

**Mayor and Councillors**  
COUNCIL

7 JUNE 2012

Meeting Status: **Public**

Purpose of Report: For Decision

## **CHIEF EXECUTIVE'S REPORT TO DRAFT 2012-32 LONG TERM PLAN**

### **PURPOSE OF REPORT**

- 1 This report considers additional information that has become available since the Draft Long Term Plan was adopted on 5 April 2012 for inclusion in the final 2012-32 Long Term Plan.

### **SIGNIFICANCE OF DECISION**

- 2 The Council's significance policy is not triggered by this report.

### **BACKGROUND**

- 3 Since the Council adopted the Draft 2012-32 Long Term Plan for consultation on 5 April 2012, additional information has become available from further investigative work or changed circumstances. This information needs to be considered for incorporation into the final 2012-32 Long Term Plan.
- 4 If the recommendations are approved, the average rates increase will remain at 4.9% across the 20 year period of the Long Term Plan.
- 5 Based on the recommendations in this report the percentage rates increase will remain at the proposed level of 6.5% for the 2012/13 and 2013/14 financial years, decreasing to 6.3% in the 2014/15 year. The rating impacts on the subsequent years out to 2031/32 together with the details of the proposed changes are listed in Appendix 1.

## CONSIDERATIONS

### Issues

#### 6 Analysis of the 2011/12 Capital Works Programme

	<b>Budget 2011/12 \$000</b>	<b>Forecast 2011/12 \$000</b>	<b>Variance \$000</b>
Capital Expenditure	46,701	39,829	6,872
<b><i>Explained By:</i></b>			
Carryovers per 31 March Financial Report to Corporate Business Committee			1,601
Carryovers subsequent to CBC Report as listed below			171
Projects that have been re-budgeted as part of draft Long Term Plan e.g. Coastlands Aquatic Centre, Civic Building and projects completed under budget			5,100
			<hr/> 6,872
<b>Carryovers subsequent to CBC Report</b>	<b>Carry-over required</b>	<b>Carry-over as per CBC report</b>	<b>Variance \$000</b>
Strategic Land Purchase	524	491	33
HR System Replacement	32	-	32
Broadband	106	-	106
			<hr/> 171

- 7 Set out in Appendix 2 is a list of the 2011/12 capital projects proposed to be carried forward into the 2012/13 year totalling \$1,772,184 together with the anticipated completion date.
- 8 The remaining projects have been re-budgeted as part of the draft Long Term Plan e.g. Coastlands Aquatic Centre, Civic Building. The savings associated with the above changes to capital requirements has meant that there are reduced rate requirements of \$161,000 from debt servicing and depreciation costs in the 2012/13 year on those capital projects funded from loans.

#### Additional Rates Surplus projected for 2011/12 year

- 9 At the time of the Draft Long Term Plan the projected rates surplus was \$206,000. The \$206,000 has already been used to offset the draft 6.5% rates increase for 2012/13 and the following two years.
- 10 Following the review of the financial projections as at 31 March 2012 the additional projected rates surplus has increased to \$470,000, as reported to the Corporate Business Committee on 10 May 2012.
- 11 Since that report, a decision was made at the Council meeting of 17 May to grant the Hockey Recreational Turf Trust \$95,000 to enable completion of the pavilion/changing rooms at Mazengarb Park. This has reduced the additional projected surplus to \$375,000 as at 30 June 2012.

- 12 It is proposed to use the additional \$375,000 in projected rates surplus to contribute towards the additional resources required for the Expressway process and the District Plan Review process.

**Expressway Process**

- 13 Additional expenditure is required to provide back-up assistance to the District Plan team as a consequence of the need for their involvement in the Expressway process. An additional \$250,000 is sought.
- 14 This would provide a contracted FTE planner resource for the District Plan Review to off-set time spent by Council’s senior planner in the Board of Inquiry process and time spent in the process by the Sustainable Development Manager. It would also provide project management assistance to the Sustainable Development Manager for the District Plan Review over the first six months of the financial year and project assistance to the Senior Policy Planner. The latter will have a considerable workload preparing for and appearing before the Mackays to Peka Peka Board of Inquiry, along with conferencing requirements. Finally it will also contribute \$30,000 to GIS costs, associated with the review of District Plan provisions arising from the Expressway project. Some mapping changes are likely to be required, should the MacKays to Peka Peka project be approved by the Board of Inquiry.

