

I hereby give notice of an ordinary meeting of the

Meeting	Reserve Contributions Committee
Date	Friday 03 November 2017
Time	1.00 pm
Venue	Centennial Hall – 44 View Street, Maungaturoto

Open Agenda

Membership

Chair: Councillor Jonathan Larsen

Members: Councillor Victoria Del la Varis-Woodcock, Councillor Andrew Wade

Staff and Associates:

General Manager Community, Policy Planner (Minute-taker)

Linda Osborne
Administration Manager

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**Ordinary Meeting of the Reserve Contributions Committee
Friday 03 November 2017**

1 Opening

1.1 Present

1.2 Apologies

2 Confirmation of Agenda

The Committee to confirm the Agenda.

3 Conflict of Interest Declaration

Committee Members are reminded of the need to be vigilant to stand aside from decision-making when a conflict arises between their role as a Committee Member and any private or other external interest they might have. It is also considered best practice for those members to the Executive Team attending the meeting to also signal any conflicts that they may have with an item before the Committee.

4 Confirmation of Minutes

4.1 Reserves Contribution Committee Minutes: 25 September 2017

Democratic Services Manager 1615.02

Recommended

That the unconfirmed minutes of the Reserves Contribution Committee meeting held on 25 September 2017 be confirmed as a true and accurate record.

Minutes

Meeting	Reserve Contributions Committee
Date	Monday 25 September 2017
Time	Meeting commenced at 2.07 pm Meeting concluded at 3.00 pm
Venue	Meeting Room, Council Offices – 6 The Hub, 6 Molesworth Drive, Mangawhai
Status	Unconfirmed

Membership

Chair: Councillor Jonathan Larsen

Members: Councillor Victoria Del la Varis-Woodcock, Councillor Andrew Wade

Staff:

General Manager Community, Administration Assistant (Minute-taker)

Seán Mahoney
Democratic Services Manager
smahoney@kaipara.govt.nz

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Unconfirmed

**Minutes of the Ordinary Meeting of the Reserve Contributions Committee,
Monday 25 September 2017**

1 Present

Councillors Jonathan Larsen, Victoria Del la Varis-Woodcock and Andrew Wade

In Attendance

Name	Designation	Item(s)
Greg Gent	Mayor (Ex-Officio, via audio link)	All
Venessa Anich	General Manager Community	All
Lisa Hong	Administration Assistant	All

2 Apologies

Nil

3 Confirmation of Agenda

The Committee confirmed the Agenda.

4 Conflict of Interest Declaration

Nil

5 Policy
5.1 Reserve Contribution (Use of) Policy Review

General Manager Community 2304.17

Moved Wade/Del la Varis-Woodcock

That the Reserve Contribution Committee receives the General Manager Community's report 'Reserve Contribution (Use of) Policy Review' dated 20 September 2017 and Attachments 1-3 of the afore-mentioned report and the information contained therein.

Carried

6 Closure

The meeting concluded at 3.00 pm.

Confirmed

Chair

Kaipara District Council
Dargaville

Unconfirmed

5 Policy

File number: 2304.17 **Approved for agenda**
Report to: Reserve Contribution Committee
Meeting date: **03 November 2017**
Subject: **Information for Reserve Contribution (Use of) Policy Review**
Date of report: 02 November 2017
From: Paula Hansen, Policy Planner
Report purpose **Decision** **Information**
Assessment of significance **Significant** **Non-significant**

Summary

This report is in response to the 25 September 2017 meeting for material requested to be provided at the Reserves Contributions Committee meeting being held on Friday 3 November 2017.

The items requested were:

- i. Revised catchment maps for the town ships (combining the individual rating area adjacent to relevant Townships). (**Attachment 1**)
- ii. Amounts collected in each catchment area by year. (**Attachment 2**)
- iii. Amounts previously spent in each catchment area by year (and what they were spent on).
- iv. Balance remaining for each catchment area.
- v. What budget line does the \$100,000 payment for each of Mangawhai Park, Harding Park and Taharoa Domain come from?

