

Supplementary items to the following meeting:

Meeting	Kaipara District Council
Date	25 January 2018
Time	09.00 am
Venue	Northern Wairoa War Memorial Hall (Dargaville Town Hall), 37 Hokianga Road, Dargaville

Open Agenda: Supplementary Items

4.1	Chief Executive's Report November/December 2017	1
7.4	Reserve Contributions (use of) Policy: Adoption of reviewed Policy	18
7.5	Kaipara District Council Raw Water Supply Funding Options	37

Membership

Chair: Councillor Peter Wethey (Deputy Mayor)

Members: Councillor Anna Curnow
Councillor Victoria del la Varis-Woodcock
Councillor Julie Geange
Councillor Libby Jones
Councillor Karen Joyce-Paki
Councillor Jonathan Larsen
Councillor Andrew Wade

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4.1 Chief Executive's Report November/December 2017

Acting Chief Executive **2002.02.18/January**

Recommended

That Kaipara District Council receives the Acting Chief Executive's Report for November/December 2017.



Chief Executive's Report

For the month of November/December 2017

Part One

- a) Chief Executive's overview**
- b) Activities report**
- c) Contract acceptances**
- d) Looking forward**

Part Two

Financial Report to 30 November 2017

Part One:

a) Chief Executive Overview – November/December

Long Term Plan

We are reaching the end of the Council briefings and will commence the decision-making and adoption of material phase needed to issue the Long Term Plan (LTP) consultation document. It is paramount that we hit all our decision points with Council in order to make the timetable.

Kaihu raw water users

We continue to work through the problem of residents and other users utilising the raw water supply as potable water as reported to Council twice last year.

Having completed initial assessments for over 100 households we have identified and issued insanitary notices to less than 10 dwellings. Our primary concern is the health and welfare of these residents.

Efforts are hampered by imperfect data and a limited number of staff to complete assessments. As such this will be 12 month rolling programme of work to complete all required assessments and engage with the Community on remedial actions.

Feasibility of a community hub in Dargaville

Work has commenced on the feasibility study, being led by Visitor Solutions. A detailed briefing meeting between staff and the consultants and an initial site location analysis is being organised for mid/late-January.

Aranga Slip







Remediation work was completed by contractors in December and notices removed from houses on 19 December which allowed residents to access properties before Christmas. This has been a well-managed and cooperative response to a difficult and complex situation.

Raupo Stopbank and Baylys Beach Sandbags

The Raupo stopbank onsite geotechnical investigations have been completed with results expected shortly. The final engineering and options report for the Baylys Beach entrance area is also due shortly.

All of Council - Key Performance Indicators (all \$ in 000's)								
	Indicators	What is being tracked	MTD Target	Actual	YTD Target	YTD Actual		Comment
1	Debt Level	Net Bank debt tracked on a year to date basis	N/A	N/A	June 2018 \$57,712	Nov 2017 \$38,997	●	Construction season about to kick off which will affect debt levels.
2	Resident survey satisfaction	Overall performance as measured by Key Research Group	N/A	N/A	Increasing trend	Nov 2017 70%	●	Target being that of the NZ Local Government average – measured quarterly next results for second quarter due January 2018
3	Surplus or deficit	Surplus/(Deficit) before loan payments and depreciation	Nov 2017 \$4,887	Nov 2017 (\$860)	Nov 2017 \$133	Nov 2017 \$9,566	●	As reported in November 2017 financial report
4	Employee engagement	Overall perception	N/A	N/A	69%	59%	●	Current KDC measure is 85% of national benchmark – to be measured again with interim survey in February and a full survey in May 2018
5	Legislative compliance	LGOIMA and LIMs responded to in statutory deadlines	N/A	66 received	N/A	303 received, 100%	●	All LIM's and current LGOIMA's responded within deadlines
6	Building accreditation maintained and compliance with RMA	Blended result from resource and building consent along with BCA audits	Dec 2017 100%	Dec 2017 60%	Dec 2017 100%	Dec 2017 88%	●	No BCA Audits were undertaken in December lowering the overall percentage
7	Activity profile performance metrics achieved	Tracking of performance measure to quarterly and annual targets	N/A	N/A	80%	78%	●	First quarter results for 2017 – second quarter results February 2018 meeting
8	Capital works spend on track	Capital works spend on a year to date basis	\$2,122	\$1,371	\$4,155	\$5,662	●	Construction season in full swing showing actuals ahead of target

Please note the variances as some refer to November and others December.

Council Projects			
Indicators	What is being tracked/outcome of project		Commentary
Long Term Plan 2018/2028	Consultation document to be adopted in February 2018, with final document adopted in June 2018		Key deadlines and risks to be briefed to Council
Website Rebuild	Project to provide a up-to-date, relevant, secure website with functionality (e.g. payments and online queries) for a better user experience		Most pages have been developed with a soft 'go live' of site scheduled for late January 2018
Skype for Business (SfB)	This system is needed to replace the failing current telephone system. It will also give staff greater mobility		Go live date was 23 November 2017. This project is now complete.
Customer Interaction Centre (CIC)	System needed in conjunction with Skype for Business (SfB). Will offer better customer relations and reporting		Go live date for new CIC programme is 23 January. System is being tested by users ready for 'go live' date
Electronic Data and Records Management System (EDRMS)	Will bring Council in line with best practice industry standards in regards to records management		Staff currently building EDRMS sites – project placed on hold late November – staff resourcing needed for next phase of project
District Plan (DP) Changes	Due to RMA requirements, NRC's Regional Policy Statement (NRC-RPS) prescribes that some DP changes must be made. Other DP changes are driven as part of continuous improvement of the operative plan		The decision on Plan Change 4 was released on 20 December 2017. The appeal date closes on 22 February 2018 and to date no appeals have been received. In addition there are three more plan changes proposed in 2018 to give effect from NRC-RPS

b) Activities Report

1 Community Activities for November/December

Community Activities

- Mangawhai Endowment Lands Account fund was open for applications for the month of December with 12 applications received;
- Northland Regional Council (NRC) approved funding for the economic impact assessment component of the Dargaville to Donnellys Crossing Rail Trail business case from the Northland Growth and Investment Fund;
- The Community Garden Day at Pou Tu Te Rangi Harding Park was a success with approximately 20 staff members pitching in alongside Museum volunteers;
- A community consultation/feedback stall has been arranged at the Mangawhai Gala Day on 02 January to help with the Mangawhai Community Park master plan update;
- Contract 860 (Parks Maintenance) document was sent to our lawyers for approval with a few minor alterations required;
- Stages 2, 3 and 4 of the Dargaville River Path opened for the Christmas break with some minor works to be completed in the New Year;
- Kai Iwi Lakes (Taharoa Domain) water quality testing regime started with all tests passing for December;
- New tractor shed at Kai Iwi Lakes completed;
- Kai Iwi Lakes Facebook page continues to prove popular, reaching previous campers and prompting new bookings;
- Only experienced minor issues with day visitors at Kai Iwi Lakes e.g. dogs, camping within undesignated areas. Amourguard visiting twice daily has been successful.

Policy

- The decision on Plan Change 4 (Fire Safety) was released on 20 December. The appeal period will run until 22 February 2018;
- A presentation was given to Councillors regarding changes to the District Plan required to give effect to the Regional Policy Statement;
- Staff have been researching issues and options for a Licence to Occupy Policy, with a paper being prepared for Council;
- Staff have also prepared papers for the Reserves Contribution Committee meeting, including a review of the Reserves Contribution Policy;
- Investigations by staff as to how we can support our communities to access digital information is currently underway.

2 Roads and footpaths

The new Network Maintenance, Operations and Renewals Contract was released to the market on 14 December 2017. The tender closes on 05 March 2018, with a contract commencement date of 01 July 2018.

With December being particularly dry, no maintenance grading was able to be completed during the month. Maintenance works have been focussed on the sealed network and a good proportion of this season's pre-seal repairs have been completed. The sealed road surfacing (Reseals) programme is expected to be completed by the end of March 2018.

One of the three slips on Mangawhai Road has been repaired. A permanent fix for the remaining two slips will commence in January after the break. The Waihue Road rehabilitation project has been completed, and the physical works for the Settlement Road seal extension will commence mid-January.

Capital Works Programme		
Contract	Name	Comment
682	Heavy metalling 2017/2018	57% complete. Second stage to commence in Autumn 2018
725	Reseals 2017/2018	To commence January
834	Settlement Road seal extension	Physical works to commence in January
835	Kaikohe Bridge replacement	Contract awarded
837	Baldrock RP 500-520 slips	Physical works complete
839	Pukehuia RP 9,650 slip	Physical works in progress
857	Bridge structures and components	Physical works to commence in January
870	Waihue Road rehabilitation	Physical works complete
873	Tara Road footpath	Tender in progress – closes 1 February
876	Mangawhai Road slips	Physical works in progress
881	LED streetlighting materials	LED light fittings ordered
883	Kaiwaka-Mangawhai Road slip	Tender in progress – closes 19 January
884	Bickerstaffe Road slip	Design in progress
889	LED Streetlighting install	Tender in progress – closes 18 January

Road safety

The national road toll year to 31 December 2017 was 379 compared to 327 in 2016.

