



NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

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ORDINARY MEETING OF COUNCIL

Open Agenda

Meeting Date: Thursday 8 October 2020

Time: 10am

Venue: Large Exhibition Hall
Napier War Memorial Centre
Marine Parade
Napier

Livestreamed via Zoom on Council's Facebook page

Council Members Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Browne, Chrystal, Crown, Mawson, McGrath, Price, Simpson, Tapine, Taylor, Wright

Officer Responsible Interim Chief Executive

Administrator Governance Team

Next Ordinary Council Meeting
Thursday 19 November 2020

ORDER OF BUSINESS

Apologies

Nil

Conflicts of interest

Public forum

Nil

Announcements by the Mayor including notification of minor matters not on the agenda

Note: re minor matters only - refer LGOIMA s46A(7A) and Standing Orders s9.13

A meeting may discuss an item that is not on the agenda only if it is a minor matter relating to the general business of the meeting and the Chairperson explains at the beginning of the public part of the meeting that the item will be discussed. However, the meeting may not make a resolution, decision or recommendation about the item, except to refer it to a subsequent meeting for further discussion.

Announcements by the management

Confirmation of minutes

That the Draft Minutes of the Ordinary Meeting of Council held on Thursday, 27 August 2020 be confirmed as a true and accurate record of the meeting.140

That the Draft Minutes of the Extraordinary Meeting of Council held on Thursday, 27 August 2020 be confirmed as a true and accurate record of the meeting.164

That the Draft Minutes of the Extraordinary Meeting of Council held on Tuesday, 15 September 2020 be confirmed as a true and accurate record of the meeting.175

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AGENDA ITEMS

1. STATEMENT OF PROPOSAL - REVENUE AND FINANCING POLICY

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	959200
<i>Reporting Officer/s & Unit:</i>	Garry Hrustinsky, Investment and Funding Manager

1.1 Purpose of Report

The purpose of this report is to progress proposed amendments to the Revenue & Financing Policy, Rating Policy, Rates Remission Policy and Rates Postponement Policy by introducing a Statement of Proposal and consultation plan for Council consideration.

Officer's Recommendation

That Council:

- a. Note the draft Revenue & Financing Policy, Rating Policy, Rates Remission Policy and Rates Postponement Policy were adopted by Council on 15 September 2020.
- b. Approve the Statement of Proposal amending the Revenue & Financing Policy, Rating Policy, Rates Remission Policy and Rates Postponement Policy.
- c. Approve the Consultation Plan for proposed amendments to the Revenue & Financing Policy, Rating Policy, Rates Remission Policy and Rates Postponement Policy.

1.2 Background Summary

Over the last 18 months Council has undertaken a full review of its rates processes and its Funding Impact Statement (FIS) which sets out the Council's fundamental approach to rating. The previous Council, through a series of 4 workshops during 2019, commenced step one of the review of the Revenue and Financing policy. After the local body elections in October 2019 the new Council continued and completed the full review of the Revenue and Financing policy over a series of ten workshops.

At an Extraordinary Meeting on the 15th of September, Council approved the draft amendments to the Revenue & Financing Policy, Rating Policy, Rates Remission Policy and Rates Postponement Policy.

The amendments proposed impact how Council activities (e.g. libraries) are funded and how property is rated.

This report introduces a Statement of Proposal for approval by Council, pending public consultation on the proposed amendments.

1.3 Issues

N/A

1.4 Significance and Engagement

If approved, public consultation will be sought. Public engagement will be achieved through public meetings, correspondence with parties identified as significantly impacted, and feedback forms (online and hardcopy).

Napier City Council is required to conduct a consultative procedure as per Local Government Act sections 82 and 82A.

Consultation opens: 12 October 2020

Consultation closes: 15 November at 12noon

Hearings and deliberations: 16 December 2020, from 9AM, Napier War Memorial Centre

Adoption: February 2021

1.5 Implications

Financial

Proposed amendments change funding and rating models only, not how much is collected from rates.

Social & Policy

Revenue and Financing Policy

The purpose of the Revenue & Financing Policy is to provide predictability and certainty around how Council gathers its revenue and how it is used to fund the activities and services. It explains how and why we use various tools to fund the operating and capital expenditures of Council.

Rating Policy

The Rating Policy is a more detailed policy that builds on the general approach to rating outlined in the Revenue & Financing Policy. The Rating Policy details:

- how General Rates are differentially categorised and assessed, and;
- how Targeted Rates are assessed.

The Rating Policy creates a link between the Revenue & Financing Policy and the Funding Impact Statement used in Annual Plans and Long Term Plans.

Rates Remission Policy

The Rates Remission Policy allows Council to remit (cancel) all or part of the rates or penalties on a rating unit (under Section 85 of the Local Government (Rating) Act 2002) where certain conditions and criteria in the policy are met.

Rates Postponement Policy

The Rates Postponement Policy allows Council to delay the requirement to pay all or part of the rates on a Rating Unit (under Section 87 of the Local Government (Rating) Act 2002) where certain conditions and criteria in the policy are met.

Risk

If not adopted, Council will need to delay the process and reassess the available options. This will impact on completion of the 2021-2031 Long Term Plan.

1.6 Options

The options available to Council are as follows:

- a. Approve the Statement of Proposal for consultation

- b. Request removal, amendment and resubmission of the Statement of Proposal.
- c. Reject the Statement of Proposal.

1.7 Development of Preferred Option

Approve the Statement of Proposal amending the Revenue & Financing Policy, Rating Policy, Rates Remission Policy and Rates Postponement Policy for consultation with the community.

1.8 Attachments

- A Statement of Proposal [↓](#)
- B Consultation Plan [↓](#)



STATEMENT OF PROPOSAL

Revenue & Financing Policy

Rating Policy

Rates Remission Policy

Rates Postponement Policy

Have Your Say

Key Dates

Consultation opens: 12 October 2020

Consultation closes: 15 November at 12noon

Hearings and deliberations: 16 December 2020, from 9AM, Napier War Memorial Centre

Adoption: February 2021

Where can I get more information?

- Visit Council's websites at www.napier.govt.nz and www.sayitnapier.nz
- Letters will be sent directly to parties identified as being significantly affected.
- Community meetings with Q & A will be scheduled for October and November 2020 in Bay View, Taradale and Napier (War Memorial Centre). Dates and final venues will be confirmed on the Council website.
- If community meetings are not possible due to COVID-19 then replacement live chat sessions will be arranged on our Facebook page at fb.com/NapierCityCouncil
- If you'd like to speak to your Ward Councillor, visit www.napier.govt.nz search keyword **#mayorandcouncillors** or call our Customer Service Centre on 06 835 7579 who will put you in touch with them.

PART A

1) Key Information

Introduction

The last major review of our rating system took place in 2002. We have recently reviewed our policies and believe that the way activities are funded and rated no longer reflects Napier's current residential, commercial and rural zones. We also believe that the way we fund Council activities (such as the sewerage network, or the library) no longer reflects how our city's services or facilities are used today.

We are reviewing an important foundation policy – the Revenue and Financing Policy and Council's rating policies. Our proposed changes aim to achieve greater consistency between ratepayers – by making sure that similar properties pay similar rates.

The review of the Revenue and Financing Policy affects other policies, so we are also reviewing the Rates Remission Policy and Rates Postponement Policy. The Revenue and Financing Policy is implemented through the Rating Policy and the annual Funding Impact Statement which provides details on all rates.

This Statement of Proposal is split into two parts. Part A discusses the process followed as part of the review. A glossary and list of policy definitions is included to explain some of the terms used and policies discussed.

Part B contains copies of the draft policies.

Proposed Implementation Process

Our intention is to implement the proposed changes to the rating policy in conjunction with the Long-term Plan in the 2021/22 financial year.

As part of our Long-Term Plan consultation, we will consult further on our proposed changes to the Rating Policy and if necessary, we may also consult on changes to the Revenue and Financing Policy.

The key outcomes we wish to achieve from this consultation are:

1. Confirmation of the proposed funding mechanisms in the Revenue and Financing Policy
2. Confirmation that the proposed changes to the Differential categories for the General Rate are appropriate and will provide us with a simpler and more consistent approach to rates.
3. Confirmation that introducing a new Targeted Rate for Stormwater based on Capital Value is appropriate as part of our overall goal of sharing the rating burden between groups of properties.
4. Confirmation that a move to charging for wastewater based on the number of pans (toilets/urinals), rather than Separately Used or Inhabited Parts of a Rating Unit, is the best method to fund Napier's wastewater activity.
5. Confirmation that our proposed changes to the Council Rates Remission Policy and Rates Postponement Policies are appropriate in helping us to achieve our

overall goal of sharing the rating burden across different sectors of the community.

Following this consultation process, we will collect and analyse data to model the possible impacts of a change to charging for wastewater based on the number of pans. We will also consider any proposed changes to budgets and activities funding when we prepare our draft Long-Term Plan for 2021-2031 (LTP).

As part of our LTP consultation, we will then consult again on any further changes resulting from the impacts of introducing a pan charge and budget and funding changes. This may include a decision to delay the consultation or implementation of some of the proposed changes outlined in this proposal.

Reasons for the proposed changes

There have been changes to our Revenue and Financing Policy over the last few years. However, due to the accumulated changes to the activities and services that we provide to the community, it was considered timely to undertake a full review based on first principles as under section 101(3) of the Local Government Act (2002). This is where we have considered each activity in detail and have analysed who benefits, the length of the benefit received and the groups or individuals that create the need for the activity. As a Council we are also required to think about the impacts of our financing decisions on the wellbeing of the community.

We are also proposing a Rating Policy which provides the linkage between the Revenue and Financing Policy and the Funding Impact Statement which will be included in our Annual Plans and Long Term Plans to clearly set out our proposed approach to rating.

The Rates Remission Policy and Rates Postponement Policy are affected by changes to the Rating Policy. Some of the changes we are proposing in the Revenue & Financing Policy and Rating Policy affect certain existing remissions and postponements in these two policies. This means they would no longer work the way they were originally intended. A review of remissions and postponements allows us to make sure provisions within these policies are still relevant and workable.

Please note: The proposed changes do not affect the total amount of rates that Council collects.

This Proposal

This Statement of Proposal is about proposed amendments to the Revenue & Financing Policy, Rating Policy, Rates Remission Policy and Rates Postponement Policy.

The proposed amendments will change how we calculate rates and will change the rates assessed on each individual property.

We have provided a rates comparison tool on our website to allow rate payers to compare their current rates calculation with how it might look if our proposals are adopted. Information in the rates comparison tool is based on data from the 2020/21 rating year and is for comparative purposes only. Final rates set during the 2021 to 2031 Long Term

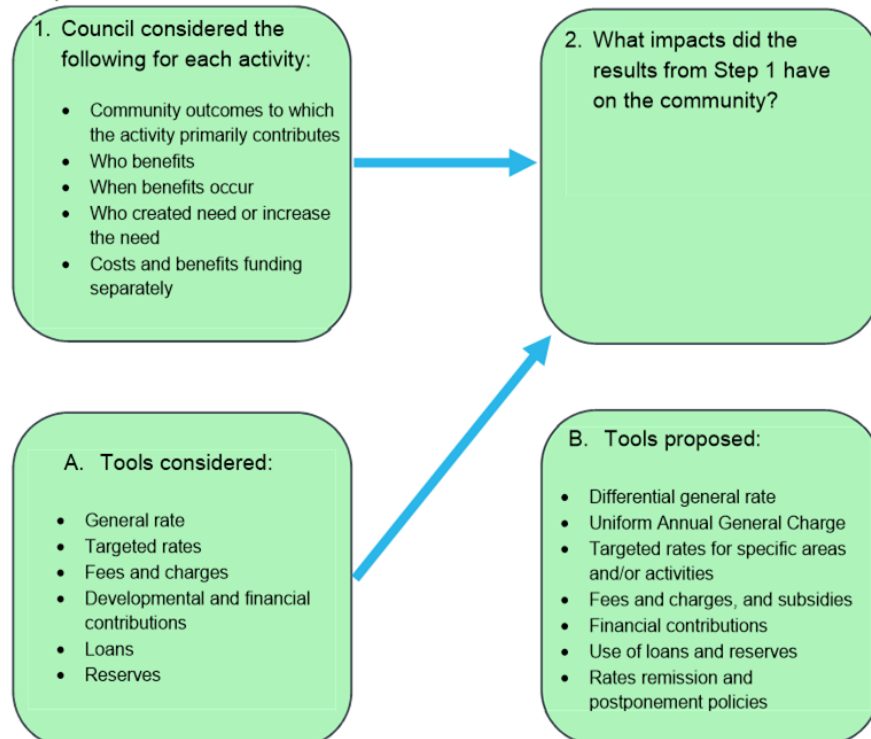
Plan process will vary from those presented in the rates comparisons tool as will subsequent Annual Plans.

The process followed for the Revenue & Financing Policy Review

Under the Local Government Act 2002 (s.101(3)), Council is required to follow a two-step process to decide what is appropriate funding for each activity as follows:

1. consider various factors relating to each activity's funding; and
2. consider how any allocation of liability for revenue needs impacts on the wellbeing of the community.

The process can be summarised as follows:



Napier City Council has reviewed all 36 activities following the process above. Of the activities reviewed, we propose amendments for 25 activities.

Activity	Funding sources	
	Operational ¹	Capital
Animal control	Primary source <ul style="list-style-type: none"> Fees & charges (including infringement fees) 65% to 70% Other sources <ul style="list-style-type: none"> General Rates 	<ul style="list-style-type: none"> Accumulated surpluses General Rates Fees & charges Loans Reserves
Bay Skate	Primary source <ul style="list-style-type: none"> General Rates 60% - 70% Other sources <ul style="list-style-type: none"> Fees and charges (including Leases, retail sales, & sponsorship) 	<ul style="list-style-type: none"> Accumulated surpluses General Rates Fees & charges Loans Reserves
Building consents	Primary source <ul style="list-style-type: none"> Fees and charges 80% Other sources <ul style="list-style-type: none"> General Rates Targeted Rates Reserves Loans 	Nil
Cemeteries This includes the contribution that NCC makes towards HB Crematorium in Hastings	Primary source <ul style="list-style-type: none"> General Rates 70% to 80% Other sources <ul style="list-style-type: none"> User fees & charges 	<ul style="list-style-type: none"> Accumulated surpluses General Rates Fees & charges Loans Reserves
City development	Primary source <ul style="list-style-type: none"> General Rates 100% Other sources <ul style="list-style-type: none"> Reserves Loans Fees and charges (where appropriate) 	No significant capital expenditure but minor capital expenditure is funded from General Rates, Reserves and Loans
Community facilities	Primary source <ul style="list-style-type: none"> General Rates 80% – 90% Other sources <ul style="list-style-type: none"> Fees & charges, including lease income, one off grants, naming rights 	<ul style="list-style-type: none"> Accumulated surpluses General Rates Fees & charges, Loans Reserves Grants & donations
Community strategies	Primary source <ul style="list-style-type: none"> General Rates 100% Other sources <ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Accumulated surpluses General Rates Fees & charges Loans Reserves

¹ Note - The stated percentages above indicate the target set by Council. The actual percentages may vary from year to year. Also, subsidies, grants and donations can be considered as a possible source of funding for all activities as Council will actively seek other sources of external funding where available for both operating and capital expenditure.

Activity	Funding sources	
	Operational ¹	Capital
	<ul style="list-style-type: none"> Fees & charges, including bequest and external funding Reserves 	
Democracy & Governance	Primary source <ul style="list-style-type: none"> General Rates, 100% Other sources <ul style="list-style-type: none"> Fees & charges, including for LGOIMAs Reserves 	Nil
Events and marketing	Primary source <ul style="list-style-type: none"> General Rates 90% – 95% Other sources <ul style="list-style-type: none"> Grants Fees & charges, including ticketing, corporate sponsorship, vendors 	Accumulated surpluses <ul style="list-style-type: none"> Loans
Housing	Primary source <ul style="list-style-type: none"> Fees & charges 100% (rentals) Other sources General Rates 	<ul style="list-style-type: none"> Accumulated surpluses Fees & charges (rentals) Loans Grants Reserves
Inner harbour	Primary source <ul style="list-style-type: none"> General Rates 50% to 60% Other sources <ul style="list-style-type: none"> Fees and charges Reserves, surplus revenue from inner harbour land holding 	<ul style="list-style-type: none"> Accumulated surpluses Fees and charges General Rates Reserves Loans Financial and/or Development Contributions
Kennedy Park Resort	Primary source <ul style="list-style-type: none"> Fees and charges 100% 	<ul style="list-style-type: none"> Accumulated surpluses Fees and charges Loans Reserves
Lagoon farm	Primary source <ul style="list-style-type: none"> Fees and charges 90% - 100% Other sources <ul style="list-style-type: none"> Reserves 	<ul style="list-style-type: none"> Accumulated surpluses Fees and charges Reserves Loans
Libraries	Primary source <ul style="list-style-type: none"> General Rates 90% - 95% - Other sources <ul style="list-style-type: none"> Fees & charges (fines) Grants & bequests 	<ul style="list-style-type: none"> Accumulated surpluses Fees & charges, fines General Rates Grants & bequests Loans Reserves Financial and/or Development Contributions
Marine Parade pools	Primary source <ul style="list-style-type: none"> General Rates 60% - 80% Other sources <ul style="list-style-type: none"> Fees & charges 	<ul style="list-style-type: none"> Accumulated surpluses General Rates Fees & charges Loans Reserves Financial and/or Development Contributions
McLean Park	Primary source <ul style="list-style-type: none"> Fees and charges, 100% tickets, sponsorship, corporate box revenue, naming rights 	<ul style="list-style-type: none"> Accumulated surpluses Fees and charges General and targeted rates Ticket sales

Activity	Funding sources	
	Operational ¹	Capital
	<ul style="list-style-type: none"> General Rates 	<ul style="list-style-type: none"> Loans Reserves, Grants & bequests Sponsorship, & corporate box revenue, naming rights
MTG Hawkes Bay	Primary source <ul style="list-style-type: none"> General Rates 65% - 75% Other sources <ul style="list-style-type: none"> Fees and charges Contribution from other local authorities Bequests Grants, donations & retail sales 	<ul style="list-style-type: none"> Accumulated surpluses General Rates Fees and charges Contribution from other local authorities Bequests Grants Donations Loans Reserves Sponsorship, & naming rights
Napier Aquatic Centre	Primary source <ul style="list-style-type: none"> General Rates 65% - 75% Other sources <ul style="list-style-type: none"> Fees & charges 	<ul style="list-style-type: none"> Accumulated surpluses General Rates Fees & charges Loans Reserves
Napier I-Site	Primary source <ul style="list-style-type: none"> Fees and charges 65% to 75% Other sources <ul style="list-style-type: none"> General Rates 	<ul style="list-style-type: none"> Accumulated surpluses General Rates Fees and charges Targeted rates Loans Reserves
Napier Municipal Theatre	Primary source <ul style="list-style-type: none"> General Rates 50% - 55% Other sources <ul style="list-style-type: none"> Fees and charges Bequests Grants, donations & sponsorship 	<ul style="list-style-type: none"> Accumulated surpluses General Rates Fees and charges Bequests Grants, donations & sponsorship Loans Reserves Naming rights
Napier Conferences and Events	Primary source <ul style="list-style-type: none"> Fees and charges 90% to 95% Other sources <ul style="list-style-type: none"> General Rates 	<ul style="list-style-type: none"> Accumulated surpluses Fees and charges General Rates Targeted rates Loans Reserves
National Aquarium of NZ	Primary source <ul style="list-style-type: none"> Fees and charges 75% - 80% Other sources <ul style="list-style-type: none"> Grants Sponsorships, bequests & philanthropic General Rates 	<ul style="list-style-type: none"> Accumulated surpluses Fees and charges General Rates Targeted rates Grants Sponsorships, bequests & philanthropic Sponsorship Loans Reserves Naming rights
Par2 Mini golf	Primary source <ul style="list-style-type: none"> Fees and charges Retail sales 100% 	<ul style="list-style-type: none"> Accumulated surpluses Fees and charges Reserves Loans

Activity	Funding sources	
	Operational ¹	Capital
Parking	Primary source <ul style="list-style-type: none"> Fees and charges 80% to 90% Other sources <ul style="list-style-type: none"> Targeted rates Reserves 	<ul style="list-style-type: none"> Accumulated surpluses Targeted rates General Rates Loans Reserves Financial and/or Development Contributions
Parklands residential development	Primary source <ul style="list-style-type: none"> Fees and charges 100% Other sources <ul style="list-style-type: none"> Reserves 	<ul style="list-style-type: none"> Loans Reserves
Property holdings	Primary source <ul style="list-style-type: none"> Fees and charges 100% Other sources <ul style="list-style-type: none"> Fees and charges (lease income) Reserves 	<ul style="list-style-type: none"> Accumulated surpluses Fees and charges (lease income) Loans Reserves
Public toilets	Primary source <ul style="list-style-type: none"> General Rates 95% - 100 Other sources <ul style="list-style-type: none"> Fees and charges Reserves 	<ul style="list-style-type: none"> Loans Reserves General Rates
Regulatory solutions	Primary source <ul style="list-style-type: none"> General Rates 55% - 65% Other sources <ul style="list-style-type: none"> Fees and charges, Reserves 	<ul style="list-style-type: none"> Accumulated surpluses Loans Reserves
Reserves	Primary source <ul style="list-style-type: none"> General Rates 85% - 90% Other sources <ul style="list-style-type: none"> Fees and charges (rentals and leases) 	<ul style="list-style-type: none"> Accumulated surpluses General Rates Fees and charges Targeted rates Loans Bequests Reserves Financial and/or Development Contributions Grants and subsidies Naming rights & sponsorship
Resource consents	Primary source <ul style="list-style-type: none"> 60% of the activity's costs are recovered from General Rates Resource consents fees and charges are set to recover 100% of costs for services provided Other sources <ul style="list-style-type: none"> Reserves 	Nil
Sportsgrounds	Primary source <ul style="list-style-type: none"> General Rates 90% - 95% Other sources	<ul style="list-style-type: none"> Accumulated surpluses General Rates Fees and charges Targeted Rates



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Activity	Funding sources	
	Operational ¹	Capital
	<ul style="list-style-type: none"> Fees and charges (rentals and leases) 	<ul style="list-style-type: none"> Naming rights Sponsorship Loans Bequests Reserves Financial and/or Development Contributions
Stormwater	<p>Primary source</p> <ul style="list-style-type: none"> General Rates 95% - 100% <p>Other sources</p> <ul style="list-style-type: none"> Targeted Rates Reserves Fees and charges (connection fees) 	<ul style="list-style-type: none"> Accumulated surpluses General and Targeted Rates Fees and charges Financial and/or Development Contributions Loans Reserves
Transportation	<p>Primary source</p> <ul style="list-style-type: none"> NZTA subsidy 50% – 60% (for subsidised work programme only), 15.3% for CBD sweeping, 85% for LED replacement programme <p>Other sources</p> <ul style="list-style-type: none"> General Rates Fees and charges Petrol tax 	<ul style="list-style-type: none"> Accumulated surpluses from Targeted Rates, General Rate, fees and charges Petrol tax NZTA subsidy 50% – 60% (for subsidised work programme only), 15.3% for CBD sweeping, 85% for LED replacement programme Financial and/or Development Contributions Loans Reserves Grants and donations (e.g. cycle ways)
Waste minimisation	<p>Primary source 80% - 90%</p> <ul style="list-style-type: none"> Fees and charges Targeted Rates Waste minimisation levy <p>Other sources</p> <ul style="list-style-type: none"> General Rates Reserves 	<ul style="list-style-type: none"> Accumulated surpluses Fees and charges General and Targeted Rates Waste minimisation levy Reserves Loans Financial Contributions
Wastewater	<p>Primary source 100%</p> <ul style="list-style-type: none"> Targeted Differential Rates Fees and charges (including trade waste bylaw charges) 	<ul style="list-style-type: none"> Accumulated surpluses Targeted Differential Rates General Rates Fees and charges Loans Reserves Development and/or Financial Contributions
Water supply	<p>Primary source 100%</p> <ul style="list-style-type: none"> Targeted Differential Rates Water rates Fees and charges (not including water by meter rate) 	<ul style="list-style-type: none"> Accumulated surpluses Targeted Differential Rates Water rates General Rates Fees and charges Loans Reserves Financial and/or Development Contributions

After considering the above, we then considered the following:

- The nature of Napier City as a whole, including as a visitor and tourist destination.
- The different costs of providing services and facilities and the associated benefits that the Commercial (including accommodation providers) and Industrial properties receive from those services.
- The impact of rates on Residential properties, and in particular on the affordability of rates for low, average and fixed income households.
- The fact that the General Rate has a significant component of public good or activities when the community benefits as a whole. As the General Rate is a general tax, shifting the "differential factor" for each sector's share of the city's overall land value, is the principal means that Council can use to achieve the desired overall rates impact on the wider community. However, in applying differentials Council acknowledges that it cannot achieve precise equity or allocation of costs to each type of property.
- The complexity of the rating system and the desire to improve administrative simplicity

These have resulted in proposed changes to rates, rates remission and postponement policies as detailed below:

Basis of rating for General Rate

Land value – no proposed change.

Differential Categories for General Rate

Council proposes a reduction in the number of differential categories from 5 to 3.

Current Differentials 2020/21			Proposed Differentials 2021/22	
City Residential	100%	No change	Residential / Other	100%
Commercial & Industrial	268.09%	Reduction of differential	Commercial & Industrial	250%
Miscellaneous	100%	Those properties that are not defined as Commercial & Industrial are now included in Residential / Other		
Ex-City Rural	63.47%	Reallocated to either Residential / Other, Commercial & Industrial or Rural (based on size)	Rural	85%
Other Rural	63.47%			
Bay View	72.80%	Reallocated to either Residential / Other or Commercial & Industrial		



The supporting definitions have been changed to:

1. Residential and Other

Any property that is not defined as Commercial & Industrial, or Rural.

2. Commercial & Industrial

Any property that is in a commercial or industrial zone under the District Plan or used for any business activities, except properties categorised as Rural. (note – there is a proposed remission policy for those properties which are used for residential purposes within the commercial or industrial zones which have a complying building consent).

3. Rural

Any Rating Unit with an area of 5 hectares or more that is used mainly for land based agricultural or farming activities and the value of improvements does not exceed the value of the land. (note: there is a remission for Rating Units of less than 5 hectares that are used mainly for land based agriculture or farming activities).

Uniform Annual General Charge (UAGC) is set to ensure that the total (excluding water and wastewater rates) uniform (or fixed) rates will be between 20% to 25% of total rates collected. No proposed change

Stormwater Rate – new rate based on differential capital value.

Previously the costs of Stormwater were recovered from all ratepayers through the General Rate. We are proposing a new Differential Stormwater Rate to be based on the Capital Value for all Residential and Commercial & Industrial properties within the recognised urban limit. Commercial & Industrial properties will be charged a differential of 250% because of the density of development and the lack of permeable surface area compared with Residential properties.

Note: Rural properties will not be changed this rate.



Water Rates

City Water Rate

This targeted rate is applied as a fixed amount to each Separately Used or Inhabited Part of a Rating Unit that is connected to or able to be connected to, Council's city water supply system.

We are proposing that properties which are not connected but are within 100 metres of a water main will now pay 70% of the connected rate. This was previously 50%. This covers our fixed costs of providing and maintaining the water network.

Fire Protection Rate

This targeted rate is applied differentially based on the Capital Value of properties connected to, or able to be connected to, Council's city water supply system.

We are proposing that properties which are not connected but are within 100 metres of a water main will now pay 70% of the connected rate. This was previously 50%.

Water by Meter Charges

The rate, which is based on actual water use above the first 300m³ per annum, will be charged to metered properties to which this rate applies.

No proposed change.