With regards to iii. and iv. - this information will be table at the meeting.

With regards to v. - \$100,000 of reserve contributions is budgeted annually towards the three priority parks - Mangawhai Park, Pou Tu Te Rangi Harding Park and Taharoa Domain.

Supplementary to this, the report contains further information as a result of discussion points made at the 25 September 2017 Reserves Contributions meeting. In particular it considers the following questions:

- How do other councils fund capital expenditure in the absence of Reserve Contributions Revenue stream?
- Are rates the only avenue for reserves that can't access the Reserve Contributions revenue stream?
- Do other councils allow community groups to receive Reserve Contributions?
- If other councils allow community groups to receive Reserve Contributions, how is this managed?
- Do other councils have a contestable process groups can apply to?

- Do other councils allow the community to provide feedback on the projects councils spend Reserves Contributions on?

The responses varied depending on each council's independent circumstances such as whether or not they were experiencing growth, if growth was slow or if they had high growth.

The future of Reserves Contributions within the District Plan has been highlighted. Recent changes to the Resource Management Act 1991 has signalled that financial contributions are to be taken out of District Plans by April 2022. However there are other mechanisms that could be considered to replace them, like Development Contributions.

Recommendation

That the Reserve Contribution Committee receives the Policy Planner's report 'Information for Reserve Contribution (Use of) Policy Review' dated 02 November 2017 and Attachments 1 - 3 of the afore-mentioned report and the information contained therein.

Reason for the report

This report is to provide additional information requested from the Reserves Contributions Committee at their 25 September 2017 Meeting. This report also provides additional information based on the discussions at this same meeting.

Background

This report is in response to material requested by the Reserves Contributions Committee from their meeting held on 25 September 2017.

The items requested were:

- i. Revised catchment maps for the town ships (combining the individual rating area adjacent to relevant Townships). (Attachment 1)
- ii. Amounts collected in each catchment area by year. (Attachment 2)
- iii. Amounts previously spent in each catchment area by year (and what they were spent on).
- iv. Balance remaining for each catchment area.
- v. What budget line does the \$100k payment for each of Mangawhai Park, Harding Park and Taharoa Domain come from? These are from Reserves Contributions not rates.

Supplementary Information

This part of the report is to provide information on how other Councils fund capital expenditure for Reserves. Councils contacted for information were those that were of a similar population size to the Kaipara District and largely rural in nature.

In particular the following questions were considered:

- How do other councils fund capital expenditure in the absence of Reserve Contributions Revenue stream?

- Are rates the only avenue for reserves that can't access the Reserve Contributions revenue stream?
- Do other councils allow community groups to receive Reserve Contributions?
- If other councils allow Community groups to receive Reserve Contributions, how is this managed?
- Do other councils have a contestable process groups can apply to?
- Do other councils allow the community to provide feedback on the projects Councils spend reserves Contributions on?

1. How do other councils fund capital expenditure in the absence of Reserve Contributions Revenue stream?

1.1 Low Growth Districts who don't collect Reserves Contributions

There were some councils who described their District as having low growth and did not collect Reserve Contributions. In these instances capital expenditure was considered through requests from the community. These projects are normally unplanned and unbudgeted for so the requests would normally go to a Council meeting for determination. In some instances there is a council team member who will advocate the proposal on the requester's behalf, (they see the council process through).

Some of the councils or their District Ward Boards have contestable funds which people can apply to. The revenue stream is from the general rates with the amount available usually being set through the Annual Plan/ Long Term Plan processes. Any known capital expenditure is also generally captured through the Annual Plan / Long Term Plan process. Communities can have a say on these projects or the amount set aside for requests, through these processes.

1.2 Low growth Districts who do Collect Reserves Contributions

There were some councils who described their District as having low growth and did collect Reserve Contributions. They tended to place all reserve contributions into one pool. The funds are then redistribute as required; or each ward was provided with a certain amount; or in one Council they advertise for requests for projects when the pot was large enough.