Road Toll	Total for all 2011	Total for all 2012	Total for all 2013	Total for all 2014	Total for all 2015	Total for all 2016	Total for all 2017	Annual Average 2006 to 2010
Whangarei	1	6	9	10	11	9	14	13
Kaipara	0	4	3	1	2	9	5	4
Far North	6	4	9	7	10	9	22	13
Totals	7	14	21	18	23	27	41	30

3 Solid Waste

Work has been completed on the main entrance to the Dargaville transfer station. The second entrance for commercial vehicles has been upgraded to allow commercial traffic a separate entry. The separation of commercial vehicles has vastly improved the safety around vehicle activities within the transfer station area.

Closed landfill projects for the 2017/2018 year are underway with the design and specification for the previously unknown Bickerstaff Road landfill remediation in progress. Information to support the resource consent application for the proposed upgrades to the closed Hakaru Landfill leachate collection and disposal system is also being progressed.

4 Four Waters

The Dargaville/Bayliss Water Supply catchment levels dropped sufficiently to require the Rotu raw water take (Kaihu River) to be brought on line. All things ran smoothly with water usage decreasing presumably as people went away on holiday. Kaihu River's water levels dropped steadily and were lower than the same period last year due to the dry spell and staff continued to monitor the river levels against consent limits as they were approaching the level which requires the implementation of restrictions.

There were no wastewater or stormwater issues for the month with no overflows and flood breaches respectively.

There were a number of minor wastewater reticulation extensions completed in Mangawhai on Old Waipu Road, Moir Point Road and Moir Street that will enable properties in those vicinities to connect to the public scheme.

Inflow to the Mangawhai Wastewater Treatment Plant for the month of December totalled 16,534m³, similar to the 16,088m³ for the corresponding month last year. The plant's second treatment tank was brought on line in early December in anticipation of the peak summer inflows and the plant performed well.

The renewal of Floodgates N^{os}. 53 and 54 in the Raupo Drainage District are now both complete.

The design of the upgrade of Dargaville's main wastewater pump stations 1 and 2 and rising main (programmed to commence construction next financial year) is currently in progress. The second stage of the Baylys Beach watermain renewal contract has been tendered and closed on 15 December, with three submissions received. The submissions have been evaluated and a preferred contractor has been identified (refer separate agenda item). The Dargaville wastewater renewals have been designed and tendered. The closing date was 21 December with three companies submitting tenders which are currently being evaluated.

5 Planning and Regulatory – December 2017

Planning	December 2017				
	Received		% On Time	Average Working Days	YTD % On Time
	2016	2017			
Resource Consent Applications	23	38 ↑	84%	18.41	94%
224 Applications	4	14 ↑	100%	1	100%
Service Requests	118	112 ↓	96%		98%
<ul style="list-style-type: none"> The measure is at 84% due to continued high workloads, complex applications, annual leave, and staffing shortages (two position are currently advertised within the department) 28 additional lots have been created, 9 in the Otamatea, 18 in Mangawhai and 1 in the west areas A new Graduate Planner commenced in December, however a team member left at the end of the month. Interviews for new team members are underway in January. 					

Building	December 2017				
	Received		% On Time	Average Working Days	YTD % On Time
	2016	2017			
Building Consent Applications	35	52 ↑	95%	16.18	97%
CCC Applications			98%	1.97	99%
Service Requests	109	106 ↓	96%		96%

- The new Building Team Leader started last month and is making excellent progress.
- The combined value of building consent projects lodged for December total \$10,020,719.

Regulatory	December 2017				
	Received		% On Time	Average Working Days	YTD % On Time
	2016	2017			
Alcohol Applications	20	7 ↓		20.5	
Food Control Audits and Inspections	20	35 ↑	57%		82%
Service Requests	109	251 ↑	95%		99%

- There were four dog attacks reported in December.
- Due to team members carrying out other urgent duties the number of inspections undertaken is down.

BCA Accreditation	December 2017			
	Due	Completed		YTD % Completed
		YTD	December	
BCA Audits	0	40	0	84%
Competency Assessments	2	0		83%
BCA Training	0	0		100%

- No BCA Audits were scheduled for December.
- Two outstanding competency assessments for the month will be finalised by the new Team Leader Building Consents in January.

6 LIMs Overview

A Land Information Memorandum (LIM) is a property information report compiled by Council. It is typically obtained by a potential buyer when looking to purchase a property and must be issued within 10 working days of receipt.

In November 60 LIM applications were processed on time and taking an average of eight working days. During December 52 LIM applications were processed on time and taking an average of seven working days.

7 LGOIMA Overview – 01 November to 22 December 2017

Below is a list of requests received for information under the Local Government Official Information and Meeting Act 1987. Information requested as a LGOIMA must be answered in 20 working days from the day of receipt. All requests were processed within statutory timeframes.

Name	Subject
Peter O'Neill	Sandbags at Baylys Beach
Ian Bassett	Further information on fatal crash - Baylys Coast Road
Keith Ladbrook	Te Kopuru wastewater accounts for 2016/2017
Jeremy Browne - Henderson Reeves	Test Results - Tangiteroria Tavern
Jeremy Browne - Henderson Reeves	Leasehold properties
Vernon Sequeira - Colliers International	Corporate office usage
Vernon Sequeira - Colliers International	Records and archive usage
Fairfax Media	Christmas decoration costs
Housing New Zealand	Dog and noise complaints for 84 Montgomery Street
Cameron Massey - Inside Resources Journalist	Forestry roading
Clive Boonham	Vehicle Crossings Seabreeze Place
Peter Rothwell	Resource consents for Tara Road properties
Peter O'Neill	Further request on sandbags at Baylys Beach
Carolyn Long	Food and beverage outlets with no access to a public toilet

Name	Subject
Ian Bassett – Solicitor	Further information relating to Stewart legal case
Nick and Tanya Wilson - Spudnicks	Complaint regarding takeaway business
Taxpayers Union	Members pecuniary Interests
Dennis Thompson	Breakdown of rates by ward - requesting clarification
Responsible Campers Association	Freedom Camping Bylaw Survey
Taxpayers Union	Correspondence between Council and Nanaia Mahuta
Lionel Grainger	Mileage payments to staff

8 Corporate Services

Human Resources

- FTE end of December - 108.15;
- Sick leave taken during December - 524 hours;
- Turnover rate for period 01 January to 31 December - 22%;
- Confirmed structure after consultation process presented to staff at each site on 12 December; and
- Employee action group recommendations (measures to lift staff engagement) approved by executive and implementation commenced.

Health and Safety

- One staff incident - discomfort and pain in wrist while using computer mouse;
- Council contractors reported 1 lost time injury (worker of subcontractor received cuts to the neck and face area when he lost control of a hand held powered tool) and 12 minor incidents and unsafe conditions. The lost time injury was notified to the Regulator; and
- Nine contractor audits conducted for the month – generally contractors demonstrated high conformance with audit criteria.

Customer Services

- Good progress made on training staff and user acceptance testing in preparation for the implementation of the new contact centre software.

Information Systems

- No system outages for the month of December;
- Printer fleet was replaced from Konica Minolta to RICOH machines. There was some disruption to users due to issues with papercut license transfers. We are working through some teething issues but these will be resolved soon;
- We are on track for go-live on Tuesday 23 January for the new CIC telephone system.

c) Contract Acceptances

Contract Number	Name	Commentary
887	Mangawhai Wastewater Scheme Irrigation Extension Stage 2 2017/2018	Awarded to Waterforce for the tender price of \$175,970 (Excl GST). A price was requested from Waterforce, as they were the original contractors. The tender price is within approved terms of Council's 2017/2018 Water Services budget.

d) Looking ahead

February

<i>Date</i>	<i>Day</i>	<i>Meeting</i>	<i>Time</i>	<i>Venue</i>
07	Wednesday	LTP Briefing	1.00pm	Venue to be confirmed
08	Thursday	Taharoa Domain Governance Committee	2.00pm	Lake Waikare Centre, Taharoa Domain
14	Wednesday	Audit, Risk & Finance Committee	10.00am	Mangawhai Club
15	Thursday	Raupo Drainage Committee	10.00am	Raupo Drainage Board Office, Ruawai
19	Monday	Mangawhai Community Park Governance	10.00am	Mangawhai Council Offices
21	Wednesday	LTP Briefing	9.00am	Venue to be confirmed
28	Wednesday	Ordinary Council Meeting	9.00am	Venue to be confirmed

March

07	Wednesday	Harding Park Pou Tu Te Rangī	2.00pm	Lighthouse Function Centre, Dargaville
28	Wednesday	Ordinary Council Meeting	9.00am	Northern Wairoa War Memorial Hall, Dargaville



November 2017 Financial Report

Whole of Council Overview

Key Indicators for September are set out in the tables below.