Sewerage Rates

We are proposing a **Wastewater Rate** to replace the current Sewerage Targeted Rate. It will be charged differentially based on the service provided and number of pans.

Change

A fixed rate is proposed to be applied to each water closet or urinal (pans) within a property, rather than the existing approach of charging based on the number of separately used or inhabited parts of a Rating Unit. Rating Units used primarily as a residence for one household will be treated as having one pan

Those properties which are not connected but within 30m of a wastewater main will now pay 70% (previously 50%) of the connected rate. This covers Council's fixed costs of providing and maintaining the water network.

Bay View Sewerage Connection Rate

This targeted rate is a fixed amount. It is applied to each Rating Unit connected to the Bay View Sewerage Scheme, where the lump sum payment option was not elected.

No proposed change

Refuse & Recycling

Refuse Collection and Disposal Rate

This targeted rate of a fixed amount charged differentially to each separately used or inhabited part of a rating unit based on the service provided.

Minor change to reflect current practice for CBD area.

Kerbside Recycling Rate

This targeted rate of a fixed amount is charged to each Separately Used or Inhabited Part of a Rating Unit based on the service provided.

No proposed change.



Parking

CBD Off Street Car Parking Rate

A targeted rate charged differentially based on land value.

No proposed change.

Taradale Off Street Car Parking Rate

A targeted rate based on land value

No proposed change.

Suburban Off Street Car Parking Rate

A targeted rate based on land value

No proposed change.

Business Promotion

CBD Promotion Rate targeted rate based on land value

No proposed change.

Taradale Promotion Rate targeted rate based on land value

No proposed change.

Pool Safety

Swimming Pool Safety Rate targeted rate charged on a uniform basis, applied to each

Rating Unit with a residential pool or small heated pool.

No proposed change

Separately Used or Inhabited Parts of a Rating Unit Definition

Proposed amendment

Any part of a rating unit that is, or is able to be, separately used or inhabited by the owner or by any other person or body having the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement.

This now includes all properties including residential properties where there is more than one dwelling used by the same family unit. However, we are proposing an amendment to the Rates Remission Policy to enable family units to apply for a remission.

Rates Remission Policy

Proposed changes

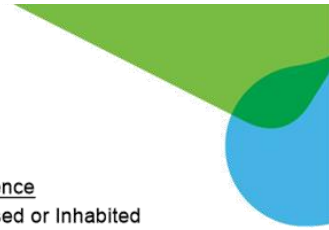
INCLUDE

Remission for Farmland Under 5 Hectares

This remission provides rates relief for Rating Units of less than 5 hectares that are used mainly for land based agriculture or farming activities. We are proposing that Non-commercial Rating Units where the land area is less than 5 hectares be treated as Residential for differential rating purposes. This remission will reduce the amount payable to equal what is payable for a Rural Property of the same value.

Remission of Refuse Collection and/or Kerbside Recycling Targeted Rates

This amendment recognises Rating Units that demonstrate a consistent pattern of reduced waste or recycling service through a remission.



Remission for Residential Properties Used Solely as a Single Residence

We are proposing a remission for properties that have Separately Used or Inhabited Portions, but are used solely as a single family residence. This amendment intends to simplify and replace Remission of Uniform Annual General Charges (UAGC) and Targeted Rates of a Fixed Amount on Rating Units Owned by the Same Owner.

REMOVE

Remission for Land Subject to Special Preservation Conditions

In practice this remission provides limited benefit to applicants. Additional rates relief can be sought through Schedule 1, Parts 1 and 2 of the Local Government (Rating) Act 2002.

Remission of Uniform Annual General Charges (UAGC) and Targeted Rates of a Fixed Amount on Rating Units Owned by the Same Owner

We are recommending that this provision be replaced by Remission for Residential Properties Used Solely as a Single Residence as described above.

Rates Postponement Policy

Proposed changes

To align the Rates Postponement Policy with our proposed amendments to the Revenue & Financing Policy, we propose that the Postponement for Farmland is removed from 1 July 2021.



2) Glossary & Definitions

Activity

This describes the service or facility managed by Council for the benefit of the public. Activity can describe a single resource (such as the MTG) or a group of resources (such as public toilets).

Capital Value

A form of Government valuation on property, the Capital Value (CV) includes the value of the land and improvements (e.g. building) on that property. CVs are used to calculate some parts of your rates invoice (such as Fire Protection). See also Land Value. Please refer to s.5, Local Government (Rating) Act 2002 for further details.

Differential Categories

Differentials are the characteristics used by Council to differentiate between groups of properties. Differentials determine what percentage of the General Rate, or Targeted Rates are applied to each property. Differentials can be grouped by any number of characteristics such as how the land is used, how the land is defined within the District Plan, the size of the land, where the land is located, services available to the land, the Capital Value or Land Value. Please refer to Schedule 2, Local Government (Rating) Act 2002 for further details.

General Rate

The General Rate is a rate applied all rateable land within the district. For Napier, the amount of General Rate paid is determined by the Differential applied to the property and the assessed Land Value. See also Land Value and Differential Categories. Please refer to s.13, Local Government (Rating) Act 2002 for further details. Part of the General Rate funding requirement is charged as a uniform amount through the Uniform Annual General Charge (UAGC). See below.

Land Value

A form of Government valuation on property, the Land Value (LV) is the assessable value of the land only, and does not include improvements (e.g. building) on that property. Land Value forms a part of the total Capital Value. LVs are used to calculate your General Rate. See also Capital Value. Please refer to s.5, Local Government (Rating) Act 2002 for further details.

Service

Service is a term broadly used to describe resources or facilities provided by Napier City Council to properties within the district. Rubbish removal and the sewerage network are two examples of services provided.

Targeted Rate

Unlike the General Rate, Targeted Rates are charged for specific services provided to a property (e.g. water or rubbish collection). Targeted Rates may be based on a fixed charge for the service or based on a valuation of the property (e.g. Capital Value for Fire Protection). Please refer to ss.16-19, Local Government (Rating) Act 2002 for further details.

UAGC

Uniform Annual General Charge (UAGC) is a fixed amount charged for each Separately Used or Inhabited Part of a Rating Unit. This recovers part of the overall funding requirement for the General Rate. Please refer to s.15, Local Government (Rating) Act 2002 for further details.



**What is the Revenue & Financing Policy?**

The purpose of the Revenue & Financing Policy is to provide predictability and certainty around how we gather our revenue and how we use it to fund our activities and services. It explains how and why we use various tools to fund the operating and capital expenditures of Council.

What is the Rating Policy?

The Rating Policy is a more detailed policy that builds on the general approach to rating outlined in the Revenue & Financing Policy. The Rating Policy details:

- how General Rates are differentially categorised and assessed, and;
- how Targeted Rates are assessed.

The Rating Policy creates a link between the Revenue & Financing Policy and the Funding Impact Statement used in Annual Plans and Long Term Plans.

What is the Rates Remission Policy?

The Rates Remission Policy allows us to remit (cancel) all or part of the rates or penalties on a rating unit (under Section 85 of the Local Government (Rating) Act 2002) where certain conditions and criteria in the policy are met.

What is the Rates Postponement Policy?

The Rates Postponement Policy allows us to delay the requirement to pay all or part of the rates on a Rating Unit (under Section 87 of the Local Government (Rating) Act 2002) where certain conditions and criteria in the policy are met.

PART B

Draft Revenue & Financing Policy

Draft Rating Policy

Draft Remission Policy

Draft Postponement Policy





Revenue and Financing Policy			
Approved by	Council (Pending)		
Department	Finance		
Original Approval Date		Review Approval Date	
Next Review Deadline		Document ID	
Relevant Legislation	Local Government Act 2002		
NCC Documents Referenced	NCC Long Term Plan 2018-2028		

Purpose

The Revenue and Financing policy is adopted under Sections 102(1) & 103(1) of the Local Government Act and must contain the Council's general policies on the funding of operating and capital expenditure and show how the local authority has, in relation to the sources of funding identified in the policy, complied with Section 101(3) which has two parts.

Policy Background

Napier City Council (the Council) has reviewed the proposed sources of funding for operating and capital expenditure and has reviewed the funding for each activity to determine the funding policy for each. In accordance with the Local Government Act 2002 (LGA) Council has considered each activity with regard to the following:

- Community outcomes to which an activity contributes; and
- the distribution of the benefits between the community as a whole, identifiable parts of the community and individuals; and
- the period in or over which those benefits are expected to occur; and;
- the extent to which actions or inactions of individuals or groups contribute to the activity; and
- costs and benefits of funding the activity distinctly from other activities.

Council has considered each activity to determine what it considers an appropriate funding source for both operating and capital expenditure (refer the schedule in the appendix).

Then it has considered the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community. It considered the following in determining the final funding source:

- The nature of Napier City as a whole including as a visitor and tourist destination.
- The different costs of providing services and facilities and the associated benefits that the commercial (including accommodation providers) and industrial properties receive from those services.

- The impact of rates on residential properties, and in particular on the affordability of rates for low, average and fixed income households.
- The General Rate has a significant component of public good or activities when the community benefits as a whole, and as the General Rate is a general taxing mechanism shifting the "differential factor" for each sector's share of the city's overall land value is the principal means that the Council has used to of achieving the desired overall rates impact on the wider community. It cannot achieve precise equity or allocation of costs to each type of property.
- The complexity of the rating system and the desirability of improving administrative simplicity.

Council has concluded that the general rate and storm water targeted rate on commercial and industrial should have an appropriate differential recognising the issues considered above.

Council has also considered the impact of fees and charges. Council uses the market rate (where permissible) as the upper limit used for determining fees or charges. Where Council believes the imposition of fees or charges at a rate above the market rate will reduce usage of the activity or facility and lead to the imposition of a greater cost on ratepayers it will modify the amount chargeable to the market rate. In selecting the market rate, the Council has made a judgement that the community values the existence of the facility and would rather fund it from rates than for the facility to close.

Following consideration of the above the Council is proposing the use of the following funding tools

Council's policies on funding operating expenses and capital expenditure

General Rates

General Rates are used to fund both operating and capital expenditure. They fund the remaining costs of Council operations after all other sources of funding have been applied.

General Rates are assessed through a combination of a Uniform Annual General Charge (UAGC) and a rate in the dollar based on land value.

Council is proposing the following land value differential categories:

- Residential
- Rural
- Commercial & Industrial

The amount of the UAGC is set to ensure that the total (excluding water and wastewater rates) uniform (or fixed) rates will be between 20% to 25% of total rates that are to be collected.

Differential rating category definitions

Residential and Other properties

Any property that is not defined as Commercial & Industrial, or Rural.

Commercial and Industrial

Any property that is in a commercial or industrial zone under the District Plan or used for any business activities, except properties categorised as rural, will be rated as commercial and industrial properties.

Commercial and industrial activities include, but are not restricted solely to:

- Rural and other support activities such as transport, supplies, packhouses and wineries servicing multiple clients
- Professional offices, surgeries etc.
- All retail, wholesale merchandising activities
- All forms of manufacturing and processing
- Bars, restaurants, cafes and other service activities
- Storage facilities
- Hotels, motels, B & B's and other short-term accommodation providers
- Tourism operations
- Care facilities operated for profit

Rural

Any rating unit with an area of 5 Hectares or more that is used predominantly for land based agricultural or farming activities and the value of improvements does not exceed the value of the land.

Targeted Rates for specific areas and/or activities

Targeted Rates are charged to fund both operating and capital expenditure. They are charged where Council considers it desirable to separate out the funding of an activity. They are charged to rating units including those units that are separately inhabited which have access to or are deemed to benefit from the service provided. Targeted rates are a funding mechanism that may be charged for activities deemed to have either a high public or a high private good to identified properties, an area of the city or the city as a whole.

Some targeted rates are applied differentially using either land or capital values, however most targeted rates are applied on a uniform basis (same amount or rate in the dollar).

Lump sum contributions

Council does not normally use any lump sum contributions.

Fees and charges:

Fees and charges are used to fund both operating and capital expenditure.

They are applied where there is a benefit to an individual from the delivery of goods and or services and this can be charged in a cost-efficient manner. If it is possible to efficiently impose a charge, then the Council does so, on the basis of either recovering the full cost of the service, the marginal cost added by users, or at a level that the market will pay. Fees & charges includes retail sales, ticketing, & corporate sponsorship

The following specific types of revenue are included in fees and charges:

- Licence Fees

Licence fees are charged where applicable and may be set by Council or by regulation.

- Enforcement Fees including fines and infringement fees

Enforcement fees are charged where applicable. Their purpose is to promote compliance rather than to raise revenue; consequently, revenue collected may be insufficient to meet the full costs of the

enforcement activity. The level of enforcement fee may also be restricted by statute or the courts. Use of enforcement fee revenue collected may also be directed to a specific purpose by statute.

- **Rental and Lease Income**

Rental and lease income are attributed to the activity with primary responsibility for the asset generating the rental or lease income. This revenue generally offsets costs of maintaining the asset and costs generally within the activity area receiving the revenue. However, in the case of leasehold land subject to the Hawke's Bay Endowment Land Empowering Act 2002, ground rental revenue is credited to a special fund within equity being the HBHB Endowment Income Account. In accordance with the Act this income is used to fund the net cost of the Napier Inner Harbour and certain foreshore reserves and other permitted activities. The land subject to the Act was vested in Council in 1989 from the Hawke's Bay Harbour Board at the same time that Council assumed liability for the Napier Inner Harbour and former Harbour Board foreshore reserves.

- **Waste Levy Income**

This is the Council share of waste levy fees collected by the Ministry for the Environment. Income is received from the Waste Levy Fund and must be applied to waste minimisation activities.

Interest and dividends from investments

Interest and dividends from investments are used to fund operating and capital expenditure.

Council receives interest from its investments. Interest generated from defined funds held or collected, where Council has determined that interest will be added, are credited to the fund at year end and applied to the purposes of the fund. Any remaining interest income is used to reduce the requirement for General Rates.

Council also receives a minor amount of dividend revenue from time to time. Where applicable, this is applied to offset the cost of the activity related to the dividend income. Where dividend income relates to Council operations in general, this is applied to the same purposes as general rates.

Borrowing

Borrowing is primarily used as a tool to smooth cash requirements for capital acquisitions and replacements, and can be used to smooth cash requirements for large one-off operating expenditure. In certain circumstances, in accordance with Council's financial strategy, borrowing may be used to fund operating expenditure.

Proceeds from Asset Sales

Proceeds from asset sales are used to fund operating and capital expenditure.

Council's preference is that proceeds from asset sales are used to fund capital projects, repay debt to external parties or repay internal debt, thus replenishing reserves. The main planned asset sales programme of Council is the ongoing freeholding of HBHB Endowment Land Residential Leases and the sale of land associated with the development and sale of sections in the Parklands residential subdivision. Council also intends to review assets for potential sale to reduce debt or replace with higher yielding investments.

Development and Financial Contributions

Proceeds from development and financial contributions are used to fund operating and capital expenditure. They are primarily to fund capital expenditure associated with growth however some operating costs such as finance costs may be funded from this source.

The existing Development Contribution policy has had limited application and as the Council has an operative Financial Contributions policy under the Resource Management Act 1991, it was decided that this was currently the preferred method of recovery of the costs relating to development. The Financial Contributions Policy will be updated as part of the review of the District Plan.

Grants, subsidies and donations

Revenue from these sources is actively sought to offset both operating and capital costs.

Petrol Tax

This is the local government share of the petrol tax levied by central government. It is used to contribute to the costs of road maintenance.

Other funding sources

Council continues to actively explore all possible sources of funding to assist with the funding of both operating and capital expenditure. Any other funds derived will be used to either fund capital expenditure or to reduce the amount Council collects from rates.

Council policies in relation to various funding sources to fund operating and capital expenditure (section 103 Local Government Act 2002)

The table sets out for each activity funding sources that are to be used for both operating and capital expenditure. The rationale is explained in schedule in the appendix.

Activity	Funding sources	
	Operational ²	Capital
Animal control	Primary source • Fees & charges (including infringement fees) 65% to 70% Other sources • General Rates	• Accumulated surpluses • General Rates • Fees & charges • Loans • Reserves
Bay Skate	Primary source • General Rates 60% - 70% Other sources • Fees and charges (including Leases, retail sales, & sponsorship)	• Accumulated surpluses • General Rates • Fees & charges • Loans • Reserves
Building consents	Primary source • Fees and charges 80%	Nil

² The stated percentages indicate the target set by Council. The actual percentages may vary from year to year as explained in the footnote at the bottom of the table in the appendix. Also subsidies, grants and donations can be considered as a possible source of funding for all activities as Council will actively seek other sources of external funding where available for both operating and capital expenditure.

Activity	Funding sources	
	Operational ²	Capital
	Other sources <ul style="list-style-type: none"> General Rates Targeted Rates Reserves Loans 	
Cemeteries This includes the contribution that NCC makes towards HB Crematorium in Hastings	Primary source <ul style="list-style-type: none"> General Rates 70% to 80% Other sources <ul style="list-style-type: none"> User fees & charges 	<ul style="list-style-type: none"> Accumulated surpluses General Rates Fees & charges Loans Reserves
City development	Primary source <ul style="list-style-type: none"> General Rates 100% Other sources <ul style="list-style-type: none"> Reserves Loans Fees and charges (where appropriate) 	No significant capital expenditure but minor capital expenditure is funded from General Rates, Reserves and Loans
Community facilities	Primary source <ul style="list-style-type: none"> General Rates 80% – 90% Other sources <ul style="list-style-type: none"> Fees & charges, including lease income, one off grants, naming rights 	<ul style="list-style-type: none"> Accumulated surpluses General Rates Fees & charges, Loans Reserves Grants & donations
Community strategies	Primary source <ul style="list-style-type: none"> General Rates 100% Other sources <ul style="list-style-type: none"> Fees & charges, including bequest and external funding Reserves 	<ul style="list-style-type: none"> Accumulated surpluses General Rates Fees & charges Loans Reserves
Democracy & Governance	Primary source <ul style="list-style-type: none"> General Rates, 100% Other sources <ul style="list-style-type: none"> Fees & charges, including for LGOIMAs Reserves 	Nil
Events and marketing	Primary source <ul style="list-style-type: none"> General Rates 90% – 95% Other sources <ul style="list-style-type: none"> Grants Fees & charges, including ticketing, corporate sponsorship, vendors 	Accumulated surpluses Loans
Housing	Primary source <ul style="list-style-type: none"> Fees & charges 100% (rentals) Other sources General Rates 	<ul style="list-style-type: none"> Accumulated surpluses Fees & charges (rentals) Loans Grants Reserves
Inner harbour	Primary source <ul style="list-style-type: none"> General Rates 50% to 60% Other sources	<ul style="list-style-type: none"> Accumulated surpluses Fees and charges General Rates Reserves

Activity	Funding sources	
	Operational ²	Capital
	<ul style="list-style-type: none"> Fees and charges Reserves, surplus revenue from inner harbour land holding 	<ul style="list-style-type: none"> Loans Financial and/or Development Contributions
Kennedy Park Resort	Primary source <ul style="list-style-type: none"> Fees and charges 100% 	<ul style="list-style-type: none"> Accumulated surpluses Fees and charges Loans Reserves
Lagoon farm	Primary source <ul style="list-style-type: none"> Fees and charges 90% - 100% Other sources <ul style="list-style-type: none"> Reserves 	<ul style="list-style-type: none"> Accumulated surpluses Fees and charges Reserves Loans
Libraries	Primary source <ul style="list-style-type: none"> General Rates 90% - 95% - Other sources <ul style="list-style-type: none"> Fees & charges (fines) Grants & bequests 	<ul style="list-style-type: none"> Accumulated surpluses Fees & charges, fines General Rates Grants & bequests Loans Reserves Financial and/or Development Contributions
Marine Parade pools	Primary source <ul style="list-style-type: none"> General Rates 60% - 80% Other sources <ul style="list-style-type: none"> Fees & charges 	<ul style="list-style-type: none"> Accumulated surpluses General Rates Fees & charges Loans Reserves Financial and/or Development Contributions
McLean Park	Primary source <ul style="list-style-type: none"> Fees and charges, 100% tickets, sponsorship, corporate box revenue, naming rights General Rates 	<ul style="list-style-type: none"> Accumulated surpluses Fees and charges General and targeted rates Ticket sales Loans Reserves Grants & bequests Sponsorship, & corporate box revenue, naming rights
MTG Hawkes Bay	Primary source <ul style="list-style-type: none"> General Rates 65% - 75% Other sources <ul style="list-style-type: none"> Fees and charges Contribution from other local authorities Bequests Grants, donations & retail sales 	<ul style="list-style-type: none"> Accumulated surpluses General Rates Fees and charges Contribution from other local authorities Bequests Grants Donations Loans Reserves Sponsorship, & naming rights
Napier Aquatic Centre	Primary source <ul style="list-style-type: none"> General Rates 65% - 75% Other sources <ul style="list-style-type: none"> Fees & charges 	<ul style="list-style-type: none"> Accumulated surpluses General Rates Fees & charges Loans Reserves
Napier I-Site	Primary source <ul style="list-style-type: none"> Fees and charges 65% to 75% Other sources <ul style="list-style-type: none"> General Rates 	<ul style="list-style-type: none"> Accumulated surpluses General Rates Fees and charges Targeted rates Loans Reserves

Activity	Funding sources	
	Operational ²	Capital
Napier Municipal Theatre	Primary source <ul style="list-style-type: none"> General Rates 50% - 55% Other sources <ul style="list-style-type: none"> Fees and charges Bequests Grants, donations & sponsorship 	<ul style="list-style-type: none"> Accumulated surpluses General Rates Fees and charges Bequests Grants, donations & sponsorship Loans Reserves Naming rights
Napier War Memorial Conference Centre	Primary source <ul style="list-style-type: none"> Fees and charges 90% to 95% Other sources <ul style="list-style-type: none"> General Rates 	<ul style="list-style-type: none"> Accumulated surpluses Fees and charges General Rates Targeted rates Loans Reserves
National Aquarium of NZ	Primary source <ul style="list-style-type: none"> Fees and charges 75% - 80% Other sources <ul style="list-style-type: none"> Grants Sponsorships, bequests & philanthropic General Rates 	<ul style="list-style-type: none"> Accumulated surpluses Fees and charges General Rates Targeted rates Grants Sponsorships, bequests & philanthropic Sponsorship Loans Reserves Naming rights
Par2 mini golf	Primary source <ul style="list-style-type: none"> Fees and charges Retail sales 100% 	<ul style="list-style-type: none"> Accumulated surpluses Fees and charges Reserves Loans
Parking	Primary source <ul style="list-style-type: none"> Fees and charges 80% to 90% Other sources <ul style="list-style-type: none"> Targeted rates Reserves 	<ul style="list-style-type: none"> Accumulated surpluses Targeted rates General Rates Loans Reserves Financial and/or Development Contributions
Parklands residential development	Primary source <ul style="list-style-type: none"> Fees and charges 100% Other sources <ul style="list-style-type: none"> Reserves 	<ul style="list-style-type: none"> Loans Reserves
Property holdings	Primary source <ul style="list-style-type: none"> Fees and charges 100% Other sources <ul style="list-style-type: none"> Fees and charges (lease income) Reserves 	<ul style="list-style-type: none"> Accumulated surpluses Fees and charges (lease income) Loans Reserves
Public toilets	Primary source <ul style="list-style-type: none"> General Rates 95% - 100 Other sources <ul style="list-style-type: none"> Fees and charges Reserves 	<ul style="list-style-type: none"> Loans Reserves General Rates
Regulatory solutions	Primary source <ul style="list-style-type: none"> General Rates 55% - 65% 	<ul style="list-style-type: none"> Accumulated surpluses Loans

Activity	Funding sources	
	Operational ²	Capital
	Other sources <ul style="list-style-type: none"> • Fees and charges, • Reserves 	<ul style="list-style-type: none"> • Reserves
Reserves	Primary source <ul style="list-style-type: none"> • General Rates 85% - 90% Other sources <ul style="list-style-type: none"> • Fees and charges (rentals and leases) 	<ul style="list-style-type: none"> • Accumulated surpluses • General Rates • Fees and charges • Targeted rates • Loans • Bequests • Reserves • Financial and/or Development Contributions • Grants and subsidies • Naming rights & sponsorship
Resource consents	Primary source <ul style="list-style-type: none"> • 60% of the activity's costs are recovered from General Rates • Resource consents fees and charges are set to recover 100% of costs for services provided Other sources <ul style="list-style-type: none"> • Reserves 	Nil
Sportsgrounds	Primary source <ul style="list-style-type: none"> • General Rates 90% - 95% Other sources <ul style="list-style-type: none"> • Fees and charges (rentals and leases) 	<ul style="list-style-type: none"> • Accumulated surpluses • General Rates • Fees and charges • Targeted Rates • Naming rights • Sponsorship • Loans • Bequests • Reserves • Financial and/or Development Contributions
Stormwater	Primary source <ul style="list-style-type: none"> • General Rates 95% - 100% Other sources <ul style="list-style-type: none"> • Targeted Rates • Reserves • Fees and charges (connection fees) 	<ul style="list-style-type: none"> • Accumulated surpluses • General and Targeted Rates • Fees and charges • Financial and/or Development Contributions • Loans • Reserves
Transportation	Primary source <ul style="list-style-type: none"> • NZTA subsidy 50% – 60% (for subsidised work programme only), 15.3% for CBD sweeping, 85% for LED replacement programme Other sources <ul style="list-style-type: none"> • General Rates • Fees and charges • Petrol tax 	<ul style="list-style-type: none"> • Accumulated surpluses from Targeted Rates, General Rate, fees and charges • Petrol tax • NZTA subsidy 50% – 60% (for subsidised work programme only), 15.3% for CBD sweeping, 85% for LED replacement programme • Financial and/or Development Contributions • Loans • Reserves • Grants and donations (e.g. cycle ways)

Activity	Funding sources	
	Operational ²	Capital
Waste minimisation	Primary source 80% - 90% <ul style="list-style-type: none"> • Fees and charges • Targeted Rates • Waste minimisation levy Other sources <ul style="list-style-type: none"> • General Rates • Reserves 	<ul style="list-style-type: none"> • Accumulated surpluses • Fees and charges • General and Targeted Rates • Waste minimisation levy • Reserves • Loans • Financial Contributions
Wastewater	Primary source 100% <ul style="list-style-type: none"> • Targeted Differential Rates • Fees and charges (including trade waste bylaw charges) • 	<ul style="list-style-type: none"> • Accumulated surpluses • Targeted Differential Rates • General Rates • Fees and charges • Loans • Reserves • Development and/or Financial Contributions
Water supply	Primary source 100% <ul style="list-style-type: none"> • Targeted Differential Rates • Water rates • Fees and charges (not including water by meter rate) • 	<ul style="list-style-type: none"> • Accumulated surpluses • Targeted Differential Rates • Water rates • General Rates • Fees and charges • Loans • Reserves • Financial and/or Development Contributions

The schedule in the appendix records how the Council has applied the five considerations in the table below that it must consider when undertaking its funding needs analysis.

Local Government Act 2002 section	Areas of consideration	Description of the matter Council might consider
s.101(3)(a)(i)	Community outcome	The Council determined which of its community outcomes each activity primarily contributes to. There may not be strong link between community outcomes and funding requirements for an activity
s.101(3)(a)(ii)	Who benefits?	What the distribution of benefits is between the whole community, identifiable parts of the community and individuals. Often referred to as the public/private good split.
s.101(3)(a)(iii)	Period of benefit	For most operational expenses, the benefit is received in the year the expense is incurred. Some operational expenses (provisions) may have a benefit over multiple years and so the Council may choose to fund the activity over that period. Expenditure which results in an asset either being replaced (renewals) or new assets provide benefit over multiple years.
s.101(3)(a)(iv)	Whose acts create a need	Council used the principle that those who cause additional cost either by action or inaction are considered in this section. These may be different groups from those who have been

s.101(3)(a)(v)

Separate funding

identified within the "who benefits" consideration above.

