

File Ref: C135-F04

Ask For: Judith North

21 August 2009

Notice of Committee Meeting – Monday, 31 August 2009

A meeting of the Community and Financial Planning Committee will be held in the Council Chambers, District Council Administration Building, Seymour Street, Blenheim on **Monday, 31 August 2009 commencing at 1.30 pm.**

B U S I N E S S

As per Agenda attached.

ANDREW BESLEY
CHIEF EXECUTIVE

Marlborough District Council

Meeting of the COMMUNITY AND FINANCIAL PLANNING COMMITTEE
to be held in the Council Chambers, District Administration Building, Seymour Street, Blenheim,
on MONDAY, 31 AUGUST 2009, commencing at 1.30 pm

Committee	Clrs G A Hope (Chairman) G S Barsanti J L Andrews C R Bowers F D Maher G Taylor N W Weetman Iwi representative Mayor A T Sowman (ex-officio)
Department Head	Mr M F Fletcher (Manager, Corporate Finance), Mr D G Heiford (Manager, Support Services)
Staff	Ms J R North (Committee Secretary)

In Public

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1. Annual Marlborough District Council (MDC) Resident Satisfaction Survey 2009 (S360-01)

(Report prepared by N Henry)

Purpose

1. The purpose of this report is to inform the Committee of the results of the recent 2009 MDC Residents' Satisfaction Survey. A presentation of the report will be given to the Committee by Roger Larkins of Research First.

Background

2. The Council has undertaken a residents' satisfaction survey every year since 2005, with the exception of 2006. Resident satisfaction is a key performance measure for most Council services. Targets are set in the Annual and Long Term Council Community Plans (LTCCP) and survey results are reported in the Annual Report.
3. The survey is undertaken by telephone. This year the Council used Research First, a Christchurch based company, to undertake the survey. The demographic make up of those surveyed is weighted to match District demographics, eg: age, sex, location. The survey identifies a headline satisfaction score for each of the services in question, analyses trend information and collects specific comments from residents about our services. This year a number of improvements were made to improve the robustness of the Survey and its findings. These include:
 - Increasing the number of people surveyed (600, compared to 400 in previous surveys). This increase improved statistical reliability and enabled more robust analysis in our smaller settlements.
 - Obtaining for some activities, a number of performance sub-scores to provide better context and understanding of that Activity (eg: for Community Facilities, people were asked to rate the performance of: parks and reserves, sports grounds, community halls, swimming pools, cemeteries, public toilets, war memorials, walk/cycle tracks).
 - Scoring on a 1 (low) to 9 (high) scale, to allow a 'neutral' position of five. Results were converted to a ten point scale to allow comparison with previous years and LTCCP targets. All scores referred to below are on the converted ten point scale.
 - Inviting respondents who provided a score of four or less to provide an explanatory comment. These comments are grouped in the report to amplify the most prominent negative issues; and
 - asking residents to rate the priority of each service. This enabled all services to be given a performance and priority score.

Comment on Satisfaction Results

4. The overall rating for the Council, across all services was 7.1 out of 10 (or 71%); with 78% of respondents noting that they were 'satisfied' or more with the Council. In general, responses were more positive in 2009 compared to previous years. Also Research First undertakes resident satisfaction surveys for around 15 local authorities every year. Whilst it is difficult to compare the relative performance of authorities exactly because of the different questions asked, Research First indicates that MDC compares very favourably with the group of authorities that they work with.
5. Of Council's Activities, Library Services achieved the highest mean performance score, 8.6 out of 10, Emergency Management scored 8.3 and Community Facilities 8.0. Pest Control scored lowest

at 6.4 out of 10. The annual report will contain an explanatory comment for those scores that differ to target.

6. Differences in the level of satisfaction were also noted amongst the different areas within the Marlborough community. The responses from Renwick were generally more positive than the average, while the responses from the Marlborough Sounds were generally less positive.
7. Against the general high levels of satisfaction recorded, residents (50 or more for each issue) suggest that Council can further improve communication, the availability of free parking, maintenance of sealed roads and footpaths, simplifying and improving the timeliness of consenting processes and lowering the cost of waste management
8. In addition, for this survey residents signalled their main priorities. The main priorities identified were Water Supply (8.7 out of 10), Sewerage (8.7), Emergency Management (8.6) and Community Facilities (8.6). The lowest priority was Culture and Heritage (6.7). The report also analysed the priorities by area and noted those areas that gave significantly higher or lower priorities for each service:

High

- Picton: Land transport, culture and heritage.
- Renwick: Consents and compliance, democratic process, Community housing.
- Marlborough Sounds: Harbour control, environmental policy and information.

Low

- Awatere Valley: Sewerage, waste management, community facilities, consents and compliance, tourism.
 - Wairau Valley: Community facilities, culture and heritage, tourism.
 - Marlborough Sounds: Water supply, Animal control.
9. By looking at performance and priority information at the same time, theoretically it is possible to identify the services that should be focused upon to gain the greatest improvement in overall resident satisfaction.

Summary

10. Residents' satisfaction with Council services is a key ingredient of Council's performance management framework.
11. A number of improvements were made to this year's survey to provide additional, more robust information about residents' perception of Council performance, and priority.
12. The overall satisfaction average was 71%, with 78% 'satisfied' or better. Library services, emergency management and community facilities received the highest scores.
13. The highest priority services were water supply and sewerage.

RECOMMENDED

That the 'Annual MDC Resident Satisfaction Survey 2009' report be received.

2. Review of Festivals and Events (R270-00)

(Report prepared by L Johnson)

Purpose

1. The purpose of this report is to review Council's future role and requirements for the provision of ratepayer-funded, free festivals and events.

Background

2. Since 1997 Council has had a contract with the Marlborough Festivals and Events Trust for provision of festivals and events for the Marlborough community.
3. The value of this contract is \$150,000 per annum and is due to expire on 30 June 2010, with no right of renewal.
4. A report had been prepared on this and presented to the Community and Financial Planning Committee meeting on 20 July 2009.

Comment

5. This report is based on the following recommendations:
 - That Council continues to provide ratepayer-funded, free community festivals and events;
 - That the outcomes for festivals and events, as expressed in the current contract, be endorsed:
 - *Marlborough people celebrating their community; and*
 - *supporting events that encourage community wellbeing and pride of Marlborough residents in the district.*

This links to the Long Term Council Community Plan's outcomes of:

- *A community that has fun; and*
 - *an enlivened and creative community in which different arts are widely practised and enjoyed.*
6. This report also assumes that events are:
 - predominantly free of charge or with a minimal charge;
 - designed to bring community together with active participation;
 - have a focus limited to a particular group or groups within the region;
 - focussed at community benefit/community good as opposed to commercial-type events more focussed at economic benefit.
 7. This report also assumes that the current total level of funding for provision of festival and events will remain at \$150,000 per annum.
 8. It is suggested that a new method for provision of festivals and events be introduced. The available budget be split into two funds as follows:

A contract for provision of Core Events

It is recommended that a contract for core events would include the following outputs:

- Summer concert series.
- Blenheim Christmas Parade.
- Senior Citizens' Concert.
- Calendar of Events/Events Guide with a focus on alternative delivery systems that will provide savings.

Establishment of a Contestable Fund

The contestable fund would be for provision of primarily new or innovative community events under the following categories:

- New community events.
 - Sustainability of existing major events.
 - Underwriting significant community events.
9. It is envisaged that allocation of the contestable fund would be considered on an annual basis. Criteria for this will need to be established.
 10. The contract for core events would be put out to tender, for a term of three years to provide certainty for the provider and community.
 11. Both the tender for core events and expressions of interest for the contestable fund would be put out at the same time to allow organisations that have the capacity to be able to put forward a package for both.