	Year to Date November 2017				Full Year	
	Actual \$000's	Budget \$000's	Variance \$000's	Indicator	Budget \$000's	Forecast \$000's
Total Rates	14,346	13,925	420	●	33,421	33,437 ↑
Operating Subsidies and Grants	1,912	2,456	(544)	●	5,895	4,712 ↓
Activity Revenue and Other Income	3,300	2,068	1,232	●	5,100	5,905 ↑
Total Operating Income	19,558	18,449	1,108	●	44,416	44,054 ↓
Employee Benefits	4,117	3,941	(176)	●	9,458	9,970 ↑
Contractors	3,368	4,516	1,148	●	10,835	9,260 ↓
Professional Services	1,999	1,866	(132)	●	4,479	4,598 ↑
Repairs and Maintenance	1,256	1,287	30	●	3,088	3,504 ↑
Finance Costs	1,189	1,320	130	●	3,167	3,079 ↓
Other Operating Costs	2,514	2,418	(96)	●	4,940	5,075 ↑
Total Operating Costs	14,442	15,347	905	●	35,966	35,485 ↓
Operating Surplus / (Deficit) before Depreciation	5,115	3,102	2,013	●	8,449	8,569 ↑
Capital Subsidies	1,887	1,782	105	●	8,287	8,798 ↑
Contributions	1,996	495	1,501	●	1,188	2,499 ↑
Other Capital revenue	4,723	150	4,573	●	150	5,420 ↑
Total Capital Revenue	8,605	2,427	6,179	●	9,625	16,716 ↑
Total Capital Expenditure	4,155	5,662	1,507	●	20,128	22,422 ↑
Subtotal Capital	4,450	(3,235)	7,686	●	(10,504)	(5,706) ↑
Surplus / (Deficit) before Loan Payments and Depreciation	9,566	(133)	9,699	●	(2,054)	2,863 ↑

KEY

- Favourable
- Unfavourable within 10% of Budget
- Unfavourable over 10% of Budget

Actual and Theoretical Debt Summary			
	Jun-17	Nov-17	Jun-18
	\$000's	\$000's	\$000's
Debt			
Debt	62,127	43,000	58,295
Cash in bank (overnight deposits)	- 11,874	- 4,003	- 583
Net debt	<u>50,253</u>	<u>38,997</u>	<u>57,712</u>
Reserves (future obligations)			
General reserve funds committed	5,157		-
Targeted rates, council created and restricted reserves credit balances	14,884		13,360
Total	<u>20,041</u>		<u>13,360</u>
Combined Debt			
Debt	62,127		58,295
Future obligations	20,041		13,360
Gross Debt	82,168		71,655
Less cash in bank	- 11,874		- 583
Net Debt	<u>70,294</u>		<u>71,072</u>

Statement of Operating and Capital Performance

Rates Revenue: Rates including penalties totalling \$90,000 were remitted during November in accordance with Council policy e.g. Uniform Annual General Charges (UAGC's) and Uniform Annual Charges (UAC's) for contiguous properties. This includes adjustments made for rates debtors being moved to sundry debtors due to court action. There is an offsetting amount in other revenue and write offs.

Targeted rates continue ahead of budget for the year to date November due to higher water billings mainly in Dargaville. Higher commercial use with one business running double shifts is indicative of the reason. In addition penalties are ahead of budget for the year to date, however these will come closer to budget at year end when statute barred and abandoned land penalties are written back.

Operating Subsidies and Grants: Roading subsidies are below budget due to lower costs incurred in November. This is reflected in lower contractor spend. The recently completed forecast confirms the lower activity for the year.

Activity Revenue and Other Income: User fees and charges are ahead of budget in November and remain ahead of budget for the year to date mainly due to continued high levels of activity within regulatory. Bookings for the Kai Iwi Lakes campground are strong with people booking for Christmas. Activity revenue for the year to date also includes the reclassification from rates mentioned above, \$129,000 of use of money interest from Inland Revenue Department (IRD) and another income gain of \$405,000. This is part of the final receipts of an historic GST claim made in 2014.

Operating Costs: Overall costs are close to budget for the month.

Contractor costs are below budget for the month of November and year to date. This mainly relates to the roading programme changes. Costs in regulatory are also below budget but offset by higher professional services costs.

Professional services are ahead of budget for the month and year to date November. This is due to higher costs in district leadership in IT, chief executive and recruitment, also in regulatory. The higher expenditure has been partially offset by lower costs in the three waters.

Repairs and maintenance costs are below budget for the month and year to date November. Extra works undertaken within the waters activities, especially stormwater due to the wet winter and water supply in Dargaville has been offset by lower costs in district leadership now the forestry blocks have been sold.

Finance costs remain below budget due to lower inter-period loan balances.

Other operating costs are ahead of budget for the month and year to date November. The lower internal professional services cost recoveries in roading are expected to accelerate as the capex programme increases. In the meantime lower computing costs, office admin costs, audit fees and property costs are partially offsetting the reduced recoveries.

Overall total operating costs are below budget for November with contractors 31% below, repairs and maintenance 20% below and both professional services and other ahead 30% and 51% respectively.

Capital Revenue:

Development contributions for the year to date stand at \$935,000. Of this \$820,000 is for the Mangawhai Wastewater Scheme and the balance roading. The total annual budget was \$648,000.

Financial contributions for the year to date are \$1,061,000 compared to the whole year budget of \$540,000.

The forestry land sales money was received in early November amounting to \$4.7 million.

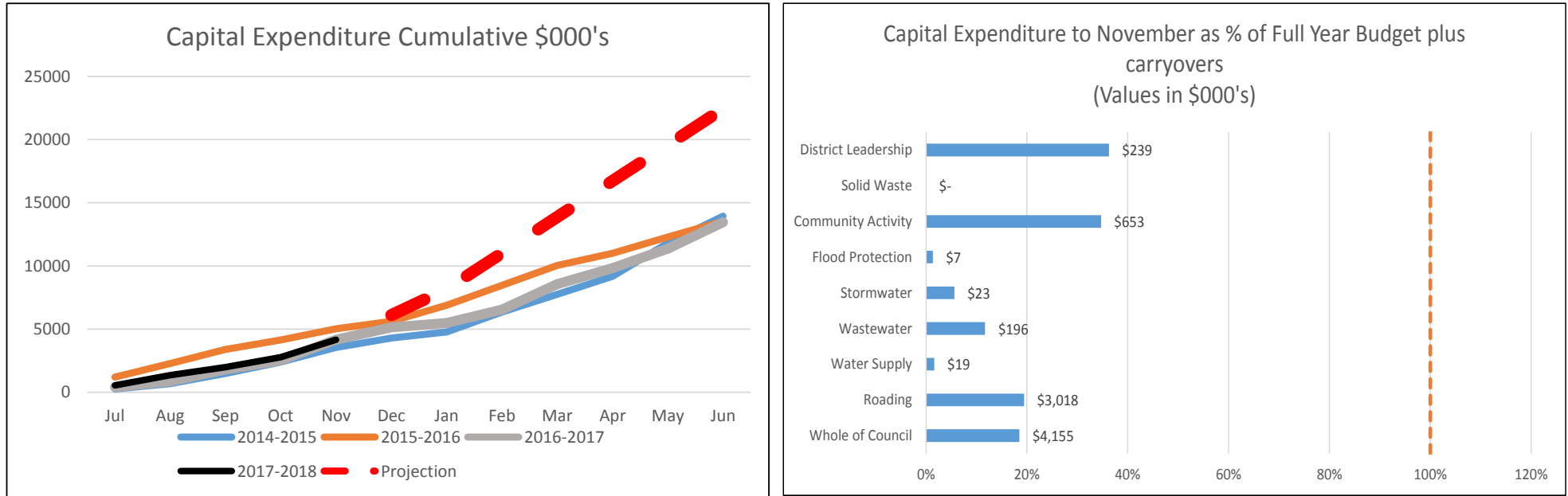
Capital Expenditure:

Capital expenditure was \$1.3 million for the month and now is \$4.2 million for the year to date compared to the budget to the end of November of \$5.7 million. A review of the infrastructure activities has new work starting in December and a high level of activity during the summer months of January, February and March. Much of the work is let and contractors ready to commence.

The below graph (left) shows the steep line of expenditure required to meet budget. This includes \$2.3 million of capex carried over at year end which is also scheduled to be completed in the year. Managers are expressing confidence regarding delivery of the capital expenditure programme.

The graph below (right) includes both the budget and carryover values from 30 June. With 42% of the year completed no activity has spent 42% of their adjusted budget. The best being district leadership and community activities at 36% and 35% respectively.

As mentioned above the infrastructure activities have a high concentration of their capital works programme during the summer months and any non-acceleration of expenditure should be viewed with caution.



Public Debt

The public debt position at 30 November is \$43.0 million and the net debt position (debt less cash) is \$39.0 million.

