



447TH MEETING OF THE
MACKENZIE DISTRICT COUNCIL

TO THE MAYOR AND COUNCILLORS OF THE MACKENZIE DISTRICT COUNCIL

Membership of the Council:

Mayor Claire Barlow
Cr Russell Armstrong
Cr Murray Cox
Cr Noel Jackson
Cr James Leslie
Cr Graham Smith
Cr Evan Williams

*Notice is given of a meeting of the Mackenzie District Council to
be held on Tuesday May 12, 2015, at 9.30am.*

VENUE: Twizel Events Centre, Twizel

BUSINESS: As per the attached agenda.

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER



MACKENZIE DISTRICT COUNCIL

Agenda for Tuesday May 12, 2015, at 9.30am

VISITORS:

OPENING AND APOLOGIES:

DECLARATIONS OF INTEREST:

BEREAVEMENTS:

REPORTS:

A) MAYORS REPORT	5
B) CHIEF EXECUTIVE ACTIVITIES	8
C) BUCHANAN STREET-ROAD STOPPING	11
D) LILYBANK METAL SEALING	15
E) LGNZ REMIT	20
F) FUNDING REQUEST- AORAKI MACKENZIE INTERNATIONAL DARK SKY FESTIVAL	25
G) EXTERNAL LIABILITY POLICY	34
H) WATER AND WASTEWATER AMP'S (CIRCULATED EARLIER)	
I) FINANCIAL STRATEGY	39
J) SIGNIFICANT FORECASTING ASSUMPTIONS	51
K) LONG TERM PLAN SUPPORTING INFORMATION	64
L) CONSULTATION DOCUMENT	83

COMMUNITY BOARD RECOMMENDATIONS AND MINUTES:

The Twizel Community Board meeting held on May 4 and the Fairlie Community Board meeting held on April 13:

A) COMMUNITY BOARD RECOMMENDATIONS	84
B) TWIZEL COMMUNITY BOARD MINUTES	87
C) FAIRLIE COMMUNITY BOARD MINUTES	93

RECEIVE COMMITTEE MINUTES:

Receive the minutes of the committee meetings held on April 28, 2015, including parts taken with the public excluded:

A) ASSET AND SERVICES COMMITTEE MINUTES	98
---	----

CONFIRM COUNCIL MINUTES: 102

Confirm and adopt the minutes of the Mackenzie District Council meeting held on March 31, 2015, as the correct record of the meeting, including those parts taken in public excluded.

CONFIRM EXTRAORDINARY COUNCIL MINUTES: 116

Confirm and adopt the minutes of the Extraordinary Mackenzie District Council meeting held on April 16, 2015, as the correct record of the meeting.

CONFIRM EXTRAORDINARY COUNCIL MINUTES: 120

Confirm and adopt the minutes of the Extraordinary Mackenzie District Council meeting held on April 28, 2015, as the correct record of the meeting.

PUBLIC EXCLUDED:

Resolve that the public be excluded from the following part of the proceedings of this meeting namely:

A) SALE OF LAND - LAKEFRONT DEVELOPMENT, TEKAPO	127
B) SALE OF LAND - LOT 2, (MINI GOLF SITE)	156
C) SALE OF LAND – LOT 4, MT NESSING RD	178
D) PREVIOUS MINUTES COUNCIL MARCH 31	102
E) PREVIOUS MINUTES COUNCIL APRIL 28	120
F) PREVIOUS MINUTES TWIZEL COMMUNITY BOARD MAY 4	87

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
Sale of Land – Tekapo Lakefront Development	Enable commercial negotiations	48(1)(a)(i)
Sale of Land – Lot 2 (Mini Golf Site)	Enable commercial negotiations	48(1)(a)(i)
Sale of Land Lot 4 Mount Nessing Rd	Enable commercial negotiations	48(1)(a)(i)
Previous minutes Council March 31	Enable commercial negotiations	48(1)(a)(i)
Previous minutes Council April 28	Enable commercial negotiations	48(1)(a)(i)
Previous minutes Twizel Community Board May 4	Commercial sensitivity	48(1)(a)(i)

This resolution is made in reliance on Section 48(1)(a)(i) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows: *Sale of Land Tekapo, Sale of Land Lot 2, Sale of Land Lot 4, Previous minutes Council March 31 and Previous minutes Council April 28 under section 7(2)(i). Previous minutes Twizel Community Board under section 7(2)(b)(2).*

ADJOURNMENTS:

10.30AM MORNING TEA ,
12.00PM LUNCH,
3:00PM AFTERNOON TEA

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL
SUBJECT: GENERAL ACTIVITIES REPORT
MEETING DATE: 12 MAY 2015 (FROM 17 FEB)
REF: PAD 2/3
FROM: MAYOR

ACTIVITY REPORT

COUNCIL, COMMITTEE AND BOARD MEETINGS

3 Mar	Tekapo Property Group Meeting.
9 Mar	Tekapo/Twizel Community Board meeting.
10 Mar	Extraordinary Council meeting to adopt AMPs & Rates workshop.
17 Mar	Committee Day. Met with LGNZ on Local Government reputation and lifting performance.
19 Mar	Councillor workshop on Financial Strategy for LTP. CEO Interim performance review.
28 Mar	Councillor Budget Workshop in Twizel.
31 Mar	Council meeting.
13 Apr	Fairlie Community Board meeting.
14 Apr	Tekapo Property Group meeting.
16 Apr	Councillor workshop and extraordinary Council meeting.
20 Apr	Tekapo Community Board meeting.
28 Apr	Asset & Services Meeting. LTP Workshop on Fixed & Variable rates and the consultation document.
12 May	Council meeting.

OTHER MEETINGS AND ACTIVITIES

18 Feb	Attended the Worksafe NZ Safer Farms Programme Launch in Timaru with Cr Smith. Attended Aoraki Polytechnic Stakeholder Feedback Meeting in Timaru with other SC Mayors.
19 Feb	Met with Margaret Austin regarding Starlight Festival planning. Met with Peter Scott re Canterbury Water Mgmt Strategy & the SC Options. Attended presentation by SQUIZ in Timaru following on from Gigatown strategy with the CEO.
20 Feb	Met with the Associate Minister Nicky Wagner in Christchurch with the CEO.
21 Feb	Attended the National Rowing Champs in Twizel.
25 Feb	Attended a meeting with CEO & Arlene Goss to discuss 'Long Term Plan consultation on environmental issues'. Mayoral welcome for Airforce Band playing in Fairlie.

	Travelled to Christchurch with the CEO for the Mayoral Forum Dinner.
26 Feb	Attended the Mayoral Forum at Christchurch City Council. Attended the CDEM Group Joint Committee meeting in Christchurch with the CEO.
2 Mar	Attended a farm tour of the Guiney's with Councillors Cox, Leslie & Williams.
4 Mar	Met with Neville Reilly, Regional CD Group Controller to discuss upcoming meetings. Met with Jacqui Dean and the CEO for general catch-up.
6 Mar	Attended a Focus Group discussion regarding rates affordability with Crs Leslie & Smith.
8 Mar	Attended the Tekapo Fete as the Judge of the Cupcake competition.
9 Mar	Attended the SC Water Infrastructure Update with CR Williams in Pleasant Point. Attended the 150 years meeting in Fairlie.
10 Mar	Met with Toni Morrison & Paul Morris regarding the LTP. Sport Canterbury Kiwisport Consultation meeting in Fairlie.
11 Mar	PortFM Radio Show. Met with Daniel Naude – SC Road Safety Officer in Timaru.
12-13 Mar	Attended the Mayoral Forum, & the Rural & Provincial Meeting with David Rae.
16 Mar	Hosted Chinese Consul group through the District along with Annabelle Bray from CCT.
17 Mar	Attended presentation by Doug Avery – Innovate or Stagnate in Fairlie Community Centre.
19 Mar	Attended public meeting in Twizel re Essential Services.
20 Mar	Attended the Upper Waitaki Water Zone Committee Meeting in Twizel.
23 Mar	150 years of Fairlie meeting in Fairlie.
24 Mar	Attended Audit & Risk LGNZ Course in Wellington with David Rae. Attended public meeting in Fairlie re Essential Services.
25 Mar	Walkthrough of Twizel Events Centre with Luke Paardekooper Met with Grant Lord from NZ Police in Fairlie.
26-27 Mar	Attended SISA and Zone 5/6 meeting in Dunedin with the CEO.
31 Mar	Met with the CEO & Arlene Goss to discuss Rates & LTP. Met with Asset Team –general.
1 Apr	Met with Rebecca Greatrex & Annabelle Bray from CCT to promote Starlight Highway.
6 Apr	Opened the Mackenzie A&P Show.
8 Apr	Attended Joint Committee PLAP Meeting at Timaru DC.
9 Apr	Met with Hon Louise Upton re Ecan discussion document, along with the CEO and 2 Councillors.
10 Apr	Attended the Community Development Worker meeting in Twizel with Garth Nixon.
14 Apr	Met with Twizel Councillors and Community Board in Twizel. Met with Matt Hampton re outdoor solar info kiosks. Met with the CEO & Arlene Goss re LTP Consultation Document.
15 Apr	Met with John Mackey from Audit NZ and the CEO.
17 Apr	Attended the Upper Waitaki Water Zone Committee Meeting in Twizel.

	Met with Janine Tulloch from Mt Cook Alpine Salmon with the CEO at Pukaki site.
21 Apr	Discussion on Consultation Document with Arlene Goss & CEO.
22 Apr	Attended an Infometrics presentation at Timaru DC with the CEO and other SC Councils.
23 Apr	Attended banquet in Christchurch to meet trade delegation from Sichuan, China with other Canterbury Mayors.
25 Apr	Attended ANZAC service in Fairlie.
29 Apr	Met with Tony Tosswill re: Tekapo development ideas. Met with the CEO, Arlene Goss & Toni Morrison to finalise the consultation document. Met with Pat Shuker in Twizel.
30 Apr	Attended the Alpine Energy Shareholder meeting in Timaru with the CEO.
1 May	Met with Dave Gaskin & Mike Van Der Heyden from NZ Police in Timaru.
2 May	Attended Wananga at Te Aitarakihi Marae.
3 May	Attended a Thinktank meeting in Twizel hosted by the TPDA re Twizel Futures with the CEO.
4 May	Guest speaker at Rotary meeting to talk about development in the Mackenzie.
5 May	Attended a meeting to receive the Upper Waitaki Zone Water Management Zone Committee Implementation Plan with Ecan commissioners, along with Cr Cox.
8 May	Meeting with Jason Gaskill & Jason Menard re A2O quarterly report, along with the CEO. Attended the Royal Astronomical Society Opening of NZ Conference at Tekapo.
11 May	Met with Anne Thomson from Resource Centre, Fairlie.

1. That the report be received.

CLAIRE BARLOW
MAYOR

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL

SUBJECT: CHIEF EXECUTIVE OFFICER'S GENERAL ACTIVITIES REPORT

MEETING DATE: 12 MAY 2015

REF: PAD 2/3

FROM: CHIEF EXECUTIVE OFFICER

ACTIVITY REPORT

COUNCIL, COMMITTEE AND BOARD MEETINGS

3 Mar	Tekapo Property Group Meeting.
6 Mar	LTP Workshop????
9 Mar	Tekapo/Twizel Community Board meeting.
10 Mar	Extraordinary Council meeting to adopt AMPs & Rates workshop.
16 Mar	Fairlie Community Board meeting.
17 Mar	Committee Day. Met with LGNZ on Local Government reputation and lifting performance.
19 Mar	Councillor workshop on Financial Strategy for LTP. CEO Interim performance review.
23 Mar	Twizel CB Workshop on rates affordability. Tekapo CB Workshop on rates affordability.
24 Mar	Fairlie CB Workshop on rates affordability.
28 Mar	Councillor Budget Workshop in Twizel.
31 Mar	Council meeting.
13 Apr	Fairlie Community Board meeting.
14 Apr	Tekapo Property Group meeting.
16 Apr	Councillor workshop and extraordinary Council meeting.
20 Apr	Tekapo Community Board meeting.
4 May	Twizel Community Board meeting.
12 May	Council meeting.

