



COUNCIL

AGENDA

Extraordinary meeting to be held

THURSDAY 29 MARCH 2018

8.30AM

In the Manawatu District Council Chambers,
135 Manchester Street, Feilding

R.G. Templer

Dr Richard Templer
Chief Executive

MEMBERSHIP

Chairperson

Her Worship the Mayor, Helen Worboys

Deputy Chairperson

Deputy Mayor, Michael Ford

Members

Councillor Steve Bielski
Councillor Stuart Campbell
Councillor Barbara Cameron
Councillor Shane Casey
Councillor Hilary Humphrey
Councillor Phil Marsh
Councillor Andrew Quarrie
Councillor Alison Short
Councillor Howard Voss

ORDER OF BUSINESS

PAGE

1. MEETING OPENING

2. APOLOGIES

3. DECLARATIONS OF INTEREST

Notification from elected members of:

3.1 Any interests that may create a conflict with their role as an elected member relating to the items of business for this meeting; and

3.2 Any interests in items in which they have a direct or indirect pecuniary interest as provided for in the Local Authorities (Members' Interests) Act 1968

4. NOTIFICATION OF LATE ITEMS

Where an item is not on the agenda for a meeting, that item may be dealt with at that meeting if:

4.1 The Council by resolution so decides; and

4.2 The Chairperson explains at the meeting at a time when it is open to the public the reason why the item is not on the agenda, and the reason why the discussion of the item cannot be delayed until a subsequent meeting.

5. OFFICER REPORTS

5.1 DRAFT LONG TERM PLAN 2018-28 CONSULTATION DOCUMENT AND SUPPORTING INFORMATION

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Report of the General Manager – Community and Strategy dated 12 March 2018.

6. CONSIDERATION OF LATE ITEMS

7. MEETING CLOSURE

Council

Meeting of 29 March 2018

Business Unit: Community and Strategy

Date Created: 12 March 2018

Long Term Plan 2018-28 Consultation Document and Supporting Information

Purpose

To present to Council for consideration and adoption prior to public consultation the draft Long Term Plan 2018-28 Consultation Document and Supporting Information.

Significance of Decision

The Council's Significance and Engagement Policy is triggered by matters discussed in this report. There is a legal requirement to engage with the community on the draft Long Term Plan 2018-28 Consultation Document and Supporting Information.

Recommendations

1. That in accordance with Section 100 of the Local Government Act 2002, the Council confirms that the draft Long Term Plan budgets have been prepared based on reasonable judgement and assumptions and it considers the projected financial results to be financially prudent.
2. That in accordance with Section 93 of the Local Government Act 2002, the Council adopts the supporting information in the draft Long Term Plan 2018-28 Supporting Information document for consultation (refer attachments).
3. That Council notes the changes to the Reserves Funds project including the additional unallocated funding that has now been allocated to the Reserves Funds as follows:

2018/19	2019/20	2020/21	2021-28
\$430,000	\$646,000	\$819,000	\$1.1 million per annum (avg)

4. That in accordance with Section 93 of the Local Government Act 2002, the Council adopts the Consultation Document for public consultation including the report from Audit New Zealand regarding the audit of the draft Long Term Plan 2018-28 Supporting Information and Consultation Document (refer attachments).
5. That the Chief Executive be authorised to approve any final edits required to the supporting information in the draft Long Term Plan 2018-28 Supporting Information or Consultation Document in order to finalise the documents.

Report prepared by:
Tracey Hunt
Strategy Manager

Approved for submission by:
Brent Limmer
General Manager - Community and Strategy

1 Contribution to the Council Vision and Council Outcomes

1.1 Relationship to the Council Outcomes that underpin the Council's Vision:

Connected, vibrant and thriving Manawatū – the best rural lifestyle in New Zealand

Manawatū District will improve the natural environment, stewarding the district in a practice aligned to the concept of kaitiakitanga.	The Manawatū will attract and retain residents.	Manawatū district develops a broad economic base from its solid foundation in the primary sector.	Manawatū and its people are connected via quality infrastructure and technology.	Manawatū's built environment is safe, reliable and attractive.	Manawatū District Council is an agile and efficient organisation.
✓	✓	✓	✓	✓	✓

2 Background

- 2.1 Council is required by legislation to adopt a Long Term Plan and review it every three years. The process to develop the Long Term Plan 2018-28 began in October 2017. Development of the Long Term Plan has progressed through numerous Council Workshops, Committee and Council meetings.
- 2.2 The Local Government Act 2002 was amended in 2014 setting new requirements for consultation. The new requirements aimed to ensure that both the consultation material and process provided a more effective basis for the public to participate in local authority decision-making processes.
- 2.3 Local authorities are required to develop a Consultation Document for the purpose of consulting with the community as well as making publicly available the information that provides the basis for the preparation of the Long Term Plan. To provide a comprehensive information base, Manawatū District Council has compiled all supporting information in a single document known as the draft Long Term Plan 2018-28 Supporting Information.
- 2.4 This is the second Long Term Plan developed by the Council under the amended legislation.
- 2.5 Auditing of the Long Term Plan material is required before it can be released for public consultation. A number of minor changes have been made as a result of the audit process. One additional change has been the amount of funding allocated to the Reserves Funds. The budget included additional unallocated funding; this has now been allocated to the Reserves

Funds. The description of the Reserves Funds project has been changed and now reflects the actual figure included in the budget. The amended text is as follows:

Reserves Funds

Repair costs from severe weather events and previous Council decisions to invest in infrastructure has seen a depletion of reserves funds. Council is concerned that without sufficient reserves it cannot respond as readily to any future emergency situations. This could affect Council’s ability to provide necessary services and places it in an untenable financial position. At the current time a number of Council reserves funds are in deficit. For example the roading reserve is in significant deficit of \$2.4million. This is primarily due to funding unbudgeted emergency roading works including:

- 2014 \$1.3 million
- 2015 \$0.3million
- 2016 \$2.9million
- 2017 \$2.4million
- 2018 \$2.4million

While a significant portion of these costs are funded from New Zealand Transport Agency, Council is still required to fund a local share.