Process and Timing

12. There is a need to develop the criteria for the contestable fund and have a process for decision making for the outcome of the tender and contestable fund process. This will be brought back to the next committee meeting for consideration.
13. It is envisaged that tenders will be called for with a closing date of the end of October 2009 for both the contract for core events and expressions of interest for the Contestable Fund.
14. Recommendations are expected then to go back to Council by December 2009 with a final decision made at that time.

Summary

15. The current Festival and Events contract is due to expire on 30 June 2010 with no right of renewal.
16. Council has considered its future in provision of ratepayer-funded, community festivals and events.
17. A new structure of splitting the available \$150,000 per annum into two funds, one for core services as a three year contract out for tender and a contestable fund considered on an annual basis under set criteria is suggested.
18. The process for decision-making will endeavour to have a decision by the end of 2009 to ensure sufficient planning time is available for any contractor to deliver services in the 2010/2011 year.

RECOMMENDED

- 1. That Council continue to provide ratepayer-funded free festivals and events within the existing budget of \$150,000 per annum as follows:**
 - **A three year contract for provision of core events and;**
 - **expressions of interest for an annual Contestable Fund under set criteria.**
- 2. That staff provide a report back to the next Community & Financial Planning Committee meeting in relation to criteria for the contestable fund for events and a method for decision making for the outcome of the tender and contestable fund process.**

3. Land Acquisition Proposal – Newton Property (PN 120678)

(Report prepared by C Crosswell, Abel Properties)

Background

1. Council leases land at Havelock to R & A Wratt for the purpose of grazing.
2. An issue has arisen over the access to the land. The lessee currently crosses a small portion of land owned by the adjoining landowner, Newton (as shown on the attached aerial). This has in the past been a gentleman's verbal agreement. In addition, Council staff use the access route to access the Havelock water infrastructure, however, the main use of the track is by Council's lessee.
3. Mr Newton approached Abel Properties with the view to formalise this arrangement either by way of lease, easement agreement or by sale of the land to Council.
4. Council receives good income from leasing the land and it would be to Council's advantage to secure the access by purchasing from Mr Newton. A lease or easement agreement is not a permanent solution.
5. The property would be declared as legal road under section 114 of the Public Works Act 1981.

RECOMMENDED

1. **That Council purchase the portion of land (263 m² approx) of the Newton property for roading/access purposes.**
2. **That the Chairman and Manager, Support Services Department have authority to finalise the terms of purchase subject to valuation.**



The accompanying material has been released by Council from its information repositories. Council does not accept any responsibility for the initial and ongoing accuracy to the material. It is the responsibility of the recipient to make such checks as the recipient considers appropriate to ensure accuracy. Services layers are schematic only and actual positions and level should be confirmed from Council's hard copy records.

Locality Map Print

Purchase of land
approx. 263 m²



Approximate scale only.
A4 Landscape template.
Date: 6-8-2009 11:55:5

4. 2009 Wairau/Awatere Ward By-Election Report (E090-2009-01)

(Report prepared by D Heiford)

Background

1. Councillor Pat O'Sullivan resigned as a councillor for the Wairau/Awatere Ward in writing on Monday 30 March 2009. This was accepted by the Chief Executive on Tuesday 31 March 2009. As this resignation was outside of the 12 month cut-off point in the Local Electoral Act for Council to have the power to decide if they wanted to replace the councillor an extraordinary vacancy was declared and a By-Election was automatically triggered.
2. The Electoral Officer had 82 days to complete the By-Election as required under the legislation.
3. The 2009 by-election has been conducted in accordance with the relevant legislation; the Local Government Act 2002, the Local Electoral Act 2001, the Local Electoral Amendment Acts 2002 and 2004, the Local Electoral Regulations 2001 and the Local Electoral Amendment Regulations 2003.
4. Council made a number of decisions in relation to this legislation prior to the 2007 triennial election that continued to apply to how the by-election would be conducted.
5. Council adopted Single Transferable Voting (STV) as the preferred method of conducting the 2007 elections. The reconfirmation in 2009 of this decision meant that STV had to be used for the 2009 By-Election.
6. The following were the number of representatives for the Wairau/Awatere ward for the 2009 by-election:

Wairau/Awatere Ward - 1 position - elected by the Wairau/Awatere Ward.
7. Council confirmed progressive processing of the voting documents for the three week voting period, and for the candidates to be listed in random order on the voting documents. Processing of the voting documents was contracted to Electionz.com.

Election Results

8. Election of one member for the Wairau/Awatere Ward of the Marlborough District Council was conducted between 27 May 2009 and 19 June 2009 with the final result declared on 23 June 2009.
9. Peter JERRAM was elected as the councillor for the Wairau/Awatere Ward.
10. The final absolute majority of votes (final quota) as determined at the last iteration were 1,832.
11. The Voter Return Percentage was 46.07% percent, being 3,766 voting papers.

Electoral Roll

12. The electoral roll is compiled with the assistance of the Electoral Enrolment Centre. A local campaign was undertaken to encourage people to register on the parliamentary electoral roll, from which the local roll is derived. The ratepayer electoral roll is compiled by Council.

- (a) Residential electoral roll - the residential electoral roll received from the Electoral Enrolment Centre consisted of 8,151 residential electors (ie; people who are registered as parliamentary electors and reside in the Wairau/Awatere Ward of the Marlborough District).
- (b) Ratepayer electoral roll - the ratepayer electoral roll consists of people (who reside outside the Marlborough District) who have enrolled or been nominated as an elector in respect of a property within the Marlborough District. There were five electors on the roll with three further electors enrolling for special votes.

Voting Documents

13. The number of voting papers issued and returned for the by-election were: (including special votes)

Election	Documents Issued	Documents Returned	% Returned
Wairau / Awatere	8,174	3,766	46.07%

	2009
Total informal votes received for ALL issues	4
Total special voting papers issued	27

Voting Documents

- 14. A single page voting document was used for the by-election. The printing of the voting papers was carried out by Datamail, who were sub-contracted by Electionz.com
- 15. The envelopes were made available by Datamail to NZ Post ready for posting on Tuesday, 26 May 2009 and the majority were delivered by 5 June 2009. There were some delays in delivery due to Queen's Birthday falling in the middle of the delivery period.

Returns

- 16. The return of the envelopes was tracked on the Electionz.com website - <http://www.acs-ltd.co.nz/elections/Marlborough/returns.htm>
- 17. There were 99 envelopes received 'gone no address' (GNA). There were no GNA's that were reclaimed via special voting inquiries.

Scrutiny

- 18. Scrutiny of the roll is a process where 'returned envelopes with voting papers therein' are marked off the electoral roll used to issue voting papers. This process was carried out electronically by scanning the elector bar code on the returned document at the processing centre in Christchurch operated by Electionz.com. This process was undertaken under the supervision of a Justice of the Peace.
- 19. No scrutineers were appointed by any candidates.

Progressive Processing

- 20. Progressive processing is that process where 'electors' preferences are input to the 'electoral database'. This is done electronically (in the presence of a Justice of the Peace) by entering the electors' preferences (ie the 'numbers') from each voting document. This operation stored the preferences in a database which was unable to be accessed or totalled until after midday on Friday 19 June 2009.

21. Progressive processing commenced on Wednesday 27 May and continued each day until Friday 19 June.

Final Results

22. The final results were placed on Council's website on Friday 19 June 2009 and advertised in the Marlborough Express on Tuesday 23 June 2009. (www.marlborough.govt.nz).