OTHER MEETINGS AND ACTIVITIES

18 Feb	Fortnightly meeting with B Haar.
19 Feb	Met with Toni Morrison to discuss Twizel wastewater discharge consents. Met with Martyn West from OnGas re LPG network in Twizel. Management meeting. Attended presentation by SQUIZ in Timaru following on from Gigatown strategy with the Mayor.
20 Feb	Met with the Associate Minister Nicky Wagner in Christchurch with the Mayor.
23 Feb	Management Meeting. Met with the CEO's of TDC, Ashburton DC & Waimate DC in Fairlie.
24 Feb	Met with Union members individually regarding Strategic Pay SP10

	process.
25 Feb	Attended a meeting with Mayor & Arlene Goss to discuss 'Long Term Plan consultation on environmental issues'. Travelled to Christchurch with the Mayor for the Mayoral Forum Dinner.
26 Feb	Attended the Mayoral Forum at Christchurch City Council. Attended the CDEM Group Joint Committee meeting in Christchurch with the Mayor.
2 Mar	Management Meeting.
4 Mar	Met with Neville Reilly, Regional CD Group Controller to discuss upcoming meetings and the Mayor. Met with Jacqui Dean and the Mayor.
9 Mar	Management Meeting. Met with Jo Field from Ecan re non-compliance with consents.
11 Mar	Met with Murray Weakley & Stephen Gubb re Tekapo Development Lot 6. Met with Jeff Haugh.
16 Mar	Management Meeting. Opal3 presentation with David Rae.
18 Mar	Met with staff member re SP10 process. Fortnightly meeting with B Haar.
19 Mar	Attended public meeting in Twizel re Essential Services.
23 Mar	Management Meeting.
24 Mar	Attended public meeting in Fairlie re Essential Services.
25 Mar	Attended Crisis Communication & Media Training in Timaru hosted by SC Chamber of Commerce. Attended public meeting in Tekapo re Essential Services.
26-27 Mar	Attended SISA and Zone 5/6 meeting in Dunedin with the Mayor.
30 Mar	Management Meeting
31 Mar	Met with the Mayor & Arlene Goss to discuss Rates & LTP. Met with Asset Team –general.
1 Apr	Fortnightly meeting with B Haar.
7 Apr	Management Meeting. Met with Andrew and Grant Hocken in Twizel.
9 Apr	Planning catch up. Discussed wilding pines strategy with the Mayor. Met with Downer and B Haar re Downer restructure. Met with Hon Louise Upton re Ecan discussion document, along with the Mayor and 4 Councillors.
10 Apr	Attended the Community Development Worker meeting in Twizel with Garth Nixon.
13 Apr	Management meeting. Met with the Mayor – general.
14 Apr	Met with Twizel Councillors and Community Board in Twizel. Met with the Mayor & Arlene Goss re LTP Consultation Document.
15 Apr	Met with John Mackey from Audit NZ and the Mayor. Met with Joe Davies from the Union. Fortnightly meeting with B Haar.
17 Apr	Met with Crs Leslie & Armstrong & John Bishop. Met with Sally Jones from DOC. Met with Janine Tulloch from Mt Cook Alpine Salmon with the

	Mayor.
20 Apr	Management Meeting.
21 Apr	Discussion with Arlene Goss on Consultation Document.
22 Apr	Met with Glenn Campbell from Whitestone – catchup. Attended an Infometrics presentation at Timaru DC with the CEO and other SC Councils. Met with Charles Anderson re land deal. Consultation Document audit with David Rae.
23 Apr	Planning Catch up.
24 Apr	Met with Nathan Hole re Mackenzie Agreement. Met with Barry Hanson & Sally Jones from DOC.
27-29 Apr	Annual Leave.
30 Apr	Attended the Alpine Energy Shareholder meeting in Timaru with the Mayor.
1 May	Met with Stan Taylor. Met with Dave Wilkins & Jeremy Severinson re DOC Tenure Review.
4 May	Management Meeting.
5 May	School Road Rural Water Supply AGM. Met to organize new timeline for LTP with Arlene Goss. Met with Andrew McDonald, Cr Cox, Phil Brownie and Nathan Hole to discuss the Tekapo Church. Met with Davie Rae to discuss projects review. Ashwick/Opuha Water Supplies AGMs.
7 May	Kimbell Rural Water Supply AGM. Planning catchup. Allandale Rural Water Supply AGM.
8 May	Meeting with Jason Gaskill & Jason Menard re A2O quarterly report, along with the Mayor.
11 May	Attended the CEO Forum & the CDEM CEG Meeting in Christchurch.

1. That the report be received.

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL

SUBJECT: ROAD STOPPING PROPOSAL – BUCHANAN STREET,
FAIRLIE

MEETING DATE: 12 MAY 2015

REF: WAS 2/14

FROM: NATHAN HOLE, MANAGER PLANNING AND REGULATIONS

PURPOSE OF REPORT:

For Council to make a decision in relation to commencing the formal process to stop the unformed section of Buchanan Street, Fairlie.

STAFF RECOMMENDATIONS:

1. That the report be received.
2. That Council agrees to commence the Local Government Act 1974 (LGA) Schedule 10 process to stop the unformed section of Buchanan Street in Fairlie.

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

ATTACHMENTS:

Aerial photograph showing the proportion of road proposed to be stopped.

BACKGROUND:

Council's Planning and Regulation Committee discussed this matter on 25 November 2014. The resolution from that meeting was to seek the views of the Fairlie Community Board prior to making a decision on the matter.

The Fairlie Community Board passed a resolution agreeing to the Council stopping the road. While a resolution was passed, it was not unanimous.

On 31 March 2015 Council considered this matter while considering the sale of other parcels of surplus land. In relation to this land, the discussion was around a proposal from Mr Hunter to purchase the adjoining morgue site (Lot 43-44 DP 193) in conjunction with purchasing the adjoining part of Buchanan Street (the road to be stopped). Council's resolution from 31 March was that Council supported in principle the closure of the unformed section of Buchanan Street, provided that provision is made for pedestrian access to the Fairlie Domain, and that the purchaser agrees to pay all costs associated with stopping the road.

Mr Hunter has since confirmed that he is agreeable to paying the road stopping costs, and has also asked that the process commence. The next step is for Council to resolve to commence that process.

POLICY STATUS:

The Council has no policy in relation to these considerations.

SIGNIFICANCE OF DECISION:

This does trigger the Council's significance and engagement policy as the entire roading network is a strategic asset.

The proposal to stop part of Buchanan Street is required to be publicly notified as part of the formal process. This is considered an appropriate level of engagement in relation to the public participating in this process.

ISSUES & OPTIONS:

The issues and options have been canvassed though previous meeting on this matter. There were two issues:

1. Whether or not to stop the road; and
2. Whether public access be maintained to the Fairlie Domain.

Council has previously agreed in principle to stop the road, and has resolved that pedestrian access be provided to the Fairlie Domain. The only decision remaining is to resolve to commence the road stopping process.

CONSIDERATIONS:***Legal***

There is a formal LGA 1974 10th Schedule process to follow.

Financial

The costs associated with the formal road stopping process has been agreed to by the person seeking to stop the road.

Other

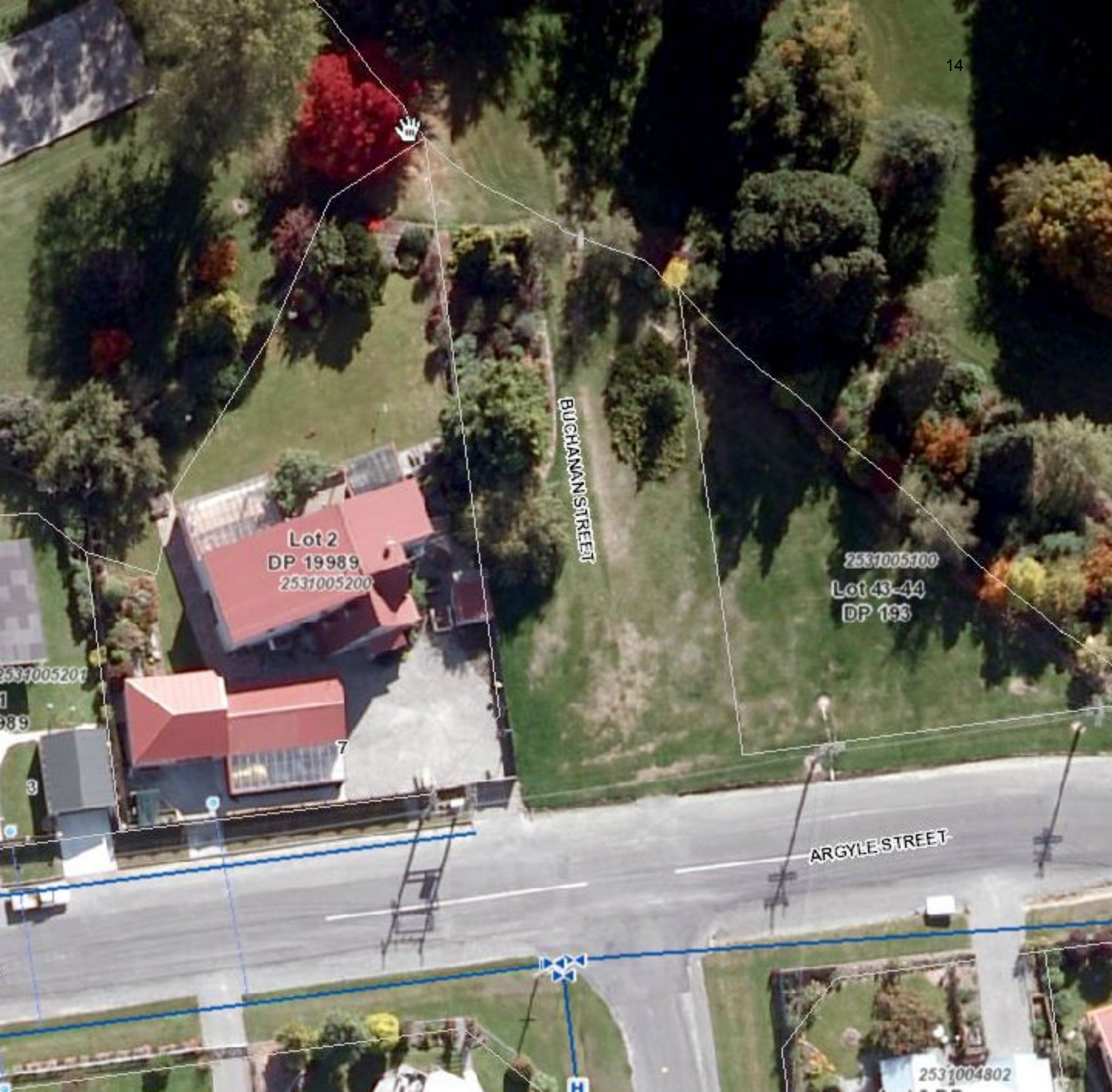
These have been resolved through previous meetings.

ASSESSMENT OF OPTIONS:

N/A

CONCLUSION:

Mr Hunter has agreed to pay the costs associated with stopping the road. This agreement is on the basis of whether or not the outcome is favourable. All other matters have been canvassed previously and all is remaining is for Council to agree to commencing the process.



Lot 2
DP 19989
2531005200

2531005100
Lot 43-44
DP 193

BUCHANAN STREET

ARGYLE STREET

2531005201
1
989

3

7

2531004802

H

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL

SUBJECT: LILYBANK ROAD SPOT METALLING PROPOSAL

MEETING DATE: 12TH MAY 2015

REF: 2/6/13

FROM: ROADING MANAGER

ENDORSED BY: CHIEF EXECUTIVE OFFICER

PURPOSE OF REPORT:

To present to the Mackenzie District Council a report requesting extra funding to complete a wearing course on the worst section of Lilybank Road between the Skifield turn off to Mount Gerald Station

STAFF RECOMMENDATIONS:

1. That the report be received.
2. That Council adopts option 4 and completes a full wearing course on 2.4km on Lilybank Road, between the Ski field turn off to Mt Gerald Station

SUZY RATAHI
MANAGER – ROADING

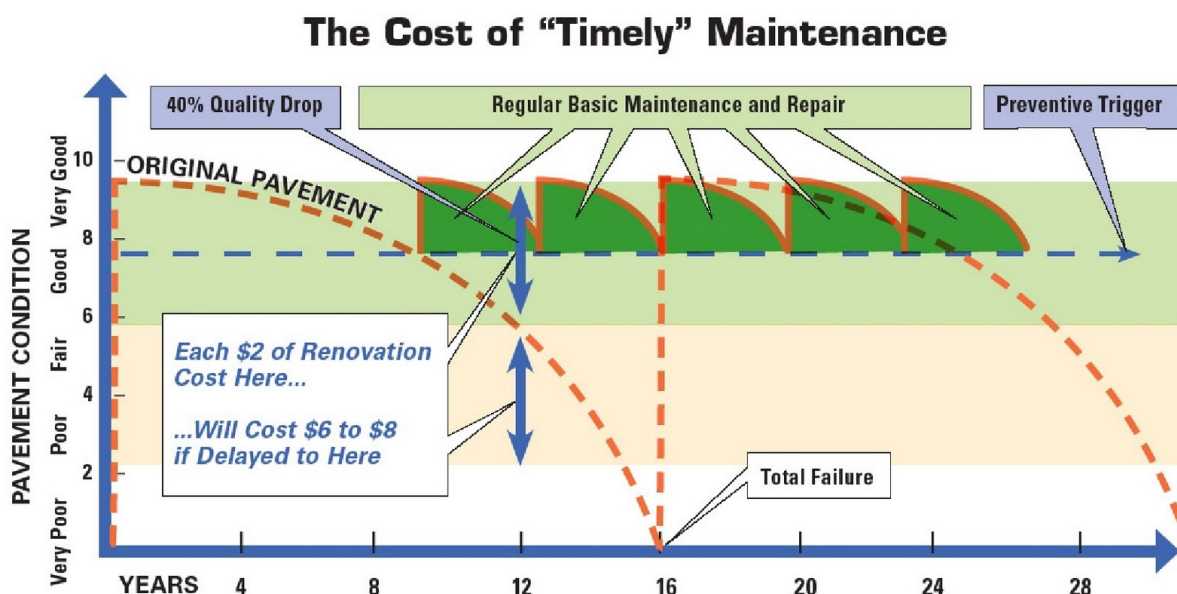
WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

INTRODUCTION

Due to constrained approved funding from NZTA our unsealed maintenance metalling budget has been limited for some time. Lilybank Road, in particular, past the Ski field turn off has not received any significant amounts of metal for 11 years.

