

HUTT CITY COUNCIL

Minutes of an ordinary meeting of The Hutt City Council held in the Council Chambers,
2nd Floor, 30 Laings Road, Lower Hutt on
Thursday 28 June 2018 commencing at 6.00pm

PRESENT:

Mayor WR Wallace (Chair)	
Cr G Barratt	Cr C Barry
Deputy Mayor D Bassett	Cr L Bridson
Cr MJ Cousins	Cr S Edwards
Cr T Lewis	Cr M Lulich
Cr G McDonald	Cr C Milne
Cr L Sutton	

APOLOGIES: An apology was received from Cr Briggs.

IN ATTENDANCE:

Mr T Stallinger, Chief Executive
 Ms K Kelly, General Manager, City Transformation
 Mr B Kibblewhite, General Manager, Corporate Services
 Mr M Reid, General Manager, City and Community Services
 Mr L Allott, Chief Information Officer
 Mr M de Haast, Chief Financial Officer
 Ms W Moore, Divisional Manager, Strategy and Planning
 Ms L Dalby, Senior Communications Advisor
 Mr P Benseman, Budgeting and Reporting Manager (part meeting)
 Ms H Stringer, Rates and Receivables Team Leader (part meeting)
 Ms J Askin, Corporate Planner (part meeting)
 Ms H Clegg, Minute Taker

PUBLIC BUSINESS

1. APOLOGIES

RESOLVED: (Mayor Wallace/Deputy Mayor Bassett) **Minute No. C 18301(2)**
"That the apology received from Cr Briggs be accepted and leave of absence granted."

2. PUBLIC COMMENT

Comments are recorded under the item to which they relate.

3. CONFLICT OF INTEREST DECLARATIONS

Deputy Mayor Bassett declared a conflict of interest in relation to UrbanPlus Ltd.
 Cr Cousins declared a conflict of interest in relation to Hutt City Community Facilities Trust. Cr Milne declared a conflict of interest in relation to Seaview

Marina Ltd. Cr Bridson declared a conflict of interest as an elected member of the Hutt Valley District Health Board.

4. **ADOPTION OF 2018-2028 LONG TERM PLAN** (18/1029)

Report No. HCC2018/3/199 by the Corporate Planner

Speaking under public comment, **Mr Gary Baird, representing Hutt Valley Tennis Committee (the club)**, thanked Council for the \$530,000 allocated in the 2018/2019 budget and highlighted two challenges facing the club. He explained the size of the clubrooms proposed by officers was smaller than the Hutt City Council Chambers and would make hosting large events almost impossible. He stated that simply covering two tennis courts with a roof did not leave sufficient run space around each court. He added that additional funds were required to make two covered courts with adequate space. He highlighted the club was committed to working with officers and was actively seeking solutions to increase revenue.

The Chief Financial Officer and Corporate Planner elaborated on the report. They highlighted that since Monday, there had been wording changes made to the Long Term Plan document, however there were no materialistic changes. These changes ensured the Rates resolution more closely aligned with the Funding Impact Statement and explained the reasons for the unbalanced budget.

In response to a question from a member, the Corporate Planner explained the public consultation process had been reviewed and changes would be implemented for the 2019/2020 Annual Plan process.

Mr Andrew Clark, Audit Director, Audit New Zealand explained the Consultation Document Management Report and in due course a Long Term Plan (LTP) Management Plan would be presented, as the audit was now complete. He added the LTP complied with all the key legal auditing requirements and that all but one issue had been addressed. He explained there was an unsupported statement concerning negative expense and efficiency gains, however this had no impact on the audit opinion.

In response to a question from a member, Mr Clark explained that a number of Councils did not fully align their rates resolution with the LTP Financial Statements, which caused confusion as to which document was accurate. He stated that this was not the case for this Council. He added that some Councils failed to set their rates according to the correct part of legislation, and that as Hutt City Council's rates system was relatively uncomplicated, he saw no issues.

Mayor Wallace thanked officers for their work to date. He believed the resulting balanced LTP would provide rejuvenation opportunities, taking into account the issues around rates increases (which were the lowest in the region), whilst continuing to work hard to ensure dollars are spent frugally and prudently.