7.4 Reserve Contributions (use of) Policy: Adoption of reviewed Policy

Policy Planner 2304.17

Recommended

That Kaipara District Council:

- 1 *Receives the Policy Planner's report 'Reserve Contributions (use of) Policy: Adoption of reviewed Policy' dated 19 January 2018; and*
- 2 *Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provision of s79 of the Act determines that it does not require further information prior to making a decision on this matter; and*
- 3 *Approves the reviewed Reserve Contributions (use of) Policy as amended at the Reserve Contributions Committee's meeting on 18 January 2018 (as Attachment 2 of the above-mentioned report); and*
- 4 *Consults on the reviewed Policy as part of the draft Long Term Plan process; and*
- 5 *Prioritises the review of Reserves and Open Space Strategy (ROSS).*

File number: 2304.17 **Approved for agenda**
Report to: Council
Meeting date: **25 January 2018**
Subject: **Reserve Contributions (use of) Policy: Adoption of reviewed Policy**
Date of report: 19 January 2018
From: Paula Hansen, Policy Planner
Report purpose **Decision** **Information**
Assessment of significance **Significant** **Non-significant**

Summary

The Resource Management Act 1991 allows Council to collect financial contributions of which reserve contributions are a subset. They are collected as development occurs through the resource consent process as a condition of consent, to help offset the effects of development.

The main purpose of the Reserve Contributions (use of) Policy (the Policy) is to show transparency and accountability to the community on how these funds are spent, including how projects that are approved for funding are considered and why certain projects may have been approved over other projects.

The Policy was last reviewed in 2014. This current review of this Policy is the result of a Notice of Motion 6 from Council's 11 July 2017 meeting. In response to the Notice of Motion the Reserve Contributions Committee (the Committee) was set up to review the current Policy and make recommendations to Council.

The Committee has suggested some minor changes and four key changes in how reserve contributions are spent. See the existing Policy (**Attachment 1**) and the draft Policy (**Attachment 2**). The four key changes include:

- Increased number and adjustment of the boundaries of the catchments areas;
- Moving from a 60/40 to a 80/20 split in the percentage allocated to reserves of significance (i.e. 20% now suggested to go to reserves of District Significance rather than 40%);
- The amended Policy proposes a contestable fund for local communities and Council's Parks and Reserves Team (including the three Park Committees) to apply for funding for capital works from the reserve contributions pool; and
- Removal of the reference to Premier and Key Reserves and Priority Parks. The Policy is now proposing to simply refer to the Reserves and Open Spaces Strategy (ROSS).

Given the connection with ROSS, the Committee is recommending to Council that a review of ROSS be prioritised within Council's work programme in order to identify reserves of District Significance.

While the Committee was reviewing the current Policy they considered where funds have been collected across the district (**Attachment 3**). The Committee is aware that any important capital works that cannot be funded through reserve contributions may need to be funded through rates or other alternative funding sources.

The reviewed and amended policy was approved by the Committee at its 18 January 2018 meeting to be presented to Council for endorsement to be consulted on with the Long Term Plan (LTP) before the Policy is adopted as final by Council. The resolutions of the Committee's 18 January meeting are attached (**Attachment 4**).

Reserve Contributions Committee Recommendations

That Kaipara District Council:

- 1 *Receives the Policy Planner's report 'Reserve Contributions (use of) Policy: Adoption of reviewed Policy' dated 19 January 2018; and*
- 2 *Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provision of s79 of the Act determines that it does not require further information prior to making a decision on this matter; and*
- 3 *Approves the reviewed Reserve Contributions (use of) Policy as amended at the Reserve Contributions Committee's meeting on 18 January 2018 (as Attachment 2 of the above-mentioned report); and*
- 4 *Consults on the reviewed Policy as part of the draft Long Term Plan process; and*
- 5 *Prioritises the review of Reserves and Open Space Strategy (ROSS).*

Reason for the recommendation

The Reserve Contributions Committee has been given the mandate to review the Reserve Contributions (use of) Policy and to make recommendations to Council. The reviewed Policy, Attachment 2, needs to be approved by Council prior to being consulted on and finalised. The Reserves and Open Spaces Strategy (ROSS) is an important document that provides guidance on reserves of District Significance.

Reason for the report

This report outlines the review of the Reserve Contributions (use of) Policy (the Policy) and seeks approval from Council to be consulted on as part of the Long Term Plan process before being adopted as final by Council.

Background

The Resource Management Act 1991(RMA) allows Council to collect financial contributions of which reserve contributions are a subset. They are collected as development occurs through the resource consent process as a condition of consent, to help offset the effects of development. Chapter 22 of the Kaipara District Plan outlines when and for what reasons reserve contributions will be collected. The RMA also stipulates how reserve contributions are to be spent. Essentially, they are to be spent in reasonable accordance with the purpose for which they were collected. This means they are to be spent in reasonable accordance with the objectives outlined in Chapter 22 of the Kaipara District Plan.

The main purpose of the Policy is to show transparency to the community on how these funds are spent, including how projects that are approved for funding are considered and why certain projects may have been approved over other projects.

This review of the Policy was a result of a Notice of Motion 6 from Council's July 2017 meeting requiring:

- "1) That Council reviews its Reserve Contributions Fund Policy; and*
- 2) That the Chief Executive works with Councillors Larsen (Chair), Wade and Del la Varis-Woodcock on reviewing the Policy; and*
- 3) That the amended Policy be presented to the 26 September 2017 Council meeting for approval."*

In response to the above Notice of Motion the Reserve Contributions Committee was set up to review the current Policy and make recommendations to Council.

The existing Policy (**Attachment 1**) was approved by Council on 14 December 2014. The existing Policy has three catchments (northwest of State Highway 12 (Northwest Kaipara), between State Highway 12 and State Highway 1 (mid Kaipara), and east of State Highway 1 (Mangawhai-Hakaru)). The existing Policy has a 60%:40% split between spending in the catchment where it was collected (60%) and spending on reserves of district significance (40%).

The Reserve Contributions Committee has considered the current Policy and has also considered having 100% funding go back to the catchment in which it was collected in with no flexibility. The Committee has also considered the catchments areas within the current Policy and how they may work with the changes to funding allocation. With this they have looked at where funds have been collected across the district (**Attachment 3**).

The Committee has considered how a balance can be provided (equity) in how Parks and Reserves capital works are undertaken for both growth areas and existing areas that are not within a growth area or high development area. The Committee is aware that any important capital works that cannot be funded through reserve contributions may need to be funded through rates or other alternative funding sources.

The reviewed and amended draft Policy (**Attachment 2**) was approved by the Committee at its 18 January 2018 meeting to be presented to Council for endorsement to be consulted on with the Long Term Plan before the draft Policy is adopted as final by Council. The resolutions of the Committee's 18 January 2018 meeting are attached (**Attachment 4**). The Policy is now ready for Council's consideration.

Issues

The Reserve Contributions Committee has reviewed the current position of the 60%:40% split and the catchment areas in the current policy and is now recommending an amended Policy (**Attachment 2**). There are some minor changes and four significant changes. The four significant changes are:

- Proposing four localities (catchments) which will replace the current three catchments. The proposed new locality catchment areas are shown within Appendix A of the amended Policy (**Attachment 2**). The amount of reserve contributions that have been collected over the last six years is contained in **Attachment 3**. This demonstrates the level of contributions available for each catchment.

- Replace the 60:40 split, with a new split of 80%:20%, with 80% to be spent in the area it was collected from and 20% to reserves in other parts of the district. This will mean that most of, the money collected will go directly back to the catchment in which it was collected from.
- Introduction of a contestable fund. The idea behind the contestable fund is to base the spending of the reserve contributions on the merits of a project, to meet the specific needs within each catchment and to allow community groups to apply for funding. The contestable fund is proposed to be open to the public. Also Council's Parks and Reserves Team will be required to apply to have their capital works programme approved by this funding committee.

The proposed amended Policy outlines the criteria, timing of applications, who will decide on applications, who may apply, accountability and reporting, and the need for health and safety measures.

- Removal of the reference to Priority and Key Reserves and Priority Parks. The Policy is now proposing to simply refer to the Reserves and Open Spaces Strategy (ROSS). ROSS is intended to help inform what reserves should gain funding when applying the 20% out of catchment spend. ROSS is now over 10 years old and is due for a review. The Committee believes that the review of ROSS should be prioritised within Council's work programme.

Factors to consider

Community views

No community views have been sought during the review of the Policy. There is likely to be an interest in these changes from the general public, reserve committees and other interest groups.

Policy implications

The reviewed policy is to supplement the Policy in the operative District Plan (Chapter 22). In terms of the Significance and Engagement Policy there is a level of interest within how reserve contributions are spent therefore the proposal can be considered as of significance to consult on.

Financial implications

The recommended Policy will mean that Council needs to find alternative funding sources for capital works in parks and reserves should there be insufficient reserve contributions available. This will have potential budget implications.

Legal/delegation implications

The spending of reserve contributions that have been collected is governed by the RMA 1991, the amended Policy is believed to be within keeping of the relevant RMA 1991 provisions. Under the LGA Council needs to consider the views of the community and to take those views into consideration.

Options

There are three Options to consider:

Option A: To **adopt** the amended draft Policy for Consultation.

Option B: To **not adopt** the amended draft Policy.