If funding was provided to a ward board then the ward board decided what projects are funded. If there was a funding shortfall then some wards had a discretionary fund they could use, alternatively if it is a significant project then funding was deferred and considered through a Long Term Plan or Annual Plan process. One of the councils contacted took a similar approach to Kaipara and distributed the Reserves Contributions with 70% going to the area where the contributions were collected from and 30% to the general District.

1.3 Participial Funding

Another approach to capital and renewal funding expenditure of reserves was to create partnerships between the community and council. This is where community members or groups could apply for the funding. With this approach the council provided a third of the costs and the applicants providing two thirds of the cost. The applicant's costs could also include volunteer labour and was considered in a

first in first serve basis. The cost of each project was capped, although this particular Council provided flexibility and considered a project that cost more than the cap, with the proviso that the applicants came up with the required two thirds. The purpose of this fund, was so people could make requests outside of the Long Term Plan process or Annual Plan process and not have to wait in order to proceed with their project. They also saw this as an opportunity to encourage development from community groups and to encourage the maintenance of existing assets owned by groups that are situated on their council's land.

1.4 Alternative Sources

Another council had a fund created as a result of a significant development by Meridian (a big wind farm). With the interest being distributed to projects that are within a specified area. This fund is administered something similar to the Kaipara's Mangawhai Endowment Lands Account Fund, although the mechanism behind the fund is different.

Some councils have fees and charges in place for the exclusive right to use the reserve for events.

1.5 Our Neighbours

The Far North District Council does not collect Reserve Contributions, instead they apply a targeted rate to each ward. What is collected in the ward stays in the ward. Each Ward Board then decides where the funding is to go. This means that in areas of high population more is collected than areas of low population. The Whangarei District Council are currently looking at taking a similar approach.

2. Are rates the only avenue for reserves that can't access the Reserve Contributions revenue stream?

The two main funding streams for capital expenditure for reserves are Reserve Contributions which are collected as development occurs and through rates. Through rating this could be from general rates or a targeted rates. How these are spent all depend on each council's Contributions Policy. This Policy can be different for each council and flexible in terms of how funds can be distributed pending individual District needs and how areas of benefit are defined.

3. Do other Councils allow community groups to receive Reserve Contributions?

A number of the Councils contacted did not have a grant scheme which communities could apply to, although there was one Council that had some Reserves Contributions, contribute to a fund. Another Council sought applications for projects to fund when the contribution pool got large enough. Other ways community groups obtained Reserves Contributions for projects is from Council taking ownership of projects that were requested by the community. An example is where Council has agreed to fund a concept plan in conjunction with the community, then provide funding from Reserves Contributions to fund the development.

4. If other Councils allow Community groups to receive Reserve Contributions, how is this managed?

Most councils provided financial support from reserve contributions for projects outside of any grant process. Generally requests are taken to the council to consider. In some instances there is a council team member advocate who sees the application through council and its processes.

5. Do other councils have a contestable process groups can apply to?

Some councils had contestable grants which the community could apply to, with funding mostly coming from general rates or targeted rates. These tended to have specific funding rounds. While another Council had funds available which the Council could allocate upon request on a first in first serve basis.

5.1 How often does Contestable Community Funding Occur?

In most instance requests for applications occurred either once or twice yearly. One fund was open all year round with requests considered on a first in first serve basis.

5.2 Who decides where the funding goes?

In all instances, the council or a committee of council determined where funding from grants will go. The committee could be made up of just Councillor or Councillors and members of the community. One council took the approach to include community members in order to provide a community perspective. This then changed after the latest local body elections as the Councillors felt that they had a good knowledge of the projects.

6. Do other councils allow the community to provide feedback on the projects councils spend reserves Contributions on?

Setting of funding and/or projects

The main way the community are able to have a say is when setting budgets, including funding budgets and projects through the Long Term Plan or Annual Plan process. Any requests that cannot apply to a fund or are not included within a Long Term Plan or Annual Plan are considered to be unbudgeted. In these instances the council needs to consider whether or not it will fund any unbudgeted request received throughout the year and confirm if any public consultation is required and to what extent consultation should be undertaken prior to making a concluding decision upon requests.