RESOLVED: (Mayor Wallace/Deputy Mayor Bassett)

Minute No. C 18302(2)

"That Council:

- (i) notes the Management Report from Audit New Zealand, attached as Appendix 1 to the report, outlining findings from the audit of the Consultation Document for the 2018-2028 Long Term Plan;*
- (ii) notes that all required changes resulting from decisions made at the Community Plan Committee meeting held on 6 June 2018 have been made to the Long Term Plan;*
- (iii) notes that all submitters have received a letter informing them of the significant decisions made following the Community Plan Committee meeting held on 6 June 2018 and those with specific queries will receive a follow up letter in the next few weeks;*
- (iv) agrees to the proposed approach to begin strategic planning for the 2019-20 Annual Plan in October 2018;*
- (v) resolves that it is financially prudent to have an unbalanced budget in 2018-19 and 2019-20 caused by the accounting treatment of grants paid to the Hutt City Community Facilities Trust (CFT) for capital works carried out by the CFT in these years;*
- (vi) approves the 2018-2028 Long Term Plan attached as Appendix 2 to the report, including the minor amendments as outlined by the Chief Financial Officer at the meeting;*
- (vii) receives Audit New Zealand's opinion on the 2018-2028 Long Term Plan; and*
- (viii) adopts the 2018-2028 Long Term Plan."*

5. **SETTING RATES FOR THE YEAR ENDING 30 JUNE 2019** (18/1030)

Report No. HCC2018/3/188 by the Team Leader Rates and Debt

The Chief Financial Officer and the Rates and Receivables Team Leader elaborated on the report. The Chief Financial Officer explained that as the growth rate had not reached 1% (being 0.92% as of 25 June 2018), there could be a budget shortfall of \$82,000 as rates were set based on a 1% growth rate. He further explained that the bulk of the residential rates increase was a direct result of shifting more of the rates burden from the commercial sector to the residential sector overtime.

In response to a question from a member, the Rates and Receivables Team Leader explained that rates were set based on the valuation of properties as at 1 July of each year. She added that new developments which were not valued by this date, would not be rated until the following year. The Chief Financial Officer added that the contract with Quotable Value Ltd required its staff to expediate valuations during May and June of each year, to enable Council to have as accurate a valuation total as possible for rates setting purposes.

In response to a further question from a member, the Chief Financial Officer and Chief Executive explained that whilst the 1% growth rate target was not reached this year, it was anticipated it will be reached next year due to developments about to commence. They advised against changing the growth rate target. The Chief Financial Officer agreed if various budgets were underspent, the \$82,000 shortfall may be absorbed.

The Chief Financial Officer explained the changes made to the Setting Rates and the Funding Impact Statement documents were made to ensure the two documents were aligned in accordance with Audit New Zealand's recommendations. He added a full legal review would occur for the 2019/2020 process.

Deputy Mayor Bassett congratulated officers for their work stating the resulting document provided for prudent spending yet continued to advance rejuvenation projects to move the City forward.

RESOLVED: (Mayor Wallace/Deputy Mayor Bassett)

Minute No. C 18303(2)

"That Council resolves to set rates and add penalties to unpaid rates during the 2018/19 rating year by passing the following resolution:

Setting the Rates for the Year Ended 30 June 2019

Targeted and General Rates

*In accordance with the relevant provisions of the 2018-28 Long Term Plan and the Funding Impact Statement including Rates for 2018/19, **Council hereby resolves**, pursuant to Section 23 of the Local Government (Rating) Act 2002, to set and assess the following **Hutt City Council** rates for the year commencing **1 July 2018 and ending 30 June 2019**;*

- (a) A Targeted Rate (Water Supply Rate)** set and assessed under sections 16 to 19 of the Local Government (Rating) Act 2002. The water supply charges for the 2018-2019 rating year are as follows:

CATEGORY	CHARGE
----------	--------

Connected to the water reticulation system	\$413.00 per separately used or inhabited part of a rating unit
Serviceable but not connected	\$206.50 per separately used or inhabited part of a rating unit

The targeted rate for water supply is set on the basis of the following factors:

1. A charge of **\$413.00** per separately used or inhabited part of a rating unit which is connected to the water reticulation system.
2. A charge of **\$206.50** per separately used or inhabited part of a rating unit that is not connected to, but is able to be connected to, the water reticulation system.