The graph below shows the importance of timely intervention and demonstrates the need for regular metalling in order to keep the pavement in a useable condition.

Figure 1.



Due to limited funding the Roothing Managers both past and present have been unable to complete “timely” maintenance on a number of roads, however due to the changed traffic mix and land use intensification this has had the biggest effect on Lilybank Road.

The section between Round Hill Ski field turn off and Lilybank Station has a rough ride, weak subgrade at the road surface and is at risk of some frost heave over the coming winter/spring months. In between Mount Gerald through to Lilybank Station a section of road has entirely unraveled due to a lack of available funding to metal the road and through the change in land use and vehicle access types between the two stations.

Staff believe access could be severely limited this season due to significant frost heave, as a result of increased usage and inadequate pavement depth. If works are not undertaken prior to winter commencing any frost heave that occurs will need to be left to self-heal. This in turn could provide significant access issues for Lilybank Station.

Following discussion after the Asset Manager’s report at the Assets and Services Committee meeting on the 28th of April, Councillors requested a full report into the application of maintenance material, to minimise this risk of failure on Lilybank Road.



Lilybank Road Current State



Real effect of frost heave on the Mackenzie District Council Network

ISSUES AND OPTIONS:

1. **Do nothing** - No Cost, however the road is at risk of being impassable to many vehicles/farm machinery that use this section of road. It is the only access to Lilybank Station and the Department of Conservation block across the Macaulay River. Whilst the risk of frost heave is likely and does cause significant access issues, it will “self-heal” and wearing course works could be undertaken under the Maintenance Metalling budget in the 2015/16 season. Under this option staff would have to work with Mt Gerald and Lilybank Station in regards to frozen condition access
2. **Wearing Course of the full 12.2km** from Ski field turn off to the Macaulay River (Lilybank Station) – \$280,000- \$300,000 best whole of life option for the road, will provide a safe and trafficable surface. However, it is unlikely that Contractor could resource up, acquire the required resource consent for gravel extraction and get adequate quantities of material crushed prior to winter setting in, this would likely need to be undertaken in September 2015
3. **Spot/Maintenance Metalling** - \$40,000 this utilises the material already pulled up and crushed at Coal River, this work can commence immediately, however it is only a band aid and the road will need a wearing course (as in option 2 above) at a later date to provide appropriate access. The condition of the majority of that portion of Lilybank Road would mean that available supplies would be spread over the entire 12.2km, resulting in an average depth of approximately 25mm. As is demonstrated in Figure 1, we could be potentially putting \$40,000 into a road that is already in “very poor” condition. With this cash injection of \$40,000 it will really make no appreciable difference and in fact the benefit could be lost in one winter season.
4. **Wearing Course of 2.4km between Ski-field turn off to Mt Gerald Station.** This would provide appropriate access to all road users from Mount Gerald station. And would utilise the material already crushed and available on-site. This is also the portion of road that receives a number of tractor/silage wagon movements in a day as the farm pit is within this section of road. Cost to apply wearing course and dig-out unsuitable materials in isolated spots is approximately \$90,000 with the remaining 9.9km to be completed as a wearing course in the 2015/16 year at a cost of approximately \$200,000. Under this option staff would have to work with Lilybank Station in regards to access to over the balance of that section through to the Macaulay River to manage access for heavy vehicles when the road surface is frozen.

CONCLUSION:

Ideally the road would have never gotten to this state, the stretching of budgets due to NZTA’s limited funding pool has meant that money has been directed to the areas of “greatest need” with higher traffic counts. Though this is the underlying theory of the One Network Road Classification, there is also a requirement to ensure all public roads do not create “undue risk” to the road user/public.

Therefore staff recommends that the best available solution is option 2, unfortunately due to the lateness in the season this is likely to be unachievable, making option 4 the next best solution. The risk to the balance of the road is lower due to it being purely for farm and

recreational access. Whilst there is significant costs in undertaking this construction it provides the best use of the available material and will achieve lasting benefit to the that section of Lilybank Road. Whilst there are no guarantees, staff could approach NZTA for a part share as this option demonstrates the best whole of lifecycle cost for this particular section of road.

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL

SUBJECT: REMIT TO LGNZ – PROHIBITION ON SMOKING OUTSIDE CAFES, RESTAURANTS AND BARS

MEETING DATE: 12 MAY 2015

REF:

FROM: CHIEF EXECUTIVE OFFICER

PURPOSE OF REPORT:

To seek Councils decision to either support or not support a remit to LGNZ in relation to smoking outside cafes, restaurants and bars.

STAFF RECOMMENDATIONS:

1. That the report be received.
2. That Council support/not support the remit to the Annual General Meeting of LGNZ requesting Government to create a prohibition on smoking outside cafes. Restaurants and bars.

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

ATTACHMENTS:

- Email from Grant Smith, Mayor of Palmerston North City Council.
- Stuff article on tobacco control referenced in Mayor Smith's email.

BACKGROUND:

LGNZ members are able to submit remits to the Annual General Meeting which are able to be considered and adopted (or rejected) at the meeting. If the remit is adopted it gets included in the LGNZ work program.

Remits often contain scant analysis and pass through the LGNZ Annual General meeting with little apparent consideration by delegates.

The remit in question is not accompanied by any supporting analysis.

SIGNIFICANCE OF DECISION:

This decision is not significant in terms of Councils Significance and Engagement Policy.

ISSUES & OPTIONS:

The available options are to either support the status quo (not support the remit) or to support the remit or to instruct Councils delegate to abstain.

CONSIDERATIONS:

It is considered that there is insufficient information provided with the remit to assess the impact of the decision to adopt the remit.

The status quo is known and Council staff are not aware of specific concerns from our community.

RECOMMENDATION:

That Council not support the remit to prohibit smoking outside cafes, bars and restaurants.

Subject: Remit to LGNZ - Prohibition on smoking outside cafes, restaurants and bars

Dear colleagues

I am writing to ask your support for the following remit to LGNZ:

“That LGNZ request central government to develop and implement legislation that would prohibit smoking outside cafes, restaurants and bars as part of efforts to accomplish government’s goal of Smokefree 2025.” This suggested approach is important because it would create a stronger control on smoking in public places than is currently available. The issue is not particular to Palmerston North. There is increasing interest in smokefree initiatives with a number of councils adopting smokefree policies. The Ministry of Health has recognised that it may not achieve the Smokefree 2025 taking its current approach <http://www.stuff.co.nz/national/health/67886400/tobacco-control-shakeup-as-2025-target-goes-up-in-smoke>

Can you please let me know if your council is in support of this remit.

Regards

Grant Smith / Mayor

Palmerston North City Council | Private Bag 11034 | Palmerston North
P: +64 (6) 3568199 | F: +64 (6) 355 4115 | www.pncc.govt.nz

Tobacco control shake-up as 2025 target goes up in smoke.

BEN HEATHER

Last updated 05:00, April 21 2015

About 12,500 people successfully quit smoking each year.

The national target of being smokefree by 2025 will not be met without a massive shakeup of funding for anti-tobacco groups, the Ministry of Health now concedes.

About 12,500 people successfully quit smoking each year, but this needs to more than triple to reach the 2025 target. At the 2013 census, 13.7 per cent of the adult population said they smoked.

The Government committed three years ago to stamping out smoking by 2025, but a slew of reports have warned that the target is looking shaky.

Ministry documents, prepared for a meeting with quit smoking providers and advocacy groups last month, said a "business as usual approach" to encouraging people to quit would no longer work. A greater focus was needed on risky groups, such as pregnant women and the mentally ill, and groups that still had stubbornly high smoking rates, such as Maori and Pacific people.

"More needs to be done ... to achieve that 2025 goal," the documents say.

Dozens of quit smoking and anti-tobacco advocacy groups could be under threat as the ministry puts millions of dollars worth of services up for tender in the open market as part of the ministry's "tobacco realignment".

The Government spends million of dollars funding dozens of community quit clinics and bigger research and education organisation, such as Action on Smoking and Health (Ash), which receives about \$600,000 a year in public funding.

All these organisations will have to reapply for ministry contracts and could be scrapped if they lose out to a competitor. Quitline, which receives about \$9 million from the ministry, is not included in the review, but does face being merged into a single government telehealth service as part of another review.

A ministry spokesman said it was 15 years since New Zealand last altered its tobacco control services, and it was "timely" to consider a change. It was too early to say what any new setup would look like.

Ash director Stephanie Erick said it was true the shakeup could mean the end of her organisation, but it was more important that the smokefree goal was reached.

The number of smokers had been dropping steadily, but broadbrush tactics that had worked previously were less effective for smokers still holding out.

"We haven't been getting to that group early enough," she said. "Given what we are faced with, we do need to really radically change."

Smokefree Coalition director Prudence Stone said the change could "feel scary", but a different approach was needed, providing there remained a strong focus on reaching Maori.

The Government has faced renewed calls to take a tougher stance against tobacco, with committed tax hikes running their course next year and plain packaging plans stalled under legal threats from the industry.

In an article in the *New Zealand Medical Journal* last November, public health experts argued that tobacco licensing, forcing firms to phase out nicotine, restricting tobacco sales to pharmacies and subsidising less harmful alternatives such as e-cigarettes should all be on the table.

So far the Government has not committed to any of these steps, but Associate Health Minister Peseta Sam Lotu-liga indicated in Parliament in February that he was seeking advice on some new regulations, including banning smoking in cars, tax increases and e-cigarettes.

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL

SUBJECT: STARLIGHT FESTIVAL

MEETING DATE: 12 MAY 2015

REF:

FROM: COMMUNITY FACILITIES MANAGER

PURPOSE OF REPORT:

For Council to consider the Twizel Community Boards decision to grant the Starlight Festival \$1,000 subject to the Council making a \$1,000 contribution also.

STAFF RECOMMENDATIONS:

1. That the report be received.
2. That the Council consider whether or not to make this grant.

GARTH NIXON
COMMUNITY FACILITIES MANAGER

ATTACHMENTS:

Report to Twizel Community Board.

BACKGROUND:

The Twizel Community Board has made the recommendation, as below, which is conditional on council making a grant also.

The Council supported the previous Starlight Festival in Tekapo in 2013 making a similar grant.

Hall hire costs for the five days have been quoted to the Starlight Festival at \$3,444.00

The original request to Twizel Community Board is attached,

No financial information or grant application form was received detailing the Starlight Festival Financial status

Looking at their website the Starlight festival appears to be well sponsored.

There is no specific budget provision for this type of grant. Council could approve it as unbudgeted expenditure in which case it would fall to the General Reserve.

Extract from Twizel Community Board minutes

FUNDING REQUEST:

Mayor Barlow spoke that the Aoraki Mackenzie Starlight Festival convention is to be held in Twizel next year and last time they approached council for funding. The Tekapo Community Board put \$1000 forward and Council matched it. This year it is based in Twizel and Mayor Barlow asked if the board would give a donation. John Bishop said that he is not sure what will be in the budget for next year and asked what are the costs for hiring the hall and if they could possibly support in that way. He will find out costs from Garth Nixon.

Resolved that the report be received

Phil Rive/Russell Armstrong

Resolved that the Twizel Community Board will make a \$1000 donation as long as it is matched by Council.

Phil Rive/Bruce White

CONCLUSION:

The Council should consider whether or not to contribute to the festival on the basis that the Twizel Community board will only contribute given that Council does also.

MACKENZIE DISTRICT COUNCIL

REPORT TO: TWIZEL COMMUNITY BOARD
SUBJECT: REQUEST FOR FUNDING
MEETING DATE: 9 MARCH 2015
REF:
FROM: WAYNE BARNETT, CHIEF EXECUTIVE OFFICER

PURPOSE OF REPORT:

For the Twizel Community Board to consider a request from the Aoraki Mackenzie International Dark Sky Reserve Board for funding of \$5,000 towards their 2015 Starlight Festival in Twizel.

STAFF RECOMMENDATIONS:

1. That the report be received.
2. That the Twizel Community Board indicate their support or otherwise for this request.

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

ATTACHMENTS:

- Aoraki Mackenzie International Dark Sky Reserve Board request for funding.

BACKGROUND:

The inaugural Aoraki Mackenzie Starlight Festival was held in October 2013 in Lake Tekapo.

The second Starlight Festival is taking place from 9-11 October 2015, this time in Twizel.

Below is the resolution from the Tekapo Community Board meeting minutes of 4 June 2013.