Processing Issues

23. The processing of the documents was very smooth for this election.
24. There were no recounts or judicial review requested.

General

25. I wish to record my particular thanks to all the electoral officials who assisted during the by – election; especially Mike Porter.

RECOMMENDED

That the report be received.

5. Marlborough District Libraries Activity Report (L270-01)

(Report prepared by G Webster)

The following is a report from Marlborough District Libraries looking back at the year ended 30 June 2009.

Marlborough District Libraries Report – 2008/2009

Outcomes

1. In the past year:

❖ MP3 Resources

Talking Book resources in an MP3 format were introduced to the libraries. They are loaned out for a four week period at a rental charge of \$4.00.

❖ Winter Warmers

A winter reading programme where 50 children signed up in Picton and 100 children signed up in Blenheim.

❖ Sheet Music Collection

A substantial sheet music collection, donated to the library in the 1980's, was catalogued enabling greatest access to the collection.

❖ Picton Pictures

A competition initiated by the Picton Friends of the Library where 12 teams entered, deciphered clues and took photographs of their mascots at various locations in Picton.

❖ District Library - Building Compliance – Fire Alarm System

The District Library's fire alarm system was upgraded to comply with the New Zealand Standards.

❖ Aotearoa People's Network

Free access to fast broadband internet services was introduced in the District Library and Picton Library and Service Centre in October 2008.

❖ Super Heroes Read

Another very successful Summer Reading programme was held over the summer holidays with 200 children enrolled at the District Library and 120 at Picton Library.

❖ Launch of The Prow.org.nz

The Marlborough launch of www.theprow.org.nz A collaborative venture between the principal partner Nelson City Libraries, Tasman and Marlborough District Libraries, Nelson Marlborough Institute of Technology and The Nelson Provincial Museum. The Marlborough Museum also assists the project through research materials and photographs which feature on the website.

- ❖ Launch of Marlborough District Libraries New Website – www.marlboroughlibraries.govt.nz

The library website is like an extra branch of a library - one which can be accessed by any computer at any time of the day or night.

- ❖ **Reciprocal Borrowing**

Marlborough District Council approved reciprocal borrowing to individual Nelson and Tasman residents and ratepayers.

- ❖ **New Zealand Post Book Awards**

Back to the 50's - A family day at Brayshaw Park, organised by the two Picton Library Staff (regional co-ordinators), and drew to a close this year's local celebration of Children's literature.

- ❖ **Picton Library – Sunday Opening Trial**

A trial opening of Picton Library on Sunday afternoons from Sunday 3 May – Sunday 18 October commenced.

- ❖ **Display Furniture**

New display furniture was purchased to improve presentation and arrangement of resources.

- ❖ **Friends of the Marlborough District Libraries**

- Sunday afternoon Bookchat sessions were held once a month from May – August 2009 - An author's evening consisting of five local authors speaking about their writing experiences was held.
- Members of the Friends of the Libraries staffed the Cancelled Book sale tables.
- Committee members continue to support and deliver the Bookstart packs to new born babies at Wairau Hospital.
- The Picton branch of the Friends of the Marlborough District Libraries once again held a very successful community book fair to raise funds for the coming year's Summer Reading Programme.
- Committee members assisted with the NZ Post Children's event at Brayshaw Park.

2. Statistical Summary for the 2008/2009 Year

Book Stock and Other Materials

At 30 June 2009, the total catalogue library stock was:

Adult Fiction	21,338
Adult Non-fiction	49,149
Large Print	7,846
Adult Reference	2,326
Children's Books	36,302
Young Adult	4,274
Adult Magazines	3,596
Children's /YA Magazines	525
Adult Videos / DVDs	1,603
Children's Videos / DVDs	374

Newspapers	149
Talking Books	1,860*
<i>Includes 292 titles, as part of the shared District Libraries Talking Book Collection</i>	
Adult Puzzles	340
Children's Puzzles	100
Adult CD / Cassette / Multimedia	1,557
Children's & YA CD / Cassette / Multimedia	753
Children's & YA Talking Books	258
PlayStation CDs	52
General Publications	358
Sheet Music	2,440
Vertical Files	84
TOTAL	135,284

3. Membership

Membership for the year ended 30 June 2009 was:

Adult	18,168
Children / Young Adult	6,622
Visitors	257
GRAND TOTAL	25,047.

When expressed as a percentage of the District's population of 42,546, 69% of the population are current library members, i.e. have registered at the library within the last two years.

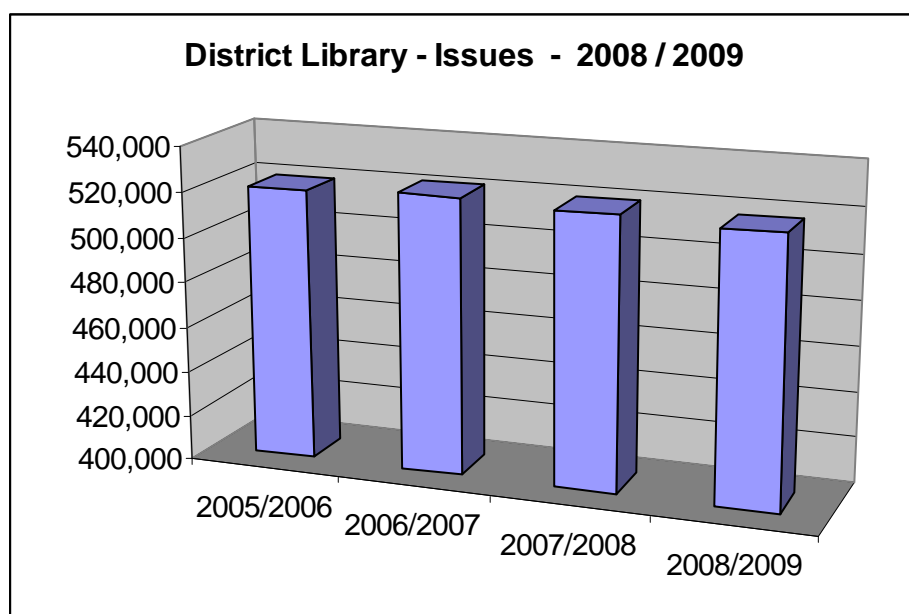
This figure does not take into account usage of community library facilities.

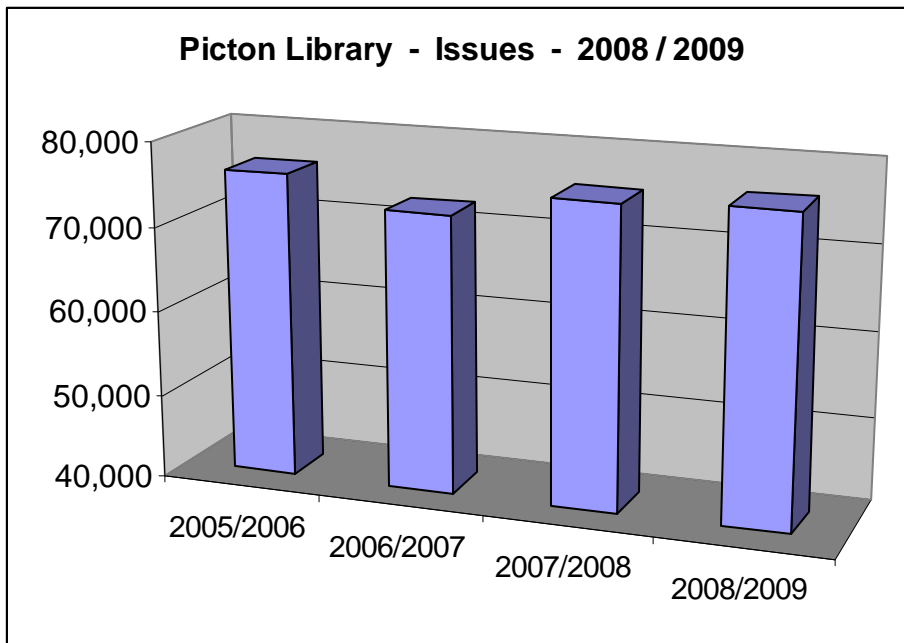
4. Issues

Annual Issues Comparison

Marlborough District Library

2005/2006	520,034
2006/2007	521,809
2007/2008	519,857
2008/2009	517,833





Picton Library

2005/2006	76,077
2006/2007	72,708
2007/2008	75,636
2008/2009	76,217

5. Information Provided Electronically (On-line)

The number of information sessions recorded electronically, via the Libraries on-line databases, was as follows:

	2007 / 2008	2008 / 2009
On-line Database Sessions	4,313	4,821
Hits to the Libraries new Website - since 17 February 2009 was 326,973 .		

6. Transaction per Capita

The transaction per capita is **13.96 items** annually.

Total issues (**594,050**) ÷ Population (**42,546**) = 13.96 items borrowed per capita.

7. Transaction per Member

The transaction per member is **23.71 items** annually.

Total issues (**594,050**) ÷ Membership (**25,047**) = 23.71 items borrowed per member.

8. Collection Turnover Rate

On average the turnover rate of the collection is 4.39 times per year.

Total Annual Issues	594,050
Divided by Total Items	÷ 135,284
Equals Circulation	= 4.39 times per annually

9. Reserves and Inter-Library Loans

	2007/2008	2008/2009
Reserves placed	14,242	15,540
Interloans sent and received	727	729
Interloans lent	699	769

The number of reserves placed has grown dramatically as members have taken advantage of being able to reserve titles on-line.

10. Reference Enquiries

A 9% increase in the number of reference enquiries satisfied by District Library staff was recorded in 2008 / 2009.

	2007 / 2008	2008 / 2009	Annual Increase
Reference Enquiries Satisfied	15,870	16,598	9%

11. Number of People Entering the District Library

A door counter at both library entrances collected the following statistics

	2007 / 2008	2008 / 2009	Monthly Average
Marlborough District Library	314,437	381,539	31,794
Picton Library	Not collected	101,466	8,455

12. Photographs of Various Children's Library Programmes and Events



Back to the 50's
– NZ Post Book Awards Fun
Day at Brayshaw Park



Visiting Children's Author – Diana Neild



**Summer
Reading Programme Finale
Party**

RECOMMENDED
That the report be received.

6. Interim Financial Report (F045-06)

(Report prepared by M Fletcher)

Purpose

1. To present the interim year-end results for the financial year ended 30 June 2009.

Background

2. The draft Annual Report is currently being compiled to enable Audit New Zealand to provide Council with an opinion on the accounts. The audit opinion will be provided in mid-October in time for Council to adopt the final annual accounts at a Special Council meeting scheduled for late October 2009. *(There is a legislative requirement for Council's Annual Report to be adopted by 31 October each year).*
3. Changes to the interim financial results will occur as preparation of the Annual Report is being finalised. Changes will result from:
 - o Consolidation of Marlborough Regional Forestry results.
 - o Incorporation of inter-company transactions e.g. subvention transactions with MDC Holdings Limited (if any).
 - o Review of funding of capital programme e.g. reserve and loan funding which will affect interest charges to particular accounts.
 - o Review of contingencies and commitment schedules which may require further accruals to be carried out.
 - o Audit New Zealand comments.
4. As Councillors are aware, sufficient Operating Surplus must be generated each year to meet Capital Expenditure, Loan Repayments, and Funding for specific reserves such as Disaster Reserves, & Infrastructure Reserves. In reality, an Operating Surplus cannot be reduced without curtailing Capital Expenditure or increasing Council's borrowings.
5. The Interim results for the year ended 30 June 2009 show a net surplus variance to budget of \$437K. Contextualising these variances:
 - (a) International Financial Reporting Standards require Subdivision Reserve Fund Contributions, Land Development, and vested assets from subdivisions (not a cash item) as revenue as compared to capital contributions, even though the proceeds (if any) in the main are reserved for future capital expenditure;
 - (b) The items contained in "a" can generally be regarded as a series of "one-offs", dependent upon levels of economic activity, and are not reliable future revenue streams;
 - (c) The Carryover of operating budgets are a timing difference, that reflects work that still needs to be completed. *(The reasons for carry overs are specified on the budget carry-over reports which have been provided to various Council committees).*

Variances

6. Significant variances to budget are summarised as follows:

	\$M
o Subsidy and grant revenue (mainly Roding subsidy)	1.76
o Gains on sale – Boulevard Park on Taylor etc	2.79

o Interest charges on Loans	2.15
o Infringement & miscellaneous revenues	0.62
o Dividends and insurance refunds	0.45
o Carryover of operating budgets	
- Assets and Services	0.24
- Corporate and Support Services (\$5M Civic Theatre)	5.71
- Regulatory	0.94
o Offset by unfavourable variances in Marlborough Regional Forestry contribution	(0.44)
o Vested asset and Land subdivision reserve fund contributions (due to economic downturn)	(1.57)
o Fees and charges (includes Harbour Control \$1.33M relating to delays in bylaw implementation)	(1.63)
o Deferral of residential & commercial activities and their associated revenue	(4.19)
o Emergency road reinstatement and flood damage costs (partially offset by increased roading subsidy)	(4.73)
o Depreciation (due to revaluation of infrastructural assets)	(2.32)

7. Net capital expenditure for the year ended 30 June 2009 totalled \$36.632M, compared to \$27M in 2007/08. However this was still less than budget, resulting in the carryovers of capital budgets currently being considered by committees of Council totalling \$25.960M.

8. Significant carryovers are as follows:

	\$M
o Car Parking building (Alfred Street)	4.25
o Various water & stormwater schemes	1.78
o Various sewerage schemes	7.02
o Community facilities which include the Aquatic Centre and Picton Foreshore development	9.48
o Information Services – digitisation and website projects and document management system	0.95
o Land Transport	0.66
o Rivers and land drainage	1.22

In addition there is the Picton residential and commercial developments that have been deferred due to the current economic climate.

9. **Attached** is an interim statement of financial performance and capital summary for the year ended 30 June 2009.

RECOMMENDED

That the report be received.