Provided that:

- Rating units situated within 100 metres from any part of the water reticulation network are considered to be able to be connected (i.e. serviceable)
- Rating units that are not connected to the system, and that are not able to be connected, will not be liable for this rate.
- The owner of a rating unit with more than one separately used or inhabited part may opt to install a water meter to measure the total water consumed. In such a case only one charge will be made for the entire rating unit, but the owner will be liable to pay for water consumed as measured by the meter as set out in Council's Fees and Charges

(b) A Targeted Rate (Wastewater Rate) set and assessed under sections 16 and 17 of the Local Government (Rating) Act 2002. The wastewater charges for the 2018/2019 rating year are as follows:

CATEGORY	CHARGE
First water closet (WC) or urinal per rating unit	\$468.50 each
For commercial properties, the second and each subsequent WC or urinal per rating unit	\$234.25 each

The targeted rate for wastewater is set on the basis of the following factors:

- i. Rating units in the residential category will only be charged for one WC or urinal, regardless of the actual number.
2. Rating units in business categories will be charged **\$468.50** for the first WC or urinal connected to the wastewater system from each rating unit; and
3. **\$234.25** for the second and each subsequent WC or urinal connected to the wastewater system from each rating unit.

Provided that:

- No charge is made to any rating unit not connected to the wastewater system.
- In the case of urinals each 900mm or part thereof will be treated as being equivalent to one WC.

(c) A Targeted Rate (Recycling Charge) set and assessed under sections 16 and 17 of the Local Government (Rating) Act 2002. The recycling charge for the 2018/2019 rating year is as follows:

CATEGORY	CHARGE
Only rating units in the Residential category receiving or able to use the recycling collection service	\$40.00 per separately used or inhabited part of each rating unit

(d) A Targeted Rate (Jackson Street Programme Rate) set and assessed under sections 16

and 17 of the Local Government (Rating) Act 2002. The Jackson Street Programme charge for the 2018/2019 rating year is as follows:

CATEGORY	CHARGE PER \$ OF CAPITAL VALUE
Rating units in any business category having frontage to Jackson Street, Petone, between Hutt Road and Cuba Street	\$0.00080320 per \$ of capital value per rating unit

(e) **A General Rate** set and assessed under sections 13 and 14 of the Local Government (Rating) Act 2002. The general rate charge for the 2018/19 rating year is as follows:

CATEGORY	DIFFERENTIAL	CHARGE PER \$ OF CAPITAL VALUE PER RATING UNIT
Residential (RES)	1.00	\$0.30910
Rural (RUR)	0.74	\$0.22873
Business Accommodation (BUA)	2.58	\$0.79748
Business Central (BUC)	2.86	\$0.88403
Business Suburban (BUS)	2.74	\$0.84694
Utility Networks (UTN)	2.38	\$0.73566
Community Facilities 1 (CF1)	1.00	\$0.30910
Community Facilities 2 (CF2)	0.50	\$0.15455
Community Facilities 3 (CF3)	2.38	\$0.73566

The general rate is set on the basis of the following factors:

1. Based on the Capital Value of each rating unit in the city.
2. Each rating unit is allocated to a differential rating category (based on land use and location) for the purpose of calculating the general rate. Differential rating categories are defined in the Funding Impact Statement Including Rates 2018/19.

Provided that:

- Rating units which have no apparent land use (or where there is doubt as to the relevant use) will be placed in a category which best suits the activity area of the property under the District Plan.
- Rating units which have more than one use (or where there is doubt as to the relevant primary use) will be placed in the category with the highest differential factor.
- Central Area Parking District is as defined in the District Plan – City of Lower Hutt.
- For the avoidance of doubt, “commercial purposes” includes rating units used:
 - as a hotel, motel, inn, hostel or boarding house
 - primarily as licensed premises
 - as a camping ground
 - as a convalescent home, nursing home, rest home or hospice operating for profit

- as a fire station
- by a government, quasi-government or local authority agency for administration or operational purposes
- as an establishment similar to any of the kinds referred to above, except to the extent that any such rating unit is non-rateable land in terms of the Local Government (Rating) Act 2002.
- A “utility network” includes:
 - a gas, petroleum or geothermal energy distribution system
 - an electricity distribution system
 - a telecommunications or radio communications system
 - a wastewater, storm water or water supply reticulation system.
- “Commercial accommodation” means the provision of accommodation for more than five persons (with or without any care, medical or other treatment or services) in the course of business, and to that extent includes:
 - a hotel, motel, inn, hostel or boarding house
 - any licensed premises where the provision of accommodation is the primary use
 - a camping ground
 - a convalescent home, nursing home, rest home or hospice operating for profit.
- Subject to the right of objection set out in section 29 of the Local Government (Rating) Act 2002, it shall be at the sole discretion of Council to determine the use or primary use of any rating unit in the city.