**District Plan Review**

- 15 Council is aware that the District Plan process will have a large impact on the community and development of the District. Uncertainty during the process should be minimised and extending the projects could have detrimental effects on the development of the district.
- 16 The District Plan Review requires an additional \$140,000 funding in the 2012/13 year to ensure that the proposed District Plan is able to be notified for submissions in November 2012 and to allow for key components of the new District Plan to proceed through the hearings phase to decisions by October 2013.
- 17 The funding is required to bring in additional GIS support to assist with spatial data analysis and the production and alteration of draft District Plan maps (\$90,000) and communications materials for the District Plan Review (\$50,000) including the printing of newspaper inserts, public notices, draft District Plan materials, summary documents, etc.

Note: in addition, the existing general Strategy and Partnerships investigations and analysis budgets have already been reallocated internally for the 2012/13 year to fund a further one contracted planning support to assist in delivering the project.

- 18 For the 2013/14 year, a further \$196,000 is required for independent Hearing Advisors for the period July-October 2013. There will be 3 Hearing panels running concurrently for up to 3 days per week. Also for each of the 12 Chapters of the District Plan up to 40 hours per chapter will be required to assist the Hearing Commissioner write up the decisions and present to Council.

**Lower Interest rates for 2012/13 New Debt**

19 Since the adoption of the draft Long Term Plan the interest rate markets have softened further due to concerns around the Greek and other European economies. As a result, interest rates have decreased by around 0.5% in the past two months. Existing debt servicing rates will not change until they need to be refinanced. However this will have an impact on the new debt servicing costs of the 2012/13 capital works programme through Council's forward start interest rate swap programme.

20 Total new 2012/13 Debt \$44 million  
(based on 2012/13 Capex Total of \$53 million)

Interest rate budgeted in draft Long Term Plan 6%

Updated Interest rate based on changed market conditions  
with Greece/European crisis – since April 2012 5.5%

<b>Impact on Debt Servicing</b>	<b>2012/13</b>	<b>2013/14</b>
	<b>\$000</b>	<b>\$000</b>
2012/13 year: 0.5% on \$44 million for 6 months	-\$124	
2013/14 year: Full year's interest savings		-\$208

**Council Contribution towards Creative Communities Grant**

21 Council currently receives \$36,955 from Creative New Zealand. The Fund is greatly over subscribed every year. The Grants Allocation Sub-committee has requested that Council also contribute directly to this fund to enable more projects to be supported in the community. The amount requested is \$10,000 annually which would be split equally over the two funding request rounds and would enable the majority of requests to be met.

**Department of Internal Affairs – Rates Rebate**

22 The Department of Internal Affairs has advised that the income abatement threshold for rates rebate and the maximum rebate amount for the 2012/13 year are increasing. A paper is due to be considered by Cabinet at the end of May to confirm the amount. Council staff will advise elected members of the amounts once these are known and this will be provided in the final Long Term Plan.

**Decision on RFID Library Equipment**

23 In the Draft Long Term Plan new Radio Frequency Identification<sup>1</sup> (RFID) technology was to be leased in the 2012/13 financial year. It has now been decided to delay this to year 4 due to uncertainty over whether other Libraries in the SMART consortium will adapt to the technology and better value for library activities from investment in other projects. It is proposed that the Libraries lease the Barcode Self Check/Return Technology from Year 1 to Year 3. This has resulted in savings associated with leasing costs when the two are compared of \$26,000. However additional capital work needs to be done in the interim which partially offset these savings. The net result is savings of \$19,000 in year 1 (part year) increasing to \$34,000 savings in year 2 and \$37,000 in year 3.