Option C: To **make further amendments** to the draft Policy prior to consultation.

Assessment of options

Option A means that by adopting the draft Policy as presented, Council is in general agreement of the direction provided within this amended Policy as recommended by the Reserve Contributions (use of) Policy, and agrees that consultation should be undertaken on the Policy prior to final adoption. By seeking feedback from the community, including Iwi, on the draft Policy means that Council agrees and understands that the amended Policy should follow a transparent process that allows the community to provide input into the final Policy.

Option B means that Council does not agree with the direction provided in the amended Policy by the Reserve Contributions Committee. Council may direct the Committee to reconsider specific areas prior to Council to consultation on the amended Policy.

Option C means that Council generally agrees with the Reserve Contributions Committee however believes further enhancements are necessary prior to consultation.

Assessment of significance

The current Policy was considered significant to consult on as there was a level of community interest. It is believed that there will be same community interest in any changes to the current Policy. There are also some potential budget implications. Therefore it is recommended that the Policy be consulted on with the Long Term Plan.

Recommended option


The recommended option is **Option A**.

Next step

To consult on the Reserve Contributions (use of) Policy with the Long Term Plan 2018/2028.

Attachments

- Attachment 1 - Current Policy
- Attachment 2 – Proposed Amended Policy
- Attachment 3 – Spreadsheet of collection of contributions by catchment
- Attachment 4 – Resolution of the Reserves Contributions Committee Meeting of 18 January 2018

 <small>Kaipara te Orangakui</small> KAIPARA DISTRICT <small>The Ocean The Harbour</small>	Title of Policy	Reserve Contributions (use of)		
	Sponsor	Commissioner Winder		
	Written By	Jill McPherson	Authorised/Adopted by	Council
	Type of Policy		Date Adopted	16 December 2014
	File Reference	2304.17	Review Date	

1 Background

Financial Contributions

Council has a Financial Contributions mechanism in its District Plan. This outlines how much can be imposed on land developers on approval of a resource (land-use or subdivision) consent. The plan relies on the Resource Management Act to define how Financial Contributions can be spent. **Reserves Contributions** are a subset of Financial Contributions.

Section 108(10)(a) of the Resource Management Act 1991 (RMA) allows Council to require Financial Contributions, where necessary, to achieve one or more of the following purposes:

- a) Creating open space (including recreation areas, visual buffers and amenity areas) through reserve contributions.
- b) Adding capacity to or otherwise enhancing existing open spaces (including recreation areas, visual buffers and amenity areas) through reserve contributions.
- c) Giving public access to coastal areas, reserves, bush areas or areas of special character through reserve contributions.
- d) Providing new, or upgrading existing, infrastructure such as Council-owned roads, transportation infrastructure and utilities (including stormwater systems and shared wastewater systems).
- e) Protecting or enhancing amenities, habitats, ecosystems, landscape features and archaeological heritage or cultural values.
- f) Avoiding, remedying or mitigating land use activity or subdivision impacts upon sensitive parts of the natural and physical environment.
- g) Providing new, or upgrading existing, community amenities (such as libraries, community halls, leisure facilities and public toilets).
- h) Creating a financial resource to be used for any of the above purposes.

Reserves Contributions

The Council may require a Financial Contribution in cash or land towards the establishment and/or upgrading of reserves and public open space areas as a condition of Land Use Consent or Subdivision Consent.

In the Kaipara District Plan section 22.6.6 details the purpose of Reserves Contributions:

“By requiring developments to pay their fair and reasonable share of the costs of purchasing land for reserves or upgrading existing reserves.

New developments generate an increase in demand for, and usage of, reserves, open space and public recreation facilities. All new developments will be required to contribute towards the costs of acquiring new, or upgrading existing reserves, open space or facilities, in accordance with Council's Reserves and Open Space Strategy.

Financial Contributions for Reserves will only be used for the purchase and development of new reserves or for the improvement and development of existing ones. The maintenance of reserves and recreational facilities is funded through rates.”

In section 22.10.5 of the District Plan describes what purposes a reserve contribution will be put:

Any **Reserve Contribution** required as a Condition of Land Use Consent or Subdivision Consent may be in the form of:

- a) Land to be set aside and vested in the Council for reserve or public open space purposes; or
- b) A cash contribution to the Council for it to carry out works relating to developing or upgrading reserves or public open spaces in the District.

In addition under Section 108 of the Resource Management Act 1991 the Council can require as a Resource Consent Condition works on any reserve or public open space. Such works may include but are not limited to the following:

- a) Fencing;
- b) Landscaping including grassing and tree planting;
- c) Provision of play equipment and other recreational facilities; and
- d) Provision of footpaths and walking tracks.

2 Objective of this Policy

The objective of this policy is for Council to define the priorities it has for use of reserve contributions, and use this priority to guide the development of a programme of works. This works programme will be consulted on as part of each year's Annual Plan process.

3 Definitions

Reserves Contributions: a mechanism in the District Plan that allows for the collection of levies from developers, so that Council can develop or upgrade reserves and other public open spaces

Open space: Land held under the Reserves Act and/or zoned as reserve in the District Plan, and/or included in the Reserves and Open Space Strategy (ROSS) as a reserve.

Local: the district has been divided up into three “local” areas of Northwest of State Highway 12 (Northwest Kaipara), between State Highway 12 and State Highway 1 (Mid Kaipara), and east of State Highway 1 (Mangawhai-Hakaru).

District-wide: reserves and open space that are classified as premier or key reserves in the Reserves and Open Space Strategy (ROSS), and any facilities on reserves that cater for the whole district (tend to be one of a kind).

4 Policy Statement

Council will collect reserves contribution in the future as cash for it to carry out works relating to developing or upgrading reserves or public open spaces in the District. Only in special circumstances will the contribution be in land vested in Council, and this decision will be guided by the Reserves and Open Space Strategy in place at the time. These exceptions will need to prove a shortfall of open space in a particular area and/or the current open space areas are already used to capacity. Any contribution given as land must meet the test of usability, or the protection of environmental values where this cannot be achieved through conditions in any consents required.

Criteria for eligibility for use of Reserves Contributions

Of the areas of the Resource Management Act that define how a reserves contribution may be spent, the Council will prioritise two uses for the funds levied and collected:

- 1 Adding capacity to or otherwise enhancing existing open spaces (including recreation areas, visual buffers and amenity areas). This can include
 - bringing existing reserves up to a minimum standard for public use e.g. supplying public toilets in recreation reserves;
 - landscaping,
 - providing equipment e.g. seats, barbeques, playgrounds
- 2 Giving public access to coastal areas, reserves, bush areas or areas of special character. This is typically through
 - the development of walking tracks,
 - the purchase of land that connects two public areas otherwise not accessible to the public

All allocations will be judged against their fit with these two uses, as if they are qualifying/assessment criteria. The reserves contribution fund will not and cannot be used for normal asset management (maintenance, repairs and renewals).

Distribution of Reserves Contributions within the Kaipara District

Of the funds collected, 60% will be spent within the local area likely to feel the impact of growth from the development, and 40% allocated to district-wide purposes.

District-wide purposes has been defined as those reserves and open spaces that are classified as premier or key reserves in the Reserves and Open Space Strategy (ROSS), and any facilities on reserves that cater for the whole district (tend to be one of a kind). Parks that cater for the whole District are considered to be the 'priority parks'.

Funds will typically be spent by Council in Council reserves, but may be allocated to community-led projects if they meet the criteria above.

Premier and Key Reserves

District-wide reserves includes three reserves classified as "premier", and classified as "key" reserves in the Reserves and Open Space Strategy:

- The “premier” reserves in ROSS are:
 - Mangawhai Park
 - Harding Park and Pou Tu O Te Rangī
 - Mangawhai Heads esplanade/coastal reserves

- The “key” reserves in ROSS are:
 - Te Roroa (Maunganui Bluff)
 - Taharoa/Kai Iwi Lake reserves
 - Baylys reserves along Ripiro Beach
 - Omamari reserves along Ripiro Beach
 - Pouto Point reserves
 - Kopuru Beach/Glinks Gully reserves
 - Tinopai/Komiti Road reserves
 - Memorial Park Dargaville (Logan Street Reserve)
 - Selwyn Park Dargaville.

Priority Parks

Council has three “priority” parks that will receive significant investment in their development over the next five or so years funded by reserves contributions.


- Taharoa Domain
- Harding Park/Pou Tu o Te Rangī
- Mangawhai Community Park

Each of these reserves is at different phases in their development, but all are under-developed and need investment to develop their immense potential.

