried forward in the 2019/20 forecast.