<sup>1</sup> RFID enables better management of the libraries' collections especially stock control, catalogue management and supports greater uptake of self check/return technology which enables staff to be available for duties other than issuing and dealing with returned books.

**Increase in Postal Charges**

- 24 NZ Post has advised the postal charges will increase from 1 July 2012. This will require an increase in the Council's postage budget of \$10,000 per annum.

**Cemetery Beams**

- 25 An additional budget of \$14,000 (\$7,000 per cemetery) is required to meet demand for the construction of cemetery beams in the Awa Tapu and Waikanae Cemeteries. This will be an ongoing provision for demand not previously recognised when the asset management plan was developed in 2011.

**NZTA Update**

- 26 NZTA recently advised the Council on the outcome of its funding request in relation to its three year programme for category 1 and 2 work, both of which attract a 43% subsidy. Category 1 is classed as Maintenance and Operations and Category 2 is classed as Renewals. The Council will not know the outcome of its funding for its subsidised capital programme such as Community Programmes, Subsidised Studies or Cycle Facilities until after the Long Term Plan is adopted.
- 27 The Council requested subsidy on works totalling \$16.084 million over the next 3 year period for categories one and two NZTA has only approved \$14.590 million for that three year programme. The difference represents a reduction in the total subsidised roading expenditure of \$1.494 million or \$642,000 in NZTA subsidy over the 3 year programme. The approved programme is an increase of 5.8% on the previous 3 years' approved programme and is in line with current levels of expenditure. The Council's requested programme included higher levels of expenditure on traffic services maintenance, cycle path maintenance and network and asset management.
- 28 The Council's share of the roading expenditure has been retained for years 2 and 3 so that there is no change to the rating impact for the Roothing activity as a result of this change.
- 29 Based on the outcome of the NZTA 3 year approved programme to date, it is recommended that the Council not change any of its subsidy and roading expenditure figures for the 2012/13 year and that the impact of the reduction be allocated to years 2 (2013/14) and 3 (2014/15) of the Long Term Plan.
- 30 The main impact is on roading operating budgets where the level of expenditure has increased in areas such as street cleaning, traffic services/maintenance etc. and for years 2 and 3 it is proposed that the total subsidised roading programme be reduced by the level of the reduction in NZTA subsidy i.e. \$642,000 or \$321,000 per year.
- 31 By shifting the reduction to years 2 and 3 it will provide the Council with an opportunity to look at any efficiencies that can be undertaken or shared services opportunities which may result in the reduction in some of these key operating expenditure items.

**Regional Governance**

- 32 An additional \$80,000 is proposed in 2012/13 to fund this Council's possible contribution towards developing a Regional Governance model to pay for:
- Submission to Select Committee;
  - Telephone Survey and Analysis; and
  - Submission to Local Government Commission or minor share of joint proposal to Local Government Commission.
- The budget may need to be revisited if the proposal becomes more complex.

**Māori Participation**

- 33 In January 2012 Council resolved to consider under Schedule 7 of the Local Government Act 2002 the appointment of Māori representatives with voting rights to each of the three Standing Committees of Council and instructed staff to include the proposal for consultation in the Draft Long Term Plan. The financial implications of this were not included in the draft LTP.
- 34 The cost of Māori appointees to Standing Committee (if Council approves the proposal).
- Based on 1 appointee per Standing Committee, becoming operative from October 2012 through to 30 June 2013
  - 18 meetings and 8 workshops @ \$150 each = \$3,900.
- 35 The costs for the Chair of Te Whakaminenga o Kāpiti attending Council meetings (as approved by Council in its Governance Structure January 2012) from July 2012 to 30 June 2013
- 9 meetings @ \$150 per meeting = \$1,350.
- 36 The meeting fee for ART members who attend the Te Whakaminenga o Kāpiti meetings has not been adjusted for a number of years. It was originally set at \$130 per meeting based on Councillors' meeting fees at a time when Councillors were paid meeting fees as part of the Elected Members' Remuneration. It is proposed to increase this level to \$150 per meeting based on other Council's levels of meeting fees. The total cost of this increase is \$1,350 per annum.