Marlborough District Council

2008-09 Interim Financial Statement

Statement of Financial Performance - June YTD

	Actuals		
	June YTD	YTD budgets	YTD variance
Revenues			
User Charges	13,706,429	19,511,356	(5,804,927)
Subsidies & Grants	7,968,998	5,867,273	2,101,725
Total Rates and Charges	45,090,484	44,753,528	336,956
Dividends received	1,038,289	780,000	258,289
Other Revenue	17,607,512	14,500,316	3,107,196
Total Revenue and Rates	85,411,712	85,412,473	(761)
Expenses			
Operating expenses	54,247,429	54,853,311	605,882
Depreciation	13,054,217	10,735,596	(2,318,621)
Interest payments	4,282,158	6,432,809	2,150,651
Total Expenses	71,583,804	72,021,716	437,912
Net Surplus (Deficit)	13,827,908	13,390,757	437,151

The Net Surplus (Deficit) is generated by the following Council Activities:

	June YTD	YTD budgets	YTD variance
Democracy	77,155	50,868	26,287
Arts and Heritage	(24,950)	(5,055,100)	5,030,150
Community Housing	234,327	(7,539)	241,866
Community Safety	(3,529)	9,230	(12,759)
Community Support	(14,681)	(92,350)	77,669
Libraries	41,547	(25,550)	67,097
Emergency Management	153,623	14,826	138,797
Community Facilities	(572,878)	(459,324)	(113,554)
Land Transport	835,892	3,447,816	(2,611,924)
Rivers and Land Drainage	2,099,338	2,741,025	(641,687)
Sewerage	1,096,063	1,243,841	(147,778)
Stormwater	(16,823)	405,399	(422,222)
Water	1,570,077	2,449,684	(879,607)
Solid and Hazardous Waste	221,574	(22,861)	244,435
Environmental	(454,778)	(932,402)	477,624
Regional Development	(65,206)	(50,000)	(15,206)
Consents and Compliance	(590,171)	(436,564)	(153,607)
Biosecurity	84,990	(143,566)	228,556
Animal Control	(37,465)	(133,928)	96,463
Harbour Control	(64,883)	123,861	(188,744)
Investment activities	9,188,848	10,999,913	(1,811,065)
Corporate Overhead	(8)	(845,432)	845,424
Direct Management	0	(34,598)	34,598
Plant Operations	69,846	143,508	(73,662)

Total Net Surplus (Deficit)	13,827,908	13,390,757	437,151
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Net Capital Expenditure - June YTD

	June YTD	YTD budgets	YTD variance
Democracy	1,208	0	(1,208)
Arts and Heritage		31,500	31,500
Community Housing	213,890	120,000	(93,890)
Community Safety		72,513	72,513
Libraries	282,543	386,700	104,157
Emergency Management	48,436	63,200	14,764
Community Facilities	6,010,930	16,692,589	10,681,659
Land Transport	9,677,481	14,713,069	5,035,588
Rivers and Land Drainage	1,114,770	2,321,000	1,206,230
Sewerage	8,520,359	25,693,747	17,173,388
Stormwater	868,806	1,197,778	328,972
Water	7,447,330	22,881,907	15,434,577
Solid and Hazardous Waste	4,556,738	4,544,746	(11,992)
Environmental	78,477	74,000	(4,477)
Consents and Compliance	9,701	7,200	(2,501)
Biosecurity	5,821		(5,821)
Harbour Control	31,736	551,808	520,072
Investment activities	(3,370,920)	(441,400)	2,929,520
Corporate Overhead	892,818	1,756,225	863,407
Direct Management	1,244	1,500	256
Plant Operations	241,297	355,687	114,390
Net Capital Expenditure	36,632,664	91,023,769	54,391,105

7. 2008/09 Budget Carry-Overs (F045-01)

(Report prepared by A Vile)

1. A number of works scheduled for completion in 2007/08 did not proceed, or were not completed, for a variety of reasons.
2. Details of these works are recorded on the schedule **attached**.
3. Since funding for these works was determined in the 2008/09 Annual Plan it is now necessary to amend the 2009/10 budgets to reflect these 'carry-overs'.
4. There is no rating impact arising from the 'carry-over' action.

RECOMMENDED

That the 2009/10 budgets be amended to incorporate the 2008/09 carry-overs.

REQUEST FOR 2008-09 BUDGET CARRYOVERS TO 2009-10

SUPPORT SERVICES and CORPORATE

Culture and Heritage

Grants not uplifted 2008-09 including Civic Theatre; Rock and Mineral Club; Arts and Past Perfect system	5,027,400
Public conveniences Picton Museum	12,000

Community Grants & Donations

Reinstate Community Grants to \$100,000	50,000
Contracts for Volunteer Marlborough & Positive Ageing Project	15,000
Youth Initiatives Funding	58,500

Libraries

Assistance with building needs analysis	3,500
Additional brochures to be printed 2009-10	5,900
Computer replacement to occur in 2009-10	23,560
DVD, talking book etc purchases to occur 2009-10	1,100
Office equipment to be purchased in 2009-10	79,340

Corporate Planning Management

Asset Management Plan review	60,000
Assistance with investigating additional revenue sources; reviewing taxation compliance; preparing 2010-11 Annual Plan; reviewing financial systems and processes	200,000
Legal advice re Development Contribution Implementation	65,000

Human Resources

Surplus superannuation tax credit used to fund increased employee insurance	70,000
Assistance with payroll system upgrade	30,000

Information Services

Assistance with digitisation project - just beginning	60,000
Computers for website project 09/10	243,958
Computer systems for website project; digitisation project & EDRMS project	429,054

Office Services: Secretarial

Training for Windows Vista and Indesign Plus	10,825
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Office Services: Administration

Finalisation of fire systems work & continued work on HVAC systems	20,000
Replacement of Committee room chairs & meeting room whiteboards	15,000
Balance of 05 building reconfigure to occur in 09/10 year	50,000
Chambers project deferred	70,000

Customer Service Centre Picton

Summer reading student wages	12,800
Repairs & Maintenance	1,700

Total operating expenditure	5,705,625
Total capital expenditure	909,012

8. Debtors' Overdue Report (A135-04)

(Report prepared by S Greenhill)

1. The Debtors' Report as at 31 July 2009 is attached.
2. The 30 – 90 days balance has increased this month as three large June invoices totalling \$268,000 are included in 30 days; \$160,000 of this was paid in August.
3. The 90 day balance has increased as Mooring Resource Consent invoices of \$54,000 have not been paid (hearing on costs was held on 30 July 2009 – awaiting decision) and there is a sewer and water development levy of \$71,000 which was invoiced in April 2009 but not due for payment until just before the Code Compliance Certificate is issued. These are included in the awaiting determination and work not yet commenced sections of the Debtors' Action Report.

RECOMMENDED

That the information be received.

DEBTORS REPORT

	Current Month	Comparison for Previous 5 Months				
Aged Analysis Report	July	June	May	April	March	February
Current	685,202.65	1,125,064.83	646,852.94	749,716.11	778,783.25	851,394.87
30 - 90 Days	604,587.29	338,263.54	383,997.75	327,481.52	280,769.88	503,840.96
90 Days	350,915.51	244,335.95	197,739.42	260,649.13	223,628.16	179,735.15
Outstanding Debtors Closing Balance	1,640,705.45	1,707,664.32	1,228,590.11	1,337,846.76	1,283,181.29	1,534,970.98
Debtors Action Report - Debtors over 90 days with Balance >\$250						
	July	June	May	April	March	February
With Receivables Management	13,657.46	13,657.46	14,188.63	14,188.63	9,060.38	10,098.17
Paying by Agreement	115,334.61	105,200.27	90,882.28	96,786.92	68,497.18	29,095.62
Work Not Yet Commenced	103,052.66	26,423.66	32,163.97	22,612.50	18,675.00	37,115.01
Awaiting Determination	94,517.34	55,773.72	17,258.22	23,264.77	62,802.57	58,000.66
Payments since month end taken off above amounts	15,486.55	46,768.17	35,456.63	95,827.87	56,468.66	38,200.74
Sub-Total	342,048.62	247,823.28	189,949.73	252,680.69	215,503.79	172,510.20
Various Debtors with Balances <\$250	8,866.89	8,140.37	7,789.69	7,968.44	8,124.37	7,224.95
Over 90 days Outstanding Total	350,915.51	255,963.65	197,739.42	260,649.13	223,628.16	179,735.15

9. Rates Reports (R135-15)

(Report prepared by W Williams)

1. Attached for members' information are the Rate Levies Status report and Rate Arrears Aged Balance report as at 31 July 2009. There is no figure shown as levied in the first quarter as rate invoices and assessments were not generated until 3 August.
2. Payment for instalment one is due 11 September 2009.
3. In June there were 873 penalty letters posted due to non-payment; of these 290 required follow up during July with 149 of these accounts referred to Receivables Management. The comparative figures for last year were 922 letters, 285 follow ups and 170 accounts were sent to Receivables Management.
4. Rates rebate applications for 2009-2010 are now being accepted.