STARLIGHT FESTIVAL SPONSORSHIP:

This report from the Chief Executive Officer is a late item regarding Aoraki Mackenzie International Dark Sky Reserve Board inviting the Council to contribute \$5,000.00 to the Starlight Festival being held in Tekapo from the 11th to the 13th of October 2013. As the Community Board are supplying blackout blinds at a cost of \$800 the amount the Community Board will consider contributing is \$4,200.00

Resolved:

- 1. That the Community Board contributes \$1,000 towards the Starlight Festival as long as the Council contributes \$1,000 or more.*

Peter Maxwell/ Alan Hayman

Falouts
P

200 people BBA & stargazing
Sat 10th Oct Dusk → 9pm

30

Aoraki Mackenzie International Dark Sky Reserve Board

Starlight Festival 9 10 11 October 2015

Overall Objectives

- To build domestic and international awareness of the Aoraki Mackenzie Dark Sky Reserve as a destination for domestic and international travellers.
- To hold a bi - annual Starlight Festival promoting astronomy, astro-tourism, astro-photography, science education through astronomy and recreational activities.
- To provide opportunity for young people to be introduced to astronomy through a range of activities that will capture their interest in science.
- To promote the University of Canterbury's Observatory at Mt John and their research programme undertaken there.
- To engage with the local community in promoting the Mackenzie as a destination.

Target Markets

- Young people of all ages
- Families particularly from North, Mid and South Canterbury
- International travellers to New Zealand

Marketing

- Articles in the Christchurch Press, the Christchurch Star, The Mail(Christchurch), Otago Daily Times; Timaru Herald; The Listener; Kia Ora Magazine, Mindfood, Avenues: Local papers in Fairlie, Tekapo, Twizel, Wanaka, Ashburton, Queenstown and Age Concern in Christchurch.
- Education Newspapers and the Education Gazette
- RadionZ; TVNZ; TV3; NewstalkZB
- Website information with links to RASNZ, RSNZ, UNESCO NZ, Photographic Society, TNZ, Google Alerts (Starlight) CCTourism.
- Internationally – IDA, WTO, ICOMOS, Grossmugl Austria.
- Brochures and posters to Schools and Tourism agencies.

Recognition

The Mackenzie District Council would be recorded as a donor in all publicity material including brochures, the website, advertising and banners in the Twizel Community Events Centre and the Earth and Sky Café on Mt John.

Sponsors

At the present time we have received sponsorship funding from the University of Canterbury; Institute of Strategic Leadership, Auckland; The Christchurch Press; Genesis Energy; The Christchurch International Airport Company; Sir John Davies through his group of companies; Air New Zealand, with applications in the pipeline to a number of other prospective supporters. These are registered on our website www.starlightfestival.org.nz

Aoraki Mackenzie Starlight Festival

Twizel, South Canterbury, New Zealand

www.starlightfestival.org.nz 9 – 11 October 2015



The Second Aoraki Mackenzie Starlight Festival will take place 9-11 October 2015 in Twizel, and will celebrate the creation of the southern hemisphere's first International Dark Sky Reserve, in the Mackenzie Basin and at Aoraki/Mt Cook National Park in the centre of New Zealand's South Island.

The Festival will be a celebration of dark skies and astronomy, and include a mix of cultural, educational and scientific activities to engage the community at the level of families and young people.

It will promote awareness of the stars and the dark sky above and a range of hands-on activities for everyone will be put on. The Festival will focus on education and learning about stars, space, light pollution and the environment.

The Second Starlight Festival will have two additional themes: The UN International Year of Light 2015 (IYL) and the cultural significance of the Mackenzie for Māori. The IYL2015 was declared by the UN with support from the European Physical Society and the International Astronomical Union and with UNESCO the nominated lead Agency. It will celebrate light, light-related technologies and cosmic light, which includes astronomy and star-gazing. Events to celebrate IYL2015 will be celebrated in many countries around the world.

The Mackenzie Basin played a significant role for Māori before European settlement, as it was on an overland route from the West Coast to the mouth of the Waitaki River used for the transport of pounamu (greenstone), which was processed at the Waitaha settlement of Huruhurumanu on the Waitaki. It is also well-known that the Māori used the stars for navigation and for synchronizing their calendar, through the dawn rising of Matariki (the Pleiades) in June.

Nagí Tahu are supporting the Festival and the theme of the Maori knowledge of astronomy. A keynote speaker at the Festival will be Dame Anne Salmond, the distinguished New Zealand anthropologist and expert on Maori traditions and culture from the University of Auckland. She will give a lecture on the Maori knowledge of the stars.

The principal overseas speakers at the festival will be Professor Chris Lintott, who is Professor of Astronomy at the University of Oxford, UK and Dr Seth Shostak, from the SETI Institute in Mountain View, California.

Outline of SFZ programme

18.2.15 ver 3

time	venue	event
Friday 9 October		
2.00-4.00	Twizel Events Centre (outside)	Solar telescopes
2.00-4.00	Hillary Alpine Centre, Mt Cook	Planetarium show.
2.00-4.00	Twizel Events Centre (sports hall)	Astronomical Art Workshop (with Science Alive and their dome)
2.00- 8.40	Twizel Events centre	Photographic exhibition
2.00-8.40	Twizel Events Centre	Light Beyond the Bulb - International Year of Light exhibition from Harvard University
5.00-6.00		early break for meal for those who need to eat
6.00-6.45	Twizel Events Centre (auditorium)	Opening (with speeches); powhiri, mihi
6.45-7.05	Twizel Events Centre (auditorium)	Kapa Haka group
7.05-8.05	Twizel Events Centre (auditorium)	Maori astronomy; Dame Anne Salmond
8.05-8.45	Twizel Events Centre (foyer)	Drinks and nibbles
8.45-9.30	Twizel Events Centre (auditorium)	Steve Chadwick: Son et lumiere
9.30-midnight	Mt John Observatory	Earth&Sky night tour to MJ

88

Twizel airport

Starlight barbecue and Galileoscope observing

Sunday 11 October

9.00-10.30 Twizel area

Cultural site tour (to be confirmed)

10.00-11.00 Twizel Events Centre (outside)

Solar telescopes

11.00-12.30 Twizel Events Centre (auditorium)

Public lecture: speaker Dr Seth Shostak (SETI talk)

9.00-2.00 Twizel Events centre

Photographic exhibition

9.00-2.00 Twizel Events centre

Light Beyond the Bulb - International Year of Light
exhibition from Harvard University

12.30-12.45 Twizel Events Centre (auditorium)

Closing ceremony

12.45-1.30 Twizel Events Centre (outside)

Solar telescopes

12.45-1.30 Twizel Events Centre

Lunch (Tekapo Catering)

2.00-4.30 Mt John

Open day: see the telescopes, talk to astronomers

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL
SUBJECT: EXTERNAL LIABILITY MANAGEMENT POLICY
DATE: MAY 12 2015
FROM: TONI MORRISON, SENIOR POLICY PLANNER
PAUL MORRIS, FINANCE MANAGER

REASON FOR REPORT

To provide an updated Liability Management Policy for adoption as supporting information for the Council's Long Term Plan 2015/2025 and Consultation Document.

RECOMMENDATIONS:

1. That the report be received.
2. That the draft Liability Management Policy be adopted by Council.

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

ATTACHMENTS:

Attachment 1: Draft External Liability Management Policy

BACKGROUND:

The Council is currently finalising all of the supporting information that will form the basis of the 2015-25 Long Term Plan (LTP).

Investment Policy

Under the Local Government Act 2002 (LGA) the Council is required to have a Liability Management Policy. As part of the Long Term Plan (LTP) process, there is a need to review and update the Council's current policy, which was adopted in 2012.

The 2012 policy refers to up to \$6 million of external debt being raised, which was the situation at that time. However this is no longer being proposed as part of the LTP, and the policy should be updated to reflect this. A footnote is also proposed to clarify that the Council itself doesn't hold external debt but it is a joint venture partner in the Downlands scheme, which may hold such debt.

Attached is a draft Policy showing suggested changes (highlighted in yellow), for the Council's consideration and adoption. Once adopted this will form part of the supporting information for the Consultation Document and LTP.

POLICY STATUS:

As noted above, the Council is required to have an Liability Management Policy. The proposal is to update the policy in accordance with recent Council decisions on the LTP.

There are no other applicable policies.

SIGNIFICANCE OF DECISION:

In accordance with Council's Significance and Engagement Policy, these matters have been assessed as significant because the decisions relate to supporting information for the Consultation Document and the Long Term Plan 2015-25.

ISSUES & OPTIONS:

This process is currently progressing under tight timeframes. Council is required to adopt all supporting information for the Consultation Document prior to adopting the Consultation Document itself. The CD will be presented to Council at this meeting. The document will be presented for adoption on 20 May 2015.

The options available to Council are to either:

1. Approve the Liability Management Policy as contained in this report OR
2. Amend as appropriate and approve the Liability Management Policy.

CONSIDERATIONS:***Legal***

This process is guided by the Local Government Act 2002.

Financial

As stated above there is a financial risk to Council if the Long Term Plan process does not meet its tight deadlines and adoption is delayed until after June 30, 2015.

CONCLUSION:

The Council is required to have adopted all supporting information for the Consultation Document prior to adopting the Consultation Document itself. This paper seeks the adoption of the Liability Management Policy.

Attachment 1

External Liability Management Policy

Currently the Council¹ does not hold any external debt **and is not proposing to incur any over the period of the Long Term Plan 2015-2025**, but given the capital expenditure outlined in this Plan, Council will need to raise up to \$6 million worth of debt. In the event of a major natural disaster, Council may also need to incur additional debt to qualify for Government emergency assistance.

General Policy

Council exercises its borrowing powers within the Local Government Act 2002, s113-122. The borrowing programme is approved by Council by way of resolution during the annual planning process. Resolutions of Council are not required in the cases of hire purchase, credit or deferred purchases of goods and services where:

- There is a period of less than three months indebtedness
- The goods and services are obtained in the ordinary course of operations, on normal terms, for amounts not exceeding in aggregate an amount determined by resolution of Council i.e. approved financial delegations as documented in Council's Delegations Manual.

When borrowing is required it is generally used for the following one purpose:

- To fund operational or infrastructural asset purchases that will benefit the Council and ratepayers over a long period of time.

Council may borrow through a variety of mechanisms. Council may obtain funding utilising the following methods:

- Bank debt
- Capital markets issuance comprising fixed rate bonds, medium term notes and floating rate notes.

When evaluating any new borrowing, the Finance Manager will take into account the following in relation to source, term, size and pricing;

- The size and economic life of the project
- The impact any new debt will have on the borrowing limits
- Council's overall debt maturity profile
- Interest rates prevailing relative to term for both stock issuance and bank borrowing
- Management's view, after consultation with qualified advisors, of future interest rate movements
- Term available from bank and stock issuance
- Legal documentation and financial covenants required

Borrowing Limits

These limits are covered in Council's Financial Strategy.

Fixed Rate Hedging Percentages

	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0 to 2 years	50%	100%
2 years to 5 years	30%	80%
5 years to 10 years	0%	60%

¹ The Council itself does not hold external debt. However it is a joint venture partner in the Downlands Water Supply scheme, and as such is responsible for its share (4%) of any external debt raised by that scheme.

Debt Repayment

Council has agreed that any external debt should be repaid over a term no greater than 25 years. Most debt will be repaid using funded depreciation, but where necessary this will be supplemented by direct rate funding to meet the 25 year limitation.

Liquidity and Credit Risk Management

Council is able to attract borrowing at cost effective rates due to its ability to maintain a strong balance sheet and its ability to rate.

Council ensures debt is spread over a band of maturities to minimise the risk of large concentrations of debt maturing or being reissued in periods where credit margins are high by ensuring that not more than 75% of existing and forecast borrowing is subject to refinancing in any financial year.

Interest Rate Risk Management

The Chief Executive Officer approves interest rate risk management, as recommended by the Finance Manager, who seeks the appropriate advice and monitors interest rate markets on a regular basis.

Any borrowing done by Council gives rise to exposure to interest rate movements. Council's preference, to avoid adverse impact on interest rates, is to have a preference for a high percentage of long term fixed rates.

The use of interest rate risk management instruments requires Council approval.

Security

This is covered by Council's Financial Strategy.

Local Government Funding Agency

Despite anything earlier in this liability management policy, the Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;
- Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
- Commit to contributing additional equity (or subordinated debt) to the LGFA if required;
- Subscribe for shares and uncalled capital in the LGFA; and
- Secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

Liability Management Policy

Adopted by: **Council**

Adopted date: xx

Review date: As necessary

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL
SUBJECT: FINANCIAL STRATEGY
DATE: May 12 2015
FROM: Toni Morrison, Senior Policy Planner
Paul Morris, Finance Manager

REASON FOR REPORT

To provide and adopt the updated Financial Strategy for the Council's Long Term Plan 2015/2025 and Consultation Document.

RECOMMENDATIONS:

1. That the report be received.
2. That the Financial Strategy 2015-2025 be adopted by Council, subject to audit changes.

WAYNE BARNETT

CHIEF EXECUTIVE OFFICER

ATTACHMENTS:

Attachment 1: Financial Strategy 2015-2025

BACKGROUND:

The Council is currently finalising all of the supporting information that will form the basis of the 2015-25 Long Term Plan (LTP). The Local Government Act 2002 requires the LTP to include the Council's Financial Strategy, and a summary of the strategy must be included in the Consultation Document.

The Council approved the Financial Strategy at its meeting of March 31 2015. However some amendments have been required to reflect subsequent budget and policy decisions.