**Additional Communication Resource – fixed term contract**

- 37 An additional \$50,000 for a communication resource is required for a 12 month contract to cover work associated with the District Plan Review, Local Government Reform issues and ongoing water supply related issues while Council is still completing some key major projects such as the Coastlands Aquatic Centre and Civic Building.

**Solid Waste – Waikanae Recycling Centre**

- 38 The draft Long Term Plan indicated that Council would no longer be directly involved with greenwaste revenue charges and collection. This enabled Council staff to begin negotiations with a provider. Council was advised in the workshops that a potential \$35,000 would be required to fund the costs of operating the Waikanae Recycling Centre. In the draft Long Term Plan only \$20,000 was included as it was considered that this reduction could be achieved through the negotiation process.

- 39 Negotiations are continuing with the provider but indications are that the full \$35,000 will be required to keep the Waikanae recycling centre open from 8.00am until 5.00pm every day. If the Council wishes to provide that level of service \$15,000 needs to be added and funded from Districtwide rates.

**Reallocation of Capital Projects in 2012/13**

- 40 A change in the timing of projects in the Stormwater activity has meant that \$660,000 needs to be allocated to the Otaki area for the Tasman Road Stormwater Upgrade. It is proposed that these funds be reallocated from Waikanae \$330,000 and Paraparaumu \$330,000 as below. Proposed work in Waikanae and Paraparaumu will start later in the financial year and be completed in the following year within existing budgets.

Area	Description	Draft Long Term Plan	Change	Proposed Final LTP
Ōtaki Stormwater	Tasman Road Stormwater Upgrade	0	660,000	660,000
Paraparaumu Stormwater	Local Catchments	729,000	-330,000	399,000
Waikanae Stormwater	Kakariki SH1 and Awanui	781,000	-330,000	451,000
<b>Total</b>		<b>1,510,000</b>	<b>0</b>	<b>1,510,000</b>

**Additional Capital Requirement in 2012/13**

- 41 The draft Long Term Plan Capital Programme only included \$1 million for the Strategic Land Purchases when it was stated that the budget had been left at \$2 million to cover the planned and committed land purchases.
- 42 The Strategic Land Purchase fund requires this additional \$1,000,000 together with the carry over of \$524,000 to meet likely commitments in the 2012/13 year. This change has a rating impact of \$40,000 for the 2012/13 year.

**Targeted Water Rate for Interest Free Loans for Water Conservation Devices**

- 43 Council has a policy to provide interest free loans to residents who wish to purchase approved water conservation devices. These loans will be repaid over 10 years through targeted rates levied on those ratepayers. The targeted rate is as follows and will be included in the Funding Impact Statement.

Targeted Rate - Water – Repayment of Interest Free Loans

Purposes Applied Repayment of Interest Free Loans for Water Conservation Devices

Categories – Rating Area	Rating Bases	Revenue Sought \$000 (including GST)
Those rating units that have taken out Council interest free loans for approved water conservation devices	10% of the original loan each year plus GST	20

**Additional Fee and Charge**

44 In reviewing the Fees and charges schedule it was noted that no charges had been set for the hire of the Paekākāriki Tennis Club Hall. These charges need to be listed in the LTP.

Proposed charges are as follows:

- \$8.40 per hour
- \$18.00 per 4 hours
- \$43.00 Per 8 hours

*(same as Reikorangi Community Hall)*

**Local Authority Protection Programme (LAPP) Fund – Greater Level of Self Insurance by Local Authorities**

45 At a meeting of the LAPP members on 14 May 2012, the LAPP Trustees advised that the reinsurance market has tightened even further since last year when the premiums quadrupled in value. If LAPP was to take out the same level of reinsurance cover (\$100 million) as the previous financial year (option 1 as shown in the table on Appendix 3), the impact on the Kāpiti Coast District Council would be an increase of 118% in the LAPP Fund premiums, an increase of \$232,000 per annum (0.5% rate increase).