7. Other Comments Provided

The following are additional comments that were provided which may be of value:

- Need to be aware that some approaches have the potential to create inequitable outcomes. That is to say it removes the mechanism for funding to improve other areas of the District being those that have a low population.
- One comment cautioned about having a policy stating that 100% should be put back to where it was collected from. They suggested that there needs to be some flexibility in the wording in order to minimise constraints when administering the Policy.
- Need to consider how development in one area affects the services in another.

8. Resource Management Changes 2017

The following information has been taken from the Ministry for the Environments website. The Resource Management Act 1991 has been amended so that from 18 April 2022, regional and district

councils will no longer be able to require a financial contribution (of money or land) as a resource consent condition.

The intent of this change is to:

- clarify that that the costs of servicing new growth should be met through development contributions under the LGA
- make charging more certain and transparent for applicants.

Councils can still include financial contribution resource consent conditions as long as the provisions allowing them are in the plan, up to 18 April 2022. Once issued, the financial contribution conditions in resource consents remain valid even after the plan provisions are removed.

Alternatives to financial contributions

When reviewing plans to remove financial contributions, councils may want to consider how the purposes for financial contributions that were specified in their plans can be achieved through other methods, such as:

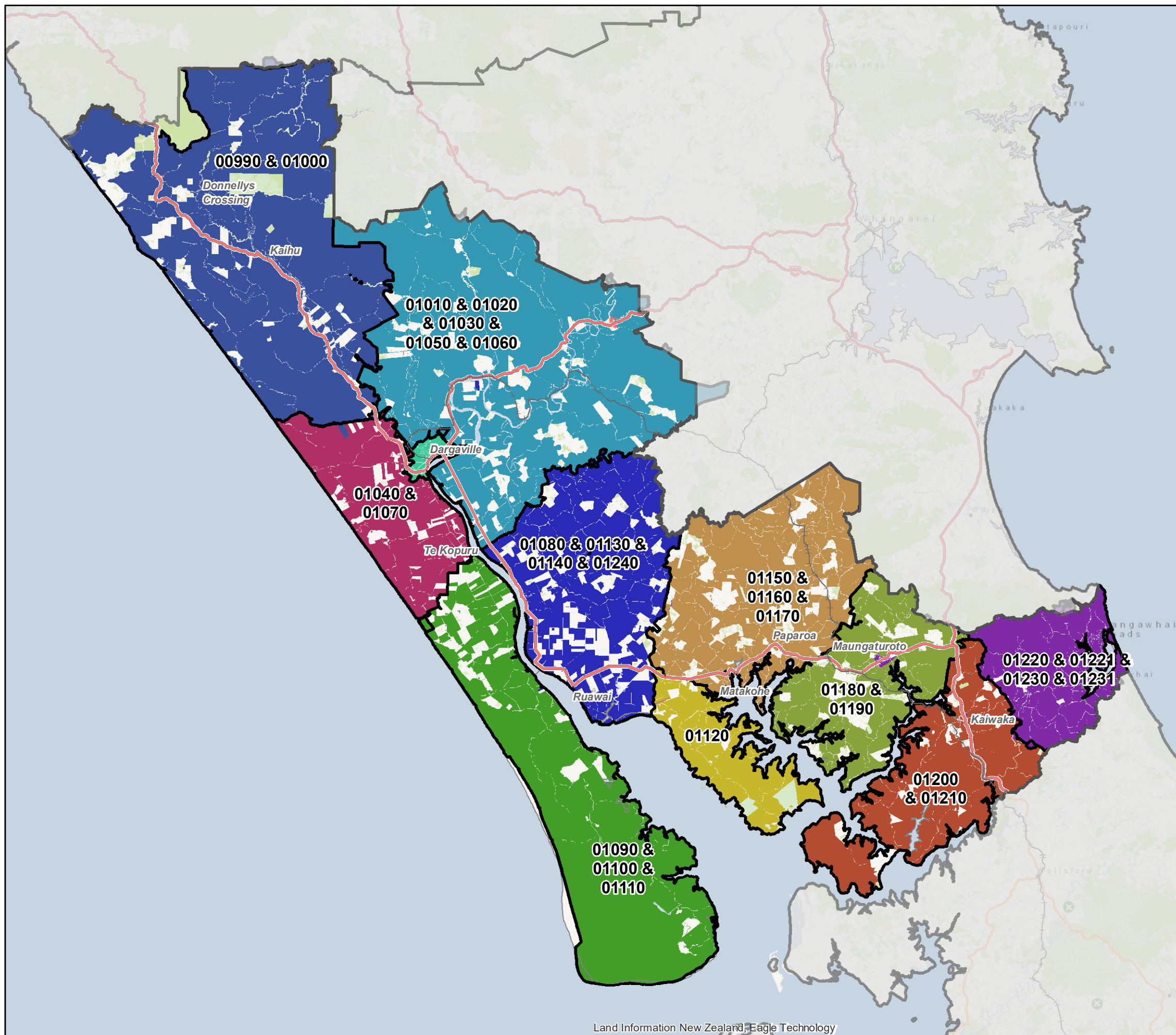
- development contributions under the LGA, including developer agreements under sections 207A–F of that Act
- resource consent conditions to require developers to construct infrastructure directly related to the development, or to avoid, remedy or mitigate adverse environmental effects
- resource consent conditions the applicant proposes to generate positive environmental effects that mitigate or offset adverse environmental effects from the activity
- council construction of infrastructure and/or mitigation works, with targeted rates on the users of the new development to repay the investment
- alternative funding sources, such as the Housing Infrastructure Fund (for applicable councils).