In summary, the proposed updates are:

- Widening the section on drinking water infrastructure to describe the affordability of all key infrastructure as a significant factor;
- Including a chart on current land use based on capital value in the district;
- Inserting a table and information on the quantified limits on rates increases and predicted rates increases;
- Inserting a table showing the maximum levels of debt and financing costs.

POLICY STATUS:

N/a.

SIGNIFICANCE OF DECISION:

In accordance with Council's Significance and Engagement Policy, these matters have been assessed as significant because the decisions relate to supporting information for the Consultation Document and the Long Term Plan 2015-25.

ISSUES & OPTIONS:

This process is currently progressing under tight timeframes. Council is required to adopt all supporting information for the Consultation Document prior to adopting the Consultation Document itself. The CD will be presented to Council on 20 May for public consultation.

The options available to Council are to either:

1. Approve the final Financial Strategy as contained in this report OR
2. Amend as appropriate and approve the Financial Strategy.

CONSIDERATIONS:***Legal***

This process is guided by the Local Government Act 2002.

Financial

As stated above there is a financial risk to Council if the Long Term Plan process does not meet its tight deadlines and adoption is delayed until after June 30, 2015.

CONCLUSION:

The Council is required to have adopted all supporting information for the Consultation Document prior to adopting the Consultation Document itself. This paper seeks the adoption of the updated Financial Strategy as part of that supporting information.

Financial Strategy 2015-2025

The Council is required to have a financial strategy as part of its Long Term Plan (LTP). The purpose of the Financial Strategy is to facilitate prudent financial management by providing a guide to consider proposals for funding and expenditure against, and to show the overall effects of funding and expenditure proposals on the Council's services, rates, debt and investments.

In the strategy, the Council is required to specify the factors expected to have a significant impact on Council for the period covered by the LTP.

We have outlined below the factors we consider to be significant:

- a) Affordability of key infrastructure, including implementation of the Drinking Water Standards.
- b) Levels of internal debt currently held by Council and plans to repay that debt over a 25 year period.
- c) Reduction in Central Government roading subsidy contribution.

We are also required to cover the following:

- a) Expected changes in population and changes in the use of land within the District and the impact on operating and capital costs of providing those changes;
- b) The expected capital expenditure on network infrastructure required to maintain existing levels of service currently provided by Council; and
- c) Other significant factors affecting our ability to maintain existing levels of service and to meet additional demands for service.

We must as part of this strategy:

- a) Place a quantified limit on rates, rate increases and borrowing
- b) Assess our ability to provide and maintain existing levels of service and to meet additional demands for service within those limits
- c) Detail our policy on the giving of securities and
- d) Specify our objectives for holding and managing financial investments and equity securities.

Each of these are discussed in more detail below.

FACTORS EXPECTED TO HAVE A SIGNIFICANT IMPACT

Affordability of Key Infrastructure

The Health (Drinking Water) Amendment Act 2007 requires water suppliers to take all practical steps to comply with the (previously voluntary) NZ Drinking Water Standards. To comply with the Act, Council must have in place a public health risk management plan which is approved by the Ministry of Health for each water supply. Dates for compliance with the Act are staggered depending on the size of the community.

For Fairlie, Tekapo and Twizel the compliance date was 1 July 2014. For Burkes Pass, Allandale and Albury, the compliance date is 1 July 2016. (The Albury Water Supply is managed by the Albury Rural Water Supply Society Inc. under an agreement with Council, and expenditure on this scheme is not included in Council's budgeting process). Council currently does not comply with the drinking water standards.

The expected capital outlay to enable Council to comply is expected to be approximately \$2.459 million for the Fairlie town supply.

Upgrades to sewerage and stormwater systems are also required in the Long Term Plan (LTP) period. While no significant change to the operation of most of the Council's stormwater assets is proposed, the Council is required to develop 'stormwater management plans' under the Land and Water Regional Plan, and stormwater discharges will be required to be progressively upgraded to improve discharge quality.

Changes to environmental standards, climatic conditions and growth will also require upgrades to some of the district's sewerage systems. Replacement of deteriorating infrastructure is also required over the term of the LTP.

Level of Internal Debt Currently Held By Council

Council has two types of internal debt; being operational and capital.

Capital debt has been incurred where capital expenditure has occurred in advance of capital receipts. This tends to occur where larger infrastructure costs are incurred ahead of rate funded depreciation. It is a buy now/pay later mentality that effectively spreads the cost of the asset over its useful life. The issue is interest is being charged over a longer period than is prudent and there is no likelihood of the debt being repaid as the capital debt is constantly renewed over time through additional capital expenditure.

Operational debt tends to occur when an activity is not appropriately funded so that it creates an operational deficit. This means current ratepayers have received a benefit (a lower cost service) at the expense of future generations. Current policy does not require a monetary cost (interest) on this type of debt.

Council's proposal is to commence a programme of repayment of these debts. It is proposed capital debt will be repaid over a period of 25 years, which may increase the levels of rates paid to ensure the repayment timetables are being met. Operational debt will be repaid over a period of 10 years, which will increase the level of rates paid to ensure repayment schedules are met.

Intergenerational Equity

Council has to balance the equitable sharing of debt load over the life of its assets compared with the interest burden of that is associated with long term debt. Repaying debt over 25 years on assets that have a longer life than that was considered by Council to be a reasonable compromise.

Reduction of Central Government Roothing Subsidy

We currently undertake our roading programme based on a contribution from our ratepayers augmented by a larger contribution from central government through the New Zealand Transport Agency (NZTA).

Prior to 30 June 2014 Council received a funding assistance rate (FAR) of 53% for maintenance works and 63% for capital improvements. However NZTA has advised the Council that from 30 June 201 the FAR rate for Council will be 51%, for maintenance works and capital improvements.

There will be a transition period where Council's FAR will be set at 54% as at June 2016, reducing by 1% per annum until the rate of 51% is reached. This will then remain the rate for years 4 – 10 of our LTP. This reduction will place a greater burden on our ratepayers to be able to fund current levels of service.

Property Sales

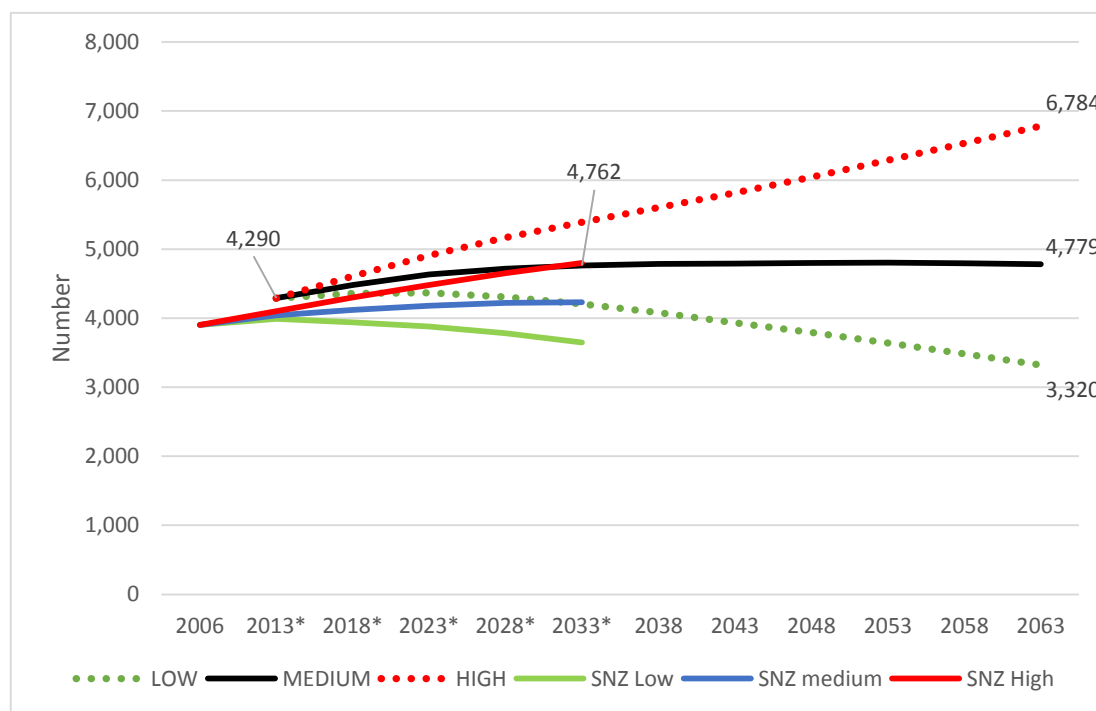
There are risks and additional effects associated with adopting such a financial strategy, particularly that, in addition to balancing affordability, community needs and aspirations, with the proposed capital expenditure outlays, the success of the strategy hinges on the sale of subdivided land and a build up of significant cash reserves by 2025.

Population Changes

The LTP has been prepared on the basis that population will continue to grow. We have used the population projections from the 2013 census as a base for the period of the LTP. The following

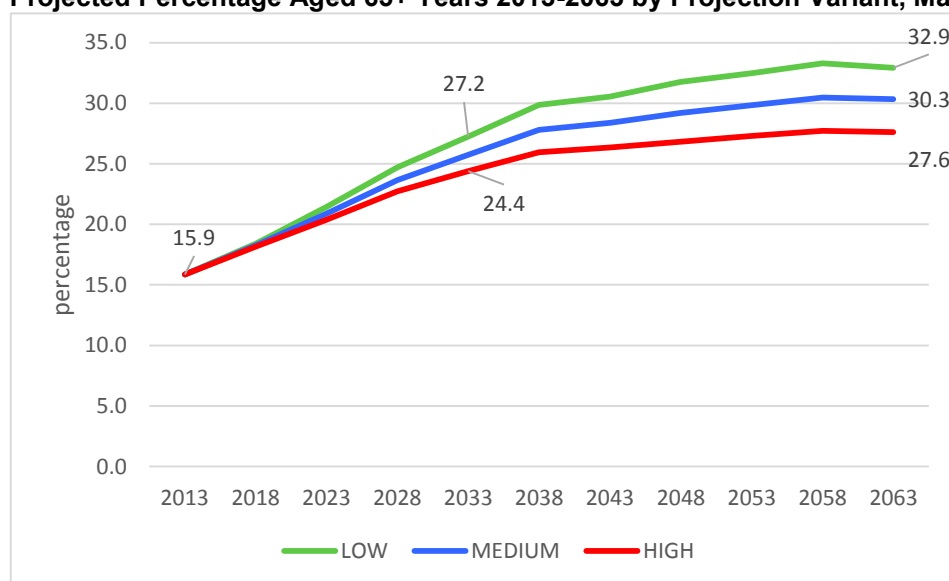
graph shows the population projection for the Mackenzie District between now and 2063. It comes from a population study conducted by Natalie Jackson at the University of Waikato.

Projected Population of the Mackenzie District 2013-2063 and Comparison with Statistics New Zealand Projections (2006-2031), by Projection Variant



It is acknowledged that the population of the Mackenzie is older than the national average and that the percentage of people aged over 65 is growing. This presents issues around ensuring there are appropriate facilities and services for older people. We are committed to providing buildings for medical centres to ensure that health services are adequately provided to the community. The following graph shows the growth in the older population.

Projected Percentage Aged 65+ Years 2013-2063 by Projection Variant, Mackenzie District

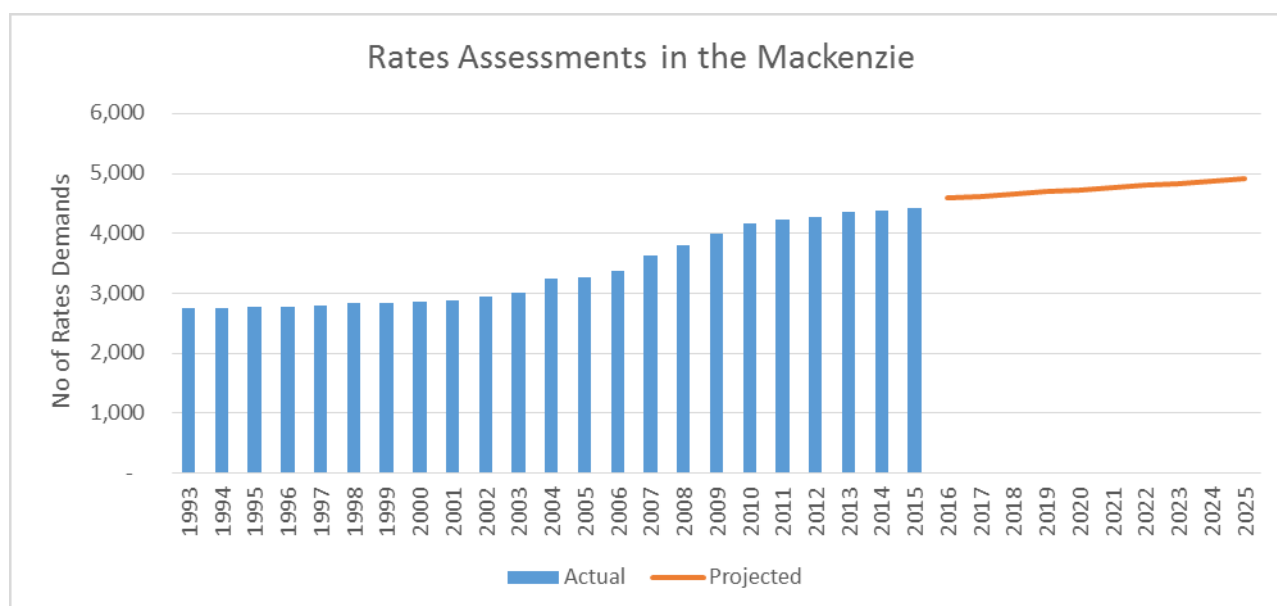


The problem with using the census figures is that Mackenzie has a high proportion of absentee ratepayers. It is difficult to plan using the census figures as they do not account for this.