46 Part of this increase also related to a reassessment of the natural hazard risk premiums across the entire LAPP member Councils. Our Council, together with the other Wellington Councils, is facing a higher level of risk premiums and therefore a higher proportion of the LAPP Fund premiums.

47 An alternative proposal (option 2 as shown on Appendix 3) was put forward to the LAPP members, whereby the members took on a higher level of mutual self insurance themselves with less of the contributions being used to fund reinsurance. Instead of the reinsurance being for the full \$100 million of cover with a \$5 million excess, it was proposed that LAPP members self insure collectively up to \$50 million of cover and that reinsurance only cover between \$50 million and \$100 million. This option proposes a 40% decrease in total LAPP Fund premiums but due to the higher risk profile assessed for Kāpiti, along with the other Wellington Councils, our Council will be facing about the same level of premiums as last year. The higher level of self insurance means that each Council could potentially be called on to contribute up to 4.7 times its annual contribution to cover a major claim such as the Christchurch earthquake.

48 The LAPP Fund Trustees met on 28 May 2012 to make the final decision on the LAPP Fund contributions and reinsurance programme for the 2012/13 year. The LAPP contributions will be based on \$9 million annual contributions and reinsurance will be in place to cover the costs in excess of \$50 million of a major claim. Local authorities are covering the difference between \$50 million and LAPP's balance of funds each year. The LAPP premiums assessed for this Council are within the amount budgeted in the draft Long Term Plan.

49 For Kāpiti Coast District Council it means that if there was a major earthquake (like Christchurch's) Council's maximum liability exposure (as this Council's share of the claim costs up to a maximum of \$50 million less LAPP Funds) would be around \$940,000 which equates to around 4.7 times our proposed annual contribution.

- 50 If there was a second major claim, like Christchurch, in the first year, this Council could be facing a call on funds totalling a further \$1.1 million.
- 51 If there are no major claims after the first year, the LAPP Fund reserves would grow and each Council's liability exposure would reduce as shown in the table attached as Appendix 4.
- 52 If there are no major claims on LAPP by the end of year 9, then the LAPP Fund reserves could be in excess of \$50 million and Council's liability exposure for one major claim would reduce to zero but Council would still have a liability exposure if there were 2 major claims in one year until the LAPP Fund had reserves of over \$100 million.
- 53 The Office of the Auditor General and legal advice provided to LAPP members confirmed that this maximum potential liability does not need to be disclosed in the Long Term Plan but any contingent liability, including an assessment of potential liability, would need to be reported in the Annual Report as part of Council's contingent liabilities.
- 54 As part of the reassessment of Council's natural hazard risks, the Council's LAPP excess for any claim has increased from \$780,000 to \$2.092 million. Other higher risk Councils in the Wellington region and other areas are facing similar increases in their excesses for the LAPP scheme.
- 55 Also the Council is unable to withdraw from the LAPP scheme until the 2012/13 year because under the LAPP Fund contributions all LAPP members must provide 12 months notice of their intention to withdraw from the scheme.

#### **Contingency Funds**

- 56 Appendix 5 provides an update on the status of the Contingency Fund.
- 57 Council should be very cautious about reducing the Contingency Fund below these projected levels because of other increased exposures to higher liability and financial risk in the current economic climate.

#### **Rates Remission Policy for Residential Rating Units containing Two Separately Habitable Units**

- 58 The current policy is that the approval of rates remission for residential rating units containing two separately habitable units is restricted to flats with floor areas less than 50m<sup>2</sup>.
- 59 Under the District Plan a second unit can be consented as a family flat where the floor area is greater than 50m<sup>2</sup>.
- 60 The "consented family flat" needs to be added to the allowable remission criteria for rates relief under this policy.
- 61 An updated Rates Remission Policy for Residential Rating Units containing two separately habitable units is attached as Appendix 6.