5 Status of the Reserves Contribution Fund

Amounts available for each area defined using the ‘local’ definition of three areas, and ‘district-wide’ using the 60:40 split are therefore:

Location	2012/13 Amount Received	2012/13 Balance	2013/14 Amount Received	2013/14 Balance	District- wide 40%
Northwest Kaipara	\$41,522	\$199,495	\$23,261	\$198,208	\$79,283
Mid-Kaipara	\$38,398	\$925,435	\$231,956	\$1,157,391	\$462,956
Mangawhai- Hakaru	\$214,782	\$2,836,303	\$325,282	\$3,120,275	\$1,248,110

 KAIPARA DISTRICT <small>THE OCEAN THE HARBOUR</small>	Title of Policy	Reserve Contributions (use of) Policy		
	Sponsor	Commissioner Winder	Adopted by	Council
	Author	J McPherson	Date adopted	16 December 2014
	Type of Policy	xx	Last review date	16/12/2014
	File Reference	2304.17	Next review date	16/12/2017

Document Control			
Version	Date	Author(s)	Comments
1 st Commenced	16/12/2014	J McPherson	
1.0	27/11/2017	P Hansen Policy Analyst	Amended through scheduled review
2.0			

1. Background

1.1 Financial contributions

Financial contributions are a type of levy applied to offset the effects of growth. Council has a Financial Contributions Chapter in its District Plan. This outlines how much can be imposed on land developers when a resource (land use or subdivision) consent is approved. The District Plan relies on the provisions of the Resource Management Act to define how financial contributions can be spent. **Reserve contributions** are a subset of financial contributions.

Section 108(10)(a) of the Resource Management Act 1991 (the Act) allows Council to require financial contributions for reserves, where necessary, to achieve one or more of the following purposes:

- a) Creating open space (including recreation areas, visual buffers and amenity areas) through reserve contributions.
- b) Adding capacity to or otherwise enhancing existing open spaces (including recreation areas, visual buffers and amenity areas) through reserve contributions.
- c) Giving public access to coastal areas, reserves, bush areas or areas of special character through reserve contributions.

1.2 Reserves contributions

Council may require a financial contribution in cash or land towards the establishment and/or upgrading of reserves and public open space areas as a condition of land use consent or subdivision consent.

In the Kaipara District Plan section 22.6.6 details the purpose of reserve contributions:

“By requiring developments to pay their fair and reasonable share of the costs of purchasing land for reserves or upgrading existing reserves.

New developments generate an increase in demand for, and usage of, reserves, open space and public recreation facilities. All new developments will be required to contribute towards the costs of acquiring new, or upgrading existing reserves, open space or facilities, in accordance with Council’s Reserves and Open Space Strategy.

Financial contributions for reserves will only be used for the purchase and development of new reserves or for the improvement and development of existing ones. The maintenance of reserves and recreational facilities is funded through rates.”

In section 22.10.6 of the District Plan describes what purposes a reserve contribution will be put:

Any **reserve contribution** required as a condition of land use consent or subdivision consent may be in the form of:

- a) Land to be set aside and vested in Council for reserve or public open space purposes; or
- b) A cash contribution to Council for it to carry out works relating to developing or upgrading reserves or public open spaces in the district.

In addition under Section 108 of the Act, Council can require as a resource consent condition works on any reserve or public open space. Such works may include but are not limited to:

- a) Fencing;
- b) Landscaping including grassing and tree planting;
- c) Provision of play equipment and other recreational facilities (including tables/chairs); and
- d) Provision of footpaths and walking tracks.

When the contributions are taken as land vested in Council;

- a) There must be a demonstrable current or foreseen future shortage of open space in a particular area; and
- b) The land must be suitable for the intended purpose.

2. Objectives of this Policy

The objectives of this Policy are:

- a) For Council or a committee of Council to define the priorities it has for the use of reserve contributions;
- b) To use these priorities to determine projects of greatest benefit to the community; and
- c) To allow community input and participation through a discretionary contestable process.

3. Definitions

Reserve contributions: a mechanism in the District Plan that allows for the collection of levies from developers, so that Council can develop or upgrade reserves and other public open spaces.

Open space: recreational areas, visual buffers and amenity areas (as described in the Act).

Local: the district has been divided up into four catchments described as Dargaville and Surrounds; Maungaturoto, Paparua, Tinopai and Surrounds; Kaiwaka and Surrounds; Mangawhai and Surrounds. The catchment areas are depicted in Appendix A.

4. Existing parks and reserves

For information on the existing parks and reserves refer to the Reserves and Open Space Strategy.

5. Eligibility criteria

5.1 Criteria for eligibility for use of reserves contributions

When assessing proposals for the use of reserve contributions, Council will have regard to the following criteria:

- a) Creating public open spaces (including recreation areas, visual buffers and amenity areas).
- b) Adding capacity to or otherwise enhancing existing public open spaces (including recreation areas, visual buffers and amenity areas). This can include:
 - bringing existing reserves up to a minimum standard for public use e.g. supplying public toilets in recreation reserves;
 - landscaping; and
 - providing equipment e.g. seats, barbecues, playgrounds.
- c) Giving public access to coastal areas, reserves, bush areas or areas of special character. This is typically through:
 - the development of walking tracks; and
 - the purchase of land that connects two public areas otherwise not accessible to the public.
- d) Within each catchment, consideration will be given to the amount of funds collected in the locality of a proposed project.
- e) Consideration will be given to projects that add amenity to the parks and reserves that are lacking in amenities.

All allocations will be judged against their fit with these criteria. The funds will not be used for normal asset management (maintenance, repairs and renewals).

6. Distribution of reserve contributions

Council will generally apply funds in the locality in which they are generated, but where sufficient developed reserves exist, may apply up to 20% of the funds in other parts of the district.

7. Public contestable funding round

A public contestable funding round will be held on an annual basis for catchments where sufficient funds have accumulated to make the process worthwhile. Where there are sufficient funds Council will typically aim to distribute them within three years of collection.

During each round projects initiated by Council, and community groups within the catchment will be considered by the Reserve Contributions Committee. The Reserve Contributions Committee will then make recommendations to the full Council for approval.

All decisions on whether and how to distribute the funds will be at the sole discretion of Council and are final.

a) Contestable fund distribution

There is a need for a high level of transparency and accountability for the spending of reserves contributions. To enable this standard to be met, accountability arrangements will be documented in a formal Contract between the community organisation receiving support and Council. The Agreement will be appropriate to reflect the nature and level of support given.

Funding will be implemented through a Contract which will outline:

- The project for which the funding was provided for;
- The conditions attached to the funding;
- Accountability requirements, including the methods to report back on the use of the funds; and
- The steps Council will take if progress is not as planned.

b) Timing of applications

The timing of reserve contribution grants will be matched with the planning and budgeting cycles of the Council. In the first year of operation of this Policy Council will call for applications in February and release decisions by the end of May. In subsequent years, Council will call for applications in June, and release decisions by the end of October. Should there be sufficient reserve contributions collected during the year Council may consider opening up a second funding round.

Decisions on reserve contributions distribution will be recommended to Council by the Reserve Contributions Committee, who has been given delegated authority from Council to make recommendations on applications. Council will then make the final decision. All grants entered into during the year will be reported in the Annual Report for that year.

Application forms will be made available on Council's website and at Council offices when the funding round opens.

c) General assessment criteria

Council will consider the following when assessing applications received for reserve contributions. These are general criteria which community organisations applying for support need to demonstrate in their applications.

d) Consistency with the Reserve Contributions (use of) Policy

Any application will need to be consistent with the eligibility criteria of section 5 of the Reserve Contributions (use of) Policy.

e) Not-for-profit

Council will only provide assistance to legally constituted not-for-profit entities, and there should be a volunteer component to the project.

f) Financial reporting

All applications must be accompanied by an audited or reviewed Statement of Financial Position for the previous financial year and a budget projection for the next financial year.

g) Central government funding

Community organisations that can receive funding from central government will be considered for grants, however no central government agency may apply for funding.