Council is proposing to improve its financial resilience by replenishing and building up reserves. This will enable Council to repay debt, undertake repairs to infrastructure in the event of an emergency or other unforeseen event, and/or respond to unanticipated community requests.

2018/19	2019/20	2020/21	2021-28
\$430,000	\$646,000	\$819,000	\$1.1 million per annum (avg)

Council may choose to review the amount of funding allocated to the Reserves Funds as part of the deliberations process.

Councillors have been alerted to the change and this has also been discussed at Council workshop on March 22. Councillors have indicated their general comfort to proceed with the changes proposed.

- 2.6 In earlier version of the Consultation Document the text and funding for the Reserves Funds was:

Council is proposing to improve its financial resilience by replenishing and building up reserves. This will enable Council to repay debt, undertake repairs to infrastructure in the event of an emergency or other unforeseen event, and/or respond to unanticipated community requests.

2018/19	2019/20	2020/21	2021-28
\$203,000	\$415,000	\$636,000	\$650,000 per annum

3 Discussion and Options considered

- 3.1 The draft Long Term Plan 2018-28 Supporting Information is attached and includes policies, strategies and information defined by section 93 of the Local Government Act 2002.
- 3.2 The supporting information reflects the decisions and guidance provided by elected members. The draft supporting information forms the basis for the Consultation Document.
- 3.3 The following policies and information were reviewed as part of the Long Term Plan process and are included in the Draft Long Term Plan 2018-28 Supporting Information:
- Asset Management Plans
 - Community Outcomes and Vision
 - Council Controlled Organisation Summary
 - Draft Development Contributions Policy
 - Development of Māori Capacity to Contribute to Decision-Making
 - Financial Strategy
 - Funding Impact Statements and Financial Statements
 - Infrastructure Strategy
 - Investment Policy
 - Levels of Service
 - Liability Management Policy
 - Rates System
 - Rates Remission and Postponement Policy
 - Revenue and Financing Policy
 - Significance and Engagement Policy
 - Significant Forecasting Assumptions
 - Statement of Accounting Policies
- 3.4 The Consultation Document has been prepared to meet all legal requirements under the Local Government Act 2002 and aims to capture the key challenges facing the District and the major proposals for the next ten years. The Consultation Document must set out the key issues and options around the proposals.
- 3.5 Manawatū District Council's Consultation Document outlines two key issues:
- Changes to the Rating System – Council is proposing to adjust the rating differentials and introduce the changes over a three-year period; and
 - Protecting people and property from flooding – Council is proposing to use a harmonised targeted rate to fund stormwater system improvements.
- 3.6 The document outlines proposed projects that have been included, the ongoing commitments and also the projects that Council proposes to leave out of the Long Term Plan.

- 3.7 The Manawatū District Council’s Consultation Document also sets out the proposed total rates income collected. The proposed average rate increase is 4.7 per cent for the 2018/19 year. In addition is another 0.2 per cent collected for costs associated with increased services (stormwater improvements), and 1.6 per cent due to the increased number of ratepayers (growth). The total rates collected will therefore be 6.5 per cent more than for the 2018/19 year.

4 Operational Implications

- 4.1 Operational implications have been considered during the preparation of the Long Term Plan documents.

5 Financial implications

- 5.1 The draft Long Term Plan outlines the financial provision for the ten years 2018-28.

6 Statutory Requirements

- 6.1 All documentation and processes are in accordance with the Local Government Act 2002, Sections 82, 83 and 93.

7 Delegations

- 7.1 The Council has the responsibility for setting the Council’s strategic direction, which includes adoption of the Long Term Plan.
- 7.2 Under Schedule 7, Clause 32 (d) of the Local Government Act 2002, the Council is not able to delegate the power to adopt a Long Term Plan.

8 Consultation

- 8.1 When the draft Long Term Plan 2018-28 Consultation Document and Supporting Information is adopted, the process will then be to proceed to formal consultation with the community from 3 April to 3 May 2018. A range of communication and engagement methods and tools will be used with the aim of engaging a wide range of residents. This includes information sessions, meetings and attendance at the Feilding Farmers Market. The consultation will be complemented by numerous media articles in Our District News and promotion of the “Have Your Say” website. The website incorporates functions to encourage residents to make comments and submissions.
- 8.2 Hearings on submissions are scheduled for 14 to 16 May 2018.
- 8.3 It is anticipated the final Long Term Plan will be adopted by Council on 21 June 2018.

9 Cultural Considerations

- 9.1 There are no specific cultural considerations associated with this matter.

10 Conclusion

- 10.1 The draft Long Term Plan 2018-28 Consultation Document and Supporting Information are presented to Council for adoption for consultation with the community. The content and policy framework of these documents were developed following Council Workshops, Committee and Council meetings.

11 Attachments

- Draft Long Term Plan 2018-28 Consultation Document
- Draft Long Term Plan 2018-28 Supporting Information