A more appropriate measure is to use rate demands issued as this accounts for absentee

ratepayers.

The table below highlights the growth in rate demands experienced by Mackenzie since 1993 (blue) which has equated to a 56% increase over that period or 76 additional rate demands per year. We expect this level of growth to reduce and have estimated the levels of growth (based on the last 4 years of data) to be 36 rate demands per annum.



We consider our infrastructure networks to have sufficient capacity so as not to require any capital or operational expenditure to increase that capacity over the next ten years.

Land Use Changes

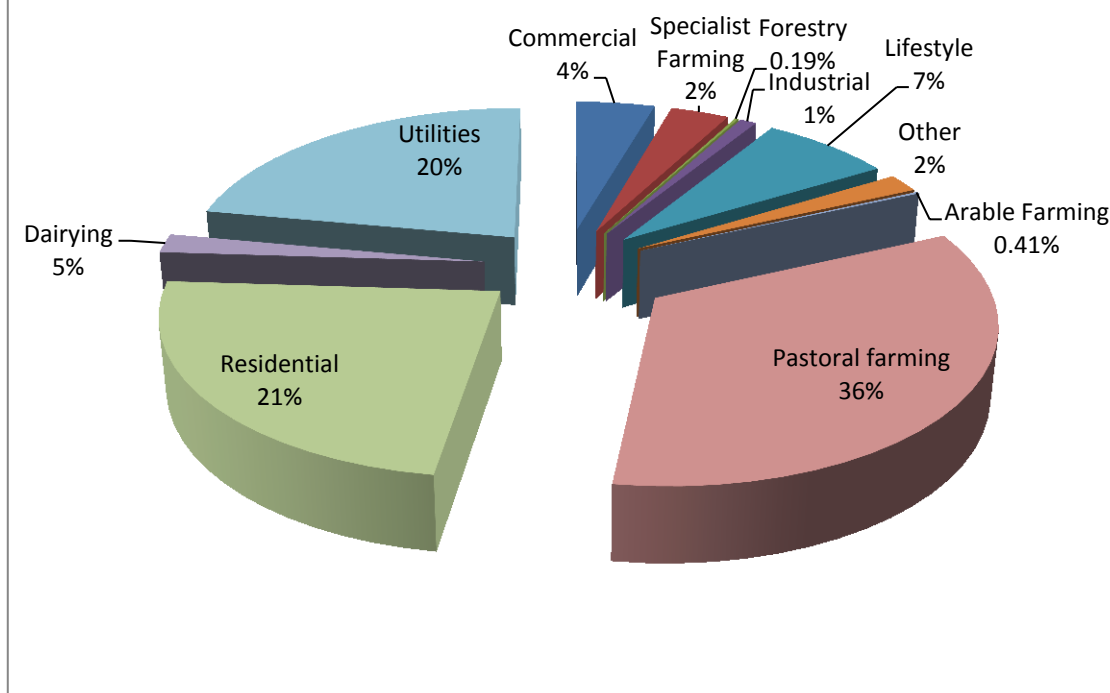
The Mackenzie District has historically been an agriculture based district; primarily beef and sheep. Over the past ten years, there have been marked changes to the use of land throughout the District.

The growth in tourism has resulted in increased number of accommodation providers and other businesses associated with tourism, as well as more holiday homes.

The Fairlie Basin has seen an increase in the number of dairy farms and that trend is likely to increase if access to further irrigation can be secured.

The following pie chart shows the current land use of properties in the Mackenzie District as at July 2014 (the date of the last district revaluation).

Current Land Use Based on Capital Value in the Mackenzie



There is considerable uncertainty associated with future changes in land use within the district. Additionally, any land use change will most likely be between similar categories that have limited impact on infrastructural services (eg converting from pastoral farming to dairy). We therefore have made no allowance for this in this Financial Strategy.

LEVELS OF SERVICE

Capital Expenditure Programme

Capital expenditure requirements for our infrastructural assets and roads are dictated by the levels outlined in our asset management plans (AMPs) for each activity. The AMPs are updated on a regular basis to ensure that various changes to the plan in the interim period are accounted for.

The table below details our capital expenditure programme for major infrastructure required to maintain our existing levels of service.

Network Activity	30 Jun 16 (\$000)	30 Jun 17 (\$000)	30 Jun 18 (\$000)	30 Jun 19 (\$000)	30 Jun 20 (\$000)	30 Jun 21 (\$000)	30 Jun 22 (\$000)	30 Jun 23 (\$000)	30 Jun 24 (\$000)	30 Jun 25 (\$000)
Water	751	421	3,394	550	585	1,944	1,930	321	830	361
Sewer	902	31	343	17	398	1,189	306	0	626	0
Stormwater	0	0	666	17	0	150	0	57	222	0
Roading	2,108	2,138	2,642	2,228	2,294	2,739	1,903	1,952	2,293	2,583
Other	653	169	845	648	726	158	157	231	125	90
	====	====	====	====	====	====	====	====	====	====
	4,414	2,759	7,890	3,460	4,003	6,180	4,296	2,561	4,096	3,034

We have prepared this strategy expecting there will be no impediments to providing services in maintaining our existing levels of service for our infrastructural assets. However the Long Term Plan Consultation Document will be asking questions about levels of service in these areas and may prompt changes.

Rates

In general terms, we try to minimize the overall rate increase each year. We do not use the Consumers Price Index (CPI) as our absolute target but more as a guide. This is because the inputs

used by Council tend to increase by more than the CPI. The actual increases in rates from an organisational point of view do change from year to year depending on the funding options chosen and also the fact that there are operational costs that are not carried out every year, but need to be funded in the year they are incurred. As a result, as the overall rates increase is an amalgam of many individual rate increases, we intend to set the rates at the level that is required, rather than to ensure the overall rate increase matches inflation.

The Mackenzie District has a small population (one of the smallest in New Zealand), and because of this, relatively minor factors can have a marked effect on the rate increases in any one year as there are fewer people to share the cost. As a result, there is an allowance for any rate increases being higher than the level of inflation due to extraordinary items. These items include, but are not limited to, the following:

- Capital expenditure requirements, which increase the level of debt, both internal and external.
- Increased expenditure due to compliance with new legislation.
- Increases in input costs (as measured by the Local Government Construction Index).

When determining the overall rate increase, an allowance has been made for a \$58 million increase in capital value of the district over ten years. This may be reviewed if there are significant areas of growth experienced in excess of this. The increase is applied to all capital values.

Because of the structure of our rating system, the overall increase in rates will not be consistent for each property throughout the District. It will depend on the targeted rates that are charged to that particular property and also the capital value of the property. We monitor the relative rate impacts on 32 sample properties from throughout the District. For each town we measure an average section value, the lower and upper quartile and the mid-point property. For rural areas we measure mainly in increments of \$1.0 million as there is no difference in rating factors in the rural area.

Rate Increases

All Councils are required to set a limit on rates increases over the 10 year period of the LTP. There are no rules around how we are to determine what limits are appropriate.

Options

There are a number of options available to us, for instance:

- Linking rate increases to an inflation rate
- Setting a percentage increase
- Setting an increase based on known factors and assumptions

We feel that setting rate increase limits based on an arbitrary rate of inflation was not consistent to the assessment of the proposed costs outlined in the LTP. This is because it did not take into account items such as new capital expenditure, which could result in a necessary increase in rates to fund the work, which could exceed the overall increase in rates.

Setting a percentage increase per annum again did not reflect the assessment of the proposed costs in the long term. Furthermore, as the rates for individual communities can increase at varying amounts due to various factors, it was difficult to set a percentage increase that reflected these factors adequately.

As a result, we have decided to set any increases based on known factors and assumptions.

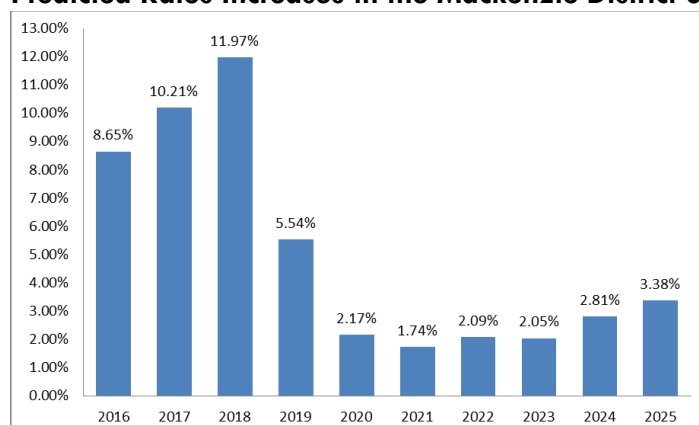
Quantified Limits on Rate Increases

2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
\$7.82 million	\$8.61 million	\$9.64 million	\$10.18 million	\$10.40 million	\$10.58 million	\$10.80 million	\$11.02 million	\$11.33 million	\$11.72 million

Council's LTP shows rates increases from \$7.82 million in the 2015/16 year to \$11.72 million over the 10 year period. This equates to an average rate increase of 5.0%. Therefore we have set our annual rate increase to be no more than an average of 5% per year over the 10 years with the exception of the first four years of the plan when Council will set the rate increases at 8.65% in 2015/16, 10.21% in 2016/17, 11.97% in 2017/18 and 5.54% in 2018/19. These higher levels are due to the changes in NZTA funding and infrastructure upgrades.

There may be times where strict adherence to the average increase is not possible. This may occur due to bringing expenditure forward or deferring some expenditure. We have allowed a contingency of +2.5% in any one year as long as the total for 10 years is not exceeded.

Predicted Rates Increases in the Mackenzie District over the next 10 years



Borrowing

We do not anticipate taking on any external debt in the next 10 years. If we do, the following ratios will be used to limit the level of debt we can incur.

- Debt will not be more than two times our rate income
- Debt will not be more than 100% of total operating revenue (excluding property sales, capital type contributions or vested assets).
- Financing costs will not be more than 10% of total rate income.

The following table details Council's maximum levels of debt and financing costs compared to levels proposed in the plan.

	2015/16 (\$000)	2016/17 (\$000)	2017/18 (\$000)	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)
Maximum debt level (2x rates level or 100% of operating revenue)	13,417	14,788	16,558	17,476	17,855	17,166	18,546	18,927	19,458	20,115
*Debt levels predicted in this plan	105	116	152	24	68	293	237	127	22	73
Maximum level financing costs	671	739	828	874	893	908	927	946	973	1066
**Financing costs predicted in this plan	3	11	19	25	28	36	46	49	49	49

*These debt levels relate to our share of the Downlands Water Joint Venture.

**In the case of Downlands Joint Venture interest is cumulative while borrowing is net.

We consider these to be appropriate affordability measures.

Security

Council has the ability to offer as security a charge against rates. This allows us to offer strong security and should help secure lower interest rates.

Depending on the type of debt we take on we may need to prepare a debenture trust deed. The policy details are provided in our external liability management policy.

TARGETS FOR INVESTMENTS

Cash Investments

During the period of the last LTP, we have managed to build up our cash reserves to a significant level. The Council will be undertaking significant capital projects during the period. These cash reserves will be used to fund those programmes, in the form of an internal loan to that activity or project. The loans will be repaid over a 25 year period. The cash investment income along with the interest earned on internal loans are used to offset the district-wide general rate.

Equity Investments

Currently, we hold one equity investment being 4.96% share in Alpine Energy Ltd. This asset is not readily tradeable on the open market, but our objective is to retain ownership of this investment.

Forestry Investments

We hold approximately 1,040 hectares of trees. Some of the key plantations are due for milling during the life of this plan. Forestry assets are held as long term investments on the basis of net positive discounted cash flows, factoring in projected market prices and annual maintenance and cutting costs. All income from forestry is included in the statement of comprehensive income, and this is used to fund replanting of the land. Where there is an excess of funds, we may distribute this in a manner we see fit.

During this Long Term Plan period Council is proposing to sell two blocks of forestry land in the Opuha Ward and maintain the balance of its forestry operation.

IMPLICATIONS OF MACKENZIE'S FINANCIAL STRATEGY

Assessment of our ability to provide and maintain existing levels of service and to meet additional demands for service within those rate increase limits:

We face potential issues in the future in regards to the level of funding that is expected to be provided for roading from NZTA as discussed previously in this financial strategy. This shortfall will be required to be funded in the longer term by rates or levels of service may be cut back. However Council recognises it is a significant step to make up the shortfall in NZTA funding in one year so it is proposed to fund a portion of its roading capital expenditure from land sales. We may also face potential issues relating to future borrowing requirements for renewal of infrastructural assets (water, stormwater and sewer). Rates affordability in individual communities of interest may have an implication on that community's ability to fund large infrastructure projects.