9. Setting up a contestable process for community groups to apply for contributions / funding

A contestable fund could be set up similar to the Community Assistance Funding Policy. The foundation of the fund would include: How the process is undertaken; who can apply; what can be funded; where funding can allocated; and when the funding process will take place. **Attachment 3** has some other considerations when thinking about putting in place a fund. These considerations have come about from discussions with other councils.

Attachments

- Attachment 1: Map of Revised catchment Areas
- Attachment 2: Spreadsheet of where Reserves Contributions have been collected
- Attachment 3: Contestable fund considerations



Legend

- 00950 & 00960
- 00990 & 01000
- 01010 & 01020 & 01030 & 01050 & 01060
- 01040 & 01070
- 01080 & 01130 & 01140 & 01240
- 01090 & 01100 & 01110
- 01120
- 01150 & 01160 & 01170
- 01180 & 01190
- 01200 & 01210
- 01220 & 01221 & 01230 & 01231

Land Information New Zealand, Eagle Technology

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 The information in this map was derived from digital databases. Care was taken in the creation of this map, however, Kaipara District Council and its contactors cannot accept any responsibility for errors, omissions or positional accuracy. Not to be used for navigation. Cadastral information sourced from Land Information New Zealand 5 October 2017.

Valuation	Description	Total	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
00950	Dargaville - East of Hokianga	-12,391.30	-5,652.17		-3,043.48	-3,695.65		
00960	Dargaville - Hokianga Rd and West, Mangawhare	-10,434.78	-3,913.04		-6,521.74			
00990	Babylon Coasts Rd to Waipoua inclusive Lakes and Kaihu	0.00						
01000	SH14 to edge of the North Kaipara boundary	0.00						
01010	NW River to Tangiteroria	-7,826.09	-3,478.26					-4,347.83
01020	NW River to North Kaipara boundary and Waihue	-6,521.74	-3,043.48					-3,478.26
01030	Maungaru and Mangakahia	-2,826.09	217.39	434.78				-3,478.26
01040	Babylon Coast to Mt Westley	-111,956.53	-8,260.87	-32,826.09	-3,260.87	-6,521.74	-23,043.48	-38,043.48
01050	Turiwiri and Aropohue	-47,173.92		-9,130.44	-10,434.78		-2,173.91	-25,434.79
01060	Mititai, Aropohue and Mangonui River	0.00						
01070	Mt Wesley Coast Rd to Koremoa Rd (Kopuru)	-13,260.88	-2,826.09					-10,434.79
01080	Okahu (past Aropohue) to KDC boundary	-3,260.87						-3,260.87
01090	Korekoa Rd (Kopuru) to Schick Rd (1/2 way to Pouto Penninsular)	0.00						
01100	Schick Rd to Pouto Lighthouse	0.00						
01110	Te Kopuru Village	0.00						
01120	South Ruawai, Tinopai, Araraoa, Te Kowhai	-14,999.99	-2,391.30		-2,173.91		-4,782.61	-5,652.17
01130	Tokatoka to Ruawai	-2,173.91			-2,173.91			
01140	Omaru Parish (Ruawai Hills)	-4,347.82			-2,391.30	-1,956.52		
01150	Matakohe	-6,521.74	-2,608.70					-3,913.04
01160	Mareretu Parish (North of Paparua and Pahi)	0.00						
01170	Paparua and Pahi	-81,956.51	-3,913.04	-14,565.22	-7,391.30	-27,391.30	-5,000.00	-23,695.65