Often referred to as the exacerbator pays principle

Council considered the costs and benefits of funding an activity separately, including in relation to transparency and accountability. It also

considered matters such as the financial scale of the activity, administrative cost, and legal requirements.

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Appendix A

Schedule of Activity Funding Needs Analysis Section 101(3)(a) LGA

Activity	Community outcome	Who benefits?	Period of benefit	Whose acts create a need	Separate funding	Rationale	To be recovered from Public Good tools ³	Funding sources	
								Operational	Capital
Animal control	A safe and healthy city that supports community well-being	Community as a whole Animal owners	Intergenerational	All animal owners create the need however irresponsible owners create a greater cost. Legislative (Dog Control Act)	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities. The private benefit is predominantly funded from annual dog licence fees.	Animal control is primarily a health & safety service for the community & therefore benefits everyone. There are costs that the Council can directly attribute to individual owners.	30% - 35%	<ul style="list-style-type: none"> General rates Fees & charges (including infringement fees) 	<ul style="list-style-type: none"> Accumulated surpluses from General rates, fees & charges, Loans Reserves
Bay Skate	A vibrant innovative	Direct users, local businesses,	Intergenerational	Nil	No reason identified to fund the net	Everyone has the ability to use the facility	60% - 70%	<ul style="list-style-type: none"> General rates 	<ul style="list-style-type: none"> Accumulated surpluses from General rates,

³ The percentages stated are the indicative target set by Council. The actual percentage may vary from year to year based on activity levels. As an example, an activity that says 100% public good may receive some revenue from fees and charges where charging is warranted to ensure the community are not inadvertently required to pay for something that only provides a benefit to an identifiable individual. Another example where the actual percentage may vary is when Council is able to obtain external grants or subsidies for a specific programme of work.

	city for everyone	parents, tourists and visitors Community as a whole as the facility provides a safe location for users to undertake their sport			cost of this activity (after non rate revenue sources) separately from other activities	and Council can identify the users		<ul style="list-style-type: none"> Fees and charges (including Leases, retail sales, & sponsorship) 	fees & charges, <ul style="list-style-type: none"> Loans Reserves
Building consents	A safe and healthy city that supports community well-being	The property owner and inhabitant. There is a wider benefit from buildings being built to code	Intergeneration al because of the life of the structures for which consents are issued.	People constructing non consented buildings, construction industry parties not complying with the Building Act	Council funds the cost of inspecting and maintaining a database on swimming pools through a target rate to properties that have a swimming pool. No reason identified to fund the net cost of this activity (after the swimming pool targeted rate and	This benefits the property owner and inhabitant. There is a wider benefit from buildings being built to code.	<ul style="list-style-type: none"> 20% 	<ul style="list-style-type: none"> Fees and charges General rates Targeted rates Reserves Loans 	Nil

					other non-rate revenue sources) separately from other activities Most activity costs are funded by fees from applicants.				
Cemeteries This includes the contribution that NCC makes towards HB Crematorium in Hastings	Excellence in infrastructure and public services for now and in the future	the community as a whole, any identifiable part of the community, and individuals	Intergenerational – history & physical infrastructure	No significant exacerbators	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Wider public benefit for open space & recognition & place of remembrance. Private benefit – place where people can be interred, cost of the plot & interment	<ul style="list-style-type: none"> 75% 	<ul style="list-style-type: none"> General rates User fees & charges 	<ul style="list-style-type: none"> Accumulated surpluses from General rates, fees & charges, Loans Reserves
City development	A vibrant innovative city for everyone	The community as a whole benefit from this activity except where there is a private plan change that has specific	The outcomes of this activity result in ongoing benefits and some of these benefits can last a significant period of time	Applicants for private plan changes	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately	City Development is an ongoing activity to help citizens and elected officials design and deliver the Vision for Napier City.	<ul style="list-style-type: none"> 100% 	<ul style="list-style-type: none"> General rates Reserves Loans Fees and charges (where appropriate) 	No significant capital expenditure but minor capital expenditure is funded from general rates and reserves.

		benefits to the applicant			from other activities	This predominantly results in benefits for the whole community. Debt or loan funding can be used where there is large non-recurring expenditure			
Community facilities	A safe & healthy city that supports community well-being	The community as a whole including users of the facilities	Intergeneration al because of the life of the facilities	Users of the facilities who put greater demands on the facilities	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Community as a whole benefit from having these facilities available but there is the ability to identify & charge users.	<ul style="list-style-type: none"> • 85% 	<ul style="list-style-type: none"> • General rates • Fees & charges, including lease income, one off grants, naming rights 	<ul style="list-style-type: none"> • Accumulated surpluses from General rates, fees & charges, • Loans • Reserves • Grants & donations
Community strategies	Council works with & for the community	The community as a whole	The outcomes of this activity result in ongoing benefits	Antisocial behaviour by individuals and groups Legislation	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately	This is a core Council activity which changes the response to the needs of the community for which everyone benefits	<ul style="list-style-type: none"> • 100% 	<ul style="list-style-type: none"> • General rates • Fees & charges, Including bequest and external funding • Reserves 	<ul style="list-style-type: none"> • Accumulated surpluses from General rates, fees & charges • Loans • Reserves

					from other activities				
Democracy & Governance	Council works with and for the community	The community as a whole	Short term	LGOIMA requests (vexatious & legitimate)	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	All residents and rate payers have equal opportunity to benefit All have the ability to contribute to this activity therefore no differential, general rates	<ul style="list-style-type: none"> 100% 	<ul style="list-style-type: none"> General rates, Fees & charges, including for LGOIMAs Reserves 	Nil
Events and marketing	A vibrant innovative city for everyone	The community as a whole receives social, cultural and economic benefit Participants and/or users	Short term	No significant exacerbators	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Events are a key part of the Napier City's social, economic and cultural fabric, therefore the benefits that are received are both general and specific.	<ul style="list-style-type: none"> 95% 	<ul style="list-style-type: none"> General rates Grants Fees & charges, including ticketing, corporate sponsorship, vendors 	Nil
Housing	A safe and healthy city that supports community well-being	Users of the facilities and the wider community	Intergenerational	Inability of other entities to provide adequate social	No reason identified to fund the net cost of this activity (after non rate	Responding to an identified need in our community. The users of the facilities	<ul style="list-style-type: none"> 0% 	<ul style="list-style-type: none"> Fees & charges (rentals) General rates 	<ul style="list-style-type: none"> Accumulated surpluses from Fees & charges (rentals) Loans Government grants

				housing to meet local demand	revenue sources) separately from other activities	are the primary beneficiaries of this activity.			<ul style="list-style-type: none"> Reserves
Inner harbour	A vibrant innovative city for everyone	The users of the facilities and the wider community in terms of the amenity value.	Intergenerational	Individual undertaking Illegal activities	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	The users of the facilities receive a significant benefit but the wider community receives benefit through the amenity value.	50% - 60%	<ul style="list-style-type: none"> Fees and charges General rates Reserves, surplus revenue from inner harbour land holding 	<ul style="list-style-type: none"> Accumulated surpluses from Fees and charges, reserves, reserves, Loans Financial and/or Development contributions.
Kennedy Park Resort	A vibrant innovative city for everyone	Direct users and ratepayers by the surplus generated. Local retail, hospitality	Intergenerational	None identified	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Provides a range of affordable visitor amenities that generates a surplus for Council to use as it sees fit.	<ul style="list-style-type: none"> 0% 	<ul style="list-style-type: none"> Fees and charges 	<ul style="list-style-type: none"> Accumulated surpluses from Fees and charges, Loans, Reserves
Lagoon farm	A sustainable city	The community as a whole (has the ability to	Intergenerational	Nil	No reason identified to fund the net cost of this	This activity currently breaks even and does not	0% - 10%	<ul style="list-style-type: none"> Fees and charges Reserves 	<ul style="list-style-type: none"> Accumulated surpluses from Fees and charges Reserves,

		subsidise rates).			activity (after non rate revenue sources) separately from other activities	require any significant additional funding.			<ul style="list-style-type: none"> Loans
Libraries	A safe & healthy city that supports community well-being	The community as a whole however it is possible to identify users	Both long and short term benefits.	Researchers, people who demand excessive staff time for professional and commercial purposes	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Everyone has the ability to use the library and we can identify certain users for specific services	90% - 95%	<ul style="list-style-type: none"> Fees & charges (fines) General rates Grants & bequests 	<ul style="list-style-type: none"> Accumulated surpluses from Fees & charges, fines General rates Grants & bequests Loans Reserves Financial and/or Development contributions
Marine Parade pools	A safe & healthy city that supports community well-being	The community as a whole including users of the facility	Intergenerational	None identified	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Everyone has the ability to use the facility and Council can identify the users	60% - 80%	<ul style="list-style-type: none"> Fees & charges General rates 	<ul style="list-style-type: none"> Accumulated surpluses from general rates Fees & charges Loans Reserves Financial and/or Development contributions

McLean Park	A vibrant innovative city for everyone	The regional community as a whole Users, spectators, events, national, regional and local organisations, businesses	Intergenerational	None identified	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	The region benefits by having this facility and those who attend or participate in events	<ul style="list-style-type: none"> 0% 	<ul style="list-style-type: none"> Fees and charges, tickets, sponsorship, corporate box revenue, naming rights 	<ul style="list-style-type: none"> Accumulated surpluses from fees and charges, general and targeted rates, tickets, Loans Reserves, Grants & bequests Sponsorship & corporate box revenue, naming rights
MTG Hawkes Bay	A vibrant innovative city for everyone	The whole region, users and visitors	Intergenerational	None identified	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	The provision of this activity enhances the social and cultural fabric and preserves our heritage and celebrates artistic innovation for future generations. Therefore, the whole region benefits	65% - 75%	<ul style="list-style-type: none"> General rates Fees and charges Contribution from other local authorities Bequests Ministry of Education, grants, donations & retail sales 	<ul style="list-style-type: none"> Accumulated surpluses from General rates, fees and charges Contribution from other local authorities Bequests Ministry of Education grants Donations, Loans, Reserves Sponsorship & naming rights
Napier Aquatic Centre	A safe & healthy city that supports	The community as a whole including users of the facility	Intergenerational	None identified	No reason identified to fund the net cost of this activity (after	Everyone has the ability to use the facility and Council	65% - 75%	<ul style="list-style-type: none"> Fees & charges General rates 	<ul style="list-style-type: none"> Loans, Accumulated surpluses from general rates, fees & charges Reserves

	community well-being				non rate revenue sources) separately from other activities	can identify the users			
Napier I-Site	A vibrant innovative city for everyone	Visitors, regional tour operators and accommodation providers, hospitality, local businesses	Short term expenditure with ongoing benefits Building – intergenerational equity	Cruise ships passengers and operators	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Visitors, regional tour operators and accommodation providers, hospitality, local businesses therefore creating economic benefit for the city	25% - 35%	<ul style="list-style-type: none"> General rates Fees and charges 	<ul style="list-style-type: none"> Accumulated surpluses from General rates Fees and charges Targeted rates Loans Reserves
Napier Municipal Theatre	A vibrant innovative city for everyone	The community as a whole including users of the facility	Intergenerational	None identified	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	The provision of this activity enhances the social and cultural fabric and celebrates artistic innovation for future generations. Therefore, the whole City benefits	50% - 55%	<ul style="list-style-type: none"> General rates Fees and charges Bequests Grants, donations & sponsorship 	<ul style="list-style-type: none"> Accumulated surpluses from general rates Fees and charges Bequests Grants, donations & sponsorship Loans, Reserves Naming rights

Napier War Memorial Conference Centre	A vibrant innovative city for everyone	The immediate users. Local businesses receive a benefit from out of town users. Locals benefit from general hireage of the facility.	Intergenerational - 20-30 years	None identified	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities Building = War Memorial Centre Activity = Conference Centre	The Napier War Memorial Conference Centre is suitable for a wide range of events and attracts local, national and international conferences and events and provides a facility for the community which generates economic wellbeing.	5% - 10%	<ul style="list-style-type: none"> Fees and charges General rates 	<ul style="list-style-type: none"> Accumulated surpluses from Fees and charges General rates Targeted rates Loans Reserves
National Aquarium of NZ	A vibrant innovative city for everyone	Local, domestic and international visitors Businesses and local economy Historical and heritage, customary practices – especially Maori and Pacifica	Intergenerational	Polluters, sanctuary requirements	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	It attracts locals and visitors to the city which provides enhances economic activity	20% - 25%	<ul style="list-style-type: none"> Fees and charges Grants Sponsorships, bequests & philanthropic General rates 	<ul style="list-style-type: none"> Accumulated surpluses from Fees and charges General rates Targeted rates Grants Loans Reserves Naming rights

Par2 mini golf	A vibrant innovative city for everyone	Users, visitors and families	Intergeneration al	None identified	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	It attracts locals and visitors and is a fun family friendly activity for all ages from which the Council fully recovers its cost	<ul style="list-style-type: none"> • 0% 	<ul style="list-style-type: none"> • Fees and charges, retail sales 	<ul style="list-style-type: none"> • Accumulated surpluses from Fees and charges • Reserves • Loans
Parking	A vibrant innovative city for everyone	Retailers, visitors and the community as a whole and those with a parking exemption	There are assets within this activity that have an intergeneration al life	Vehicle drivers, non-compliant vehicle operators and property owners within parking exemption areas.	<p>Council separately charges CBD and outer commercial properties a targeted rate for the provision of additional offstreet parking.</p> <p>Apart for these targeted rates no further reason has been identified to fund this activity</p>	Parking ensures that safe parking facilities are available to the residents and visitors to Napier City to enable optimal vehicle circulation	<ul style="list-style-type: none"> • 0% 	<ul style="list-style-type: none"> • Fees and charges • Targeted rates • Reserves 	<ul style="list-style-type: none"> • Accumulated surpluses from Fees and charges • Targeted rates • General rates • Loans • Reserves • Financial and/or Development contributions

					separately from other activities				
Parklands residential development	A sustainable city	The community as a whole	Intergenerational	Nil	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	This activity currently provides significant income that subsidises rates	<ul style="list-style-type: none"> 0% 	<ul style="list-style-type: none"> Fees and charges Reserves 	<ul style="list-style-type: none"> Accumulated surpluses from Fees and charges Loans Reserves
Property holdings	A sustainable city	The community as a whole (has the ability to subsidise rates).	Intergenerational	Non-compliant lease holders	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	This activity generates cash surpluses which enables the subsidy of rates	<ul style="list-style-type: none"> 0% 	<ul style="list-style-type: none"> Fees and charges (lease income) Reserves 	<ul style="list-style-type: none"> Accumulated surpluses from Fees and charges (lease income) Loans Reserves
Public toilets	Excellence in infrastructure and public services for now and in the future	The community and visitors	Intergenerational (up to 20 years)	Visitors have created an additional cost. Vandalism Cruise ships	No reason identified to fund the net cost of this activity (after non rate revenue	Providing public amenities however, there is a requirement to provide these	95% - 100%	<ul style="list-style-type: none"> Fees and charges General rates Reserves 	<ul style="list-style-type: none"> Loans, Reserves General Rates

				Freedom campers Major inner-city events	sources) separately from other activities	facilities for areas that have high visitor numbers			
Regulatory solutions	A safe and healthy city that supports community well-being.	The users of the services and the community, however the effective provision of this activity results in public health and the avoidance of nuisance	Limited to the period of the operation.	Non-compliant businesses and individuals	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	The effective provision of this activity results in public health and the avoidance of nuisance	55% - 65%	<ul style="list-style-type: none"> • Fees and charges, • General rates • Reserves 	Nil
Reserves	A safe and healthy city that supports community well-being	Occupiers, leases and hirers of the reserves Contributes to the City's green space, biodiversity and environmental outcomes Everyone benefits but the occupiers receive a higher benefit	Intergenerational - ongoing with assets having a life of greater than 10 years	Vandalism, events, theft, freedom campers	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Everyone benefits but the occupiers receive a higher benefit and therefore a range of funding sources are used.	85% - 90%	<ul style="list-style-type: none"> • General rates • Fees and charges (rentals and leases) • 	<ul style="list-style-type: none"> • Accumulated surpluses from General rates, fees and charges • Targeted rates, • Loans, • Bequests, • Reserves • Financial and/or Development Contributions • Grants and subsidies

									<ul style="list-style-type: none"> Naming rights & sponsorship
Resource consents	A sustainable city	The relevant community (through the consent process), free planning advice, public counter, responding to complaints, compliant & safe buildings in the community. Notified and non-notified consents have different levels of benefit	Intergenerational due to the nature of the activities for which the consents are issued.	Resource consent holders who do not comply with the resource consent conditions. Unconsented activities. Vexatious and frivolous objectors	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	The relevant community (through the consent process), notified and non-notified consents have different levels of benefit.	60% of the activity's costs are recovered from general rates Resource consents fees and charges are set to recover 100% of costs for services provided	<ul style="list-style-type: none"> Fees and charges General rates Reserves 	Nil
Sportsgrounds	Safe and healthy city that supports community well-being	People who actively participate in the sportsground Direct participants and indirect participants (spectators)	Intergenerational - ongoing with assets having a life of greater than 10 years	Sports people, park users, vandalism, parents, events	No reason identified to fund the net cost of this activity (after non rate revenue sources) separately from other activities	Everyone benefits but the active participants and local businesses have a higher benefit and therefore a range of funding	90% - 95%	<ul style="list-style-type: none"> General rates Fees and charges (rentals and leases) 	<ul style="list-style-type: none"> Accumulated surpluses from General rates, fees and charges targeted rates Naming rights Sponsorship Loans, Bequests Reserves

		Contributes to the City's green space Everyone benefits but the active participants and local businesses have a higher benefit				sources are used			<ul style="list-style-type: none"> Financial and/or Development Contributions
Stormwater	A vibrant innovative city for everyone Excellence in infrastructure and public services for now and in the future	The community as a whole There can be identifiable parts of the community that receive higher levels of service	Intergenerational (up to 100 years)	Commercial density creates additional cost and need for the activity	Funding this activity separately through a targeted rate provides greater transparency so ratepayers understand the cost of stormwater services	The whole community benefits from the provision of storm water, however some properties based on location receive a different level of service	95% - 100%	<ul style="list-style-type: none"> General rates Targeted rates Reserves Fees and charges (connection fees) 	<ul style="list-style-type: none"> Accumulated surpluses from general and targeted rates, fees and charges Financial and/or Development contributions Loans Reserves
Transportation	Excellence in infrastructure and public services for now and in the future	Users both public and private. There is a range of between 60% to 80% for private good.	Intergenerational	Heavy vehicles, irresponsible road users, high density properties creating	Currently not practical and no benefit in funding this activity separately	The transportation activity provides economic, private and community benefit and is essential for	<ul style="list-style-type: none"> 40% - 60% 	<ul style="list-style-type: none"> NZTA subsidy General rates Fees and charges Petrol tax 	<ul style="list-style-type: none"> Accumulated surpluses from targeted rates, general rate, fees and charges Petrol tax

				high traffic impacts		the safe functionality and connectivity of the City.			<ul style="list-style-type: none">• NZTA subsidy• Financial and/or Development contributions• Loans• Reserves• Grants and donations (e.g. cycle ways)
Waste minimisation	A sustainable city	The individual and the community as a whole	Intergenerational	Illegal dumping creates an additional cost for Council, inappropriate disposal of hazardous waste	Separate Targeted rates are charged to fund the cost of kerbside refuse collections and the kerbside recycling service. This makes the cost of these services transparent to ratepayers. No reason has been identified to	Effective and efficient systems for the collection and disposal of refuse and collection of recyclable materials benefit both the individual (enabling disposal) and the community by reducing the adverse environmental impacts.	<ul style="list-style-type: none">• 20%	<ul style="list-style-type: none">• Fees and charges• Targeted rates• General rates• Waste minimisation levy• Reserves	<ul style="list-style-type: none">• Accumulated surpluses from Fees and charges, targeted rates, general rates, Waste minimisation levy, Reserves, Loans• Financial contributions

					fund the net cost of the remainder this activity that relates to litter bins, illegal dumping & hazardous waste disposal (after non rate revenue sources) separately from other activities				
Wastewater	Excellence in infrastructure and public services for now and in the future	Private benefit for people to dispose of their waste. Public benefit for the community to have an appropriate environmental solution	Intergenerational (up to 100 years)	Industries with high waste volumes and loadings, unconsented activity, low volume high impact waste	Funding this activity separately through a targeted rate provides greater transparency so ratepayers understand the cost of wastewater services.	Provides human and environmental benefits to both the community and the wider region	<ul style="list-style-type: none">• 0%	<ul style="list-style-type: none">• Targeted differential rates• Fees and charges (including trade waste bylaw charges)	<ul style="list-style-type: none">• Accumulated surpluses from Targeted differential rates, General rates, fees and charges• Loans• Reserves• Development and/or Financial contributions
Water supply	A safe and healthy city	The users of the water	Intergenerational	Central Government	Funding this activity	The provision of potable	<ul style="list-style-type: none">• 0%	<ul style="list-style-type: none">• Targeted differential rates	<ul style="list-style-type: none">• Accumulated surpluses from

	that supports community well-being	supply are the primary beneficiaries however there is a wider benefit of having a potable water supply (90 private/10 public)		legislation, illegal connections, high use users	separately through a targeted rate provides greater transparency so ratepayers understand the cost of water supply services.	water supply is of benefit to individuals and the wider community		<ul style="list-style-type: none"> • Water rates • Fees and charges (not including water by meter rate) 	<p>Targeted differential rates, water rates, general rates, fees and charge</p> <ul style="list-style-type: none"> • Loans, • Reserves, • Financial and/or Development contributions
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Rating Policy			
Approved by	Council (Pending)		
Department	Finance		
Original Approval Date		Review Approval Date	
Next Review Deadline		Document ID	
Relevant Legislation	Local Government Act 2002, Local Government (Rating) Act 2002		
NCC Documents Referenced	Revenue & Financing Policy Funding Impact Statement Rates Remission Policy Rates Postponement Policy		

Purpose

To assist Council in setting rates as specified within the requirements of the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002 (LGRA).

This Policy is to be read in conjunction with the Revenue and Financing Policy, Rates Remission and Postponement Policy and Funding Impact Statement.

The Council must complete the following to set a lawful rate.

- Analysis as per s.101(3) of the Local Government Act 2002
- Adopt a Revenue and Financing Policy
- Adopt a Funding Impact Statement
- Adopt an Annual or Long Term Plan
- Adopt a rates resolution consistent with the actions described above.

Note: to maintain rating consistency, unless otherwise stated, adopted amendments made during any rating year to this policy will only become effective with the adoption of the following Annual Plan or Long Term Plan.

Policy

1. General Rates

General Rates are used to fund both operating and capital expenditure. They fund the remaining costs of Council operations after all other sources of funding have been applied.

General Rates are assessed through a combination of a Uniform Annual General Charge (UAGC) and a rate in the dollar based on land value.

The amount of the UAGC is set to ensure that the total (excluding water and wastewater rates) uniform (or fixed) rates will be between 20% to 25% of total rates that are to be collected.

The General Rate is set differentially using matters as prescribed in Schedule 2 of the LGRA, and as listed in the Funding Impact Statement. The LGRA Schedule 2 allows councils to set a General Rate based on each of these matters.

General rate differentials

Rating Units assessed for the General Rate are categorised into one of three differential categories:

- Residential
- Commercial & Industrial
- Rural

Residential

Any property that is not defined as Commercial & Industrial, or Rural.

Commercial & Industrial

Any property that is in a commercial or industrial zone under the District Plan or used for any business activities, except properties categorised as rural, will be rated as commercial and industrial properties.

Commercial and industrial activities include, but are not restricted solely to:

- Rural and other support activities such as transport, supplies, packhouses and wineries servicing multiple clients
- Professional offices, surgeries etc.
- All retail, wholesale merchandising activities
- All forms of manufacturing and processing
- Bars, restaurants, cafes and other service activities
- Storage facilities
- Hotels, motels, B & B's and other short-term accommodation providers
- Tourism operations
- Care facilities operated for profit

Rural

Any rating unit with an area of 5 Hectares or more that is used predominantly for land based agricultural or farming activities and the value of improvements does not exceed the value of the land.

Differentials

The following are the differentials to be applied based on the land value of properties in each differential category.

Differentials	Group / Code	Differential Rate
Residential / Other	1	100%
Rural	2	85%
Commercial & Industrial	3	250%

The purpose of the differentials applied to the General Rate is to ensure that the amount payable by groups of ratepayers reflects Council's assessment of the relative benefit received and share of costs those groups of ratepayers should bear based on the principles outlined in the Revenue and Financing Policy and the residential/non-residential apportionment assessment which is updated in conjunction with each city revaluation.

Notes on allocation of properties into differential categories

Rating units which have no apparent land use (or are vacant properties) will be placed in the category which best suits the zoning of the property under the district plan except where the size or characteristic of the property suggest an alternative use.

To avoid doubt where a rating unit has more than one use the relevant predominant use will be used to determine the category. The predominant use relates to the main productive activity rather than just to the land area. Where there is uncertainty the land will be categorised into the highest rated category.

Subject to the right of objection as set out in Section 29 of the Local Government (Rating) Act 2002, it shall be at the sole discretion of the Council to determine the use or predominant use of all separately rateable properties in the district.

Uniform Annual General Charge (UAGC)

Council's Uniform Annual General Charge is set at a level that enables all Targeted Rates that are set on a uniform basis as a fixed amount, excluding those related to Water Supply and Sewage Disposal, to recover between 20% and 25% of total rates.

The charge is applied to each separately used or inhabited part of a rating unit.

2. Targeted Rates

Targeted Rates are charged to fund both operating and capital expenditure. They are charged where Council considers it desirable to separate out the funding of an activity. They are charged to rating units including those units that are separately inhabited which have access to or are deemed to benefit from the service provided. Targeted rates are a funding mechanism that may be charged for activities deemed to have either a high public or a high private good to identified properties, an area of the city or the city as a whole.

Some targeted rates are applied differentially using either land or capital values, however most targeted rates are applied on a uniform basis (same amount or rate in the dollar).

Fire Protection Rate

This rate recovers a portion of the net costs of the water supply systems before the deduction of water by meter income.

The Fire protection targeted rate is based on the Capital Value of properties connected to, or able to be connected to, the Napier City Council water supply systems.

This rate is differentially applied, in recognition that the carrying capacity of water required in the reticulation system to protect commercial and industrial properties is greater than that required for residential properties. The rate is further differentiated where a property is not connected but is within 100 metres of a water supply system. 70% of the base rate for each differentiated category applies for each property not connected but located within 100 metres of the systems.

Differentials	Connected (%)	Not connected but within 100m (%)
Central Business District and Fringe Area	400%	200%
Suburban Shopping Centres, Hotels and Motels and Industrial rating units outside of the CBD	200%	100%
Other Rating Units connected to or able to be connected to the water supply systems	100%	70%

City Water Rate

These rates recover the balance of the total net cost of the water supply systems after allowing for revenue collected from the Fire Protection Targeted Rate and the Water by Meter targeted rate.

The targeted rates are differentially applied and are a fixed amount set on a uniform basis, applied to each Separately Used or Inhabited Part of a Rating Unit connected to or able to be connected to, the Council's City water supply system.

The differential categories for the water rates are:

- Connected – any Rating Unit that is connected to a Council system
- Service available – any Rating Unit that is not connected to a Council system but is within 100 metres of such system (charged 70% of the targeted rate for connected properties)

Differentials	Connected (%)	Not connected but within 100m (%)
Rating Units connected to or able to be connected to the City water Supply Systems	100%	70%

Refuse Collection and Disposal Rate

This rate recovers the cost of the kerbside refuse collection service, including an allocation of the cost of Council support services.