Assessment of our ability to provide and maintain existing levels of service and to meet additional demands for service within those debt limits:

We are not contemplating taking on any debt. However, if required the maximum amount of interest expected to be charged on the external debt is budgeted at less than \$0.329m. Therefore, our

assessment is that we do have the ability to maintain the existing levels of service and to meet additional demands for service within those debt limits.

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL
SUBJECT: SIGNIFICANT FORECASTING ASSUMPTIONS
DATE: MAY 12 2015
FROM: TONI MORRISON, SENIOR POLICY PLANNER
PAUL MORRIS, FINANCE MANAGER

REASON FOR REPORT

To provide and adopt updated Significant Forecasting Assumptions for the Council's Long Term Plan 2015/2025 and Consultation Document.

RECOMMENDATIONS:

1. That the report be received.
2. That the Significant Forecasting Assumptions be adopted by Council.

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

ATTACHMENTS:

Attachment 1: Significant Forecasting Assumptions

BACKGROUND:

The Council is currently finalising all of the supporting information that will form the basis of the 2015-25 Long Term Plan (LTP). The Local Government Act 2002 requires the LTP to clearly identify significant forecasting assumptions and risks in relation to financial information in the LTP.

The Council approved a set of forecasting assumptions at its meeting of March 10 2015. These should now be updated to reflect subsequent budget and policy decisions.

In summary, the proposed changes are:

- Inserting the financial contributions proposed for infrastructure;
- Updating the New Zealand Transport Agency (NZTA) subsidy assumptions to reflect the indications regarding co-funding levels recently received from NZTA;
- Clarifying the matter of valuations in respect of forestry assets;
- Updating the forecast dividend flows from Alpine Energy.

POLICY STATUS:

N/a.

SIGNIFICANCE OF DECISION:

In accordance with Council's Significance and Engagement Policy, these matters have been assessed as significant because the decisions relate to supporting information for the Consultation Document and the Long Term Plan 2015-25.

ISSUES & OPTIONS:

This process is currently progressing under tight timeframes. Council is required to adopt all supporting information for the Consultation Document prior to adopting the Consultation Document itself. The CD will be presented to Council at this meeting. The document will be presented for adoption on 20 May 2015.

The options available to Council are to either:

1. Approve the significant forecasting assumptions as contained in this report OR
2. Amend as appropriate and approve the significant forecasting assumptions.

CONSIDERATIONS:***Legal***

This process is guided by the Local Government Act 2002.

Financial

There may be a financial risk to Council if the Long Term Plan process does not meet its deadlines and adoption is delayed.

CONCLUSION:

The Council is required to have adopted all supporting information for the Consultation Document prior to adopting the Consultation Document itself. This paper seeks the adoption of updated forecasting assumptions as part of that supporting information.

Significant Forecasting Assumptions

ASSESSMENT OF ASSUMPTIONS

The assumptions listed in this section have been prepared based on current information available to Council.

It has been assessed by Council that all of the assumptions have between a low to medium level of uncertainty.

Council has assumed modest growth over the period of the plan. We have assessed various factors such as historical information and projected future subdivision work.

We see the following trend occurring in the 4 years leading up to the commencement of the Long Term Plan (LTP).

Year Prior to	Increase in Rates Assessments	Increase in Capital Value
1 July 2012	43	\$27.1m
2012/13	30	\$24.1m
2013/14	39	\$148.7m
2014/15	31	\$33.9m
	=====	=====
TOTAL	143	\$233.8m

We have assessed the likely future growth in each of our main urban areas covered by this plan based on the number of subdivision consents currently on Council's books.

	Years 1-3	Years 4-6	Years 7-10
Fairlie	13	2	-
Tekapo	12	51	-
Twizel	0	50	-
	=====	=====	=====
	25	103	-

We have used the average of the 4 years leading up to the LTP and will increase the number of rates assessments by 36 from years 4 to 10. We will also increase the capital value by \$58.2m. Both metrics will be apportioned on the basis of actual subdivisions for years 1 to 3.

FINANCIAL CONTRIBUTIONS

These are charged to developers to connect new sections to the infrastructure of the relevant urban area. As at 1 July 2015 these contributions excluding GST are estimated to be:

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	/16	/17	/18	/19	/20	/21	/22	/23	/24	/25
Water	4288	6312	6269	5232	6714	6520	5984	6506	6298	5940
Sewer	3706	3427	3758	3430	3398	3051	2718	3030	2947	2572
Stormwater	1039	1101	1050	764	1179	1137	732	1383	1314	1187

LAND SUBDIVISION RESERVE CONTRIBUTIONS

Again Council wishes to make a conservative approach in assessing these contributions.

Developers make a contribution towards development and maintenance of reserves of 5% of the value of the land value of the sections created. In rural residential developments the value is based on an area of 1,500m² not the whole block. Payment is made just before the developer decides to seek title for the sections created. The plan allows for the creation of one hundred and twenty eight sections.

The average value of sections created is estimated to be \$66,660. This translates into \$3,333 of reserves contributions per section created.

Risks and Uncertainties:

There is considerable uncertainty in predicting the level of development likely to occur in the District over the period of this plan, particularly after the first three years.

Council has experienced considerable growth in recent times and it is likely this will continue over the first three years of this plan.

Its predictions while conservative incorporate this growth.

The impact upon individual ratepayers is not thought to be significant.

Council's infrastructure and planned capital works will be adequate to cope with this level of subdivision.

INFLATION

In preparing the long-term plan, the Council is required to use *best estimates* in determining the level of costs to be budgeted in the future. As a result, Council is required to account for the effect of price changes or inflation that is expected to occur over the ten year period.

To develop a consistent approach for local government to account for inflation, the Society of Local Government Managers (SOLGM) contracted Business and Economic Research Limited (BERL) to construct forecasts for inflation.

Council has endorsed the rates produced by BERL and has used these rates as the assumption for accounting for inflation for the preparation of the LTP.

	Jun 16	Jun 17	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22	Jun 23	Jun 24	Jun 25
Road	1000	1014	1036	1061	1088	1117	1148	1185	1217	1260
Property	1000	1024	1050	1077	1107	1139	1175	1211	1251	1260
Water	1000	1038	1019	1103	1140	1180	1223	1270	1321	1376
Energy	1000	1038	1078	1123	1171	1224	1281	1344	1413	1487
Staff	1000	1019	1039	1061	1085	1109	1136	1165	1195	1227
Other	1000	1025	1052	1080	1111	1145	1180	1219	1261	1306
Earthmoving	1000	1026	1051	1072	1094	1119	1146	1175	1209	1246
Pipelines	1000	1025	1052	1081	1112	1147	1184	1224	1267	1312

The table above represents the inflation rate increase relative to the base year of June 2015.

Risk and Uncertainties:

Inflationary costs in some areas may increase at a rate different to that forecast. Some types of costs (eg roading and transport costs) have been subject to fluctuations in recent years, so it is inherently difficult to predict trends with accuracy. However, these costs will be mitigated through the annual plan process where the annual adjustment can be made.

NEW ZEALAND TRANSPORT AGENCY SUBSIDIES

To fund roading operational and capital expenditure, the Council receives a percentage of the cost as a subsidy from New Zealand Transport Agency (NZTA). The co-investment rate is based on recent review of the New Zealand Transport Agency Funding Assistance Rates.

The Council has been informed by NZTA that the new Co-investment Rate will be as follows

	Jun 16	Jun 17	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22	Jun 23	Jun 24	Jun 25
Maintenance, Operational and Renewal Expenditure	54%	53%	52%	51%	51%	51%	51%	51%	51%	51%
Minor Improvement	54%	53%	52%	51%	51%	51%	51%	51%	51%	51%

The roading programme could be reduced from what is shown, due to limitations on the amount of work NZTA is prepared to financially support. The Council has received notification indicating that the NZTA will increase its total subsidisable programme by 10% on 2012-2015 figures. Council has assumed that this level of increase will continue over the life of its LTP. Therefore the LTP contains increases in the total subsidisable programme by 10% for each of the subsequent three year periods 2019 - 2021 and 2022 – 2025. Final confirmation of the full programme for the first three years of this Plan will not be available from NZTA until June 2015.

Risk and Uncertainties

Council's risk is the roading programme may reduce due to a number of factors. These are:

- a further change in subsidy rates and/or size of the programme in years 4-10. This plan assumes Council will maintain or expand its spend through additional unsubsidised work.
- the full NZTA programme is not finalised until August 2015, which means that the level of rates may not be sufficient to meet any short fall in NZTA co-funding.
- the NZTA subsidisable programme may differ from what has been assumed, which may impact the Council's spend in future years.
- The funding impact of the One Network Road Classification (ONRC) is as yet unknown.

INTEREST RATES

The movement in interest rates has a wide ranging effect on the Council. The Council's cash investments have derived interest at the market rates and the Council's internal financing policy bases the interest paid to or charged to individual communities on the Official Cash Rate.

The level of works and services rates levied is dependent in part on the interest rate used in Council's internal funding policy.

Council assumptions on interest rates are based on the Official Cash Rate (OCR). That rate will be used for calculating interest rates in the table below and will be adjusted annually.

%	Jun 16	Jun 17	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22	Jun 23	Jun 24	Jun 25
OCR Pre 30 June 2012 internal	4.75	5.0	5.25	5.5	5.75	6.0	6.0	6.0	6.0	6.0
Capital reserves in funds	3.5	3.75	4.0	4.25	4.5	4.75	4.75	4.75	4.75	4.75
Post 30 June 2012 Capital Reserves deficits	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0

Risks and Uncertainties:

Council is setting its internal funding interest rate six months in advance and holding it stable for the next twelve months. There is a risk its estimates may not correlate with external interest movements which may mean Council is not optimising its returns. However, Council believes that is outweighed by the certainty of internal return it can give to the capital reserves over the financial year.

REVALUATION OF RATING VALUES OF THE MACKENZIE DISTRICT

The Rating Valuations Regulations require the Council to undertake a full revaluation of the rating values of District every three years. Council contracts QV Rating to perform this task for it. The last full valuation was effective from July 2014 and the rates for the 2014/2015 year will be levied on these 2014 values, with the appropriate adjustments for new sections and capital improvement work.

Over the ten year period of the LTP, there will be further revaluations in July 2017, July 2020 and July 2023.

The uncertainties in trying to predict such changes are simply too great. In addition, revaluations do not fundamentally impact upon the overall costs incurred by the Council, although they may impact on the relative rating load carried by individuals.

Risks and Uncertainties:

Under the Rating Valuation Regulations, each district requires a full revaluation for rating purposes every three years. The result of the revaluation may increase or decrease the value of the District at a rate different to assumptions. Unanticipated surges in development may increase the rating base to a material extent. This will not impact the total rates required but may impact the levels of rates paid by individual ratepayers.

REVALUATION OF THE COUNCIL'S NON-CURRENT ASSETS

The Council has a policy of revaluing its buildings, land and infrastructural assets on a three yearly basis. The revaluation process is important as it regularly updates the replacement cost

of these assets and accordingly, revises the appropriate level of depreciation that should be charged on these assets.

The depreciation charge is generally rated for and funds are deposited into individual capital reserves, which are used to fund any capital expenditure, so the revaluation process ensures that the depreciation charge keeps pace with inflation.

The last revaluation of the Council's buildings and infrastructural assets was effective from 1 July 2013; therefore the next revaluation will take effect from 1 July 2016, with the resulting depreciation charges accounted for in the 2016/2017 expenditure. Further revaluations take effect from 1 July 2019 and 1 July 2022.

The Council has made the assumption that the book values of the relevant assets as at the revaluation dates will be increased by the inflation rates as per the BERL inflation forecasts as described in the assumption for inflation. The revaluation in 2017 will use the inflationary increase from the 2013/14 as the base year and the subsequent revaluations will be increased by the cumulative inflationary factors for the three year period. Due to the difficulty in calculating a meaningful remaining useful life, it is assumed this will remain constant and depreciation calculated will be inflated by the same BERL rates as the fixed assets.

These increases, along with any increases on capital purchases made in the intervening years have been applied to the existing values to arrive at the revalued amount for each asset.

Risks and Uncertainties:

Inflationary costs in some areas may increase at a rate different to that forecast. Some types of costs (e.g. roading and transport costs) have been subject to fluctuations in recent years, so it is inherently difficult to predict trends with accuracy. In addition, the condition of the assets revalued may be different to that assumed and the value of the asset may differ accordingly.

FORESTRY ASSETS

The Council revalues its forestry assets so that the carrying value is maintained at fair value. It is assumed that the value of the investment will be maintained at its current value and therefore the Council will not recognise any movements in valuation.

Risks and Uncertainties:

There is a risk that the value of the forestry asset may change. This would change the Council's financial performance in the year it occurs. It will not have a direct impact on the level of rates or expenditure.

EFFECT OF ASSETS VESTED TO COUNCIL

When a developer carries out a subdivision, they are required to vest various assets to Council. These assets include any new roads, water mains, sewer mains, stormwater systems, footpaths, street lighting and landscaped areas. The Council is then responsible for the maintenance and future replacement of those assets.

It is Council policy to accept the vesting of the assets in the year that the Council is able to rate the individual sections created.