01180	Maungaturoto Rural	-63,913.03	-6,739.12	-3,043.48		-41,086.95		-13,043.48
01190	Whakapirau	-22,173.90	-3,913.04		-4,130.43	-5,000.00	-3,913.04	-5,217.39
01200	Brynderwyn to Kaiwaka Township	-441,195.69	-3,043.48	-14,239.14	-228,695.66	-56,304.36	-77,826.09	-61,086.96
01210	Kaiwaka Township	-21,739.14					-4,782.61	-16,956.53
01220	Mangawhai Rural	-2,427,608.65	-67,891.29	-159,739.12	-222,826.09	-260,891.30	-862,826.05	-853,434.80
01221	Mangawhai Village	-944,355.06	-11,289.85	-49,043.49	-48,978.26	-36,826.08	-401,913.04	-396,304.34
01230	Maungaturoto Township	-6,521.74		-6,521.74				
01231	Mangawhai - Formerly Rodney	-500,956.53	-12,173.91		-53,478.27	-213,217.40	-82,521.74	-139,565.21
01240	Ruawai Township	0.00						

-408.70

	Total	-4,754,115.91	-140,920.25	-288,673.94	-595,908.70	-652,891.30	-1,468,782.57	-1,607,347.85
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Memorandum

To: Reserves Contributions Committee
CC: General Manager Community
From: Policy Planner
Date: 01 November 2017
Subject: Contestable fund considerations

As a result of talking to other councils, there was a number of different ways in which a fund could work. The following are some considerations which the Committee may wish to think about.

Funding Source

- Is there a specific amount that should be set aside from reserves contributions, general rates, targeted rates or a combination each year?
- Understanding whether or not the amount available through Reserve Contributions is sufficient for each communities' needs and wants?
- Understanding how any shortfall in funding could be considered?
- Is there potential for partnership arrangements between Council and the Community?
- Is there a maximum amount that any one organisation could apply for?
- How can/does the fund provide for equitable outcomes for different areas of the District?

The Process:

- Are funding rounds advertised? Or can people apply anytime on a first come first in basis?
- If Council advertises for applications, should this be undertaken yearly? Or twice a year?
- Who needs to be involved in the consideration and determination of funding?
- Is there a preferred time of year that funds should be released?
- What should the reporting requirements be?
- Should contracts be put in place?

Criteria

- Who can apply for funding? Individuals, not-for-profit community groups, or legally formed community groups? Central Government Agencies?
- What can be applied for? Or what type of projects would be supported?
- Who is to benefit from the granting of funding?
- Where can projects be undertaken? District wide? Within a particular ward? Or within a particular catchment?

What should be included in a Potential fund contract?

- The purpose for which the funding was provided?
- What general conditions should be attached to a contract?
- Accountability requirements, reporting back requirements?
- What will Council do if projects are not undertaken as planned?
- Health and Safety Requirements?
- Acknowledgement of Council involvement?

Closure

**Kaipara District Council
Dargaville**