## Financial Considerations

- 62 The financial implications of the recommendations in this report are shown in Appendix 1.

## Legal Considerations

- 63 Any legal issues relating to the proposed changes to the Long Term Plan have been considered as part of this report.

## Delegation

- 64 Only Council has the authority to consider these issues.

## Consultation

- 65 There is no further consultation required in relation to the proposed changes to the Long Term Plan.

## Policy Implications

- 66 Policy changes as a result of the proposed changes to the Long Term Plan are included in the body of the report e.g. rates remission policy, contribution to creative communities grant.

## Tāngata Whenua Considerations

- 67 There are no tāngata whenua considerations.

## Publicity Considerations

- 68 Any publicity considerations from this report will form part of the publicity relating to the final Long Term Plan.

## RECOMMENDATIONS

- 69 That Council approves the following amendments and additions to included in the Long Term Plan:

- 69.1 That Council approves the following 2011/12 capital budgets being carried forward into 2012/13.

<b><u>Carry Over Summary</u></b>		<b>\$</b>
<b>Community Facilities</b>		
01225	Furniture & Fitting	15,000
01255	Museum - Roof	19,893
<b>Total Community Facilities</b>		<b>34,893</b>

<b><u>Carry Over Summary</u></b>		<b>\$</b>
<b>Development Management</b>		
13170	Strategic Land Purchases	524,000
<b>Total Development Management</b>		<b>524,000</b>
<b>Governance and Tāngata Whenua</b>		
01976	Broadband Project	105,600
0064F	HR System Replacement	32,000
<b>Total Governance and Tāngata Whenua</b>		<b>137,600</b>
<b>Parks and Reserves</b>		
12186	Marine Gardens Upgrade	200,000
12187	Marine Gardens Path Upgrade	45,000
12379	Ōtaki Beach Playground	60,000
12382	Ōtaki Main Street - Upgrade Library Park	79,542
12383	Ōtaki Main Street - Upgrade Memorial Park	132,869
<b>Total Parks and Reserves</b>		<b>517,411</b>
<b>Libraries, Arts and Museums</b>		
13451	Public Art Acquisition Districtwide	48,280
<b>Total Libraries, Arts and Museums</b>		<b>48,280</b>
<b>Water Management</b>		
484E1	Water Supply Project	185,000
<b>Total Water Management</b>		<b>185,000</b>
<b>Stormwater Management</b>		
18412	Waikakariki Gravel Extraction	325,000
<b>Total Stormwater Management</b>		<b>325,000</b>
<b>Total Capital Carry Over to 2012/13</b>		<b>1,772,184</b>

- 69.2 That the Council approves the additional budget provision of \$250,000 in the 2012/13 year to provide additional resources required for the Expressway project.
- 69.3 That the Council approves the following additional budget provisions to ensure sufficient resources are provided to meet the key timeframes of the District Plan Review.
- |         |           |
|---------|-----------|
| 2012/13 | \$140,000 |
| 2013/14 | \$196,000 |
- 69.4 That the Council approves the following reductions in budgeted interest costs for the 2012/13 Capital programme as a result of the changed financial market conditions.
- |         |            |
|---------|------------|
| 2012/13 | -\$124,000 |
| 2013/14 | -\$208,000 |
- 69.5 That the Council approves the additional annual budget provision of \$10,000 per annum for the 2012/13 year indexed over the following 19 years for the Creative Communities Grant fund.