The Refuse Collection and Disposal targeted rate of a fixed amount is set on a uniform basis. It is applied to each separately used or inhabited part of a rating unit for which a rubbish collection service is available and is multiplied by number of times each week the service is provided. Rating units which Council officers determine are unable to practically receive the Council service and have an approved alternative service will be charged the waste service charge that excludes the approved alternative service.

Kerbside Recycling Rate

This rate recovers the net cost of the kerbside recycling collection service.

The Kerbside Recycling targeted rate of a fixed amount is set on a uniform basis. It is applied to each separately used or inhabited part of a rating unit for which the kerbside recycling collection service is available. Rating Units which Council officers determine are unable to practically receive the Council service and have an approved alternative service will be charged the waste service charge that excludes the approved alternative service.

Sewerage Rate

This rate recovers the net cost of the Wastewater Activity.

The Sewerage targeted rate is applied differentially as a fixed amount and is set on a uniform basis. It is applied to each separately used or inhabited part of a rating unit connected to, or able to be connected to, the City Sewerage System.

A differential of 70% of the rate applies to each rating unit not connected but located within 30 metres of the system.

Differentials	Connected (%)	Rate (per SUIP)	Not connected but within 30m (%)	Rate (per SUIP)
Rating units connected to or able to be connected to the City Sewerage Systems	100%	\$398.00	70%	\$278.60

A Wastewater Rate is proposed to replace the current Sewerage Rate. A fixed rate is proposed to be applied to each water closet or urinal (pans) within a property, rather than the existing approach of charging based on the number of separately used or inhabited parts of a Rating Unit. Rating Units used primarily as a residence for one household will be treated as having one pan.

The Rating Policy will be updated to reflect the outcome of the proposal to replace the current sewerage rate with a pan charge, after consultation has been undertaken through the 2021-2031 Long Term Plan.

Bay View Sewerage Connection Rate

The Bay View Sewerage Scheme involves reticulation and pipeline connection to the City Sewerage System. Prior to 1 November 2005, property owners could elect to connect either under a lump sum payment option, or by way of a targeted rate payable over 20 years.

The Bay View Sewerage Connection targeted rate is a fixed amount set on a uniform basis. It is 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 applies from 1 July following the date of connection for a period of 20 years, or until such time as a lump sum payment for the cost of connection is made.

The category of rateable land for setting the targeted rate is defined as the provision of a service to those properties that are connected to the sewerage system, but have not paid the lump sum connection fee.

The liability for the targeted rate is calculated as a fixed amount per separately used or inhabited part of a rating unit based on the provision of a service by the Council, including any conditions that apply to the provision of the service. The rate is used to recover loan servicing costs required to finance the cost of connection to the Bay View Sewerage Scheme for properties connecting under the targeted rate payment option.

CBD Off Street Car Parking Rate

This rate is used to provide additional off street car parking in the Central Business District. Those commercial rating units in the mapped areas identified as the Central Business District Off Street Car Parking 100% and 50% Parking Dispensation areas are charged the CBD Off Street Parking targeted rate based on land value. This rate is set on a differential basis as follows:

Differentials	%
Properties where council provides additional parking due to the property receiving a 100% parking dispensation	100%
Properties where council provides additional parking due to the property receiving a 50% parking dispensation.	50%

Refer Council maps:

- CBD Off Street Car Parking – 100% Parking Dispensation Area
- CBD Off Street Car Parking – 50% Parking Dispensation Area

Taradale Off Street Car Parking Rate

This rate is used to provide additional off street car parking in the Taradale Suburban Commercial area.

Those properties in the Taradale Suburban Commercial area only are charged the Taradale Off Street Parking targeted rate based on land value and set on a uniform basis.

Suburban Off Street Car Parking Rate

This rate is used to provide additional off street car parking at each of these areas served by Council supplied off street car parking, and to maintain the existing off street car parking areas.

Those properties in suburban shopping centres and those commercial properties located in residential areas which are served by Council supplied off street car parking are charged the Suburban Shopping Centre Off Street Parking targeted rate based on land value and set on a uniform basis.

CBD Promotion Rate

This rate recovers at least 70% of the cost of the promotional activities run by Napier City Business Inc. The remainder is met from general rates to reflect the wider community benefit of promoting the CBD to realise its full economic potential.

Each commercial and industrial rating unit situated within the area as defined on Council map "CBD Promotion Rate Area" are charged the CBD Promotion targeted rate based on land value and set on a uniform basis.

Taradale Promotion Rate

This rate recovers the full cost of the Taradale Marketing Association's promotional activities. All rating units in the Taradale Suburban Commercial area are charged the Taradale Promotion targeted rate based on land value and set on a uniform basis.

Swimming Pool Safety Rate

This rate recovers the cost of pool inspections and related costs to ensure owners meet the legal requirements of the Building Act 2004 and Building (Pools) Amendment Act 2016. A targeted rate of a fixed amount set on a uniform basis, applied to each rating unit where a residential pool or small heated pool (within the meaning of the Building (Pools) Amendment Act 2016) is subject to a 3 yearly pool inspection.

Water By Meter Charges

This rate applies to all with a water meter and is charged based on a scale of charges as shown on the schedule of indicative rates each year.

Where any rating unit is suspected to have above average water usage Council officers may require that a water meter is installed and excess usage is charged based the water by meter targeted rate.

The rate based on actual water use above the first 300m³ per annum will be charged to metered properties to which this rate applies.

Stormwater Rate

The primary beneficiary of stormwater assets are those properties that have a hard surface. There is a strong relationship between Capital Value and the hard surface area of a property.

This rate recovers the cost of stormwater asset management. The Stormwater Rate is based on the Capital Value of Residential and Commercial & Industrial properties within the recognised urban limit.

Rural properties, and Residential and Commercial & Industrial properties outside of the urban limit (that do not utilise the stormwater network) are exempted.

The differential categories for Stormwater Rates are:

Differentials	Differential Rate within urban limits	Differential Rate outside urban limits
Residential / Other	100%	0%
Rural	0%	0%
Commercial & Industrial	250%	0%

Targeted Rates Note:

For the purposes of Schedule 10, clause 15(4)(e) or clause 20(4)(e) of the Local Government Act 2002, lump sum contributions will not be invited in respect of targeted rates, unless this is provided within the description of a particular targeted rate.

3. Separately Used or Inhabited Parts of a Rating Unit Definition

Definition

For the purposes of the Uniform Annual General Charge and all uniform (or fixed value) Targeted Rates with the exception of Wastewater outlined above, a separately used or inhabited part of a rating unit is defined as: *Any part of a rating unit that is, or is able to be, separately used or inhabited by the owner or by any other person or body having the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement.*

This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other forms of occupation) on an occasional or long term basis by someone other than the owner.

Examples of separately used or inhabited parts of a rating unit include:

- For residential rating units, each self-contained area is considered a separately used or inhabited part. Each situation is assessed on its merits, but factors considered in determining whether an area is self-contained would include the provision of independent facilities such as cooking / kitchen or bathroom, and its own separate entrance.
- Residential properties, where a separate area that is available to be used as an area independent to the rest of the dwelling is used for the purpose of operating a business, such as a professional practice, dedicated shop/display area or trade workshop. The business area is considered a separately used or inhabited part.
- For commercial or industrial properties, two or more different businesses operating from or making separate use of the different parts of the rating unit. Each separate business is considered a separately used or inhabited part. A degree of common area would not necessarily negate the separate parts.

- Where a single business comprises multiple buildings, or multiple floors of a single building, each building or floor of a multi-story building is deemed to constitute a separate part (SUIP).

These examples are not inclusive of all situations.

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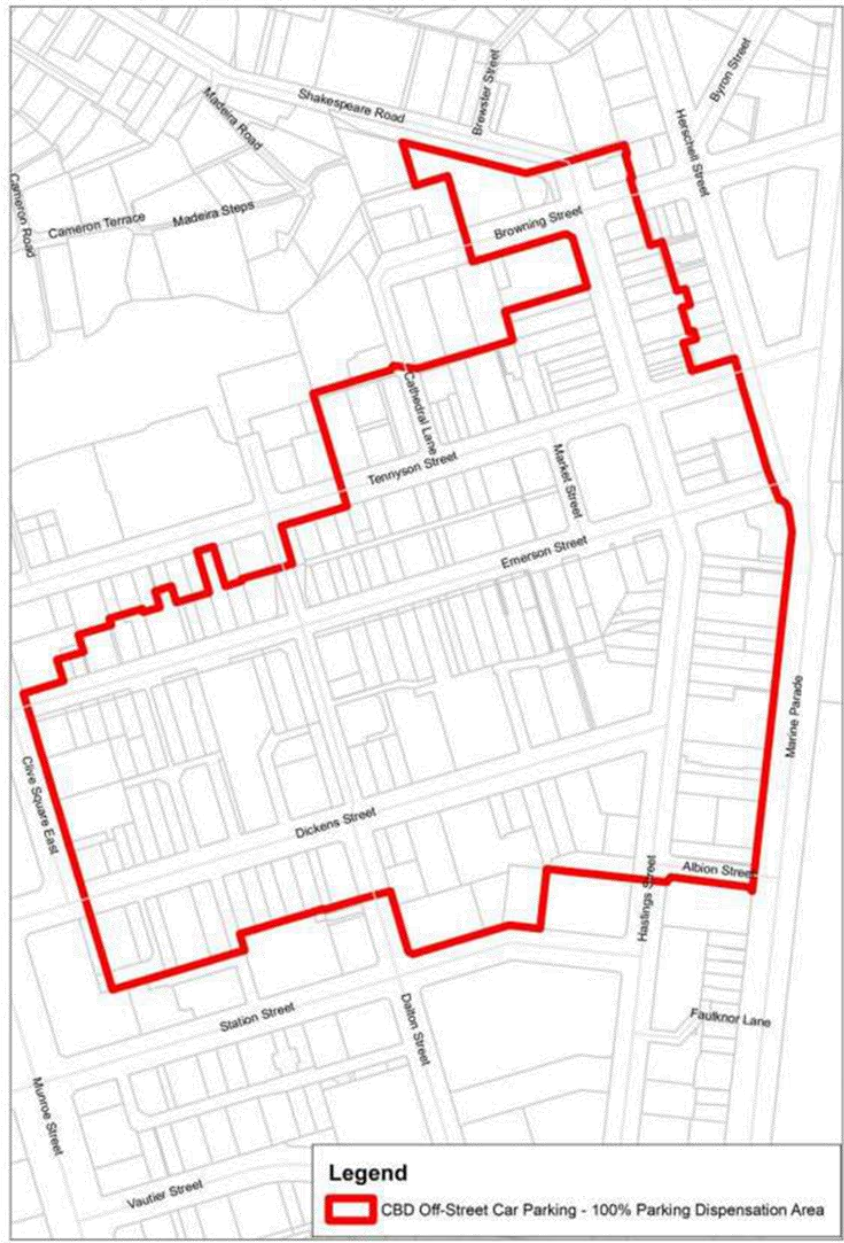
4. Maps

CBD Promotion Rate Area



CBD Off Street Parking

100% Parking Dispensation Area



50% Parking Dispensation Area



Policy Review

This policy will be reviewed at least once every three years.



Rates Remission Policy			
Approved by	Council (Pending)		
Department	Finance		
Original Approval Date	30 June 2019	Review Approval Date	13 August 2020
Next Review Deadline	31 July 2023	Document ID	
Relevant Legislation	Local Government Act 2002, Local Government (Rating) Act 2002 Building Act 2004 Rating Valuations Act 1998		
NCC Documents Referenced	Published in the Long Term Plan 2018-2028 which was reviewed between March/Apr 2018 and adopted on 29-06-18 Reviewed and amended as part of 2019/20 Annual Plan Reviewed and amended as part of 2020/21 Annual Plan		

Purpose

To enable Council to remit all or part of the rates on a rating unit under Section 85 of the Local Government (Rating) Act 2002 where a Rates Remission Policy has been adopted and the conditions and criteria in the policy are met.

Policy

1. Remission of Penalties

Objective

The objective of this part of the Rates Remission Policy is to enable Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date due to circumstances outside the ratepayer's control.

Conditions and Criteria

Penalties incurred will be automatically remitted where Council has made an error which results in a penalty being applied.

Remission of one penalty will be considered in any one rating year where payment has been late due to significant family disruption. This will apply in the case of death, illness, or accident of a family member, at about the times rates are due.

Remission of the penalty will be considered if the ratepayer forgets to make payment, claims a rates invoice was not received, is able to provide evidence that their payment has gone astray in the post, or the late payment has otherwise resulted from matters outside their control. Each

application will be considered on its merits and remission will be granted where it is considered just and equitable to do so

Remission of a penalty will be considered where sale has taken place very close to due date, resulting in confusion over liability, and the notice of sale has been promptly filed, or where the solicitor who acted in the sale for the owner acted promptly but made a mistake (e.g. inadvertently provided the wrong name and address) and the owner cannot be contacted. Each case shall be treated on its merits.

Penalties will also be remitted based on the application, by officers, of Council criteria established after Council has identified that Significant Extraordinary Circumstances have occurred that warrants further leniency in relation to the enforcement of penalties that would otherwise have been payable. The criteria to be applied will be set out in a council resolution that will be linked to the specific Significant Extraordinary Circumstances that have been identified by Council.

Penalties will also be remitted where Council's Chief Financial Officer considers a remission of the penalty, on the most recent instalment, is appropriate as part of an arrangement to collect outstanding rates from a ratepayer.

2. Remission for Residential Land in Commercial or Industrial Areas

Objective

To ensure that owners of rating units situated in commercial or industrial areas are not unduly penalised by the zoning decisions of this Council and previous local authorities.

Conditions and Criteria

To qualify for remission under this part of the policy the rating unit must:

- Be situated within an area of land that has been zoned for commercial or industrial use. Ratepayers can determine where their property has been zoned by inspecting the City of Napier District Plan, copies of which are available from the Council office.
- Be listed as a 'residential' property for differential rating purposes. Ratepayers wishing to ascertain whether their property is treated as a residential property may inspect the Council's rating information database at the Council office.
- Be residential construction with a Building Consent that has been granted under Section 49 of the Building Act 2004.

Ratepayers wishing to claim remission under this part of the policy must make an application in writing addressed to the Chief Financial Officer.

The application for rates remission must be made to the Council by the 30th of April prior to the commencement of the rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

The amount remitted will be the difference between the rates calculated on a Residential differential and a Commercial and Industrial differential.

3. Remission for Farmland Under 5 Hectares

Objective

To provide rates relief for farms where a Rating Unit is less than 5 hectares.

Conditions and Criteria

- The Rating Unit must be used predominantly for land based agriculture or farming activities.
- Remission will be revoked where a change in land use has occurred.

The amount remitted will be the difference between the rates calculated on a Residential differential and a Rural differential.

Ratepayers wishing to claim remission under this part of the policy must make an application in writing addressed to the Chief Financial Officer.

The application for rates remission must be made to Council by the 30th of April prior to the commencement of the rating year. Any remission for applications received during a rating year will be applicable from the commencement of the following rating year. Remissions will not be backdated. Declarations must be renewed every 3 years.

4. Remission of Refuse Collection and/or Kerbside Recycling Targeted Rates

Objective

To enable Council to provide rates remission where, refuse collection or kerbside recycling services are not able to be provided, or where a ratepayer receives a reduced service.

Conditions and Criteria

- Remission of part of the charge may be provided where a Council service is not provided or where Council officers have approved an alternative service.
- Remission of part of the charge be provided where a ratepayer applies for a reduced service, and a Council officer deems a reduced service to be appropriate. Under this condition, Refuse Collection may be reduced from a weekly service to a fortnightly service (or from a thrice-weekly service to a weekly service for properties within the CBD).
- Applications for remission must be made in writing by the ratepayer or their authorised agent.
- Remission may be revoked where a change in service has occurred.

5. Remission for Residential Properties Used Solely as a Single Residence

Objective

To enable Council to provide rates remission where properties that are identified as having separately used or inhabited portions are used solely as a single family residence.

Conditions and Criteria

Applications for rates remission must be made in writing by the ratepayer or their authorised agent.

A signed declaration must be provided to Council stating that the properties are used as a single family residence. The application must be made to Council by the 30th of April prior to the commencement of the rating year. Any remission for applications received during a rating year will be applicable from the commencement of the following rating year. Remissions will not be backdated. Declarations must be renewed every 3 years.

Accommodation arrangements must not be for pecuniary benefit.

6. Remission for Water Rates (by meter)

Objective

To provide ratepayers with a measure of relief by way of partial rates remission where, as a result of the existence of a water leak on the Rating Unit which they occupy the payment of fuller rates is inequitable, or where officers are convinced that there are errors in the data relating to water usage.

Conditions and Criteria

- The existence of a significant leak on the occupied Rating Unit has been established and there is evidence that steps have been taken to repair the leak as soon as possible after the detection, or officers have reviewed the usage data and are convinced that the usage readings are so abnormal as to require adjustment.
- The Council or its delegated officer(s) as determined from time to time and set out in the Council's delegations register shall determine the extent of any remission based on the merits of each situation.

7. Remission to smooth the effects of change in rates on individual or groups of properties

Objective

To enable Council to provide rates remission where, as a result of a change in Council policy results in a significant increase in rates, Council decides it is equitable to smooth or temporarily reduce the impacts of the change by reducing the amount payable.

The Council considers a significant increase to be 25% or more over the current assessed rates for a single property.

Conditions and Criteria

- Remission of part of the value based rates to enable the impact of a change in rates to be phased in over a period of no more than 3 years.

To continue with any existing rates adjustment where, due to change in process, policy or legislation Council considers it equitable to do so subject to a maximum limit of 3 years to a remission made under this clause in the policy.

8. Remission for Special Circumstances

Objective

To enable Council to provide rates remission for special and unforeseen circumstances, where it considers relief by way of rates remission is justified in the circumstances.

Conditions and Criteria

Applications for rates remission must be made in writing by the ratepayer or their authorised agent.

Each circumstance will be considered by Council on a case by case basis. Where necessary, Council consideration and decision will be made in the Public Excluded part of a Council meeting.

The terms and conditions of remission will be decided by Council on a case by case basis. The applicant will be advised in writing of the outcome of the application.

9. Remission of Rates in Response to Significant Extraordinary Circumstances being identified by Council.

Objective

To enable Council to provide rates remission to assist ratepayers in response to Significant Extraordinary Circumstances impacting Napier's ratepayers.

Definitions

Financial Hardship: for the purpose of this provision is defined as the inability of a person, after seeking recourse from Government benefits or applicable relief packages, to reasonably meet the cost of goods, services and financial obligations that are considered necessary according to New Zealand standards. In the case of a ratepayer who is not a natural person, it is the inability, after seeking recourse from Government benefits or applicable relief packages, to reasonably meet the cost of goods, services and financial obligations that are considered essential to the functioning of that entity according to New Zealand standards.

Conditions and Criteria

For this policy to apply Council must first have identified that there have been Significant Extraordinary Circumstances affecting the ratepayers of Napier, that Council wishes to respond to.

Once Significant Extraordinary Circumstances have been identified by Council, the criteria and application process (including an application form, if applicable), will be made available.

For a Rating Unit to receive a remission under this policy it needs to be an "Affected Rating Unit" based on an assessment performed by officers, following guidance provided through a resolution of Council.

Council resolution will include:

1. That the resolution applies under the Rates Remission Policy; and
2. Identification of the Significant Extraordinary Circumstances triggering the policy (including both natural and man-made events); and
3. How the Significant Extraordinary Circumstances are expected to impact the community (e.g. financial hardship); and
4. The type of Rating Unit the remission will apply to; and
5. Whether individual applications are required or a broad based remission will be applied to all affected Rating Units or large groups of affected Rating Units; and
6. What rates instalment/s the remission will apply to; and
7. Whether the remission amount is either a fixed amount, percentage, and/or maximum amount to be remitted for each qualifying Rating Unit.

Explanation

The specific response and criteria will be set out by Council resolution linking the response to specific Significant Extraordinary Circumstances. The criteria may apply a remission broadly to all Rating Units or to specific groups or to Rating Units that meet specific criteria such as proven Financial Hardship, a percentage of income lost or some other criteria as determined by council and incorporated in a council resolution.

Council will indicate a budget to cover the value of remissions to be granted under this policy in any specific financial year.

The types of remission that may be applied under this policy include:

- The remission of a fixed amount per Rating Unit either across the board or targeted to specific groups such as:
 - A fixed amount per residential Rating Unit
 - A fixed amount per commercial Rating Unit

Policy Review

This policy will be reviewed at least once every three years.

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Rates Postponement Policy			
Approved By	Council (Pending)		
Department	Finance		
Original Approval Date	29 June 2018	Review Approval Date	13 August 2020
Next Review Deadline	31 July 2023	Document ID	346038
Relevant Legislation	Local Government (Rating) Act 2002 Local Government Act 2002 Income Tax Act 2007		
NCC Documents Referenced	Published in the Long Term Plan 2018-2028 which was reviewed between March/April 2018 and adopted on 29-06-18 Reviewed and amended in response to COVID-19 Rating – Delegations under Local Government (Rating) Act 2002 Reviewed and amended in conjunction with a review of the Revenue & Financing Policy 2020		

Purpose

To enable Council to postpone the requirement to pay all or part of the rates on a Rating Unit under Section 87 of the Local Government (Rating) Act 2002 where a rates postponement policy has been adopted and the conditions and criteria in the policy are met.

Policy

Postponement for Older Persons

Objective

The objective of this part of the policy is to assist ratepayers who are Older Persons with a fixed level of income to meet rates particularly, but not exclusively, resulting from increasing levels of rates.

Definition

Older Persons are those who are old enough to qualify to receive NZ Superannuation.

For the purpose of this provision, Financial Hardship is defined as the inability of a person, to reasonably meet the cost of goods, services and financial obligations that are considered necessary according to New Zealand standards.

Conditions and Criteria

Postponement will only apply to Older Persons on a fixed income.

Only Rating Units used solely for residential purposes will be eligible for consideration for rates postponement under this policy.

Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement for Financial Hardship. The ratepayer must be the occupant and current owner of the Rating Unit which is the subject of the application. The person entered on the Council's rating information database as the 'ratepayer' must not own any other Rating Units or investment properties (whether in the district or elsewhere).

The ratepayer (or authorised agent) must make an application to Council on the prescribed form (copies can be obtained from the Council Office).

The Council will consider, on a case by case basis, all applications received that meet the criteria outlined under this section. The following factors will be considered – age, income source and level, annual rates payable, period of postponement, equity in the property owned, and the amount of rates postponed.

Authority to approve applications will be delegated by Council to the Director of Corporate Services, Chief Financial Officer and Investment and Funding Manager.

Applicants seeking rates postponement will be encouraged to seek independent advice before formally accepting any offer for postponement made by the Council.

As a general rule postponement will not apply to the first \$500 per annum of the rate account after any rates rebate has been deducted.

Where the Council decides to postpone rates the ratepayer must first make acceptable arrangements (e.g. by setting up a system to meet agreed minimum regular payments) for payments required under the terms of the postponement approval for the current rating year, and future payment years.

Postponement will only apply on properties on which houses have been insured. Annual proof may be required that insurance has been maintained.

Where rates postponement is approved for a property with an outstanding mortgage, the mortgagee will be advised by Council that rates postponement has been granted by the Council.

Any postponed rates will be postponed until:

The death of the ratepayer(s); or

- Until the ratepayer(s) ceases to be either the owner or occupier of the Rating Unit; or
- Until a date specified by the Council.

The Council will charge an annual postponement fee. The annual postponement fee will cover Council's administrative costs including finance costs. The finance cost will be charged at the average return on investments rate for Council for that year.

All postponement fees payable (including finance costs) will be added to the amount of postponed rates annually and be paid at the time postponed rates are paid.

The policy will apply from the beginning of the rating year in which the application is made although the Council may consider backdating past the rating year in which the application is made depending on the circumstances.

The postponed rates, inclusive of any accumulated postponement fees, or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

Postponed rates will be registered as a statutory land charge on the Rating Unit title. This means that the Council will have first call on the proceeds of any revenue from the sale or lease of the Rating Unit. In addition to the annual fee and interest, Council will charge any other costs or one-off fees incurred in relation to registration of the postponement as part of the postponement.

This policy will not affect any rates postponement provisions approved prior to 1 July 2009, which will continue to apply in accordance with the conditions related to each case.

This policy does not apply to non-Older Person ratepayers experiencing financial hardship.

Council will assist in the referral of any other ratepayer on a fixed income facing long term financial hardship to the appropriate agency.

Postponement for Significant Extraordinary Circumstances

Objective

To provide a rates postponement to ratepayers experiencing financial hardship directly resulting from Significant Extraordinary Circumstances that affects their ability to pay rates.

For the purpose of this policy the following definitions will apply:

- **Significant Extraordinary Circumstances:** as defined by Council resolution. Significant Extraordinary Circumstances may be natural or economic in nature, and will identify the type and location of properties affected.
- **Financial Hardship:** for the purpose of this provision is defined as the inability of a person, after seeking recourse from Government benefits or applicable relief packages, to reasonably meet the cost of goods, services and financial obligations that are considered necessary according to New Zealand standards. In the case of a ratepayer who is not a natural person, it is the inability, after seeking recourse from Government benefits or applicable relief packages, to reasonably meet the cost of goods, services and financial obligations that are considered essential to the functioning of that entity according to New Zealand standards.
- **Small Business:** a business operated by a small business person, small partnership or close company as defined in section YA 1 of the Income Tax Act 2007.

Conditions and Criteria

This part of the policy will only apply to Rating Units used for residential purposes or by Small Businesses.

Once Significant Extraordinary Circumstances have been identified by Council, the criteria and application process (including an application form, if applicable), will be made available. Council may set a timeframe for the event. Council may review the criteria and/or timeframe of Significant Extraordinary Circumstances through subsequent resolutions.

Council resolution will include:

- a. that the resolution applies under the Rates Postponement Policy; and

- b. the Significant Extraordinary Circumstances triggering the policy (e.g. including, but not limited to, flood, pandemic, earthquake); and
- c. how the Significant Extraordinary Circumstances are expected to impact the community (e.g. hardship); and
- d. the types or location of properties effected by the Significant Extraordinary Circumstances; and
- e. timeframe for postponement in relation to the Significant Extraordinary Circumstances.

No application for postponement can be made under this policy unless Significant Extraordinary Circumstances have been identified by Council.

Any requests for rates postponement for Rating Units with a land value greater than \$1.5m will be decided upon at the discretion of Council and requests for rate postponement for Rating Units with a land value less than \$1.5m will be delegated to Council officers.

The ratepayer must demonstrate, to the Council's satisfaction that paying the rates would result in Financial Hardship.

The applicant must demonstrate to Council's satisfaction that the ratepayer has taken all necessary steps to claim any central government benefits or allowances the ratepayer is properly entitled to receive that would assist the ratepayer to meet their financial commitments. Evidence such as official correspondence must be provided with the application.

Council will consider applications where the same ratepayer is liable for rates for multiple Rating Units. In such instances, Council will look at the collective impact to the ratepayer.

Only the person/s entered as the ratepayer (in the case of a close company every director must sign the application form), or their authorised agent, may make an application for rates postponement for Significant Extraordinary Circumstances that resulted in Financial Hardship. However, where the ratepayer is not the owner of the Rating Unit, the owner must also provide written approval of the application.

The ratepayer must be the current ratepayer for the Rating Unit at the time Significant Extraordinary Circumstances are identified by Council.

Where the Council decides to postpone rates the ratepayer must make acceptable arrangements for payment of rates, for example by setting up a system for regular payments. Such arrangements will be based on the circumstances of each case.

Council may charge a fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover Council's administrative and financial costs. The fees will be set as part of the Council resolution identifying Significant Extraordinary Circumstances.

Postponed rates will remain postponed until the earlier of:

- a. The ratepayer/s ceases to be the owner or occupier of the Rating Unit; or
- b. A date specified by Council in the Council resolution identifying Significant Extraordinary Circumstances.