Rates Instalments

1. The targeted rates and the general rate for the financial year ending 30 June 2019, as set out in paragraphs 1 (a) to (e) above, are inclusive of GST and are payable by six instalments by the following due dates:

<i>Instalment Number</i>	<i>Due Date</i>
<i>One</i>	<i>20 August 2018</i>
<i>Two</i>	<i>20 October 2018</i>
<i>Three</i>	<i>20 December 2018</i>
<i>Four</i>	<i>20 February 2019</i>
<i>Five</i>	<i>20 April 2019</i>
<i>Six</i>	<i>20 June 2019</i>

2. Where a due date falls on a weekend or public holiday the next business day rule applies.

Penalties on unpaid rates

3. The Council hereby resolves pursuant to Sections 57 and 58 of the Local Government (Rating) Act 2002, to apply the following penalty charges to unpaid rates from 1 July 2018 to 30 June 2019 as follows:
 - A penalty charge of 10% is to be added to rates levied **after 1 July 2018** that remain unpaid after each instalment due date has been processed. This penalty charge will be applied to any unpaid 2018/19 rates on the day following each instalment due date.
 - A penalty charge of 10% is to be added to rates levied **before 1 July 2018** that remain

unpaid after the 20 August 2018 instalment due date has been processed. This penalty charge will be applied to the total amount of unpaid rates on the day following this instalment due date.

- *A further penalty charge of 10% is to be added to rates levied **before 1 July 2018** that remain unpaid after the 20 February 2019 instalment due date has been processed. This penalty will be applied to the total amount of unpaid rates on the day following this instalment due date.*
4. *No penalty shall be added to any rate account if:*
- *A direct debit authority is in place for payment of the rates by regular weekly, fortnightly or monthly installments, and payment in full is made by the end of the rating year.*
 - *Any other satisfactory arrangement has been reached for payment of the current rates by regular instalments by the end of the rating year."*

6. **COUNCIL'S SUBMISSION ON THE ZERO CARBON ACT** (18/1092)

Report No. HCC2018/3/68 by the Divisional Manager, Democratic Services

Mayor Wallace elaborated on the memorandum.

RESOLVED: (Mayor Wallace/Cr Barratt)

Minute No. C 18304(2)

"That Council endorses the submission to the Ministry of Environment attached as Appendix 1 to the memorandum as the Hutt City Council submission on the aims of the Zero Carbon Act."

7. **LOCAL GOVERNMENT NEW ZEALAND - REMIT PROPOSALS** (18/1035)

Report No. HCC2018/3/66 by the Divisional Manager, Democratic Services

Mayor Wallace elaborated on the memorandum. He confirmed Deputy Mayor Bassett would represent Council at the upcoming Local Government Conference including the Annual General Meeting.

RESOLVED: (Mayor Wallace/Cr Bridson)

Minute No. C 18305(2)

"That Council notes the following remits being submitted to Local Government New Zealand for consideration at the 2018 Annual General Meeting attached as Appendix 1 to the memorandum and:

- (a) supports the remit 'Drug testing in the community';*
- (b) supports the remit "Heavy Commercial Vehicles Rural Roads Policy";*
- (c) supports the remit 'Heritage buildings';*
- (e) supports the remit 'Walking the talk - single use plastics';*
- (f) supports the remit 'Copper in brake pads'; and*
- (g) supports the remit 'Reducing the waste stream'.*

RESOLVED: (Mayor Wallace/Cr Bridson) BY DIVISION

Minute No. C 18306(2)

"That Council notes the following remit being submitted to Local Government New Zealand for consideration at the 2018 Annual General Meeting attached as Appendix 1 to the memorandum and supports the remit 'Climate change – advocate to banks'."

The motion was declared CARRIED by division with the voting as follows:

For

Mayor Wallace
Cr Barratt
Cr Barry
Cr Bridson
Cr Edwards

Against

Deputy Mayor Bassett
Cr Cousins
Cr Milne
Cr Sutton

Cr Lewis
Cr Lulich
Cr McDonald

Total: 8

Total: 4

8. QUESTIONS

There were no questions.

There being no further business the Chair declared the meeting closed at 6.54pm.

W R Wallace
MAYOR

CONFIRMED as a true and correct record
Dated this 24th day of July 2018