- 69.6 That the Council notes that the Long Term Plan will be updated with the new rates rebate thresholds and levels when approved by Central Government in June.
- 69.7 That the Council notes the delay to the introduction of the new RFID equipment at the libraries with the associated savings of \$19,000 in the 2012/13 year and savings of \$34,000 in year 2 and \$37,000 in year 3.
- 69.8 That the Council approves the increase in budgeted postal costs of \$10,000 from the 2012/13 year indexed over the following 19 years due to NZ Post's increase in fees.
- 69.9 That the Council approves an additional budget provision of \$14,000 per annum from the 2012/13 year indexed over the following 19 years for the increase in capital expenditure on cemetery beams.
- 69.10 That the Council approves the provision of \$80,000 budget in the 2012/13 year for this Council's possible contribution towards developing a Regional Governance model to pay for:
- Submission to Select Committee;
  - Telephone Survey and Analysis; and
  - Submission to Local Government Commission or minor share of joint proposal to Local Government Committee.
- The budget may need to be revisited if the proposal becomes more complex.
- 69.11 That the Council approves the provision of a \$6,600 budget for Māori participation on Council's Standing Committees and Council and increased meeting fees for Te Whakaminenga o Kāpiti for the 2012/13 year indexed over the following 19 years.
- 69.12 That the Council approves the provision of a \$50,000 budget in the 2012/13 year for an additional short term communications resource.
- 69.13 That the Council approves an additional \$15,000 budget provision for the 2012/13 year indexed over the following 19 years for costs associated with the extended hours of the Waikanae Recycling Centre noting that this will be funded by Districtwide rates.
- 69.14 That the Council approves the following changes to the roading programme over the 3 years from 2012/13 year following the outcome of part of their NZTA funding approval process.
- |                |   |
|----------------|---|
| 2012/13 year – | No change to Roothing programme as per draft Long Term Plan |
| 2013/14 year – | Reduction of \$321,000 for 2013/14 Roothing programme       |
| 2014/15 year – | Reduction of \$321,000 for 2014/15 Roothing programme       |

69.15 That the Council approves the reallocation of capital budgets in the Stormwater Activity as follows:

<b>Area</b>	<b>Description</b>	<b>Draft Long Term Plan</b>	<b>Change</b>	<b>Proposed Final LTP</b>
Ōtaki Stormwater	Tasman Road Stormwater Upgrade	0	660,000	660,000
Paraparaumu Stormwater	Local Catchments	729,000	-330,000	399,000
Waikanae Stormwater	Kakariki SH1 and Awanui	781,000	-330,000	451,000
<b>Total</b>		<b>1,510,000</b>	<b>0</b>	<b>1,510,000</b>

69.16 That the Council approves the correction in budget provision from \$1 million to \$2 million for Strategic Land Purchases for the 2012/13 year.

69.17 That the Council approves the introduction of a Targeted Water Rate for the repayment of interest free Water Conservation loans taken out by ratepayers be included in the Funding Impact Statement.

<b>Categories – Rating Area</b>	<b>Rating Bases</b>	<b>Revenue Sought \$000 (including GST)</b>
Those rating units that have taken out Council interest free loans for approved water conservation devices	10% of the original loan each year plus GST	20

69.18 That Council approves charges for the Paekākāriki Tennis Club Hall hire of:

- \$8.40 per hour
- \$18.00 per 4 hours
- \$43.00 Per 8 hours

*(same as Reikorangi Community Hall)*

69.19 That the Council notes the changes to the Local Authority Protection Programme scheme and the Council’s greater level of mutual self insurance and associated risks as included in this report Fin-12-551.

69.20 That the Council approves the updated Rates Remission Policy for Residential Rating Units containing two separately habitable units attached as Appendix 6 to this report Fin-12-551.

**Prepared by:**

Matt McGlinchey  
**Management Accountant**

**Prepared by:**

Sharon Foss  
**Corporate Planning & Reporting Manager**

**Approved for submission by:**

Pat Dougherty  
**Chief Executive**

**ATTACHMENTS:**

- Appendix 1: Rating Impact of Changes on the 2012 Long Term Plan.
- Appendix 2: List of Capital Carryovers from 2011/12 to 2012/13
- Appendix 3: LAPP Fund – Options proposed by LAPP Trustees
- Appendix 4: LAPP Fund – Proposed accumulation of LAPP funds (\$9 million Annual contribution) and local Authorities' exposure to Major Claims
- Appendix 5: Contingency Fund
- Appendix 6: Updated Policy for Rates Relief for Residential Rating Units containing Two Separately Habitable Units