Postponement for Special Circumstances

Objective

To enable Council to provide rates postponement for special and unforeseen circumstances, where it considers relief by way of rates postponement is justified in the circumstances.

Conditions and Criteria

Application for rates postponement must be made in writing by the ratepayer or their authorised agent.

Each circumstance will be considered by Council on a case by case basis. Where necessary, Council consideration and decision will be made in the Public Excluded part of a Council meeting.

The terms and conditions of postponement including any application of an annual fee will be decided by Council on a case by case basis.

The applicant will be advised in writing of the outcome of the application.

Policy Review

This policy will be reviewed at least once every three years.



High Level Consultation Plan

Revenue and Financing Policy

Rating Policy

Rates Remission Policy

Rates Postponement Policy

Introduction

The Local Government Act requires all councils to review their revenue and financing policies at least every three years. While Napier City Council has complied with this requirement, it has been a number of years since a full review has taken place. Since the last full review, there have been significant changes to the activities that the Council provides to the community, including the levels of service received by different groups within the city. Therefore, the Council has undertaken a first principles review where the Council considered for each activity a number of factors including who benefits, the length of benefit received and groups or individuals that create or increase the need for the activity. The requirements also require the Council to consider the impacts of its allocation on the well-being of the community.

The Rating Policy, Rates Remission Policy and Rates Postponement Policy are impacted by changes to the Revenue & Financing Policy. With proposed changes to the Revenue & Financing Policy, some existing provisions for remissions and postponements no longer work the way they were originally intended. A review of remissions and postponements allows Council to harmonise provisions within these policies.

Significance and Engagement Policy

The review of the Revenue and Financing Policy, Rating Policy, Rates Remission Policy and Rates Postponement Policy requires Council to undertake a Special Consultative Procedure (SCP). A Statement of Proposal (SOP) has been prepared in accordance with Part 6 of the Local Government Act 2002.

Purpose

The objectives of the consultation are to:

- Inform the community of proposed changes and explain how it will affect them
- Actively invite the community to provide feedback through a range of communication channels and engagement activities

Approach

The SCP will be undertaken with community-wide communications and direct, targeted engagement with those most affected. The consultation period is from 12 October to 15 November 2020. The SOP will be available on www.sayitnapier.nz, along with a short summary and a submission form. Hard copies of the material will be available at the Council's Customer Service Centre, the libraries and by request. Hearings will take place on 16 December 2020, providing an opportunity for those who wish to make an oral submission an opportunity to do so.

Those who will be significantly affected have been identified as follows:

- Ex-County properties identified as Commercial/Industrial
- Other Rural and Ex-County Rural over 5HA to Rural (over 5HA)
- Bay View, Other Rural and Ex-County identified as Residential
- Utility network assets
- Properties receiving a Postponement for Farmland

Changes to the Revenue & Financing Policy will cause changes to the Rating Policy, Rates Remissions Policy and the Rates Postponement Policy; these will be communicated through this consultation and they are included in the Statement of Proposal.

Communication & Engagement Tools

Promotion of the consultation will be widespread, with a range of engagement opportunities being available and communication channels utilised (see below). Existing engagement activities and communication channels will be used with some additional targeted activity.

Community engagement

Face-to-face opportunities may include:

- One to one meetings – elected member and finance team
- Small meetings – e.g. Bay View community
- Live Chat – subject to alert level restrictions (may require additional sessions) with Q & A (elected member and finance team)

Hearing

Oral submissions and deliberations.

Direct Letter

Letter to residents that may be significantly impacted.

Communication Tools

[Facebook campaign](#)

- Q & A – by area / topic
- Teaser questions and answers

[Website](#)

- Say it Napier Website – including a worked example illustrating how rates may be impacted for different sectors of the community.
- Napier City Council website

[Advertising](#)

- Advertising (print, radio, digital) – may include Proudly Napier, billboards, rates insert and geo targeted online (Google display network)
- Community Distribution list
- People's Panel
- Media Plan

Officers will implement a detailed project plan to operationalise the consultation plan.

2. UPDATE TO HEARINGS COMMITTEE MEMBERSHIP

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1247831
<i>Reporting Officer/s & Unit:</i>	Devorah Nícuarta-Smith, Team Leader Governance

2.1 Purpose of Report

To request Council approval for the updated membership of the Hearings Committee

Officer's Recommendation

That Council:

- a. Receive Cr Wright's resignation from the Hearings Committee
- b. Approve the Mayor's proposed nomination of Cr Browne to the Hearings Committee seat vacated by Cr Wright
- c. Approve the additional nomination of Cr Simpson to the Hearings Committee
- d. Approve the additional nomination of a representative of the Māori Committee to the Hearings Committee
 - i. Noting that the Māori Committee members will make the selection of the representative from their membership
- e. Note that officers will make any updates required to documentation from the resolutions above

2.2 Background Summary

Cr Wright has recently tendered her resignation from the Hearings Committee, and due to the anticipated workload this Committee must complete, it is important that the ensuing vacancy be filled.

The Mayor has completed discussions with Cr Browne, who is willing to undertake the role, and has therefore nominated this councillor to fill the vacancy. Council must now consider the nomination, and either endorse it or appoint a different councillor to the vacant seat.

In anticipation of increasing workload to be completed by this Committee, and in preparation for the particular requirements of RMA related Hearings (such as for the District Plan) it is also proposed that two further members be appointed to the Committee.

It is proposed that Cr Simpson be nominated to the Hearings Committee to increase the capacity of the Committee.

In preparation for the nomination of a Māori District Plan commissioner as this project proceeds, it is also proposed that a member of the Māori Committee be appointed to the hearings Committee also. The Māori Committee would be responsible for selecting which of their members is best placed to undertake this appointment.

Once made, the final nominations will be updated in the Terms of Reference for this Committee in the Local Governance Statement and any other relevant documentation.

2.3 Issues

No issues

2.4 Significance and Engagement

This matter does not trigger Council's significance and engagement policy or any other consultation requirements.

2.5 Implications**Financial**

The remuneration of the councillors will be unaffected as neither holds a Chair or Deputy Chair position for this Committee.

The Māori Committee appointee to the Hearings Committee would be able to claim for attendance of Hearings Committee meetings in accordance with the rates previously adopted by Council. Commissioner rates are allocated separately.

Social & Policy

N/A

Risk

It is important that the vacancy be filled on this Committee, as there will be significant demands on its members, particularly through the District Plan project.

2.6 Options

The options available to Council are as follows:

- a. To endorse the proposed updates to the Hearings Committee membership.
- b. To make a differing proposal as to the nominated councillors intended to fill the vacant seats of the Committee.

2.7 Development of Preferred Option

The nominated councillors have indicated a willingness to undertake appropriate training and undertake the required work; however it sits with Council to make governance appointments and therefore no officer's preference is expressed.

2.8 Attachments

Nil

REPORTS / RECOMMENDATIONS FROM THE STANDING COMMITTEES

REPORTS FROM SUSTAINABLE NAPIER COMMITTEE HELD 10 SEPTEMBER 2020

1. COMMUNICATION AND ENGAGEMENT STRATEGY - ALL WATERS

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	960322
<i>Reporting Officer/s & Unit:</i>	Natasha Mackie, Manager Community Strategies

1.1 Purpose of Report

This report provides the Communication and Engagement Strategy which provides a framework for all communication and engagement approaches and activities associated with Council's water programme, both capital and operational for the next two years.

At the Meeting

The Manager Community Strategies spoke to the report, providing a brief overview of the steps taken to date and highlighting the keys areas of the strategy. The Marketing Manager provided a short presentation on the brand visuals and how this will look for the community. Councillors were also shown the information now available on Council's website at <https://www.napier.govt.nz/services/water-2/water-projects/>.

It was noted that the strategy focuses on everything that Council is doing in the water space, not just major projects.

In response to questions from Councillors, the following points were clarified:

- The strategy includes projects that are currently underway. Other projects will be coming in and out of the framework and these will be included in the strategy once initiated.
- Council officers intend to develop a Māori Stakeholder Engagement Plan to work alongside the strategy.
- It was noted that 'Water we're on it.' is a relatable statement which simply says to the community that Council is taking action in this space, and is in response to the key feedback from elected members that Council needs to demonstrate to the community that they are actually doing something.

Committee's recommendation

Councillors Simpson / Crown

That Council:

- a. Approve the All Waters Communication and Engagement Strategy for implementation.
-

Carried

REPORTS FROM FUTURE NAPIER COMMITTEE HELD 10 SEPTEMBER 2020

1. DISTRICT PLAN REVIEW - POLICY APPROACH OF DRAFT DISTRICT PLAN

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Resource Management Act 1991
<i>Document ID:</i>	957626
<i>Reporting Officer/s & Unit:</i>	Dean Moriarity, Team Leader Policy Planning

1.1 Purpose of Report

- a. The purpose of this report is to follow up on the recent seminars held with Council between July 20th and August 20th regarding the review of the District Plan; and
- b. For Council to approve the recommended policy approach for specific chapters so that officers can draft plan provisions within an agreed framework.

At the Meeting

The Team Leader Policy Planning spoke to the report noting that the report follows a number of Councillor seminars held this year. The specific topics addressed in this report include Heritage, Character Precincts, Potential rezoning in Ahuriri, Landscapes and Greenfield growth in the hills. An overview of each topic, including the recommendations, was provided.

In response to questions from Councillors, the following points were clarified:

- The new sensitive activities condition for the mixed use zone around Coronation Street, Ahuriri, would likely be applied to a special control area within the specific risk contour. The risk contours would set the limitations of where any specific provisions would apply.
- High impact, low probability events are one in a million statistical events.
- Significant Natural Areas (SNA's) and Landscapes are their own specific overlays.
- SNA's relate to indigenous biodiversity. There is a National Policy Statement currently in draft form, and expected to be passed into a Final Policy Statement next year, which is about raising the bar in terms of requiring Council's to identify and protect significant natural areas. There are ongoing discussions with affected parties in relation to SNA's and this topic has been pushed out to be dealt with at a later date.
- Heritage classification is a matter of national importance and identifies individual buildings and groups of buildings. Character Precincts is a layer below that and best practice has been to try to preserve those areas and maintain them. This

topic will likely be raised and discussed as the Draft District Plan progresses through to the final District Plan.

- The National Policy Statement requires Council to remove all minimum car parking requirements within the next 18 months in order to assist in breaking down the barriers to providing housing in the centre of town as well as encouraging the use of public transport. This will feed into the District Plan.
- The Draft District Plan consultation period has been delayed due to Covid-19 but the intention was to have a Draft District Plan notified by around November this year. This may be impacted further as each stage relies on the previous workstream being completed. Council officers will be looking for a consultation window that is not already occupied by other projects and is cognisant of the LTP demands.
- Council officers advised that it would be unwise to delay the District Plan process due to possible changes to the Resource Management Act, as it could be years before District Plans are replaced altogether. The work that is being done through the District Plan process is still important for Council and the community to consider. At this time, there is still a legal requirement to have a District Plan.
- Oil facilities have health and safety requirements to manage a risk on site but they cannot prepare for everything. Council is required to understand the risks, how they work, and to convey that information to stakeholders that are impacted by it. This work is still in progress.

Committee's recommendation

Councillors Browne / Tapine

That Council:

- a. Endorse the recommended policy approach in the report, for preparing the Draft District Plan for the purposes of undertaking consultation and engagement with the Napier community.

Carried

2. TERMS OF REFERENCE FOR AHURIRI REGIONAL PARK WORKING GROUP

Note: The Terms of Reference for Ahuriri Regional Park Working Group report has been withdrawn from Council consideration at this stage.

3. INTERNAL PRACTICE NOTE FOR FINANCIAL CONTRIBUTIONS

Type of Report: Legal and Operational

Legal Reference: Resource Management Act 1991

Document ID: 947060

Reporting Officer/s & Unit: Fleur Lincoln, Strategic Planning Lead

3.1 Purpose of Report

The purpose of this report is to obtain an endorsement for a new Internal Practice Note to provide guidance to Resource Consent Planners preparing conditions relating to Financial Contributions.

At the Meeting

The Director City Strategy spoke to the report noting that the principle would only apply to existing buildings that are being repurposed for residential. The application of a practice note would guide decision making for officers in situations where it might be appropriate to waive financial contributions.

A number of Councillors requested that other areas of Napier also be considered for inclusion. It was agreed that officers would consider what other areas may be appropriate and bring these back to the full Council meeting for possible inclusion.

In response to questions from Councillors, the following points were clarified:

- It was noted that following the full Council meeting where this matter will be double debated, the practice note would not come back to Council. Council officers will develop the practice note in accordance with the principles set by Council.
- Another instance where a practice note has been developed is for pre-application meetings. This was done in order to formalise Council's legal responsibilities where a proposed development requires the collaboration of multiple areas of Council.
- The practice note recognises that a ratepayer has already paid for an existing development. In some instances, the services to that property are not being increased therefore it may be appropriate to waive financial contributions.

SUBSTITUTE MOTION

Committee's recommendation

Mayor Wise / Councillor Price

That Council:

- a. Endorse the development of an Internal Practice Note for Planners that will provide additional guidance in the assessment and application of Financial Contribution

conditions on resource consents applying to residential developments in the city centre.

- b. Note that consideration will be given to other areas of Napier before the final resolution is brought back to Council.

Carried

4. RESOURCE CONSENT ACTIVITY REPORT

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	Resource Management Act 1991
<i>Document ID:</i>	951718
<i>Reporting Officer/s & Unit:</i>	Luke Johnson, Team Leader Planning and Compliance

4.1 Purpose of Report

This report provides an update on recent resource consenting activity. The report is provided for information purposes only, so that there is visibility of major projects and an opportunity for elected members to understand the process.

Applications are assessed by delegation through the Resource Management Act (RMA); it is not intended to have application outcome discussions as part of this paper.

This report only contains information which is lodged with Council and is publicly available.

At the Meeting

The Team Leader Planning and Compliance spoke to the report, providing a brief overview and noted that there has been an increase in applications received in comparison to the same time last year.

In response to questions from Councillors, the following points were clarified:

- The design panel were engaged in relation to West Quay due to the zoning and location, being the waterfront area of Ahuriri. The architects that form the design panel are Jacob Scott and Chris Ainsworth.
- The application for West Quay included archaeological assessments in relation to the cultural significance of that site. This is currently being assessed. Heritage New Zealand also provided comment and proposed conditions to the applicant.
- The variation to the Hospital Hill site was non-notified.

Committee's recommendation

Councillors Crown / Price

That Council:

- a. Note the resource consent activity update

Carried

5. UNCONFIRMED MINUTES HAWKE'S BAY CIVIL DEFENCE EMERGENCY MANAGEMENT GROUP - 8 JUNE 2020

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Local Government Official Information and Meetings Act 1987
<i>Document ID:</i>	960285
<i>Reporting Officer/s & Unit:</i>	Anna Eady, Personal Assistant to the Mayor

5.1 Purpose of Report

To receive the unconfirmed minutes of the Hawke's Bay Civil Defence Emergency Management Group meeting held on 8 June 2020.

At the Meeting

In response to questions from Councillors, the Mayor confirmed that the local civil defence groups were consolidated two years ago under Hawke's Bay Regional Council and Hawke's Bay Regional Council has a targeted rate to fund the group.

Committee's recommendation

Councillor Simpson / Mayor Wise

That Council:

- a. Receive the unconfirmed minutes of the Hawke's Bay Civil Defence Emergency Management Group meeting held on 8 June 2020.

Carried

REPORTS FROM MĀORI COMMITTEE HELD 11 SEPTEMBER 2020

1. FORD ROAD EXTENSION - LAND LEGALISATION

Type of Report: Legal

Legal Reference: Reserves Act 1977

Document ID: 960497

Reporting Officer/s & Unit: Bryan Faulknor, Manager Property

1.1 Purpose of Report

To seek confirmation from the Māori Committee that they retrospectively endorse the revocation of reserve status for a small part of a Drainage Reserve where it crosses under the Ford Road Extension in Onekawa.

At the Meeting

The officer spoke to the report. It was noted:

- A number of retrospective land issues may come to the Committee as the District Plan process is worked through.
- Guidance is sought as to how consultation is best undertaken on these types of matters moving forward.
- Previously consultation has been through the Taiwhenua and the appropriate Marae representative. For the Ford Road extension, consultation at the time was likely with one person who represented both entities; the records from the time are unclear. There has been no recent consultation with Mana Whenua.
- Recognised that it is not ideal to be considering these types of matters retrospectively; it is important that the appropriate processes are put in place to ensure the Council process is correct in the future.

The Committee is an advisory body, not a consultative one and in light of that the recommendation will be endorsed only subject to appropriate consultation now being undertaken with Mana Ahuriri, Ngati Pārau Hapu Trust and the Taiwhenua.

Officer's Recommendation

The Māori Committee:

- a. Endorse the revocation of Reserve status for Drainage Reserve land as described in the Schedule below.

SCHEDULE

Hawkes Bay Land District - Napier City

Area (hectares)	Legal Description	Identifier
0.0588	Section 6 SO Plan 453204	CFR HBV1/660
0.0054	Section 7 SO Plan 453204	Part CFR 209528
0.2343	Section 8 SO Plan 453204	Part CFR HBH2/1500
0.0612	Section 10 SO Plan 453204	Part CFR HBE4/998

Committee's Amended Recommendation

C Tareha / J Lyver

That Council:

- a. Endorse the revocation of Reserve status for Drainage Reserve land as described in the Schedule below, subject to appropriate consultation being undertaken first.

SCHEDULE

Hawkes Bay Land District - Napier City

Area (hectares)	Legal Description	Identifier
0.0588	Section 6 SO Plan 453204	CFR HBV1/660
0.0054	Section 7 SO Plan 453204	Part CFR 209528
0.2343	Section 8 SO Plan 453204	Part CFR HBH2/1500
0.0612	Section 10 SO Plan 453204	Part CFR HBE4/998

Kua Mana

2. TERMS OF REFERENCE FOR AHURIRI REGIONAL PARK WORKING GROUP

Note: The Terms of Reference for Ahuriri Regional Park Working Group report has been withdrawn from Council consideration at this stage.

3. LEASE OF RESERVE - MAGNET CAFE

Type of Report:	Legal
Legal Reference:	Reserves Act 1977
Document ID:	939800
Reporting Officer/s & Unit:	Bryan Faulknor, Manager Property Jenny Martin, Property and Facilities Officer

3.1 Purpose of Report

To obtain approval to grant a new Lease for the 'pop-up' style Magnet Café currently operating from a repurposed shipping container on the northern end of the Marine Parade Foreshore Reserve.

At the Meeting

In response to questions from the Committee it was clarified:

- The Council receives 5% of the gross revenue of the Café.
- The Café has been received well by the community and is doing a good trade.
- The contract is on a two year renewal to give the business some surety, but also to give the Council some flexibility so other opportunities are not stymied. Other businesses along the Marine Parade have a similar contract for this reason also.

The Committee noted it would be good to have a consistent action plan for leases along the Marine Parade so it is consistent.

ACTION:

1. The Committee are to be notified how the greywater from Magnet Café is disposed of.
2. Report on process for lease reviews and tendering for smaller sites along the Marine Parade to be brought to Council.

Officer's recommendation

The Māori Committee:

- a. Recommend that Council agree to grant a new lease, under Section 54(1) (d) of the Reserves Act 1977, for a pop-up café to continue to occupy the northern part of the Marine Parade Foreshore Reserve.
- b. That the initial term of the new lease be for a period of 2 years plus two rights of renewal of 2 years each.
- c. That the placement of outdoor furniture be allowed outside of the leased area but such placement to be approved by Council's Team Leader Parks, Reserves, Sportsgrounds.

Committee's amended recommendation

Mayor Wise / J Lyver

That Council:

- a. Recommend that Council agree to grant a new lease, under Section 54(1) (d) of the Reserves Act 1977, for a pop-up café to continue to occupy the northern part of the Marine Parade Foreshore Reserve.
- b. That the initial term of the new lease be for a period of 2 years plus two rights of renewal of 2 years each.
- c. That the placement of outdoor furniture be allowed outside of the leased area but such placement to be approved by Council's Team Leader Parks, Reserves, Sportsgrounds.
- d. That the terms of the lease specify that greywater is disposed of appropriately off-site.

Kua Mana

4. NAPIER RECOVERY FUNDING

Type of Report: Information

Legal Reference: N/A

Document ID: 952626

Reporting Officer/s & Unit: Michele Grigg, Senior Advisor Policy
Dean Prebble, Economic Development Manager

4.1 Purpose of Report

To provide an update on two funds established to progress the aims of the Napier Recovery Plan.

At the Meeting

The Director City Strategy spoke to the report noting:

- Officers are working hard to identify issues which the community will be experiencing now and in the future as a result of the impact of COVID-19.
- As well as support for business innovations, Council has the Te Puawaitanga fund which supports natural environment initiatives which in turn also help to build a sense of community.
- The fund allocation is ongoing and this meetings report is already out of date. Applications are being received regularly.
- The two funds are only one aspect of the recovery plan, not the only approach.

The Committee expressed concern for current job seekers who will be competing with those yet to lose their employment due to the impact of COVID-19. Council ask business applicants to its funds to draw on local job seekers for the mahi they wish to carry out. The Committee recommended the recovery group connect with the Ministry for Social Development and Non-Government Organisations to provide support. Council is already doing this, but can do more.

Committee's recommendation

C Tareha / J Lyver

That Council:

- a. Note the information on two recovery funds recently established, those being:
 - Recovery Projects Fund
 - Te Puawaitanga – Green Communities Together Fund

Kua Mana

5. TE REO MĀORI ME ONA TIKANGA

Type of Report:	Operational and Procedural
Legal Reference:	N/A
Document ID:	949725
Reporting Officer/s & Unit:	Morehu Te Tomo, POU TĀHUHU SENIOR MĀORI ADVISOR

5.1 Purpose of Report

The purpose for this paper is to approve the development of a Te Reo Māori policy due to the growth of Te Reo me ona Tikanga used in Council.

At the Meeting

The Senior Māori Advisor spoke to the report noting:

- All the Māori Advisors across Hawke's Bay's Councils have come together as a group to support each other in the development of Te Reo Māori policies and initiatives.
- Current practices at Napier City Council is to put a 'Māori lens' on a project halfway through, which makes it hard for it to be meaningful. This lens needs to be applied from the beginning of projects. A goal will be that the policy will become a strategy.
- Te Reo is an evolving language and Council needs be utilising relevant up-to-date resources in order to get it right. This means consulting with Ngāti Kahungunu and mana whenua to get a sense of what is expected from Council with Te Reo and Tikanga.
- Staff are wanting to learn the language, and there are currently 15 doing an EIT course.
- The Māori advisor group are developing a cultural app to be launched to all the Council staff working within the Ngāti Kahungunu region. This will have examples of waiata, pepeha, karakia and Marae names, and will be updated regularly.

The Committee supports the development of this policy, but feels it is even more important to consult over the implementation of the policy once developed. Many other Councils have a policy but no implementation; the previous Napier City Council Māori Consultative Committee endorsed implementation without a policy, but this also was not the right approach, both elements are needed.

Committee's recommendation

C Tareha / J Lyver

That Council:

- a. Approve that the Senior Māori Advisor leads the Te Reo Māori policy process.
- b. Approve the Senior Māori Advisor to engage with external authorities to participate writing the policy.
- c. Investigate best practice for Council staff to follow process and procedures.

Kua Mana

REPORTS FROM AUDIT AND RISK COMMITTEE HELD 18 SEPTEMBER 2020

1. HEALTH AND SAFETY REPORT

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	954020
<i>Reporting Officer/s & Unit:</i>	Sue Matkin, Manager People & Capability

1.1 Purpose of Report

The purpose of this paper is to provide the Audit & Risk Committee with an overview of Health & Safety activity for the year ended 30 June 2020.

At the Meeting

The Manager People and Capability spoke to the report, providing a brief overview and noting that the activity in this report was undertaken in the last financial year.

In response to questions from the Committee, the following points were clarified:

- Following the disbanding of the ACC accreditation system, presumably due to costs, Council is now investigating the option of an external auditor in order to meet their monitoring and checking requirements.
- The PCBU must meet all their duties and obligations in accordance with the legislation and the 'Officer' is required to exercise due diligence in ensuring this occurs. This responsibility ultimately lies with the Chief Executive, as Council's 'Officer', and those with significant decision making powers across the organisation (the Senior Leadership Team). From there, the risk is spread across the organisation as a whole.
- Current legislation requires Council to manage asbestos exposure for all staff, even where the exposure occurred prior to being employed by Council.
- The increasing number of injuries is likely a result of Council's improved reporting in this area. It is important to understand how injuries occurred in order to prevent them from recurring. Full investigations are completed in relation to some incidents, e.g. the rock fall at Bluff Hill.

ACTION: In order to identify whether any gaps exist, Council officers agreed to include the following in the Health and Safety Report moving forward:

- The number of positions identified within Council that require health and safety training to be completed, compared to the numbers where training was completed.

- The number of positions identified within Council that require health monitoring, compared to the number of workers screened.

Committee's recommendation

Councillor Simpson / D Pearson

That Council:

- a. Receive the Health and Safety report.

Carried

2. NCC H&S CHARTER AND DUE DILIGENCE WORK PLAN

Type of Report: Operational

Legal Reference: N/A

Document ID: 961197

Reporting Officer/s & Unit: Sue Matkin, Manager People & Capability
Michelle Warren, Health and Safety Lead

2.1 Purpose of Report

The purpose of this paper is to inform the Audit & Risk Committee about the agreed pathway of health and safety leadership at Napier City Council, in relation to Duties of Officers, under the Health and Safety at Work Act 2015 (HSWA). The plan also includes those who have significant influence over the whole business, i.e. the Senior Leadership Team.

At the Meeting

The Manager People and Capability spoke to the report and provided a brief overview. It was noted that officers have developed a comprehensive due diligence plan and the Health and Safety team are now considering how this can be rolled out and implemented across the organisation.

Committee's recommendation

Councillor Taylor / D Pearson

That Council:

- a. Receive the report titled NCC H&S Charter and Due Diligence Work Plan.

Carried

3. INSURANCE UPDATE

Type of Report: Operational

Legal Reference: N/A

Document ID: 961847

Reporting Officer/s & Unit: Bryan Faulknor, Manager Property

3.1 Purpose of Report

To update the committee on the finalisation of the procurement of Insurance Brokerage Services and renewal of insurance coverage.

At the Meeting

The Manager Property spoke to the report noting the change in broker to Aon, and that the existing Policy had been rolled over in order to align with the other Councils in the collective. Council officers intend to arrange an insurable risk profile workshop with the Audit and Risk Committee and Aon as soon as possible.

Officers confirmed that loss modelling will be completed for Council, which will provide a more detailed analysis of Council's underground infrastructure and will be conducted by Aon and Tonkin Taylor. This will help officers to ascertain what Council should be insuring moving forward, and will also assist with the three waters resilience planning. It was noted that efforts were made to align this work across the region, however, the timing could not be agreed across the Councils.

In response to questions from the Committee, the following points were clarified:

- It was noted that cyber-crime insurance is expensive and should be considered as part of the review of Council's cyber systems. These systems need to be identified and assessed before insurance can be discussed.
- The main policies do not have a shared limit with the other Councils in the collective, as these are insured on a policy-by-policy basis between each Council and the broker.

ACTION: Council officers to consider and quantify the level of crime insurance in order to ensure the level of indemnity is adequate. Premium quotes to be requested for different levels of crime insurance.

Committee's recommendation

D Pearson / Councillor Simpson

That Council:

- a. Resolve to receive the report on current brokerage and insurance arrangements

Carried

4. RISK MANAGEMENT REPORT SEPTEMBER 2020

Type of Report:	Operational
Legal Reference:	N/A
Document ID:	961668
Reporting Officer/s & Unit:	Jane Klingender, Manager Business Excellence & Transformation Dave Jordison, Risk and Assurance Lead

4.1 Purpose of Report

To provide the Audit and Risk Committee (Committee) with an update on risk management with reference to responsibilities listed in the Audit & Risk Charter; to report on high and extreme strategic risks; and to note emerging risks.