RECOMMENDED

That the reports be received.

Marlborough District Council

Rate Levies Status Report as at 31 July 2009

Financial Division	Balance b/fwd (01/07/09)	Inst Levy Q1	Arrears Pen	Instal Pen	Adjustments	Cash Received (incl Paid in Advance)	Less Paid in Advance 31/07/2009	Balance 31/07/2009
Admin Rural	14,187.47		1,690.19	(17.65)	(8,395.88)	(12,571.72)	19,666.30	14,558.71
Blenheim	97,240.41		16,637.23	(597.36)	(88,875.76)	(455,718.04)	623,429.96	192,116.44
Blenheim Vicinity	29,917.64		4,136.10	-	(59,694.51)	(99,132.79)	180,139.84	55,366.28
General Rural	95,867.31		12,539.42	(176.00)	(64,864.95)	(64,126.20)	142,247.20	121,486.78
Picton	105,260.74		11,872.68	(587.11)	(53,946.28)	(105,669.31)	150,939.39	107,870.11
Picton Vicinity	1,559.13		696.41	(107.59)	(418.00)	(3,369.88)	8,206.77	6,566.84
Utilities Network	-						-	-
Current Year Totals	344,032.70	-	47,572.03	(1,485.71)	(276,195.38)	(740,587.94)	1,124,629.46	497,965.16

Paid in Advance balance b/fwd	1/07/2009	1/07/2008
As at 1/7/09	315,598.95	273,015.07

31/07/2008
1,011,830.38

Paid in Advance	
As at 1/7/2009	315,598.95
Adjustments - Incl	
Remissions	276,195.38
Paid in Advance July	532,835.13
	\$ 1,124,629.46

Marlborough District Council

Rate Arrears Aged Balance Report as at 31 July 2009

Year	Total Outstanding (01/07/09)	Cash Received (-)	Total Arrears Outstanding 31/07/2009
2008/09	580,227.42	171,720.08	408,507.34
2007/08	41,438.52	4,249.44	37,189.08
2006/07	15,861.47	5,879.93	9,981.54
2005/06	5,266.23	3,126.19	2,140.04
2004/05	3,001.26	2,667.07	334.19
Prior 2004	13,836.75	13,836.75	-
Total	659,631.65	201,479.46	458,152.19

Rates balance b/fwd	344,032.70
Add back Paid in Advance	315,598.95
Total Arrears	659,631.65

Statute Barred rates written off in preparation for rating sale on three pieces of abandoned land - this cleared rate arrears on land prior to 2004

10. Development Contribution Policy Implementation (S360-03)

(Report prepared by M Fletcher)

Purpose

1. The purpose of this paper is to put in place the operating delegations and procedures to enable the provision of transitional relief from the effects of increases in contribution levels required from developers for any development that proceeds before 30 June 2012, in accordance with the policy direction set out in clause 5.1 of Council's adopted Policy on Development Contributions or Financial Contributions (DCP).

Decisions to be Made

2. The implementation of the DCP is extremely complex. An extensive Attachment 1 contains the full background and rationale for the recommendations made. The key decisions that need to be made and the associated rationale for the final recommendations are summarised below. The decisions for consideration are whether or not:

- (a) *to adopt a policy for the purposes of clause 8.1 of Council's DCP, for general application of providing remissions in accordance with Council's decision to provide some transitional relief during the period from 1 July 2009 to 30 June 2012;*

Legal advice received recommends that the use of the remissions policy contained in clause 8.1 of Council's DCP as the most appropriate means of implementing the phase in of the new Development Contributions Levies over the next three financial years.

- (b) *to delegate authority to officers to approve remissions in accordance with the adopted transitional policy prior to payment of any development contribution;*

Clause 8.1 of Council's DCP states "remissions will only be invoked as a resolution of Council". Delegating authority to officers to approve remissions relating the implementation of Council's policy on the phasing in of the new Development Contributions Levies is a practical means of avoiding the need for every decision to be made Council. Remission decisions outside the transitional policy would still be made by Council.

- (c) *to undertake the final calculation of Development Contribution Levies and application of remissions at the time of payment;*

Failure to adopt this approach to administering the remissions policy could result in an artificial rush to consent projects that would not otherwise proceed for many years, leading to the community bearing an inequitable burden in funding infrastructure for those developments. This is not the intention of the transitional policy, and it would not be fair to the community, or to any competing developers who do not have the opportunity to apply during the transitional period.

- (d) *to confirm that the new Community Facilities and Stormwater Levies be included in the remission calculation;*

Including the new Community Facilities and Stormwater Levies in the remission calculation, is consistent with Council's high level intent that developers pay no more than they would have had to pay under the Financial Contribution Policy in the 2009/10 financial year and then progressively more each financial year until the full charges were applied in 2012/13.

- (e) *to instruct officers not to apply any reassessment to a development contribution pursuant to clause 9.1 during the transition period 1 July 2009 to 30 June 2012;*

Adopting this approach simplifies the administration of the new DCP and makes it easier for developers to understand the calculation of Development Contribution Levies. The financial cost is not significant.

- (f) *to request officers to report back to Council, in conjunction with the annual plan preparation for 2010/11, on the desirability of amending the schedule of development contributions contained in the DCP.*

This enables Development Contributions Levies to be updated to take account of PPI movements for applications received after 1 July of each year, especially during the “phase in” period, thereby minimising the financial impact of “e” above and enable an annual review of levies, consistent with Council’s approach to the annual review of fees and charges.

RECOMMENDED

That Council:

- (a) adopt a policy for general application under clause 8.1 of Council's DCP of providing remissions in accordance with Council's decision to provide some transitional relief during the period from 1 July 2009 to 30 June 2012 as contained in Attachment 1 paragraph 13 of the report presented to the Committee as part of the agenda;**
- (b) delegate authority to officers to approve remissions in accordance with the adopted transitional policy prior to payment of any development contribution;**
- (c) instruct officers undertake the final calculation of Development Contribution Levies and application of remissions at the time of payment;**
- (d) confirm that the new Community Facilities and Stormwater Levies be included in the remission calculation;**
- (e) instruct officers not to apply any reassessment to a development contribution pursuant to clause 9.1 in the DCP during the transition period 1 July 2009 to 30 June 2012; and**
- (f) request officers to report back to Council in conjunction with the annual plan preparation for 2010/11 on the desirability of amending the schedule of development contributions contained in the DCP.**