h) Health and safety

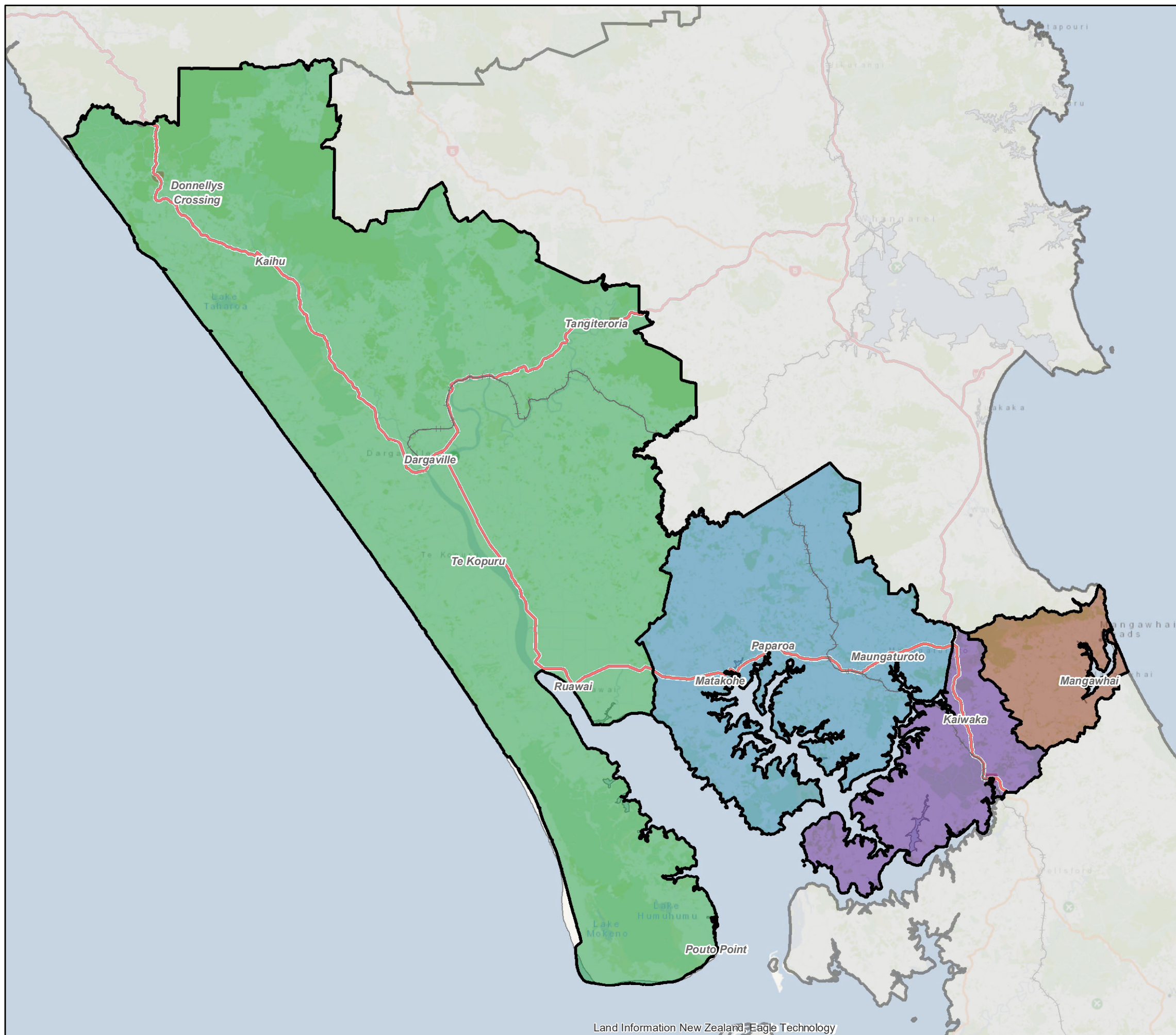
Applicants must comply with all health and safety legislative requirements.

i) Accountability requirements

All recipients under this Policy are required to enter into an Agreement or Contract with Council that outlines the terms and conditions of the approved assistance. Funds will not be provided until both parties have signed the Agreement or Contract, which will outline, among other obligations:

- The purpose and conditions of the assistance; and
- Accountability requirements, as determined by the level of assistance required.

draft

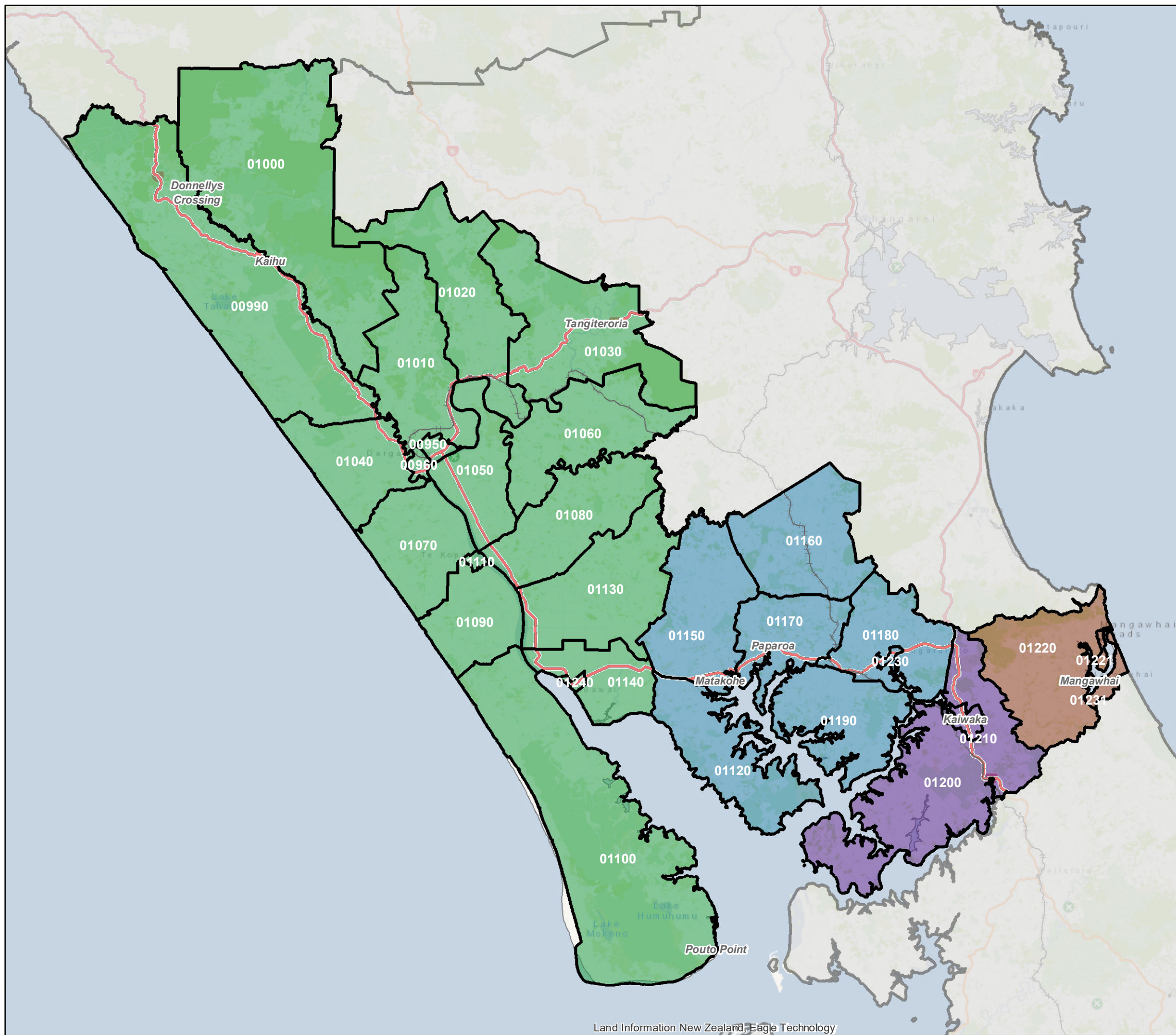


Legend

- Dargaville and Surrounds
- Maungaturoto, Paparoa, Tinopai and Surrounds
- Kaiwaka and Surrounds
- Mangawhai and Surrounds

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Land Information New Zealand, Eagle Technology



Legend	
	Valuation Roll
	Dargaville and Surrounds
	Maungaturoto, Paparoa, Tinopai and Surrounds
	Kaiwaka and Surrounds
	Mangawhai and Surrounds

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

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Land Information New Zealand, Eagle Technology

Attachment 3 - Spreadsheet of collection of contributions by catchment

Valuation Roll No	Description	Total	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
00950	Dargaville - east of Hokianga Road	-12,391.30	-5,652.17		-3,043.48	-3,695.65		
00960	Dargaville - Hokianga Road and West, Mangawhare	-10,434.78	-3,913.04		-6,521.74			
00990	Babylon Coast Road 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
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						
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
01070	Mt Wesley Coast Road to Koremoa Road (Kopuru)	-13,260.88	-2,826.09					-10,434.79
01090	Korekoa Road (Kopuru) to Schick Road (1/2 way to Pouto Penninsular)	0.00						
01100	Schick Road to Pouto Lighthouse	0.00						
01110	Te Kopuru Village	0.00						
01080	Okahu (past Aropohue) to KDC boundary	-3,260.87						-3,260.87
01130	Tokatoka to Ruawai	-2,173.91			-2,173.91			
01140	Omaru Parish (Ruawai Hills)	-4,347.82			-2,391.30	-1,956.52		
01240	Ruawai Township	0.00						
	Total	-222,173.93	-26,956.52	-41,521.75	-27,826.08	-12,173.91	-25,217.39	-88,478.28

Maungaturoto, Paparua, Tinopai and Surrounds

01120	South Ruawai, Tinopai, Ararua, Te Kowhai	-14,999.99	-2,391.30		-2,173.91		-4,782.61	-5,652.17
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
01230	Maungaturoto Township	-6,521.74		-6,521.74				
	Total	-196,086.91	-19,565.20	-24,130.44	-13,695.64	-73,478.25	-13,695.65	-51,521.73

Kaiwaka and Surrounds

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
	Total	-462,934.83	-3,043.48	-14,239.14	-228,695.66	-56,304.36	-82,608.70	-78,043.49

Mangawhai and Surrounds

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
01231	Mangawhai - Formerly Rodney	-500,956.53	-12,173.91		-53,478.27	-213,217.40	-82,521.74	-139,565.21
	Total	-3,872,920.24	-91,355.05	-208,782.61	-325,282.62	-510,934.78	-1,347,260.83	-1,389,304.35