At the Meeting

The Risk and Assurance Lead spoke to the report noting that Sycle is a capable system and he will work with activity managers in order to update the risks over the next couple of months. This work has been aligned with the Long Term Plan development to ensure that managers are aware of and understand the risks pertinent to their business unit. It was also noted that currently, Covid-19 risks are acknowledged as strategic risks.

The Interim Chief Executive advised that Council needs to consider the overarching risk and determine the degree of risk that Council is prepared to accept. Council officers noted that the Municipal Theatre had been identified as an emerging risk, specifically, access for workers and contractors working above the stage. They are currently working at a height of seven metres trying to service lighting etc. Estimates have been requested and, at this stage, it appears that the installation of a catwalk will be the best option.

In response to questions from the Committee, it was noted that no project risks are included in the report as these are not currently included in the data. It was previously agreed that project risks should be managed within the design and projects team at a project level. When updating the data in Sycle, operational risks will be considered first with project risks at an organisational level to follow.

Committee's recommendation

Councillors Taylor / Simpson

That Council:

- a. Receive the Risk Management Report September 2020
- b. Note the Risk Management work being undertaken
- c. Note the current high and extreme risks
- d. Note the emerging risks

Carried

5. THREE WATERS REFORM PROGRAMME - DELIVERY PLAN

Type of Report:	Contractual
Legal Reference:	N/A
Document ID:	961277
Reporting Officer/s & Unit:	Adele Henderson, Director Corporate Services Jon Kingsford, Director Infrastructure Services

5.1 Purpose of Report

Council has signed the Memorandum of Understanding for the government's 3 Waters Reform programme. It is now required to complete the Funding agreement and Delivery Plan by 30 September 2020.

At the Meeting

The Director Infrastructure Services spoke to the report noting that of the \$50Million allocated to Hawke's Bay under the government's Three Waters Reform programme, \$12.5Million has been allocated to Napier City Council. A brief overview of the Funding Agreement and Delivery plan was provided, both of which were developed by Council officers following Council's signing of the Memorandum of Understanding. Committee members were provided with draft copies of the documents previously provided to Council at the Extraordinary Meeting of Council held on 15 September 2020, and advised that final these will go back to Council before 30 September 2020 once the Delivery Plan has been finalised.

It was noted that the Delivery Plan details a \$17Million work programme, and due to the short period of time required to implement the programme of work, resourcing had been identified as a risk. The risk being that Council may not be able to complete the work in the timeframe required as all Councils will be recruiting for the same skills and expertise at the same time. Council may need to adjust the work programme if this occurs and although Council's preference is to employ staff on a fixed term basis, contractors and consultants may need to be considered.

The Director Infrastructure Services advised the Committee that a lot of work has gone into developing the Delivery Plan, interrupting other programmes of work, and that actual delivery of the work programme is again going to greatly impact staff workloads.

SUBSTITUTE MOTION

Committee's recommendation

D Pearson / Councillor Simpson

That Council:

- a. Note the progress with Three Waters Reform Programme.

- b. Note that the DIA Funding Agreement and Delivery Plan will be circulated to the committee via email and any feedback is to be provided to the Director Infrastructure Services by 23 September 2020.

Carried

6. EXTERNAL ACCOUNTABILITY: INVESTMENT AND DEBT REPORT

Type of Report: Operational

Legal Reference: N/A

Document ID: 954018

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

6.1 Purpose of Report

To consider the snapshot report on Napier City Council's Investment and Debt as at 31 August 2020.

At the Meeting

The Chief Financial Officer spoke to the report, providing a brief overview and noting that as at 31 August 2020, Council had \$54.3Million invested at an average interest rate of 2.14%, and the weighted average investment rate for the last 12 months to date is 2.53%.

Committee's recommendation

Councillor Taylor / D Pearson

That Council:

- a. Receive the snapshot report on Napier City Council's Investment and Debt as at 31 August 2020.

Carried

7. SENSITIVE EXPENDITURE - MAYOR AND CHIEF EXECUTIVE

Type of Report: Procedural

Legal Reference: N/A

Document ID: 954021

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

7.1 Purpose of Report

To provide the information required for the Committee to review Sensitive Expenditure of the Mayor and Chief Executive for compliance with Council's Sensitive Expenditure Policy.

At the Meeting

The Chief Financial Officer spoke to report noting that expenditure items under the Mayor and Chief Executive, in relation to air travel for the Local Government New Zealand meeting, are now in credit with the airline as the meeting was attended via Zoom due to Covid-19 alert level restrictions. It was also noted that two transactions relating to costs in November have pulled through following a late credit card statement reconciliation.

Committee's recommendation

D Pearson / Councillor Simpson

That Council:

- a. Receive the 30 June 2020 quarterly report of Sensitive Expenditure for the Mayor and Chief Executive and review for compliance with the Sensitive Expenditure Policy.

Carried

8. INTERNAL AUDIT - PROPOSED PROGRAMME FOR 2020/21

Type of Report: Operational

Legal Reference: N/A

Document ID: 954027

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

8.1 Purpose of Report

To table to the Committee the internal audit programme for 2020/21 from Crowe. Recommendations, feedback and any other review priorities the Committee deems relevant, is sought

At the Meeting

The Chief Financial Officer spoke to report, noting that the report sets out the proposed internal audit programme for the 2020/21 year. The data analytics audit has been brought forward as this is able to be undertaken offsite by the internal audit providers.

Committee's recommendation

Councillor Taylor / D Pearson

That Council:

- a. Resolve that the internal audit programme for 2020/21 from Crowe is received and approved.

Carried

9. LEGISLATIVE COMPLIANCE: ANNUAL TAX UPDATE TO 30 JUNE 2020

Type of Report: Operational

Legal Reference: Local Government Act 2002

Document ID: 962276

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

9.1 Purpose of Report

To provide the Audit and Risk Committee with the annual tax update on progress made during the period up to 30 June 2020.

At the Meeting

The Chief Financial Officer spoke to the report, noting that the annual update is provided by Council's tax advisors PwC and includes commentary on current tax matters and a tax update.

Committee members agreed that they were comfortable with three yearly checks on this work programme.

Committee's recommendation

Mayor Wise / D Pearson

That Council:

- a. Receive the report from PwC titled 'Napier City Council Annual Tax Update year to 30 June 2020'.

Carried

REPORTS FROM NAPIER PEOPLE AND PLACES COMMITTEE HELD 24 SEPTEMBER 2020

1. AQUARIUM STAPP COVID RECOVERY FUNDING

Type of Report:	Contractual
Legal Reference:	N/A
Document ID:	963081
Reporting Officer/s & Unit:	Rachel Haydon, General Manager, National Aquarium of New Zealand

1.1 Purpose of Report

This report is to seek Council agreement to the terms of a funding agreement between Napier City Council (NCC) and the Ministry of Business, Innovation and Employment (MBIE) for a grant offered from Strategic Tourism Asset Protection Programme (STAPP) funding.

At the Meeting

The Manager Business & Tourism spoke to the report, providing a brief overview and noted that the loan will be on favourable interest rate terms, payable over five years, and the funding support will help maintain aquarium operations.

In response to questions from Councillors, the following points were clarified:

- Council officers are confident that the criteria and obligations in the funding agreement can be met as the application focussed on achievable objectives around developing the asset as well as the team.
- Other tourism facilities successful in receiving similar grants include AJ Hackett Bungy NZ, Te Puia, as well as the Art Deco Trust. In granting this funding, central government have demonstrated that they recognise the National Aquarium of New Zealand as a strategic asset for the country.

Committee's recommendation

Councillors Mawson / Chrystal

That Council:

- Approve to agree to the terms of the Strategic Tourism Assets Protection Programme (STAPP) funding agreement with MBIE.
- Approve to accept the funding in line with the agreement
\$300k 20/21
\$200k 21/22

- c. Delegate authority to the Director Corporate Services the negotiation of the loan agreement should Council wish to take this up.
- d. Delegate authority to the Director Community Services to sign the funding agreement and if required make any minor changes as required by MBIE (Ministry of Business, Innovation and Employment).

Carried

REPORTS FROM PROSPEROUS NAPIER COMMITTEE HELD 24 SEPTEMBER 2020

1. GLOUCESTER STREET LEGALISATION

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Public Works Act 1981
<i>Document ID:</i>	960267
<i>Reporting Officer/s & Unit:</i>	Bryan Faulknor, Manager Property Jenny Martin, Property and Facilities Officer

1.1 Purpose of Report

To seek Council approval to declare portions of residential land in Gloucester Street to be road and vested in Napier City Council.

At the Meeting

The Director Corporate Services provided a brief overview of the report. There was no further discussion, or questions, from Councillors.

Committee's recommendation

Councillors Price / Wright

That Council:

- Recommend that Council resolve pursuant to Section 114 of the Public Works Act 1981 to consent to the land described in the Schedule below to be declared road and vested in the Napier City Council.

SCHEDULE

Hawkes Bay Land District – Napier City

Area (ha)	Legal Description	Record of Title
0.0095	½ share of Section 3 SO Plan 505062	HBL3/188
0.0008	½ share of Section 4 SO Plan 505062	HBL3/188
0.0098	½ share of Section 2 SO Plan 505062	HBL4/1054
0.0098	½ share of Section 2 SO Plan 505062	HBL2/369
0.0100	Section 1 SO Plan 505062	HBP4/776

Carried

2. PROCUREMENT UPDATE - HOW STRATEGIC PROCUREMENT CAN HELP ACHIEVE “BROADER OUTCOMES” FOR COUNCIL.

Type of Report:	Information
Legal Reference:	N/A
Document ID:	962946
Reporting Officer/s & Unit:	Sharon OToole, Procurement Lead

2.1 Purpose of Report

With an annual procurement programme of approximately \$100 million per year (exclusive of internal staff costs), Council’s procurement can have a profound effect on the local economy.

The Procurement Lead role commenced at Council in May 2019 to lead the development of a procurement & contracts management framework to add value, reduce risks and align activities with strategic objectives.

This paper outlines the legislative and regulatory framework that applies to Council procurement, and socialises recent developments and planned improvements that will help support advances in outcomes, capability, probity and assurance at Council. The paper includes suggestions on how Council will take a strategic approach on the consideration and integration of the 4 local government “well beings” and central government “broader outcomes” into Council procurement activities.

At the Meeting

The Procurement Lead spoke to the report and provided a brief overview of the work undertaken to date in the procurement space.

In response to questions from Councillors, the following points were clarified:

- The reporting on procurement spend analysis referred to in the report is still being considered. Currently, the focus is on what suppliers Council is already using, who is using them and whether multiple suppliers are being used for the same thing across Council. The information being captured at present needs to be developed further before this would be considered useful to a wider audience.
- The letter from the Auditor General wasn’t the trigger for this work being undertaken. The Procurement Lead was employed around 14 months ago and this work was already underway at that point.
- The procurement strategy will assist Council with forward planning, in considering what can be done to support upcoming projects at an operational level.
- Measures of success will be imbedded in the contract creation and performance measurement will be supported by the individual contract managers.

- There will likely be financial implications due to the return of the four well-being's and the consideration that must be given to these. Council will be looking at the broader outcomes i.e. assessing the cost across the life of an asset as opposed to just the upfront cost.
- Council does not have a formal procurement policy at present (utilising the Contract policy as its basis). The purpose of this update is to note that this work is progressing in the background.

Committee's recommendation

Councillors Browne / Crown

That Council:

- a. Note the update on procurement and contract management at Council with particular reference to broader outcomes.

Carried

3. LEASE OF RESERVE - HAWKE'S BAY HOCKEY ARTIFICIAL SURFACE TRUST - PARK ISLAND.

Type of Report:	Contractual
Legal Reference:	Reserves Act 1977
Document ID:	964207
Reporting Officer/s & Unit:	Bryan Faulknor, Manager Property Debra Stewart, Team Leader Parks, Reserves, Sportsgrounds

3.1 Purpose of Report

To seek Council's approval to enter into a new ground lease with the Hawke's Bay Hockey Artificial Surface Trust for the Hockey Facility at Park Island. The proposed lease includes an additional area to accommodate the proposed third turf.

At the Meeting

The Team Leader Parks, Reserves, Sportsgrounds spoke to the report noting that this lease renewal and extension has been on Council's radar for some time, and the reason for including the extra space is to allow Hawke's Bay Hockey to apply for further funding.

In response to questions from Councillors, the following points were clarified:

- Conversations with Unison over the power lines will likely continue to be an ongoing issue, due to cost.
- It was noted that some of the proposed extra space previously formed part of Council's stormwater overflow area. Council officers confirmed that stormwater will be addressed as part of the proposal, but not a functional part.
- The Chair advised that following discussions earlier in the week, the Manager Property had followed up with Hawke's Bay Hockey and confirmed that the proposal is in line to meet their future demands.
- In terms of developing the area further, car parking extensions will be Council's responsibility.

Committee's recommendation

Councillors McGrath / Simpson

That Council:

Resolve:

- i. That pursuant to Section 54(1)(c) of the Reserves Act 1977, to grant a lease to the Hawke's Bay Hockey Artificial Surface Trust for an area of land at Park Island Reserve accommodating the existing facility plus including provision for a proposed new turf.
- ii. That the term of the lease be for a period of 15 years, with one right of renewal.

Carried

4. GRANTING OF EASEMENT - NELSON PARK SCHOOL

Type of Report:	Legal
Legal Reference:	Reserves Act 1977
Document ID:	964594
Reporting Officer/s & Unit:	Bryan Faulknor, Manager Property Debra Stewart, Team Leader Parks, Reserves, Sportsgrounds

4.1 Purpose of Report

To seek Councils approval, pursuant to Section 48 of the Reserves Act, to grant an easement and right of way over part of Nelson Park. This is required to allow a revised access way to Nelson Park School from the Park.

At the Meeting

The Team Leader Parks, Reserves, Sportsgrounds spoke to the report noting that Council has been working on this with Nelson Park School and Fairhaven School for some time, and that the revised access way is simply tidying up existing use.

A couple of the Nelson Park Ward Councillors advised that they had visited the site and met with the schools to discuss the plan. It was noted that 12 car parks, currently used by teachers, will be lost due to the revised access way. Concerns were expressed by the Ward Councillors around the lack of car parking in the area and asked whether Council officers had any plans to mitigate this issue.

In response to questions from Councillors, the following points were clarified:

- The tree that needs to be removed is not a significant tree and Council officers do not consider there to be any issue with its removal.
- Council has an agreement with the schools that part of Nelson Park be used as their school greenspace. With so many children moving across this area, the revised access way will address the current safety concerns by reducing traffic.

ACTION: Council officers were asked to provide further information around the car parking concerns raised by Nelson Park Ward Councillors, when the matter comes back to the full Council meeting. Specifically, in relation to the 12 car parking spaces that will be lost.

Committee's recommendation

Councillors Tapine / Boag

That Council:

- a. Resolve pursuant to Section 48 of the Reserves Act 1977, to approve the granting to Her Majesty the Queen for a Public School ('the Grantee') an easement over an

area of land in Nelson Park adjacent to the Nelson Park School. This is to allow a turning circle to be completed and to formalise a right of way over the access way already formed, incorporating the vehicle turning circle and running between the existing school entrance and Jull Street.

Carried

REPORTS UNDER DELEGATED AUTHORITY

1. TENDERS LET

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	967172
<i>Reporting Officer/s & Unit:</i>	Debbie Beamish, Executive Assistant to the Chief Executive

1.1 Purpose of Report

To report the Tenders let under delegated authority for the period 1 August – 18 September 2020.

Officer's Recommendation

That Council:

- a. Receive the Tenders Let for the period 1 August – 18 September 2020.

CONTRACTS OVER \$100,000 LET UNDER CHIEF EXECUTIVE/DIRECTOR INFRASTRUCTURE DISCRETION

Contract 1271 Meeanee Sports Hall Building Maintenance

Three suppliers were invited to tender and two tenders were received.

The Engineer's estimate was \$155,000.00.

It was recommended that:

- A. The contract be awarded to Turfrey Ltd in the sum of \$126,800.00 and
- B. A contract contingency of \$28,200 be available.

This recommendation was approved.

1.2 Attachments

Nil

2. DOCUMENTS SIGNED UNDER DELEGATED AUTHORITY

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	967412
<i>Reporting Officer/s & Unit:</i>	Debbie Beamish, Executive Assistant to the Chief Executive

2.1 Purpose of Report

To report on the Documents Executed under Seal for the period 1 August – 18 September 2020.

Officer's Recommendation

That Council:

- a. Receive the report for Documents Executed under Seal for the period 1 August – 18 September 2020.

For the period 1 August – 18 September 2020

Date	Document
3/08/2020	Surrender of Easement and new Easement 130 Charles Street
3/08/2020	Surrender of Easement, Partial Revocation of Easement 178 Guppy Road, Taradale
3/08/2020	Replacement Easement and Partial Revocation of Easement Silverhills Subdivision – Oak road
04/08/2020	Easement in Gross 162 Kennedy Road
18/08/2020	Deed of Renewal of Licence - Coffee Caravan, Marine Parade
19/08/2020	Deed of Lease – HB Airport Ltd & BP Oil NZ Ltd
25/08/2020	Partial Revocation of Easement – Marewa Properties
25/08/2020	Easement Instrument and Fencing Covenant – 11 West Place
25/08/2020	Easement Instrument – 52 Bedford Road
25/08/2020	Partial Surrender of Easement Instrument and Easement Instrument – 34 Anzac Avenue
27/08/2020	Easement Instrument – 29 & 31 Masfield Avenue

27/08/2020	Partial surrender of Easement Instrument and new Easement instrument – 14 James Foley Ave
01/09/2020	Consent to transfer Lessee's interest, Flat 1, 101 Battery Road, Napier
14/09/2020	Partial Surrender of Easement and new Easement – 239 Kennedy Road, Napier
16/9/2020	Easement Instrument – 61 Masfield Avenue, Napier

2.2 Attachments

Nil

PUBLIC EXCLUDED ITEMS

That the public be excluded from the following parts of the proceedings of this meeting, namely:

Reports from Audit and Risk Committee held 18 September 2020

1. External Accountability: Draft Annual Report 2019/20
2. Resource Consent

Reports from Napier People and Places Committee held 24 September 2020

1. Offsite Kiwi Facility Lease
2. Grants Allocation SubCommittee 2020/21 - Distribution of Funds

Reports from Prosperous Napier Committee held 24 September 2020

1. Rental Relief Update

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:

Reports from Audit and Risk Committee held 18 September 2020

1. External Accountability: Draft Annual Report 2019/20	7(2)(g) Maintain legal professional privilege 7(2)(i) Enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	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: (i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except
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		7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.
2. Resource Consent	6(a) Prejudice the maintenance of the law, including the prevention, investigation, and detection of offences and the right to a fair trial	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: (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.

Reports from Napier People and Places Committee held 24 September 2020

1. Offsite Kiwi Facility Lease	7(2)(i) Enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	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: (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.
2. Grants Allocation SubCommittee 2020/21 - Distribution of Funds	7(2)(c)(i) Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same	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: (i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except

	source and it is in the public interest that such information should continue to be supplied	7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.
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Reports from Prosperous Napier Committee held 24 September 2020

1. Rental Relief Update	<p>7(2)(a) Protect the privacy of natural persons, including that of a deceased person</p> <p>7(2)(b)(ii) Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>7(2)(c)(i) Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied</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>
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ORDINARY MEETING OF COUNCIL

Open Minutes

Meeting Date:	Thursday 27 August 2020
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Time:	10am – 11.16am
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Venue	Large Exhibition Hall War Memorial Centre Marine Parade Napier
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Present	Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Browne, Chrystal, Crown, Mawson, McGrath, Price, Simpson, Tapine, Taylor, Wright
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In Attendance	Interim Chief Executive, Director Corporate Services, Director Infrastructure Services, Director City Services, Director City Strategy, Manager Communications and Marketing Manager Sport and Recreation Manager Community Strategies Manager Environmental Solutions Manager Regulatory Solutions Hawke's Bay Airport Ltd representatives – Stuart Ainslie (CEO), Wendy Harvey (Board Chair)
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Administration	Governance Team
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Apologies

Nil

Conflicts of interest

Nil

Public forum

Nil

Announcements by the Mayor

The Mayor recognised the trial currently taking place in relation to the Christchurch mosque shooting, and the courage of those giving victim and witness statements.

The Mayor also acknowledged that moving back into Alert Level 2 in response to the recurrence of COVID-19 has had and will have an impact on the Napier community and businesses. She encouraged people to support local businesses as much as possible. The two Council-offered recovery funds in place have had a fantastic level of uptake and applications have come from wide ranging businesses, and from community groups working to develop and beautify the Napier environment.

Minor Matters

Nil

Announcements by the management

Nil

Confirmation of minutes

Council resolution

Councillors Taylor / Boag

That the Draft Minutes of the Ordinary meeting held on 16 July 2020 be confirmed as a true and accurate record of the meeting.

Carried

**Council
resolution**

Councillors Price / Simpson

That the Draft Minutes of the Extraordinary meeting held on 24 July 2020 be confirmed as a true and accurate record of the meeting.

Carried

**Council
resolution**

Councillors Taylor / Tapine

That the Draft Minutes of the Extraordinary meeting held on 12 August 2020 be confirmed as a true and accurate record of the meeting.

Carried

AGENDA ITEMS

1. HAWKE'S BAY AIRPORT LTD REVISED DRAFT STATEMENT OF INTENT 2020/21

Type of Report:	Legal and Operational
Legal Reference:	Local Government Act 2002
Document ID:	950601
Reporting Officer/s & Unit:	Adele Henderson, Director Corporate Services

1.1 Purpose of Report

To present the Hawke's Bay Airport Ltd revised Draft Statement of Intent for the 2020/21 year.

At the meeting

Representatives from Hawke's Bay Airport Ltd spoke to a presentation on the revised Statement of Intent for 2020/21, touching on the 2019 and 2020 events that have impacted on the airport business, and the need recognised in 2019 to diversify revenue streams in order to move forward in the best way as a company.

The completion of the terminal development is key to the recovery plan, and the stakeholders were thanked for their continuing commitment to this progressing.

The recovery plan outlines a path forward to bring the company "back into the black" within two years.

In response to questions from councillors it was clarified that:

- The projections are based on a conservative, possibly even a pessimistic view; they do not assume that the borders (either trans-Tasman or international) will open soon
- The change in the air traffic control tower management has not affected the business to date. The airport has been working with other regional airports who have a similar arrangement to develop a safety case for consideration by the regulator.
- Biological screening has not been required of regional airports as yet, but it is anticipated that over the next 24 months that screening and processes will take a more health bias.

The work of the Airport team in very difficult circumstances was acknowledged.

Council resolution	Councillors Taylor / Browne
	That Council:
	a. Receive the 2020/21 Revised Draft Statement of Intent of the Hawke's Bay Airport Limited and provide comment and feedback from Napier City Council
	Carried

2. THREE WATERS REFORM PROGRAMME - MEMORANDUM OF UNDERSTANDING

<i>Type of Report:</i>	Contractual
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	950827
<i>Reporting Officer/s & Unit:</i>	Adele Henderson, Director Corporate Services Jon Kingsford, Director Infrastructure Services

This item was considered when matters taken to Committee were double debated

3. MAORI COMMITTEE 'MECHANICS' - RECONSIDERATION OF ITEM

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Local Government Official Information and Meetings Act 1987; Local Government Act 2001
<i>Document ID:</i>	950825
<i>Reporting Officer/s & Unit:</i>	Devorah Nícuarta-Smith, Team Leader Governance

3.1 Purpose of Report

To re-present a proposal to re-integrate the Māori Committee into the six-weekly meeting cycle of Council, this matter having been laid on the table by Council at its meeting on 16 July 2020.

At the meeting

There was no discussion on this item.

Council resolution

Mayor Wise / Councillor Tapine

That Council:

- a. Director Officers to re-integrate the Māori Committee into the six-weekly meeting cycle alongside the standing committees, including implementing the processes and system updates required to complete this change
- b. Note the following in relation to the update:
 - i. There will be changes in the timing of standing committees within the six weekly cycle to allow for the re-integration to take place
 - ii. Māori Committee members will be invited to all Council workshops
 - iii. Decisions of Council at standing committee (while remaining an option under Standing Orders) are expected to take place in extenuating and genuinely urgent instances only, as they bypass not only the Māori Committee but the full double debate process.
 - iv. The Māori Committee will be able to lay items on the table, as are standing committees; a process is under development to clarify how any such items will be treated in the upcoming meeting cycle
 - v. The InfoCouncil functionality to allow for the flow of information through the standing and Māori committees to Council requires reactivation and there may be some time lag in the update due to the complexity of this process

Carried

4. SECTION 10A ANNUAL DOG CONTROL REPORT - 2019/2020

<i>Type of Report:</i>	Operational and Procedural
<i>Legal Reference:</i>	Dog Control Act 1996
<i>Document ID:</i>	942711
<i>Reporting Officer/s & Unit:</i>	Rachael Horton, Manager Regulatory Solutions

4.1 Purpose of Report

To present the territorial authority report on dog control policies and practices for the dog control registration year 1 July 2019 – 30 June 2020 for adoption by Council as required under Section 10A of the Dog Control Act 1996, prior to being submitted to the Secretary of Local Government and being made publically available.

At the meeting

The Manager Regulatory Solutions spoke to the report, which presents the Annual Dog Control Report, a statutory requirement.

The Animal Control Team have significant education and safety training programmes, both on good dog ownership and on how to be safe around an aggressive dog. The Team works closely with owners to help them achieve compliance first, before any regulatory actions may be taken.

While there has been an important increase in many metrics there has been an increase in infringements which indicates that some owners still require education and support in making good decisions in relation to their dogs.

In response to questions from councillors:

- There is no specific guidance to dog owners as to how to manage interactions under different Alert Levels
- The Animal Control Team have been very active in following up on owners who are late in registering their dogs
- The public can get a discount off their registration based on the past compliance history and completion of a questionnaire provided by the Animal Control Team; it may also be useful to complete an obedience training course

Council indicated they were very happy to see the lower numbers of impounded and euthanised dogs. The Animal Control Team were thanked for the excellent job they do.

Council resolution	<u>Councillors Tapine / Chrystal</u>
	That Council:
	a. Adopt the Napier City Council Annual Dog Control Report 2019/20.
	i. That the report be submitted to the Secretary for Local Government and published in accordance with the Dog Control Act 1996.
	<u>Carried</u>

5. MARINE PARADE RESERVE THE AMAZING DINOSAUR DISCOVERY

Type of Report:	Procedural
Legal Reference:	Reserves Act 1977
Document ID:	954480
Reporting Officer/s & Unit:	Debra Stewart, Team Leader Parks, Reserves, Sportsgrounds

5.1 Purpose of Report

The purpose of the report is to seek approval from Council allow Zirka Circus – “The Amazing Dinosaur Discovery” to locate on Marine Parade in the area south of the aquarium for the September 2020 School Holidays , 22 September to 13 October 2020 (inclusive of pack in and pack out).

At the meeting

The Director Infrastructure took questions.

- The responsibility for all safety obligations including managing COVID-19 restrictions is with Zirka Circus
- The event has used Marine Parade in the past and is keen to use the same space again. Anderson Park is not always suitable for the vent depending on the time of year.