ATTACHMENT 1

Background and Recommendation Rationale

1. Council adopted its long-term council community plan (**LTCCP**) on 25 June 2009, including a revised Policy on Development Contributions or Financial Contributions (**DCP**).
2. Development contributions and financial contributions are different mechanisms for raising revenue or requiring land required by Council to meet the effects of development. The powers to impose them are provided under different legislation - the Local Government Act 2002 (**LGA**) and Resource Management Act 1991 (**RMA**) respectively.
3. Development contributions are expressly limited to recovering the additional capital expenditure for reserves, network and community infrastructure identified in the LTCCP incurred by Council due to growth-related development. They are implemented through a DCP, which is adopted alongside Council's triennial LTCCP.
4. Financial contributions relate more generally to the effects of development, and unlike DCs are not confined to growth related capital expenditure identified in the LTCCP. They are imposed in accordance with rules included in Council's district plan.
5. If Council has both a DCP and a district plan in place containing the relevant provisions, Council has a choice of whether to apply one or the other or both. The LGA ensures that no "*double-dipping*" (ie requiring both a financial contribution and a development contribution for the same purpose from the same development) occurs in any particular case.
6. By adopting its DCP, Council has decided to recover some of its costs associated with growth-related infrastructure through development contributions rather than financial contributions.
7. The DCP includes a schedule of development contributions calculated in accordance with the relevant statutory methodology (under Schedule 13 of the LGA). The levels of these development contributions are greater than would have applied under the financial contributions policy, as Council's assessments of its reserves and infrastructure requirements have become more accurate.
- 8. Council's Decision to Provide Some Transitional Relief**
 1. Having received community feedback through the special consultative procedure used to adopt the DCP as to the effects of these increased levels of contributions, and having weighed up a range of matters including the costs to Council in meeting the demands from new development, the wider benefits of continued development in the district, and the current difficult economic climate, Council decided that it should stage the introduction of the new development contributions levels. Council's reasoning for this staged approach was fully explained at clause 5.1 of the adopted DCP.
 2. The best mechanism to achieve Council's desired policy outcome is for it to adopt a policy of remissions that will apply to contributions paid during the transitional period. Council retained the ability to make these remissions, by resolution, under clause 8.1 of the DCP.
- 9. How Long Will the Remissions be Available?**
 - (a) For payments made in each of Council's financial years of 2009/10, 2010/11 and 2011/12, the amount invoiced will include a remission.
 - (b) The level of the remission provided will reduce each year, until the full contributions under the new DCP are payable in 2012/13.

10. Much Will the Remission Be?

- (a) The level of remission will be calculated, in relation to each service area, by reference to 3 variables:

A = the amount of financial contribution that would have been payable in respect of the development for that service area under the financial contribution provisions of the Marlborough District Plan in 2008/9;

B = the amount of development contribution assessed under the currently adopted DCP for that service area;

C = the difference between A and B.

- (b) Remissions will apply as follow:

<u>Year</u>	<u>Remission</u>
2009/10:	C x 100%
2010/11	C x 67%
2011/12	C x 34%
2012/13	0%

- (c) In practice, this remission is identical to the remission approach set out in clause 5.1 of the DCP, whereby the development contribution equals the financial contribution payable **plus** a stepped increase (of 0%, 33%, 66% and 100%) over the amount that would have been payable as a financial contribution in each year until 30 June 2012.

- (d) For payments made from 1 July 2012, the full development contribution levels assessed will be payable.

11. Relationship to Financial Contributions

- (a) As is explained in the DCP, some financial contributions will continue to be payable on resource consents in relation to resource consents (to mitigate on-site or off-site effects not covered by the DCP). This policy of remissions will have no effect on those separate contributions.

- (b) In addition, development contributions may also be payable under the new DCP for service areas in relation to which Council did not previously seek a financial contribution. In these situations, there will be no remission in relation to that service area, and the full amount of the development contribution charged towards that service area must be paid.

12. Discouraging a Flood of Applications During the Transitional Period

- (a) The intention of the transition policy is to ensure that those developments that are planned to proceed for the period 1 July 2009 to 30 June 2012 are not excessively impacted by the change (usually increase) in contribution levels.

- (b) However, the cost of the transitional remissions policy has to be borne by the wider community, usually through rates. In other words, the wider community will partially subsidise the costs of infrastructure required to support new development, in order that the impact of the increase in charges is minimised for those developments that will proceed in the next few years.

- (c) For this reason, it is important that developers are not artificially encouraged to apply for consents during the transitional period to take advantage of lower contributions levels for developments that they do not intend to implement for many years. Resource consents are permissive, and can be implemented any time before they lapse (usually after 5 years) or expire. For example, for a subdivision consent, payment is not required until the section 224(c) code of compliance

certificate is uplifted, which can be a number of years after the grant of consent, and just prior to the actual act of subdividing the legal titles.

- (d) Remissions will therefore be calculated and applied at the time of payment, not at the time that the DC is required (ie at time of grant of consent or service authorisation). In the subdivision example, if a developer uplifts a section 224(c) certificate during the transitional period, the remission will apply (at the applicable level for the year that the payment is made and certificate uplifted). If not, the full contribution payable under the DCP will have to be paid at the time the development proceeds.
- (e) Otherwise, the remissions policy could result in an artificial rush to consent projects that would not otherwise proceed for many years, leading to the community bearing an inequitable burden in funding infrastructure for those developments. This is not the intention of the transitional policy, and it would not be fair to the community, or to any competing developers who do not have the opportunity to apply during the transitional period.
- (f) This approach should ensure that a fair and level playing field exists for all developers, while keeping the community's costs to the minimum necessary to achieve the desired transitional effect and not discourage development.
- (g) Developers may still take advantage of the lower contribution levels by bringing forward the implementation of their developments, if market conditions and their personal circumstances allow it. However, granting remissions at time of payment, rather than the time of grant of consent, should prevent an artificial rush to consent projects, while still providing a measure of relief to projects that would proceed during the transitional period in any event.

13. How Will the Remissions be Calculated?

- (a) At the time that an application for resource consent (subdivision or land use), building consent or service connection is received, Council officers will calculate the financial contribution that would have previously been assessed.
- (b) This assessment will occur for each of the service areas for which a development contribution may be payable, namely:
 - Roding
 - Stormwater
 - Wastewater
 - Water
 - Community Facilities
 - Parks and Reserves
- (c) Where the assessed financial contribution is less than the development contribution assessed under the DCP for any service area, the difference between the amount that would have been payable and the amount of development contribution is established. This difference is the maximum remission that can apply for that service area.
- (d) When payment is made, the remission will be applied to the payment at the correct level for the year in which the payment is made.

Example of transitional remissions in operation:

(this table is for illustrative purposes only, the actual calculation is far more complex)

A subdivision application is received on 1 October 2009, to divide an existing 1,000m² property located in Blenheim into two residential lots, in order to enable construction of an additional dwelling house. The development contribution (DC) is assessed as:

Roading		a
Stormwater		b
Wastewater		c
Water		d
Community Facilities	e	
Parks and Reserves	f	g
Total		<u>z</u>

Financial contributions (FC) that would have been payable under the district plan are:

Roading	h
Water	i
Parks and Reserves	<u>j</u>
Total	<u>y</u>

The remission levels that will be applied in each year of the transitional period are:

Year payment made	2009/10	2010/11	2011/12	2012/13
Remission (% of difference between FC and DC)	100%	67%	34%	0%
Remission for roads	a-h	(a-h)*.67	(a-h)*.34	(a-h)*0
Remission for water	d-i	(d-i)*.67	(d-i)*.34	(d-i)*0
Remission for parks and reserves	g-j	(g-j)*.67	(g-j)*.34	(g-j)*0
Total Remissions	v	w	x	0

Year payment made	2009/10	2010/11	2011/12	2012/13
Development contribution	Z-V	Z-W	Z-X	Z

The total development contribution payable is:

14. Confirmation of Council's Intention

(a) Council Decision –

“Council adopt option C, (0% 2009/10, 33% 2010/11, 66% 2011/12, 100% 2012/13) for the progressive application of the increased changes in the Development Contribution Policy (DCP).”