**Attachment 4 – Resolution of the Reserve Contributions Committee meeting of
18 January 2018**

1.1 Reserve Contributions (use of) Policy: Adoption of reviewed Policy

Policy Planner **2304.17**

Moved **Wade/del la Varis-Woodcock**

That the Reserve Contributions Committee:

- 1 *Receives the Policy Planner's report 'Reserve Contributions (use of) Policy: Adoption of reviewed Policy' dated 01 December 2017; and*
- 2 *Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provision of s79 of the Act determines that it does not require further information prior to making a decision on this matter; and*
- 3 *Recommends to the Kaipara District Council the reviewed Reserve Contributions (use of) Policy as amended at the Committee's meeting on 18 January 2018 to the above-mentioned report; and*
- 4 *Recommends to the Kaipara District Council that the reviewed Policy is consulted on as part of the draft Long Term Plan process;*
- 5 *Recommends to the Kaipara District Council that the review of Reserves and Open Space Strategy is prioritised.*

Carried

7.5 Kaipara District Council Raw Water Supply Funding Options

General Manager Infrastructure 4817.0

Recommended

That Kaipara District Council:

- 1 *Receives the General Manager Infrastructure's report 'Kaipara District Council Raw Water Supply Funding Options' dated 19 January 2018; and*
- 2 *Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provision of s79 of the Act determines that it does not require further information prior to making a decision on this matter; and*
- 3 *Approves the option of providing loans to low income owners to assist with the provision of a potable water supply to dwellings that have been issued with an Insanitary Building Notice; and*
- 4 *Delegates authority to the Mayor and Chief Executive to enter into loan agreements with the property owners up to a maximum of \$15,000 + GST per dwelling.*

File number: 4817.0 **Approved for agenda**

Report to: Council

Meeting date: 25 January 2018

Subject: Kaipara District Council Raw Water Supply Funding Options

Date of report: 19 January 2018

From: Curt Martin, General Manager Infrastructure

Report purpose **Decision** **Information**

Assessment of significance **Significant** **Non-significant**

Summary

Following the initial sanitary assessment of the properties that have a raw water connection to the Dargaville raw water main, and also some additional properties in the vicinity that may be connected but not shown on Council's records as being connected, seven Insanitary Building Notices (IBN's) were issued by Council due to the fact that the affected dwellings did not have a potable water supply (i.e. they were inappropriately using the raw water as a source of potable water). An additional three dwellings have since been issued with IBN's bringing the total to 10.

It is likely that further properties may be identified in the future as being insanitary. Council officers will also now undertake a similar assessment of the Maungaturoto raw water line which may also result in Council issuing further IBN's.

The responsibility lies with the respective property owners to remediate the issue and provide a potable water supply to the dwellings.

The owners that have been issued IBN's were invited to a meeting held on 18 January 2018 to discuss the above. The meeting was well attended and the issue of affordability was raised at the meeting.

Recommendation

That Kaipara District Council:

- 1 *Receives the General Manager Infrastructure's report 'Kaipara District Council Raw Water Supply Funding Options' dated 19 January 2018; and*
- 2 *Believes it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with the provision of s79 of the Act determines that it does not require further information prior to making a decision on this matter; and*
- 3 *Approves the option of providing loans to low income owners to assist with the provision of a potable water supply to dwellings that have been issued with an Insanitary Building Notice; and*
- 4 *Delegates authority to the Mayor and Chief Executive to enter into loan agreements with the property owners up to a maximum of \$15,000 + GST per dwelling.*

Reason for the recommendation

To seek delegation from Council regarding funding agreements with affected property owners to remediate the public health risk by providing a potable water supply to the dwellings.

Reason for the report

To inform Council on the outcome of the sanitary assessment of properties in the vicinity of the Dargaville raw water main, the associated public health risk and funding options.

Background

Council was informed at its December 2017 meeting of the public health risks associated with users of the Dargaville raw water supply inappropriately using the raw (untreated) water as a source of potable water. This poses a public health risk and renders the affected dwellings insanitary.

Following the initial sanitary assessment of the properties that have a raw water connection, and also some additional properties in the vicinity that may be connected but not shown on Council's records as being connected, seven Insanitary Building Notices (IBN's) were issued by Council due to the fact that the affected dwellings did not have a potable water supply (i.e. they were inappropriately using the raw water as a source of potable water). An additional three dwellings have since been issued with IBN's bringing the total to 10.

It is likely that further properties may be identified in the future as being insanitary. Council officers will also now undertake a similar assessment of the Maungaturoto raw water line which may also result in Council issuing further IBN's.

Issues

The owners that have been issued IBN's were invited to a meeting held on 18 January 2018 to discuss the above. The meeting was well attended and the issue of affordability was raised at the meeting.

The responsibility lies with the respective property owners to remediate the issue and provide a potable water supply to the dwellings. The most cost-effective resolution is likely to be the installation of roof water tanks to harvest rainwater as a source of potable water.

A high-level estimate for the provision of individual roof water tanks with a domestic filtration and disinfection system, domestic water pump, first-flush filters etcetera is in the order of \$5,000 to \$15,000 per dwelling, depending on whether the replacement of the dwelling's gutters is required, and the number of tanks (two 25,000 litre tanks would provide greater storage during dry periods).

Ideally the property owner would proceed to remediate the issue and Council would then lift the IBN. However, it is likely that some of the affected property owners have limited income and would struggle to raise the funds required. In these instances it would be beneficial for Council to assist by way of providing a loan to these property owners.

It should be noted that if any of the affected property owners did not undertake the remedial works, Council would be obliged to seek a Court order to undertake the works and then undertake the works at Council's cost. Council would be able to recover any costs incurred from the affected property owners but this may prove difficult if the owners have limited income.

Factors to consider

Community views

The community relies on Council to ensure it manages health risks arising as a result of deficiencies or inadequacies in water supplies to dwellings. Where health risks are identified, the community would also expect Council to work with the affected members of the community to remediate the issue.

Policy implications

None.

Financial implications

Assuming an average cost per property of \$10,000 for the remediation works, each loan provided by Council would result in a commensurate increase in Council's debt level. However, the repayment of this debt would be as agreed with the property owners by way of a legal agreement. Council could also insist on a statutory land charge as a condition of any loan agreement as a means of security.

If Council was required to undertake the works, the costs would increase due to Court order application costs, and also in the recovery of any costs incurred by Council from the affected property owners. This may prove challenging considering that some of these properties may be low income households.

Legal/delegation implications

Council has legal obligations under the Local Government Act to meet the current and future needs of communities for good quality infrastructure (which by definition includes water supply), and to carry out assessments of its water supply from time to time and to consider, amongst other considerations, any health risks arising as a result of deficiencies or inadequacies in the water supply.

The Health Act (HA) imposes a duty on Council to improve, protect and promote public health within its district, and the Building Act (BA) imposes a duty on Council to take action to prevent the use of insanitary buildings (which includes a dwelling that does not have a potable water supply). It is the role of Council under the BA to take action to prevent the use of insanitary buildings, and the BA confers powers on Council to take remedial action where the building owner cannot or will not remedy the issue.

The BA has provisions that allow Council to carry out works and recover the costs from owners as a charge on the land.

As any loan would result in Council incurring an unbudgeted cost, Council approval is required. It is proposed that Council approval to enter into loan agreements with the property owners is delegated to the Mayor and Chief Executive to expedite the resolution of the public health issue.

Options

Option A: Where required, Council provides loans to low income owners to provide a potable water supply to dwellings that have been issued with an IBN, and delegates authority to the Mayor and Chief Executive to enter into loan agreements with the property owners up to a maximum of \$15,000 + GST per dwelling.

Option B: Where required, Council provides loans to low income owners to provide a potable water supply to dwellings that have been issued with an IBN.

Option C: Council resolves to not provide loans to low income owners to provide a potable water supply to dwellings that have been issued with an IBN.

Assessment of options

Option A would assist the low income property owners to fund the provision of a potable water supply, and by delegating authority to the Mayor and Chief Executive, would expedite the process and resolution of the health risk.

Option B would also assist the low income property owners to fund the provision of a potable water supply, however, by requiring Council approval of each loan agreement would delay the process and resolution of the health risk.

Option C would increase the risk of some of the property owners being unable to afford to remediate the issue. Council would then be required to resolve the issue and would incur the costs anyway, would also incur additional legal costs and may not be able to fully recover these costs.

Assessment of significance

Not significant in relation to the Significance and Engagement Policy as:

- It does not involve more than \$3,000,000 or more budgeted expenditure;
- It does not involve \$300,000 or more unbudgeted expenditure;
- The decision will not impact by increasing individual rate levies by 10%;
- There is no transfer of ownership or control of a strategic asset to or from Council; and
- The level of service will remain the same.

Recommended option

The recommended option is **Option A**.

Next steps

If approved, liaise with the affected owners and, where required, enter into loan agreements to fund the provision of a potable water supply.