ACTION Upcoming events will be listed on the Council website to ensure people are aware of opportunities they can attend

Council resolution

Councillor Price / Dep. Mayor Brosnan

- a. That the Ordinary Meeting of Council resolves that the report be received.
- b. Resolve
- i. Pursuant to the delegated authority provided to the Council under the Instrument of Delegation for Territorial Authorities, dated 12 June 2013, to grant a licence under Section 54(1)(d) of the Reserves Act 1977 for Zirka Circus – The Amazing Dinosaur Discovery over part of the land described in the Schedule below (being a recreation reserve) for the purposes of operating the business of a circus for a term of no more than [21] consecutive days and otherwise in accordance with the provisions of the Reserves Act 1977, subject to any other Consents being granted.

Schedule -

Legal Description	Identifier
Lot 3 DP 27728	HBW4/780

Carried

6. UNCONFIRMED MINUTES HAWKE'S BAY DRINKING WATER GOVERNANCE JOINT COMMITTEE - 13 FEBRUARY 2020

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Local Government Official Information and Meetings Act 1987
<i>Document ID:</i>	951700
<i>Reporting Officer/s & Unit:</i>	Devorah Nicuarta-Smith, Team Leader Governance

6.1 Purpose of Report

To receive the unconfirmed minutes of the Hawke's Bay Drinking Water Governance Joint Committee meeting held on 13 February 2020.

At the meeting

Councillors Simpson and Chrystal spoke to the draft minutes, noting that the meeting was the inaugural gathering for this triennium.

The Committee is active and has been considering the national water reforms as well the regional TANK plan.

Council resolution	Councillors Simpson / Chrystal
	That Council:
	a. Receive the unconfirmed minutes of the Hawke's Bay Drinking Water Governance Joint Committee meeting held on 13 February 2020.
	Carried

REPORTS / RECOMMENDATIONS FROM THE STANDING COMMITTEES

REPORTS FROM SUSTAINABLE NAPIER COMMITTEE HELD 30 JULY 2020

1. NAPIER CITY COUNCIL SUBMISSION TO THE TANK PLAN CHANGE

Type of Report:	Legal and Operational
Legal Reference:	Resource Management Act 1991
Document ID:	944236
Reporting Officer/s & Unit:	Kim Anstey, Planner Policy/Analyst Jon Kingsford, Director Infrastructure Services

1.1 Purpose of Report

The purpose of this report is to authorise Council Officers to lodge a submission to the Hawke's Bay Regional Council's (HBRC) Proposed Change 9 to the Regional Resource Management Plan (RRMP). This plan change seeks to improve the management of fresh water in the Greater Heretaunga Catchments and is commonly referred to as the TANK plan change.

The Napier City Council submission will address the key points discussed at the Council workshop on June 25 and identified in section 1.3 below. A copy of the submission will be provided to Council prior to lodgement before the submission close date of August 14, 2020.

At the meeting

There was no discussion on this item.

Council resolution	Councillors Simpson / Price
	The Sustainable Napier Committee:
	a. Authorise Council Officer's to lodge a submission that addresses the key points of submission at section 1.3 below.
	Carried

REPORTS FROM FUTURE NAPIER COMMITTEE HELD 30 JULY 2020

1. DISTRICT PLAN REVIEW - POLICY APPROACH OF THE DRAFT PLAN

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Resource Management Act 1991
<i>Document ID:</i>	945299
<i>Reporting Officer/s & Unit:</i>	Dean Moriarity, Team Leader Policy Planning

1.1 Purpose of Report

- a. The purpose of this report is to follow up on the recent series of seminars held with Council between 19th March 2020 and the 25th June 2020 regarding the review of the District Plan; and
- b. For Council to approve the recommended policy approach for specific chapters so that officers can draft plan provisions within an agreed framework.

At the meeting

There was no discussion on this item

Council resolution	Dep. Mayor Brosnan / Councillor Wright
	The Future Napier Committee:
	<ol style="list-style-type: none">a. Endorse the recommended policy approach in the report, for preparing the Draft District Plan for the purposes of undertaking consultation and engagement with all interested parties within Napier.
	Carried

2. DISTRICT PLAN REVIEW - DRAFT CHAPTER: SPECIAL ZONE: TE WHANGANUI-A-OROTŪ (AHURIRI ESTUARY) ECOLOGY AND STORMWATER PARK

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Resource Management Act 1991
<i>Document ID:</i>	933479
<i>Reporting Officer/s & Unit:</i>	Yvonne Legarth, Policy Planner

2.1 Purpose of Report

To obtain the agreement of Council to remove the existing two zones that apply to land at Lagoon Farm in the operative district plan, and include a single special zone in the draft District Plan that implements a policy approach to achieve stormwater improvement and outcomes for the water quality and ecology of Te Whanganui-a-Orotū (Ahuriri Estuary).

The policy approach will then form part of the draft district plan and, subject to Council resolution, will proceed to public consultation.

At the meeting

There was no discussion on this item

Council resolution

Dep. Mayor Brosnan / Councillor Wright

The Future Napier Committee:

- a. Endorse the replacement of the two zones that currently apply to land at Lagoon Farm in the operative district plan, with a single special zone in the draft District Plan that implements a policy and regulatory approach that controls activities to:
 - i. achieve stormwater treatment and water quality improvements; and
 - ii. ecological outcomes for the Te Whanganui-a-Orotū (Ahuriri Estuary); and
 - iii. provides for recreation and controls limited commercial activities to ensure these are compatible with the ecological values of the estuary.

Carried

3. ADOPTION OF NAPIER CITY MOBILE SIGN BYLAW

<i>Type of Report:</i>	Legal
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	942786
<i>Reporting Officer/s & Unit:</i>	Yvonne Legarth, Policy Planner Rachael Horton, Manager Regulatory Solutions

3.1 Purpose of Report

To seek Council confirmation and adoption of the reviewed Mobile Sign Bylaw.

At the meeting

There was no discussion on this item

Council resolution	<p>Dep. Mayor Brosnan / Councillor Wright</p> <p>The Future Napier Committee:</p> <ol style="list-style-type: none"> a. Note the information in the previous report to Council Meeting on 7 May 2020 that dealt with the need to review the Mobile Sign Bylaw 2013. b. Note that no submissions have been received on the proposal to continue the Mobile Sign Bylaw 2013 without amendment. c. Confirm, in accordance with Section 155 of the Local Government Act 2002, that a Mobile Sign Bylaw 2020 is the most appropriate way of addressing the problems that mobile signs can have on: <ol style="list-style-type: none"> i. public and traffic safety ii. maintenance of aesthetic standards iii. control of offensive material on mobile signs b. Confirm that the Mobile Sign Bylaw is currently the most appropriate form of bylaw. c. Agree that the Mobile Sign Bylaw is not inconsistent with, or have any implications under the New Zealand Bill of Rights Act 1990. d. Confirm that a further review of the Mobile Sign Bylaw 2020 is to be undertaken as part of the process to prepare a consolidated Napier City Council Urban Environment Bylaw. e. Adopt the Mobile Sign Bylaw 2020 <p>Carried</p>
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4. CIVIC PRECINCT PROJECT UPDATE

Type of Report: Information

Legal Reference: N/A

Document ID: 944857

Reporting Officer/s & Unit: Fleur Lincoln, Strategic Planning Lead

4.1 Purpose of Report

This report is to provide an update on progress made, and next steps for the Civic Precinct Project.

At the meeting

There was no discussion on this item

Council resolution

Dep. Mayor Brosnan / Councillor Wright

The Future Napier Committee:

- a. Receive the update provided on the Civic Precinct project
 - b. Endorse the process to develop a Masterplan for the Precinct
-

Carried

5. ANNA SPENCER STATUE

<i>Type of Report:</i>	Procedural
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	946459
<i>Reporting Officer/s & Unit:</i>	Fleur Lincoln, Strategic Planning Lead

5.1 Purpose of Report

The purpose of this report is to obtain approval for the installation of the Anna Elizabeth Jerome Spencer statue within road reserve of Napier's CBD.

At the meeting

There was no discussion on this item

Council resolution	<p>Dep. Mayor Brosnan / Councillor Wright</p> <p>The Future Napier Committee:</p> <ol style="list-style-type: none"> Approve the acceptance of the gift to Napier City Council of the statue from the New Zealand Women's Institute in perpetuity. Approve the installation of the Anna Elizabeth Jerome Spencer statue within road reserve on the corner of Cathedral Lane and Shakespeare Road, as well as a small storyboard detailing who Miss Spencer was, and her contribution to society. <p>Carried</p>
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6. NAPIER RECOVERY FUNDING

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	942991
<i>Reporting Officer/s & Unit:</i>	Michele Grigg, Senior Advisor Policy Dean Prebble, Economic Development Manager

6.1 Purpose of Report

To provide an update on two funds established to progress the aims of the Napier Recovery Plan.

At the meeting

There was no discussion on this item

Council resolution	<u>Dep. Mayor Brosnan / Councillor Wright</u>
	The Future Napier Committee:
	a. Note the information on two recovery funds recently established, those being:
	<ul style="list-style-type: none"> Recovery Projects Fund Te Puawaitanga – Green Communities Together Fund
	<u>Carried</u>

7. RESOURCE CONSENT ACTIVITY REPORT

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	Resource Management Act 1991
<i>Document ID:</i>	943179
<i>Reporting Officer/s & Unit:</i>	Luke Johnson, Team Leader Planning and Compliance

7.1 Purpose of Report

This report provides an update on recent activity within the resource consenting team. The report is provided for information purposes only for elected members, so that there is visibility of major projects and an opportunity for elected members to understand the process.

Applications are assessed by delegation through the RMA; it is not intended to have application outcome discussions as part of this paper.

This report only contains information which is lodged with Council and is publicly available.

At the meeting

There was no discussion on this item

Council resolution	Dep. Mayor Brosnan / Councillor Wright
	The Future Napier Committee:
	a. Note the resource consent activity update.
	Carried

REPORTS FROM SUSTAINABLE NAPIER COMMITTEE HELD 6 AUGUST 2020

1. THREE WATERS REFORM PROGRAMME - MEMORANDUM OF UNDERSTANDING

<i>Type of Report:</i>	Contractual
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	951023
<i>Reporting Officer/s & Unit:</i>	Adele Henderson, Director Corporate Services Jon Kingsford, Director Infrastructure Services

1.1 Purpose of Report

Provide information to Council on the Memorandum of Understanding being the first stage of the Three Water Services Reform Programme

At the meeting

There was no discussion on this item

Council resolution

Councillors Price / Crown

The Sustainable Napier Committee:

- a. Approve entering into the Memorandum of Understanding and associated Funding Agreement and Delivery Plan for the first stage of the Three Waters Services Reform Programme.
- b. Note the Reform Programme is part of the Governments programme to reform current water service delivery, into larger scale providers, to realise significant economic, public health, environmental, and other benefits over the medium to long term, and that signing this MOU does not create any obligation upon Council with regard to future steps of this reform programme;
- c. Note that details on the allocation of the funding will come back to Council as a separate paper. Details of the actual funding are only provided on the signing of the Memorandum of Understanding.
- d. Delegate signing of the MOU to the Chief Executive, noting the attached is a template.

Carried

REPORTS FROM MĀORI COMMITTEE HELD 14 AUGUST 2020

1. THREE WATERS REFORM PROGRAMME - MEMORANDUM OF UNDERSTANDING

<i>Type of Report:</i>	Contractual
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	951022
<i>Reporting Officer/s & Unit:</i>	Adele Henderson, Director Corporate Services Jon Kingsford, Director Infrastructure Services

This item was considered under reports taken to Sustainable Napier Committee 6 August 2020.

2. MĀORI COMMITTEE 'MECHANICS' - UPDATE FOLLOWING COUNCIL MEETING 16 JULY 2020

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Local Government Official Information and Meetings Act 1987; Local Government Act 2001
<i>Document ID:</i>	950823
<i>Reporting Officer/s & Unit:</i>	Devorah Nícuarta-Smith, Team Leader Governance

2.1 Purpose of Report

To provide an update to the Māori Committee on the proposal to reintegrate the Committee into Council's six weekly meeting cycle, following the Council meeting of 16 July 2020.

At the meeting

The Team Leader Governance advised that the report brought direct to Council updated the recommendation on this matter based on previous discussions at Council.

Council resolution	Mayor Wise / Councillor Tapine
	The Māori Committee:
	a. Receive the update in relation to the proposal to reintegrate the Māori Committee into Council's six weekly meeting cycle
	Carried

REPORTS UNDER DELEGATED AUTHORITY

1. DOCUMENTS SIGNED UNDER DELEGATED AUTHORITY

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	953535
<i>Reporting Officer/s & Unit:</i>	Debbie Beamish, Executive Assistant to the Chief Executive

1.1 Purpose of Report

To report on the Documents Executed under Seal for the period 27 June – 31 July 2020.

At the meeting

There was no discussion on this item

Council resolution	Dep. Mayor Brosnan / Councillor Mawson
	That Council: Receive the report for Documents Executed under Seal for the period 27 June – 31 July 2020.
	Carried

2. TENDERS LET

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	953539
<i>Reporting Officer/s & Unit:</i>	Debbie Beamish, Executive Assistant to the Chief Executive

2.1 Purpose of Report

To report the Tenders let under delegated authority for the period 27 June – 31 July 2020.

At the meeting

There was no discussion on this item

Council resolution

Councillors Simpson / Chrystal

That Council:

- a. Receive the Tenders Let for the period 27 June – 31 July 2020.

Carried

The meeting was adjourned at 10.57am in order to move into the Extraordinary meeting of Council 27 August 2020.

The meeting reconvened at 11.15am and moved into Public Excluded.

PUBLIC EXCLUDED ITEMS

Council resolution

Councillor Mawson / Dep. Mayor Brosnan

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

Carried

Agenda Items

1. Napier City Civic Award Nominations 2020
2. Consideration of Aquatic Centre tender

Reports from Sustainable Napier Committee held 30 July 2020

1. Land Acquisition & Road Stopping - McLeod Road

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. Napier City Civic Award Nominations 2020	7(2)(a) Protect the privacy of natural persons, including that of a deceased person	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: (i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except
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		7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.
2. Consideration of Aquatic Centre tender	<p>7(2)(b)(ii) Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</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>

Reports from Sustainable Napier Committee held 30 July 2020

1. Land Acquisition & Road Stopping - McLeod Road	<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>
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The meeting moved into committee at 11.16am

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

Chairperson

Date of approval

EXTRAORDINARY MEETING OF COUNCIL

Open Minutes

Meeting Date:	Thursday 27 August 2020
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Time:	11.04am – 11.15am
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Venue	Large Exhibition Hall War Memorial Centre Marine Parade Napier
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Present	Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Browne, Chrystal, Crown, Mawson, McGrath, Price, Simpson, Tapine, Taylor, Wright
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In Attendance	Interim Chief Executive, Director Corporate Services, Director Infrastructure Services, Director City Services, Director City Strategy, Manager Communications and Marketing Manager Community Strategies Manager Sport and Recreation Manager Environmental Solutions Chief Financial Officer
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Administration	Governance Team
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Apologies

Nil

Conflicts of interest

Cr Taylor should not be considered as voting in relation to any funding provided to Sport Hawke's Bay.

Public forum

Nil

AGENDA ITEMS

1. ADOPTION OF THE ANNUAL PLAN 2020/21

<i>Type of Report:</i>	Legal
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	957115
<i>Reporting Officer/s & Unit:</i>	Lauren Sye, Corporate Planning Analyst Caroline Thomson, Chief Financial Officer

1.1 Purpose of Report

To adopt the 2020/21 Annual Plan in accordance with the Local Government Act 2002.

At the meeting

The Director Corporate Services spoke briefly to the report noting that this Annual Plan is the revision prepared following the COVID-19 national response.

In response to questions from councillors it was clarified that:

- The timing of the Long Term Plan will not be impacted, but multiple scenarios will need to be considered in consultation with the community. There may need to be amendments if unexpected changes occur, for example in relation to COVID-19.

It was noted that positive feedback was received from many submitters on the re-establishment of formal hearings.

Officers were thanked for the excellent work undertaken in developing the original and revised Plans.

Council resolution

Councillors Crown / Taylor

That Council:

- Note that the Annual Plan 2020/21 has been developed in accordance with the requirements of the Local Government Act 2002, but does not meet the requirements in section 95 (adoption by 1 July) and section 100(i) (balanced budget).
- Note the 2020/21 Annual Plan has been considered by the Audit and Risk Committee. The Committee is comfortable with the approach taken by Council in the adoption of the 2020/21 Annual Plan (minutes of Audit and Risk Committee – 12 June refer).
- Adopt the Annual Plan 2020/21 as attached in Appendix B.
- 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.

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

Carried

2. RESOLUTION TO SET THE RATES FOR 2020/21

<i>Type of Report:</i>	Legal
<i>Legal Reference:</i>	Local Government (Rating) Act 2002
<i>Document ID:</i>	956968
<i>Reporting Officer/s & Unit:</i>	Garry Hrustinsky, Investment and Funding Manager

2.1 Purpose of Report

To set rates for 2020/21 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

Mayor Wise / Councillor 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 2020 and ending on 30 June 2021, 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	0.52539
2	Commercial and Industrial	1.40900
3	Miscellaneous	0.52539
4	Ex-City Rural	0.33346
5	Other Rural	0.33346
6	Bay View	0.38248

(B) UNIFORM ANNUAL GENERAL CHARGE

A Uniform Annual General Charge of \$375.00 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	0.02672	0.01335
Suburban Shopping Centres, Hotels and Motels and Industrial rating units outside of the CBD	0.01336	0.00668
Other rating units connected to or able to be connected to the water supply systems	0.00668	0.00334

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	\$236.00
Rating units able to be connected to and within 100m of the City Water Supply System	\$118.00

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	\$236.00
Rating units able to be connected and within 100m of the Bay View Water Supply System	\$118.00

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)	\$0.58259
Metered Domestic and Other Supplies (\$/m ³)	\$1.08104

(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
\$130.00	\$260.00	\$390.00

(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	\$70.00
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(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	\$398.00
Rating units able to be connected to and within 30m of either the City or Bay View Sewerage Systems	\$199.00

(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 2020/21 is \$941.35

(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.	0.14889
Properties where council provides additional parking due to the property receiving a 50% parking dispensation.	0.07445

H) 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	0.10999

H) 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	0.10999

(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:

Description	Cents in the dollar on Land Value
Properties in the CBD Promotion Rate area	0.21794

(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:

Description	Cents in the dollar on Land Value
Properties in the Taradale Promotion Rate area	0.24244

(I) 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 \$52 per rating unit.

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 3.5% penalty will be added to any portion of rates (except for Water by Meter) assessed for instalments 1 and 2 for the 2020/21 rating year that remains unpaid after the relevant instalment date. 10% penalty will be added to any portion of rates (except for Water by Meter) assessed for instalments 3 and 4 for the 2020/21 rating year that remains unpaid after the relevant instalment date. The respective penalty dates are 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	30 September 2020	05 October 2020
2	18 November 2020	23 November 2020
3	17 February 2021	22 February 2021
4	20 May 2021	26 May 2021

With the exception of instalment 4 in the 2019/20 rating year for which no penalty was applied, any portion of rates assessed in previous years (including previously applied penalties) which remains unpaid on 30 July 2020 will have a further 10% added, firstly on 31 July 2020, and if still unpaid, again on 31 January 2021.

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 2020	24 July 2020
2	20 October 2020	26 October 2020
3	20 January 2021	26 January 2021
4	20 April 2021	26 April 2021
Period Ending	Annual invoicing Due Date	Penalty date
30 June 2020	20 July 2020	21 July 2020
30 June 2021	20 July 2021	21 July 2021

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 2020 will have a further 10% added, firstly on 31 July 2020, and if still unpaid, again on 31 January 2021.

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

Carried

The meeting closed at 11.15am

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

Chairperson

Date of approval

EXTRAORDINARY MEETING OF COUNCIL

Open Minutes

Meeting Date:	Tuesday 15 September 2020
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Time:	3.00pm-4.00pm
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Venue	Large Exhibition Hall War Memorial Centre Marine Parade Napier
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Present	Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Browne, Crown, Mawson, McGrath, Price, Simpson, Tapine, Taylor
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In Attendance	Interim Chief Executive, Director Corporate Services, Director Community Services, Director Infrastructure Services, Director City Services, Director City Strategy, Manager Communications and Marketing, Chief Financial Officer, Investment and Funding Manager, Manager Property, HBLASS Programme Manager
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Administration	Governance Team
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Apologies

Council resolution Councillors Boag / Crown

That the apologies from Councillors Chrystal and Wright be accepted.

Carried

Conflicts of interest

Nil

Public forum

Nil

Announcements by the Mayor

Nil

Announcements by the management

Nil

AGENDA ITEMS

1. HAWKE'S BAY REGION 3 WATERS REPORT

Type of Report: Operational

Legal Reference: N/A

Document ID: 962595

Reporting Officer/s & Unit: Keith Marshall, Interim Chief Executive

1.1 Purpose of Report

To present to Council the Morrison Low report *Hawke's Bay Three Waters, Business Case of Three Waters Service Delivery options*

At the Meeting

The Interim Chief Executive spoke to the report, providing a brief overview and noted that the report has been canvassed at length with Council.

There was no further discussion or questions from Councillors.

Council resolution

Councillors Simpson / Browne

That Council:

- a. Note and receive the Morrison Low report *Hawke's Bay Three Waters, Business Case of Three Waters Service Delivery options*, and that it will be a helpful contribution to the upcoming 3 Waters reform process.
- b. Note that Napier City Council has signed up to working with the Government on the 3 Waters reform process.

Carried

2. THREE WATERS REFORM PROGRAMME - FUNDING AGREEMENT, DELIVERY PLAN AND PROPOSED PROJECTS

Type of Report:	Contractual
Legal Reference:	N/A
Document ID:	965068
Reporting Officer/s & Unit:	Adele Henderson, Director Corporate Services Jon Kingsford, Director Infrastructure Services

2.1 Purpose of Report

To provide delegation for the signing of the Funding Agreement and Delivery Plan associated with the Three Water Services Reform Programme including proposed projects.

At the Meeting

The Director Corporate Services tabled the Draft Three Waters Stimulus Grant Delivery Plan (attached under **Appendix A**).

The Director Infrastructure Services spoke to the report noting that this report is in relation to Central Government's Three Waters Reform programme of work and identifies the proposed projects that Council will be allocating their share of the region's funding to.

In response to questions from Councillors, the following points were clarified:

- While the preference is for additional staff to be employed under fixed term contracts, there is a risk that the proposed works may not be able to be completed in the given timeframe due to the short supply of engineers. This risk will be considered and discussed regionally also. In the event that issues arose, Council could also examine the option of using external engineering consultancy or contractors to help fill any gaps.
- The list of proposed projects well exceeds the funding available to Council. It is highly unlikely that Council would need to identify further projects, but should this occur, these would come back to Council for consideration.
- The Three Waters Stimulus Grant Delivery Plan is in draft form only at this stage and will come back to Council prior to the 30 September deadline for a final decision, once the programme has been finalised.
- It is intended that the quarterly reporting will be aligned with Council's current reporting cycle.

Council resolution

Councillors Browne / Tapine

That Council:

- Approve entering into the Funding Agreement and Delivery Plan for the first stage of the Three Waters Services Reform Programme by 30th September.

-
- b. Approve the proposed projects to be undertaken as part of the Delivery Plan, noting that these are subject to approval from the Department of Internal Affairs (DIA).
 - c. Provide delegation to the Chief Executive to make required changes to the Delivery Plan in order to finalise the agreement with DIA, noting that Council have been provided with projects that are in excess of the \$12.51m available funding, and projects will be prioritised from those identified under Priority 2 and 3 list provided in this report.
 - d. Note the Reform Programme is part of the Governments programme to reform current water service delivery, into larger scale providers, to realise significant economic, public health, environmental, and other benefits over the medium to long term, and that signing the MOU, Funding Agreement and Delivery Plan does not create any obligation upon Council with regard to future steps of this reform programme;
 - e. Delegate signing of the Funding Agreement and Delivery Plan to the Chief Executive and Mayor.

Carried

3. BUDGETS TO BE CARRIED FORWARD TO 2020/21

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	962775
<i>Reporting Officer/s & Unit:</i>	Adele Henderson, Director Corporate Services Caroline Thomson, Chief Financial Officer

3.1 Purpose of Report

To seek Council approval to carry forward budgets into 2020/21 or future years depending on the timing of the programme.

At the Meeting

The Chief Financial Officer spoke to the report, noting that many of the carry forward requests relate to projects already underway at year end where budget is required to complete the projects in 2021. Almost half of the total requested carry forward amount is made of up capex carry forwards in relation to the pool project.

In response to questions from Councillors, the following points were clarified:

- Due to Covid-19 and the affect this had on the Annual Plan process, the time required to rationalise the list of proposed projects down just wasn't available.
- Some projects have not commenced yet but are programmed to be completed in 2021. It was noted that rather than taking these projects out of the plan, they can be held over and reconsidered under the Long Term Plan process.
- This year's total carry forward amount is significantly higher than previous years. Last year was in the order of \$15 Million and prior to that it was much lower.

Council resolution

Councillors Taylor / Simpson

That Council:

- Approve total capital carry forward budgeted expenditure of \$36,002,409 from 2019/20 into 2020/21 (or future years depending on the timing of the programme).
- Approve total operational expenditure carry forward budgeted expenditure of \$5,347,371 from 2019/20 into 2020/21.

Carried

4. DRAFT REVENUE AND FINANCING POLICY AND UNDERLYING INFORMATION

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	953015
<i>Reporting Officer/s & Unit:</i>	Caroline Thomson, Chief Financial Officer

4.1 Purpose of Report

To recommend the proposed amendments to the Revenue and Financing Policy for adoption by Council and subsequent consultation with the community.

At the Meeting

The Chief Financial Officer spoke to the report, providing a brief overview and noted that a number of workshops have been held with elected members in relation to this Policy.

A number of Councillors commented that the comprehensive review process provided elected members with a greater understanding of how council funds its activities. In response to questions, it was noted that although the Policy is reviewed every three years, Council was well overdue for a significant review. The last significant review was undertaken in 2001.

Council resolution

Mayor Wise / Councillor Taylor

That Council:

- a. Adopt the Draft Revenue and Financing Policy as attached in Appendix A
- b. Note that the rating implications from the Revenue and Financing Policy review will be reflected in the Statement of Proposal and Consultation Document to be presented to Council on 8 October 2020.

Carried

5. DRAFT RATING POLICY

<i>Type of Report:</i>	Legal
<i>Legal Reference:</i>	Local Government (Rating) Act 2002
<i>Document ID:</i>	963006
<i>Reporting Officer/s & Unit:</i>	Garry Hrustinsky, Investment and Funding Manager

5.1 Purpose of Report

To reintroduce and update the Rating Policy.

To review and update the policy in alignment with proposed Revenue & Financing Policy, and Remission & Postponement Policy amendments.

To recommend the proposed amendments to the Rating Policy for approval by Council and subsequent consultation with the community.

At the Meeting

The Investment and Funding Manager spoke to the report noting that the Rating Policy is the bridge between The Revenue and Financing Policy and the Funding Impact Statement.

The Mayor noted that no questions were raised by Councillors as this Policy had also been canvassed extensively in workshops.

Council resolution

Councillors Crown / Boag

That Council:

- a. Approve the reintroduction of a Rating Policy.
- b. Approve the proposed General Rate differentials and rates applied.
- c. Approve an increase in the City Water Rate from 50% to 70% for Rating Units that are not connected but within 100m of the system.
- d. Approve an increase in the Sewerage Rate from 50% to 70% for Rating Units that are not connected but within 30m of the system.
- e. Approve a note that a Wastewater Rate is being proposed to replace the Sewerage Rate.
- f. Approve the introduction of a Stormwater Rate.
- g. Note proposed amendments to rating differentials and definitions within the draft Revenue & Financing Policy.
- h. Note proposed amendments to remissions within the draft Rates Remission Policy.
- i. Note proposed amendments to postponements within the draft Rates Postponement Policy.
- j. Approve Council officers consulting on the Rating Policy in conjunction with the Revenue & Financing Policy.