(b) Development Contribution Policy

(s5.1) “Development Contributions Levies will not exceed the amount that would have been levied under the Financial Contributions policy existing at 30 June 2009.”

(s5.1) “New activities not covered by the Financial Contribution Policy as at 30 June 2009 will be changed under the Development Contribution Policy”.

(S5.2) “Council will use development contributions only towards the activity for which they are collected. This will be undertaken on an aggregated project basis for each catchment. Contributions may not be redistributed between catchments or activities, but they may be reallocated across projects within a catchment for a given activity.

Given the statements above we need to consider which activities are “new” and each activity separately so that we appropriately attribute the revenues collected for each activity are appropriately allocated to the capital expenditure for those services.

(c) New Activities

We have taken it that any charges out of catchment or required to be assessed under the development contributions table will not receive any remission. This is similar to the treatment of any new activity such as Grovetown Sewerage where the development levy of \$10,404 per Heu will be charged with no remission.

However clarification is sought on the treatment of stormwater and Community Facilities and Reserves Levy and the application of the remissions policy.

(d) Stormwater

Under the Financial Contributions Policy Stormwater Levies were not charged, as we did not have the information available to calculate these. The one exception was Waipuna St (Old Renwick Rd). Under the Development Contribution Policy the levies for stormwater have been calculated. For stormwater do we apply the remission calculation (1.1), or should they be excluded and separately charged (1.2)? In both instances “Picton” and “other areas” would be charged as assessed. The effect on charges for each option is shown in the table below. Option 1.2 will result in an increase in total charges compared to that charged under the Financial Contributions Policy.

1.1 Stormwater (using remission of 100%, 66%, 33% and 0%)						
Catchment	Financial Contributions	Development Contributions	2009/10 Charge	2010/11 Charge	2011/12 Charge	2012/13 Charge
Blenheim	\$Nil	\$620	\$0	\$210.80	\$415.40	\$620
Picton	\$Nil	Assessed	Assessed	Assessed	Assessed	Assessed
Renwick	\$Nil	\$1,000	\$0	\$340	\$670	\$1,000
All other areas	\$Nil	Assessed	Assessed	Assessed	Assessed	Assessed
1.2 Stormwater (treating as new)						
Blenheim	\$Nil	\$620	\$620	\$620	\$620	\$620
Picton	\$Nil	Assessed	Assessed	Assessed	Assessed	Assessed
Renwick	\$Nil	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
All other areas	\$Nil	Assessed	Assessed	Assessed	Assessed	Assessed

(e) Community Facilities

The Community Facilities levy is new to the development community. Previously only a reserve levy was charged under the Financial Contributions Policy. Historically however, the reserve levy has been used to fund community facilities. The table below shows the calculations under Financial Contributions and under Development contributions. If we treat Community Facilities levy as new we would charge the “Total under DC policy”. If we combine total levy for Community Facility and Reserves for DC versus the amount charged under Financial Contributions then apply the remissions then the amounts to be levied are shown for each year as the “charge”. It should be noted that we cannot determine the remission until the Valuation has been received.

2. Community Facilities and Reserves – Urban (using remission of 100%, 66%, 33% and 0%)

Valuation	Financial Contributions 7.5%	Development Contributions 6%+\$2,700/HE U (\$3,037.50 GST incl)	2009/10 Charge (incl GST)	2010/11 Charge (incl GST)	2011/12 Charge (incl GST)	2012/13 Charge (incl GST)
120,000	9,000	10,237.50	9,000	\$9,420.75	\$9,829.13	\$10,237.50
140,000	10,500	11,437.50	10,500	\$10,818.75	\$11,128.13	\$11,437.50
160,000	12,000	12,637.50	12,000	\$12,216.75	\$12,427.13	\$12,637.50
180,000	13,500	13,837.50	13,500	\$13,614.75	\$13,726.13	\$13,837.50
200,000	15,000	15,037.50	15,000	\$15,012.75	\$15,025.13	\$15,037.50

(f) Conclusion

While the Stormwater and Community Facilities Levies are new, it is believed that Council intended these levies to be included in the remission calculation, as it was intending at a high level that developers pay no more than they would have had to pay under the Financial Contribution Policy in the 2009/10 financial year and then progressively more each financial year until the full charges were applied in 2012/13.

15. The need to Defer PPI Reassessments During a Transitional Period

- (a) Clause 9.1 of the DCP currently provides that Council may reassess the level of any development contribution imposed, at the time that payment is made.
- (b) Reassessment would enable the development contribution payable to be adjusted to ensure that developers pay a fair share of contributions at the time the development proceeds. The reassessment would ensure that increases in costs due to inflation are captured in all cases prior to payment. Inflation is assessed using the producer price index maintained by the department of statistics.
- (c) It is recommended that no reassessments should occur under clause 9.1 during the transitional period. The administrative complexity for both Council staff and developers is considered to outweigh the small level of increased revenue that would be generated by reassessment. In particular, deferring reassessment would enable a clear schedule of the amount of development contributions payable on any application, depending on when payments are made, to be provided at the time that the consent is granted. This clarity and certainty is considered to be very desirable, given the complexity of transitional scheme. If reassessments will occur, this level of certainty cannot be provided as those figures may still change in future years.
- (d) For example, a developer that applies for a subdivision consent in 2009/10 could receive (in 2009/10) an indication of the payments that will have to be made if the section 224(c) code of compliance certificate is uplifted immediately or is deferred 1, 2, or 3 or more years.
- (e) The financial impact of not reassessing the contributions payable (ie the loss of inflationary increases) can be partially offset by amending the Schedule of Charges contained the DCP annually, rather than triennially. Although these increased changes will not apply to consents already granted, it will ensure that consents granted in 2011/12, for example, pay the appropriate (inflation adjusted) rates for 2011/12, and not the rates calculated in 2009/10.
- (f) Officers therefore recommend that an amendment to the DCP be considered in conjunction with the 2010/11 annual plan process.

16. Can the Public Have Access to the Financial Tools Used?

- (a) The financial tools (primarily an excel spreadsheet) that officers use for the purpose of calculating the development contributions, financial contributions and level of remission is available for inspection or use by contacting the Finance Team
- (b) Officers are also working to develop web-based methods of providing indicative assessments to developers and members of the public, before applications are made. These tools will include the effect of the policy on remissions during the transitional period.

Significance of the Decisions to be Made

- 17. As the purpose of the paper is simply the establishment of operating delegations and procedures to implement Council's decision of 25 June 2009, to transition the impact of the Development contributions levy, the significance is low
- 18. Also, examining the decision from a financial perspective, the financial implications of the proposals contained in this paper are insignificant compared to Council's Significance Policy of 10% of total Council Revenue.

Options to achieve the objective

- 19. The option presented has been developed by Council's legal advisor, Simpson Grierson as the most the most cost effective option for implementing Council's Development Contributions Policy as agreed on 25 June 2009.

Community outcomes

- 20. The recommendations are consistent with Council's Community Outcomes, especially Prosperity and Affordable housing.

Community views and preferences

- 21. The recommendations are mainly procedural in nature and consistent with the submissions made on DCP at the time Council considered the LTCCP

Consistency with existing policies and plans

- 22. The recommendations are consistent with clause 5.1 of DCP. There is likely to be a revenue reduction from adopting the recommendations, but the net overall effect is expected to be insignificant.

11. Decision to Conduct Business with the Public Excluded

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

- Debtors' Overdue Report
- Car-Parking Land

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

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
Debtors' Overdue Report Car-Parking Land	In order to protect the privacy of natural persons, as provided for under Section 7(2)(a).	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.