Carried

6. DRAFT RATES REMISSION POLICY

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	960522
<i>Reporting Officer/s & Unit:</i>	Garry Hrustinsky, Investment and Funding Manager

6.1 Purpose of Report

To review and update the Rates Remission Policy in accordance with s.109 of the Local Government Act 2002.

To review and update the policy in alignment with proposed Remission & Postponement Policy amendments.

To recommend the proposed amendments to the Rates Remission Policy for approval by Council and subsequent consultation with the community.

At the Meeting

The Investment and Funding Manager provided a brief overview of the report.

In response to questions from Councillors, the following points were clarified:

- The Consultation Document will be brought to Council on 8 October 2020 for consideration.
- The indicative dates for consultation at this time are from 12 October to 15 November 2020.
- Any change in Covid alert levels will be managed. Should levels increase again, this will only affect face to face meetings. All other consultation will continue as planned.

Council resolution

Councillors Tapine / Boag

That Council:

- Approve the inclusion of a Remission for Farmland Under 5 Hectares.
- Approve the inclusion of a Remission of Refuse Collection and/or Kerbside Recycling Targeted Rates.
- Approve the inclusion of a Remission for Residential Properties Used Solely as a Single Residence.
- Approve the removal of Remission for Land Subject to Special Preservation Conditions.
- Approve the removal of Remission of Uniform Annual General Charges (UAGC) and Targeted Rates of a Fixed Amount on Rating Units Owned by the Same Owner.
- Approve other minor changes detailed in this report
- Note proposed amendments to rating differentials and definitions within the draft Revenue & Financing Policy.

-
- h. Note proposed reintroduction and amendments to the Rating Policy.
 - i. Approve Council officers consulting on the Rates Remission Policy in conjunction with the Revenue & Financing Policy.

Carried

7. DRAFT RATES POSTPONEMENT POLICY

Type of Report: Legal and Operational

Legal Reference: Local Government Act 2002

Document ID: 960526

Reporting Officer/s & Unit: Garry Hrustinsky, Investment and Funding Manager

7.1 Purpose of Report

To review and update the Rates Postponement Policy in accordance with s.110 of the Local Government Act 2002.

To better align the policy with proposed Rating Policy and Remission Policy amendments.

To recommend the proposed amendments to the Rates Postponement Policy for adoption by Council and subsequent consultation with the community.

At the Meeting

The Investment and Funding Manager spoke to the report noting that the review of the Rates Postponement Policy was triggered by the review of the Revenue and Financing Policy.

Council resolution

Councillors Mawson / Taylor

That Council:

- a. Approve the proposed amendments to the Rates Postponement Policy to remove Postponement for Farmland.
- b. Note proposed amendments to rating differentials within the draft Revenue & Financing Policy.
- c. Note proposed reintroduction and amendments to the Rating Policy.
- d. Approve Council officers consulting on the Rates Postponement Policy in conjunction with the Revenue & Financing Policy.

Carried

8. SPORTSGROUNDS CHARGES RELIEF PACKAGE

Type of Report:	Operational
Legal Reference:	N/A
Document ID:	964142
Reporting Officer/s & Unit:	Bryan Faulknor, Manager Property

8.1 Purpose of Report

To seek Council approval for the remission of Sports Grounds Charges and Rodney Green Centennial Event Centre hire charges for the 2020 winter sports period and the 2020/21 summer sports period.

At the Meeting

Councillor Price declared a conflict of interest as the Chair of Basketball Hawke's Bay.

The Manager Property spoke to the report noting that the proposed fees and charges remissions only apply to the 2020 winter sports season and the 2020/21 summer sports season, and would align Council with Hastings District Council.

In response to questions from Councillors, the following points were clarified:

- The estimated cost noted in the report is a combination of lost revenue and refunds.
- The intention is that this would be a blanket remission on sportsground charges for all sporting codes.
- Remissions apply to non-professional Not for Profit sports organisations only. Commercial activities will still be charged.
- Professional rugby at McLean Park is not included, but some individual games may be considered on a case by case basis.

ACTION: Council officers to come back to Council with additional information around how accountability for relief flowing back to clubs from regional sports organisations may be captured.

Council resolution

Councillors McGrath / Mawson

That Council:

Resolve

- To approve the remission of Sports Grounds charges and Rodney Green Centennial Event Centre hire charges for the 2020 winter sports period and the 2020/2021 summer sports period.
- Approve that the remissions be funded from any unused portion of the Rental Relief Fund and Rates Relief Fund approved 30 April 2020 and to ensure that the budget requirements of the activity are met.
- To approve the general guidance criteria for remission:

-
- Remission to be given to non- professional Not for Profit sports organisations only. Where relief is given to Regional Sports organisations then the expectation is that this will flow back to clubs and accountability for this may be required at Council's discretion.
 - Applies to seasonal hire for open grounds and the Rodney Green Centennial Events Centre
 - One off open ground sports games in general excluded, however remissions may be considered on a case-by-case basis.
 - McLean Park charges in general to be excluded; however, remissions may be considered on a case-by-case basis.
 - Representative games and tournaments excluded.
- iv. To approve that delegation be given to the Director of Corporate Services and Council's Team Leader Parks, Reserves, Sportsgrounds to approve remissions.
- v. To note that this relief is an extension to the rates and rental relief approved by Council 30 April 2020 and is in response to the financial effects and hardship caused by the Covid-19 pandemic.

Councillor Price did not participate in the discussion or vote due to his conflict of interest in relation to Basketball Hawke's Bay.

Carried

The meeting closed at 4.00pm.

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

Chairperson

Date of approval

APPENDIX A



THREE WATERS STIMULUS GRANT DELIVERY PLAN

Instructions for completion: A single Delivery Plan is to be completed for the full Expenditure Programme. Territorial Authorities may elect to provide appendices providing further detail of specific elements of the proposed expenditure programme.

The draft Delivery Plan must be submitted by the Territorial Authority as soon as possible and in any event by no later than 30 September 2020 to threewaters@dia.govt.nz, with a copy to 3waters@crowinfrastructure.govt.nz. The Delivery Plan will be assessed by the Department of Internal Affairs and Crown Infrastructure Partners Limited, who may elect to provide feedback and require further detail, additions or alterations. A revised version of the Delivery Plan, incorporating all agreed changes, must be submitted for approval thereafter, with the final Delivery Plan to be in an approved form by 31 October 2020.

Where the Department of Internal Affairs requires additional reporting or other assurance based on a specific Delivery Plan, this will be included in section 17 below following the Department of Internal Affairs/Crown Infrastructure Partners Limited review. Section 17 will form part of the Delivery Plan. All figures in this Delivery Plan should be GST exclusive.

Capitalised terms in this Delivery Plan have the meaning given to them in the Funding Agreement, where applicable.

Territorial Authority information

1. Programme Title:	Three Waters Reform Programme
2. Territorial Authority:	Napier City Council
3. Total Maximum Amount Payable (NZ\$M):	\$12.51m
4. Organisation Lead Contact:	
Name:	Jon Kingsford
Position:	Director Infrastructure
Email:	jonk@napier.govt.nz

Expenditure Programme overview

5. Please provide a brief description of the expenditure programme to be undertaken:
- The expenditure programme developed as part of this application considers ways in which Napier can fast track operational and capital projects that will assist Council to improve the delivery of our 3 waters programmes. The programme of work largely targets Water. All three waters are Council's number one priority.

A proportion of the programme covers the improvement of information capture and management for three waters, the upskilling of our in-house operations team to be better prepared for the proposed water reform implementation and the delivery of key fire low and water conservation and water quality projects.

Council has a large programme of work ahead with the recently completed 3W masterplans leading to the need for additional resource to scope projects ready for our delivery team to deliver. Some of this work can be brought forward on the basis of this work.

The goal for Council over this timeframe is to catch up on operational work that has not been prioritised in the past and to ensure that the supply, the data and the people are in the best state possible moving forward through the reform.

The delivery plan includes allowance for the start of a student support and cadet programme to entice students and school leavers into the industry.

Part of the programme is addressing risks, for example the repair to the WW Outfall chamber has recently been identified as a risk

6. Location/address of the programme:

(if this is a series of investments, please identify each location where relevant)

Napier

7. What is the **total** estimated cost of the programme (NZ\$M)?

\$12.51m

8. If the total estimated cost exceeds the Total Maximum Amount Payable, please specify the funding source(s) and amount(s):

Funding Source	Amount (NZ\$M)
Nil. Programme will be scaled to accommodate funding requirements or prioritised as necessary.	\$
	\$
Total	\$

9. Please provide a high-level breakdown of the expenditure programme including a cost schedule identifying estimated costs for each major component:

Note that a larger programme of work has been put forward to allow for any unforeseen delivery constraints or cost pressures making the programme flexible enough to accommodate any changes. (e.g. resourcing, industry supply etc.).

Priority 1	13,290,000
AM improvement programme (Update and implement asset management improvement programmes across three waters teams)	240,000

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Accommodation for 3 Waters staff – new lease for space required	80,000
Additional Financial Capability (to assist with delivery of a large programme of capital work and to oversee this programme of work)	200,000
Additional resources for 3 Waters (recruitment assistance, Operations engineers and support, management support, 3W planning team leader, sustainability and natural hazards support, cadet and graduate programme, comms and engagement support, procurement support)	2,820,000
Data Collection – EAM (Fully implement an upgraded enterprise asset management system for 3W team, undertake asset data condition assessments and upgrade information quality)	800,000
Delivery improvement review (integrate PMF, contract mgmt., procurement, design, PMO etc. to improve our project management and delivery capability)	250,000
Extend MMTP (Deliver Maintenance Management Transformation Programme faster)	350,000
Financial and Development Contribution Policy review (Ensure that 3W programmes are funded appropriately and that our FC/DC policy is up-to-date and robust)	500,000
FW-2 (Address urgent fireflow issues across the network as identified from recent model and master plan project outcomes)	1,000,000
Iwi Engagement on 3 Waters (including cultural values assessment)	300,000
Low manganese water in the A1/A2 area (Reduce water quality issues for the city through alternative supplies/treatment)	2,000,000
Outfall repair - valve chamber (reduce risk of environmental contamination)	200,000
Parks Water bores Investigation and implementation (Increase resilience and improve water conservation)	500,000
Peer review - 3 Water models & Masterplans (Continue with the master planning process by undertaking peer reviews of models, additional calibration and peer review of master plans)	800,000
REGIONAL PROJECTS (yet to be defined)	500,000
Review of Private Water Supplies (address potential affordability and equitable access issues for communities)	250,000
SCADA – new location - re-orientate off the crows nest (provide a location for the telemetry base station for improved monitoring of services, and risk management)	1,000,000
Te Awa Structure Plan – 3 Waters (Enable growth and address affordability issues)	500,000
Training – Operator training, 3W capability training, project management and contract management	200,000
Water safety plan – update to the latest WSP framework in preparation for new regulation and to align with the low manganese water project.	200,000
Water Safety Plan delivery of improvement items – provide network monitoring to manage quality and safety of the water supply.	500,000
Water main pigging (linked to the low manganese water project)	100,000
2	3,200,000

District monitoring (improve safety, knowledge and leakage management)	500,000
District monitoring area (DMA) programme	500,000
Environmental solutions (new resource to assist with projects)	200,000
FW-2 (Continue the fire flow programme)	500,000
Improvements Magiq to Sytle (integrate our project management software with finance system.	150,000
Pandora Industrial main (treatment of trade waste if required)	300,000
Parks Water bores Investigation and implementation (infrastructure)	500,000
SCADA Support (additional staff to operate the system and free up the replacement programme)	550,000
3	600,000
HRIS Module (Transparency around costs of supplying services)	300,000
SCADA – technology in the field	300,000
Grand Total	17,090,000

10. What is the expected number of people employed, and net jobs created through the expenditure programme? How has this been estimated?

Total number of additional staff for Napier City Council	22 STAFF
This includes additional 3 Water staff including operations and planning staff and supporting functions around delivery including procuremnts, finance and comms and engagement. The number of staff includes cadets, graduate programme and Work Experience for students	
Estimated number of contractors to complete identified projects	approximately 113
This has been estimated on the basis of new roles that will be directly recruited then an assessment of the number of contractors and or consultants that would be required, at a minimum, for delivery of the work. This has also considered that existing staff will be engaged in the work and not all of the additional staff estimated as part of this assessment would be full time FTEs, it is the total number of “new ” people involved in the delivery of the projects.	
TOTAL NUMBER OF PEOPLE EMPLOYED	approximately 136+

Expenditure Programme commencement

11. Please describe the initial activity to be undertaken on expenditure programme commencement:

Establish internal recruitment requirements and advertise roles or work with recruitment agency

Establish work programme as per delivery plan

Develop the cadet and graduate programme and advertising campaign within relevant tertiary training organisations to grow capability for Council and the industry.

Prioritise and bundle current annual plan projects and stimulus projects to streamline procurement processes and ensure delivery

Some of the projects are underway and can be quite easily extended to allow for a greater scope.

Expenditure Programme completion

12. Please outline below the high-level plan that will ensure the expenditure programme is completed by 31 March 2022 (these should largely mirror the milestones below):

Additional staff will be on fixed term contracts (assuming resources are available for the work that is required – e.g. engineers are in short supply)

Programme identified will be based on key pieces of work that are not currently funded but that we have already prepared for in some way

Achieving the programme is partly dependent upon the resources that we can obtain but does cover across several teams.

Expenditure Programme funding status

13. Please indicate below the expenditure programme funding status:

Included in LTP	Y/N	Amounts NZ\$	Year
Included in Annual Plan 2020/21	Y/N	Amounts NZ\$	N/A
Not funded in any plan	Y/N	Amounts NZ\$12.5m	Year
Was funded but COVID-19 deferred	Y/N	Amounts NZ\$	Year
Is any Territorial Authority co-funding being contributed?	Y/N	Amounts NZ\$ E.g. scada, more money in various projects, more money in Pandora industrial	Year 20/21

14. Please set out the key milestones of the expenditure programme to be undertaken, and for each milestone the planned completion date and budget:¹

	Expenditure Programme Milestone (including a description of how the milestone is identified)	Completion Date	Maximum Funding instalment amount (NZ\$) ²	Budgeted costs to complete the expenditure programme (NZ\$)	[DIA USE ONLY] Funding Conditions
1.	Commencement Date occurring under the Funding Agreement	31 October 2020 (or such date agreed otherwise in writing with DIA under the Funding Agreement)	NZ\$6,255,000 [Note: this is to be 50% of the Total Maximum Amount Payable]	Nil	
2.	[Commencement of expenditure programme]	[date] [To be no later than 31 March 2021]	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
3.	Finalise Lease and IT requirements for 3W staff	Mid November 20	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
4.	[milestone]	[date]	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
5.	[milestone]	[date]	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
6.	[milestone]	[date]	NZ\$[INSERT HERE]	NZ\$[INSERT HERE]	
7.	[Completion of expenditure programme]	[date] [To be no later than 31 March 2022]	NZ\$[INSERT HERE] ³	NZ\$[INSERT HERE]	
	TOTAL		[Must be less or equal to Total Maximum Amount Payable]	[Must be equal to the total estimated cost of the expenditure programme]	

¹ All figures should be GST exclusive.

² You may choose to determine each maximum Funding instalment amount for a milestone on the basis of seeking funds either for application towards costs incurred for that milestone, or for application towards costs to be incurred for the following milestone.

³ The final Payment Request needs to be submitted with the quarterly report for the period ending 31 December 2021.

15. Briefly outline the final expected outcomes/objectives of the expenditure programme:

The programme is designed to improve capacity and capability in the existing team and to provide opportunities for new people entering the industry, making it more resilient given the current lack of resources.

It aims to address information and process gaps in the delivery of water services and to bolster the operational capacity of both the strategy and operations teams.

There are a few key major capital projects that have been included that will enable water quality, water losses and fire flow issues to be addressed.

The types of funding requested covers the following areas:

- Lease for additional staff space
- Additional support for operations, planning and delivery teams
- Capability improvement of existing staff
- Community focus – key projects
- Increasing industry capability through student, cadet and graduate programmes
- Information improvements (data quality, capture and telemetry)
- Infrastructure spend on key projects (mainly water quality, fire flow, DMAs for water loss reduction and peer reviewing our masterplans and models)
- Regional Collaboration (to be agreed)
- Meeting statutory requirements
- Improving technology

By the end of this process we will have sufficient staff and external support to address the following:

- Data quality issues.
- Delivery of a fit for purpose Enterprise Asset Management System, concentrating on 3W.
- Commencement of a graduate and cadet training programme as well as providing summer holiday positions for current students in engineering, project management or environmental fields.
- Upskilling our existing staff to be more prepared for the 3W reform programme
- Getting ahead with planning through additional funding to support and streamline operations practices
- Increase the capability of several groups through the delivery of training around water industry requirements, contract management, project management, procurement.

16. Briefly outline an assessment of how the expenditure programme supports the reform objectives set out in the Memorandum of Understanding relating to Three Waters Services Reform between you and the Sovereign in Right of New Zealand acting by and through the Minister of Local

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Government:

The key objectives of the reform are met across all of the projects. The summary table of how each project meets the reform and stimulus objectives is attached to this document.

A large proportion of the work addresses the improvement of safety and quality drinking water and environmental performance through the improvement of available information, updating the water safety plan to the new framework and fast tracking some network monitoring. Our recent water supply model and masterplan projects have identified a large FW2 programme that needs to be started and this is a good opportunity to pull this unfunded work into the programme.

Many of the projects address affordability and capability challenges. The team have been addressing a backlog of operational and asset management improvement whilst trying to plan for the future. The projects put forward allows for additional capacity to achieve some key milestones around data collection and management and an increased focus on managing our planned and reactive maintenance programmes.

As an organisation, there is also a conscious decision to support the existing staff and our internal service provider to be as ready for a new organisation as possible, through improved exposure to modern systems, increased capability through training programmes and preparing the Activity and the assets to transfer to a new entity which supports the "improvement of regional coordination at a larger scale".

Almost all of the projects assist with transparency and accountability as information and process improvement and training are key elements of the programme of work.

DIA USE ONLY

17. Additional requirements in respect of the Funding Agreement (such as specific reporting requirements):

The parties acknowledge and agree that this is the agreed Delivery Plan.

SIGNATURES

SIGNED by the **SOVEREIGN IN RIGHT OF NEW ZEALAND** acting by and through the Chief Executive of the Department of Internal Affairs or his or her authorised delegate:

Name:

SIGNED for and on behalf of
Napier City Council

by the person(s) named below, being a person(s) duly authorised to enter into obligations on behalf of that territorial authority:

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Position:

Date:

Name: Keith Marshall

Position: Chief Executive

Date: 30 September 2020

Name: Kirsten Wise

Position: Mayor

Date: 30 September 2020

Proposed project	Meets Reform Objectives	Meets Stimulus Objectives	Expenditure not in the Annual Plan	Improves Safety and Quality of Drinking water Services and environmental performance of WW and SW	Increases Resilience of the 3W services to short and long term risks and events incl climate change and natural hazards	Addresses affordability and capability challenges	Equitable access to affordable 3W services	Improves coordination of 3W services at a larger scale	Improves Transparency and accountability for the delivery and costs of 3W services + benchmarking ability
SCADA Support	✓	✓	✓	✓	✓	✓		✓	✓
SCADA – new location - re-orientate off the crows nest	✓		✓	✓	✓	✓			✓
SCADA – technology in the field				✓	✓	✓			
HRIS Module	✓		?			✓			✓
Financial and Development Contribution Policy review	✓	✓	✓	✓	✓	✓	✓		✓
Outfall repair - valve chamber	✓	✓	✓	✓	✓				
Low manganese water in the A1/A2 area	✓	✓	✓	✓			✓		✓

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Proposed project	Meets Reform Objectives	Meets Stimulus Objectives	Expenditure not in the Annual Plan	Improves Safety and Quality of Drinking water Services and environmental performance of WW and SW	Increases Resilience of the 3W services to short and long term risks and events incl climate change and natural hazards	Addresses affordability and capability challenges	Equitable access to affordable 3W services	Improves coordination of 3W services at a larger scale	Improves Transparency and accountability for the delivery and costs of 3W services + benchmarking ability
District monitoring	✓	✓		✓	✓	✓		✓	✓
Accommodation for 3 Waters staff – new lease for space required	✓	✓	✓	✓	✓	✓	✓	✓	✓
Water safety plan	✓	✓	✓	✓	✓	✓	✓		✓
Extend MMTP	✓	✓	Partial	✓	✓	✓	✓	✓	✓
Te Awa Structure Plan – 3 Waters	✓	✓	✓	✓	✓	✓	✓		✓
Parks Water bores Investigation and implementation	✓	✓	✓		✓	✓			✓
Parks Water bores Investigation and implementation	✓	✓	✓		✓	✓			✓

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Proposed project	Meets Reform Objectives	Meets Stimulus Objectives	Expenditure not in the Annual Plan	Improves Safety and Quality of Drinking water Services and environmental performance of WW and SW	Increases Resilience of the 3W services to short and long term risks and events incl climate change and natural hazards	Addresses affordability and capability challenges	Equitable access to affordable 3W services	Improves coordination of 3W services at a larger scale	Improves Transparency and accountability for the delivery and costs of 3W services + benchmarking ability
Parks Water bores Investigation and implementation	✓	✓	✓		✓	✓			✓
Water main pigging	✓	✓	✓	✓			✓		✓
Pandora Industrial main	✓	✓	✓	✓	✓	✓			
Improvements Magiq to Sytle	✓	✓	✓	✓		✓			✓
Delivery improvement review (integrate PMF, contract mgmt., procurement, design, PMO etc)	✓	✓	✓	✓		✓			✓
AM improvement programme	✓	✓	✓	✓	✓	✓		✓	✓
Water Safety Plan delivery of improvement items	✓	✓	✓	✓	✓				✓
Environmental solutions	✓	✓	✓	✓	✓	✓		✓	✓

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Proposed project	Meets Reform Objectives	Meets Stimulus Objectives	Expenditure not in the Annual Plan	Improves Safety and Quality of Drinking water Services and environmental performance of WW and SW	Increases Resilience of the 3W services to short and long term risks and events incl climate change and natural hazards	Addresses affordability and capability challenges	Equitable access to affordable 3W services	Improves coordination of 3W services at a larger scale	Improves Transparency and accountability for the delivery and costs of 3W services + benchmarking ability
District monitoring area (DMA) programme – didn't get funding via CIP	✓	✓	✓	✓	✓	✓		✓	✓
Additional Financial Capability	✓	✓	✓	✓		✓			✓
Additional resources for 3 Waters	✓	✓	✓	✓	✓	✓	✓	✓	✓
FW-2	✓	✓	✓	✓	✓		✓		✓
Training – Operator training, 3W capability training, project management and contract management	✓	✓	✓	✓	✓	✓			
Data Collection – EAM	✓	✓	✓	✓	✓	✓	✓	✓	✓
Peer review - 3 Water models & Masterplans	✓	✓	✓	✓	✓	✓	✓	✓	✓

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Proposed project	Meets Reform Objectives	Meets Stimulus Objectives	Expenditure not in the Annual Plan	Improves Safety and Quality of Drinking water Services and environmental performance of WW and SW	Increases Resilience of the 3W services to short and long term risks and events incl climate change and natural hazards	Addresses affordability and capability challenges	Equitable access to affordable 3W services	Improves coordination of 3W services at a larger scale	Improves Transparency and accountability for the delivery and costs of 3W services + benchmarking ability
Review of Private Water Supplies	✓	✓	✓	✓	✓	✓	✓	✓	✓
Iwi Engagement on 3 Waters	✓	✓	✓	✓	✓	✓	✓	✓	✓
REGIONAL PROJECTS									

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EXTRAORDINARY MEETING OF COUNCIL

Open Minutes

Meeting Date:	Monday 28 September 2020
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Time:	1.30pm – 1.43pm
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Venue	Large Exhibition Hall Napier War Memorial Centre Marine Parade Napier
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Present	Mayor Wise, Deputy Mayor Brosnan, Councillors Browne, Chrystal, Crown, Mawson, McGrath, Price, Simpson, Tapine, Taylor, Wright
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In Attendance	Interim Chief Executive, Director Corporate Services, Director Community Services, Director Infrastructure Services, Director City Services, Manager People and Capability, Director City Strategy, Manager Communications and Marketing Procurement Lead Senior Māori Advisor 3 Waters Programme Manager Investments and Funding Manager Chief Financial Officer
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Administration	Governance Team
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Karakia

The Senior Māori Advisor opened the meeting with a karakia.

Apologies

Council resolution

Councillors Tapine/ Crown

That the apologies from Councillor Boag be accepted.

Carried

Conflicts of interest

Nil

Public forum

Nil

Announcements by the Mayor

The passing of Margaret Hiha was reflected on with sadness, and her many contributions to the Napier community recognised.

Announcements by the management

Nil

AGENDA ITEMS

1. THREE WATERS REFORM PROGRAMME - FUNDING AGREEMENT, DELIVERY PLAN AND PROPOSED PROJECTS

Type of Report:	Contractual
Legal Reference:	N/A
Document ID:	1247391
Reporting Officer/s & Unit:	Adele Henderson, Director Corporate Services Jon Kingsford, Director Infrastructure Services

1.1 Purpose of Report

To provide delegation for the signing of the Funding Agreement and Delivery Plan associated with the Three Water Services Reform Programme including proposed projects.

At the Meeting

The most up-to-date version of the delivery plan has been provided to councillors; however as DIA only released further guidance on Friday of last week this is not the final version, and further work will be required over the next two days in order to finalise the plan by 30 September 2020.

In response to questions from councillors it was clarified that:

- The guidance from DIA is in relation to phasing of the delivery plan and does not require any changes to the officer's recommendation.
- The regional collaboration is not focussed on software; Napier's own system requires a smaller piece of work to ensure it is up-to-date for the engineers and Depot operators.
- The \$12.51M is GST exclusive
- The time resourcing for the new quarterly reporting is factored into the planning across all the proposed projects. The requirements from DIA, including reporting, are still emerging and there may be further shifts driven by the Department.
- The difference between cadet and graduate roles were outlined – a graduate would be expected to be able to engage faster with a higher level of responsibility than a cadet due to their higher level of education/ experience.

Council resolution

Councillor Simpson / Dep. Mayor Brosnan

That Council:

- Approve entering into the Funding Agreement and Delivery Plan for the first stage of the Three Waters Services Reform Programme by 30th September 2020
- Approve the proposed projects to be undertaken as part of the Delivery Plan, noting that these are subject to approval from the Department of Internal Affairs (DIA).

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- i. Note there have been some changes in the priorities since the meeting on 15th September 2020 where this was first discussed with additional projects included as requested by Council
 - c. Note the Reform Programme is part of the Government's programme to reform current water service delivery into larger scale providers, to realise significant economic, public health, environmental, and other benefits over the medium to long term, and that signing the MOU, Funding Agreement and Delivery Plan does not create any obligation upon Council with regard to future steps of this reform programme
 - d. Provide delegation to the Chief Executive to make any required changes to the Delivery Plan in order to finalise the agreement with DIA, noting that:
 - i. Council have been provided with projects in priority 1 for \$12.51m available funding, and
 - ii. Projects will be prioritised from those identified under the Priority 2 and 3 lists provided in this report as required to meet the DIA requirements.
 - e. Delegate signing of the Funding Agreement and Delivery Plan to the Chief Executive and Mayor

Carried

PUBLIC EXCLUDED ITEMS

Council resolution

Councillors Crown / Chrystal

That the public (excepting a representative from Property Group making a short confidential presentation) be excluded from the following parts of the proceedings of this meeting.

Carried

Agenda Items

1. Executive Search and Recruitment Services

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. Executive Search and Recruitment Services	<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</p>
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		Information and Meetings Act 1987.
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The meeting moved into committee at 1.43pm

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

Chairperson

Date of approval