To determine the value of the assets to be vested, the Council made assumptions based on an analysis of the costs of recent subdivisions in the District. The average costs were assumed as follows:

Roading (incl Footpaths)	\$5,406 per section
Sewer	\$8,300 per section
Stormwater	\$3,120 per section
Water	\$5,500 per section

These amounts will be applicable to all three townships and the amounts will be multiplied by the numbers of urban sections created in each year to arrive at the total assets to be added to the Council's asset register. This will also be inflation-adjusted each year according to the BERL inflation forecasts as described in the assumption for inflation. Each addition to the asset register will be depreciated by any appropriate depreciation charge. No vested assets will be applied to rural sections.

To balance the books, the introduction of the asset value needs to be reflected in income, therefore, there will be a corresponding income line called "Vested Assets Income". This income will be treated the same as financial contributions as it is deemed to be capital income rather than operational income. The amount of this income plus the amount of the vested asset will be accounted for in the capital reserve of each asset.

Risks and Uncertainties:

The assumption has based the level of assets vested to Council on an analysis of recent major subdivisions carried out in the District. Some subdivisions may not result in any further assets to be vested in the Council as there has already been adequate capacity provided for the new sections and some subdivisions may have a greater amount of assets vested into Council as there may be a greater per property costs associated with the subdivision.

DIVIDENDS RECEIVED

Alpine Energy Limited:

It has been forecast that the dividend flow from Alpine Energy will be set at \$396,000 for the first year of the LTP, rising to \$437,000 by year 10 of the plan. This has been based on the historical performance of the company, and indications from the company as to levels of dividends it is likely to pay.

Risks and Uncertainties:

The actual dividend flow from any of the Council's equity investments is subject to a number of external factors, which the Council may or may not have the ability to influence. As a result, the dividends received may be different to those assumed in the forecast financial statements and will impact the level of rates required as dividends from Alpine Energy Ltd are used to offset the General Rate.

INVESTMENTS

Funding Of Asset Replacement

All future capital expenditure is to be funded by way of the Council's internal financing policy or external borrowing. The policy provides for the use of capital reserves as the basis for funding capital expenditure. Income from funded depreciation and financial contributions are deposited into the capital reserves.

▪ Sub base	Enduring Life
▪ Base Course	75 - 100 years
▪ Surfacing	0 - 18 years
▪ Kerb & Channelling	10 - 100 years
▪ Street Signs	13 years
▪ Street Lighting	20 - 40 years
▪ Bridges	80 years
▪ Box Culverts	100 years

Water Network

▪ Mains	20 - 80 years
▪ Pumps	25 years
▪ Service lines	80 - 100 years
▪ Hydrants	80 years
▪ Valves and Air Valves	80 years
▪ Meters	25 years
▪ Reservoirs	80 years
▪ Electrical Controls	20 years

Sewerage Network

▪ Mains	60 - 80 years
▪ Pumps	15 years
▪ Oxidation Ponds	100 years
▪ Manholes	80 years
▪ Electrical Controls	20 years

Stormwater Network

▪ Lines	150 years
▪ Manholes	150 years
▪ Open Drains	Enduring Life

Buildings

▪ Structure	80 years
▪ Services	45 years
▪ Internal Fitout	25 years

Other Assets

The expected useful lives of major classes of assets are as follows:

▪ Light Plant & Machinery	5-10 years
▪ Office Equipment	2-10 years
▪ Furniture & Fittings	5-10 years
▪ Computer Equipment	3-5 years
▪ Computer Network Cabling	10 years
▪ Heritage Assets	60-150 years
▪ Village Projects	5-80 years
▪ Landfills	33-50 years
▪ Resource Recovery Parks:	
- Formation/Site Development	35 years
- Surfacing/Metalling	15 years
- Signage, Plant & Equipment	5-10 years

Risks and Uncertainties:

The useful lives are based on historical information. Some assets may last longer than the lives stated above because of differing factors and conversely, some assets may deteriorate at a faster rate than the lives stated above.

RESOURCE CONSENTS

It is assumed that the condition of resource consents held by the Council will not be changed significantly and that the Council will be able to renew and obtain the necessary resource consents for planned projects.

Risks and Uncertainties:

There is a risk that the consent conditions will change or that consents will not be obtained for Council projects. If these situations occur, then expenditure may increase to comply with the conditions and this may have an impact on rate levels. If consents cannot be obtained for planned projects, the project may be delayed or may not go ahead.

CLIMATE CHANGE

It is assumed that climate change is happening but that there will be no significant impact on the Council's activities within the period covered by the long term plan. However, the Council will take into account the impacts of climate change as it plans, builds and renews its infrastructure.

As has been seen in the first two years of the previous LTP (2012-22) changing weather patterns are having a negative effect on our Rooding network. There has been approximately \$1.8m spent on emergency works recovery on the rooding network. The increased rainfall events of a medium to high intensity have caused many wash outs, slips and scouring throughout areas not usually subjected to such issues. Works have been completed in an attempt to ensure network resilience on key access roads, yet on other roads, where there is suitable alternative access, the level of service has dropped to heavy four-wheel drive access only. Future restrictions on available emergency works funding from NZTA will mean larger Rooding Reserves will be required to ensure adequate funding is available to reinstate roads following an emergency flooding or snow fall event.

LEGISLATION AND LOCAL GOVERNMENT REFORM

The Mackenzie District long-term plan assumes that existing legislation will remain in place and that the structure and responsibilities of the Council will remain the same over the period covered by the plan. It also assumes it will remain an independent unit of local government during the next 10 years. The Council sees merit in pursuing the sharing of services with its neighbours to allow more efficient use of skills and resources.

Risks and Uncertainties:

There is a likelihood that legislative change may affect responsibilities of Council. This may impact upon the delivery of building control functions, rooding and water supply. Until Government policy intentions are clearer, accurate predictions of these changes upon Council during the period of the Plan cannot be made.

COMMITMENTS AND CONTINGENCIES

It has been assumed that the level and nature of commitments and contingencies as stated in the Council annual report for the year ended 30 June 2014 will remain unchanged over the period covered by the LTP.

Commitments

The commitments include contracts entered into but obligations or considerations yet to be delivered. The principal contracts in this category are the contributions that the Council makes to the Mackenzie Community Library and the Twizel Community Library.

As at 30 June 2014, there was also a list of non-cancellable contracts that had a number of years to completion. While some of these contracts will be renewed or re-let over the period of the long-term plan, the level and nature of commitments are not expected to significantly change.

Contingencies

It has been assumed that there will be no contingencies to be reported over the period of the long-term plan.

Risks and Uncertainties

It should be noted that circumstances can change throughout the ten year period and that the level and nature of commitments and contingencies is subject to change.

NATURAL DISASTERS

Council has assumed no natural disasters will occur during the period of this plan. Council has, in this plan, accepted that it will keep appropriate levels of cash reserves (\$3.0m) and sufficient head room in its borrowings to enable it to undertake any repairs on its underground asset. In event of a major disaster, Council has assumed additional central government support will be forthcoming plus it will need to borrow additional funds to make repairs and meet the costs of restoration. More work needs to be done in terms of mitigating the risks Council faces from natural disasters.

Risk and Uncertainties

It is difficult to assess the level of impact natural disasters may have on the District. Council will use the strength of its balance sheet to fund its share of repair/reinstatement costs.

PROPERTY SALES

The development at Lake Tekapo has commenced year 2014/15. Council's forecast levels of surpluses are dependent on remaining sales occurring. There is a risk that the sales will not occur in the years portrayed in the LTP. Council will not undertake any development without securing sales beforehand. Council may also sell other land as surplus to its requirements. These have been included in future years of the LTP and again may not occur in the years portrayed in the Plan.

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL

SUBJECT: LONG TERM PLAN SUPPORTING INFORMATION

MEETING DATE: 12 MAY 2015

REF:

FROM: TONI MORRISON, SENIOR POLICY PLANNER & PAUL MORRIS, FINANCE MANAGER

PURPOSE OF REPORT:

To provide a number of updated supporting reports for the Council's Long Term Plan 2015/2025 and Consultation Document for adoption.

STAFF RECOMMENDATIONS:

1. That the report be received.
2. That the updates to the Infrastructure Strategy be adopted by Council.
3. That the updates to the Transportation Activity Management Plan be adopted by Council.
4. That the updates to the Stormwater Activity Management Plan be adopted by Council.

TONI MORRISON
SENIOR POLICY PLANNER

ATTACHMENTS:

Attachment 1: Updates for Infrastructure Strategy

Attachment 2: Updates for Transportation Activity Management Plan

Attachment 3: Updates for Stormwater Activity Management Plan

BACKGROUND:

The Council is currently finalising all of the supporting information that will form the basis of the 2015-25 Long Term Plan (LTP).

Infrastructure Strategy

The Local Government Act 2002 requires the LTP to include the Council's Infrastructure Strategy, and a summary of the strategy must be included in the Consultation Document.

The Council approved the Infrastructure Strategy at its meeting of March 10 2015. However discussions at subsequent Council workshops and recent indications as to co-funding from NZTA have resulted in a need to review and amend the strategy. Attached are the relevant sections with the updated wording (highlighted in yellow), for the Council's consideration and adoption. Once adopted this will form part of the supporting information for the Consultation Document and LTP.

Transportation and Stormwater Activity Management Plans

As with the Infrastructure Strategy, these AMPs have been adopted by Council at previous meetings, but require consequent updating following recent decisions. Attached are the relevant sections with the updated wording (highlighted in yellow), for the Council's consideration and adoption.

SIGNIFICANCE OF DECISION:

In accordance with Council's Significance and Engagement Policy, these matters have been assessed as significant because the decisions relate to supporting information for the Consultation Document and the Long Term Plan 2015-25.

ISSUES & OPTIONS:

This process is currently progressing under tight timeframes. Council is required to adopt all supporting information for the Consultation Document prior to adopting the Consultation Document itself. The CD will be presented to Council at this meeting. The document will be presented for adoption on 20 May 2015.

The options available to Council are to either:

1. Approve the amendments as contained in this report OR
2. Amend as appropriate and approve the amendments.

CONSIDERATIONS:***Legal***

This process is guided by the Local Government Act 2002.

Financial

As stated above there may be a financial risk to Council if the Long Term Plan process does not meet its deadlines and adoption is delayed.

CONCLUSION:

The Council is required to have adopted all supporting information for the Consultation Document prior to adopting the Consultation Document itself. This paper seeks the adoption of updates to various supporting documents, to enable the adoption of the Consultation Document.

Attachment 1 – Updates for Infrastructure Strategy

30 Year Infrastructure Strategy

software where the Financial Strategy is developed and inflation allowed for using figures supplied by BERL on behalf of local government.

3.7.1 3 Waters

In the process of producing this Infrastructure Strategy, and the underlying supporting plans, Council has considered the following:

- Alignment with the Community Outcomes in the LTP
- Council priorities in terms of the overarching aim for delivering core services
- The need to manage the assets at a Core (3 Waters) level in accordance with appropriate asset management best practice
- Delivering cost effective services that are efficient, effective and appropriate
- Providing an appropriate level of resilience
-

This Infrastructure Strategy is supported by a previous study by Council on water supply and sewerage assets, which used 2009 pipe construction costs and industry standard base lives, to look out eighty years.

This work has allowed the Council to ascertain where the peaks in replacement expenditure of the these assets are, by community. Council has modelled this expenditure and has come to the conclusion that some towns cannot afford this level of expenditure alone.

Council has decided its preferred option is that each of the four urban water supplies, sewerage schemes and stormwater networks are amalgamated into single urban schemes for water, stormwater and sewerage. This means that the cost of providing the 3 waters infrastructure across the townships is funded universally across the users of those services, who pay the same amount for receiving the service. This is to ensure that infrastructure networks remain affordable to all ratepayers that benefit from the services, regardless of where they reside in the district.

With the combining of the water supplies, stormwater and the sewerage schemes, the Council will be able to set priorities on the key capital expenditure for the networks as a whole, and bring more resources to problems and remedy them more efficiently. This is also expected to provide lower operating costs.

This proposal is being consulted on during the 2015/2025 LTP process.

3.7.2 Land Transport

To fund roading operational and capital expenditure, the Council receives a percentage of the cost as a subsidy from New Zealand Transport Agency (NZTA). The co-investment rate is based on recent review of the New Zealand Transport Agency Funding Assistance Rates.

3.7.1 Land Transport

To fund roading operational and capital expenditure, the Council receives a percentage of the cost as a subsidy from New Zealand Transport Agency (NZTA). The co-investment rate is based on recent review of the New Zealand Transport Agency Funding Assistance Rates.

The Council has been informed by NZTA that the new Co-investment Rate will be as follows

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Maintenance, Operational and Renewal Expenditure	54%	53%	52%	51%	51%	51%	51%	51%	51%	51%
Minor Improvement	54%	53%	52%	51%	51%	51%	51%	51%	51%	51%

The roading programme is funded from Council's own resources and a co-investment from NZTA. NZTA's contribution is limited to the approved land transport programme. Council may partly compensate for any reduction by increasing the amount of unsubsidised work it undertakes.

3.7.2 Risk and Uncertainties

3.7.2.1 Transportation

Council's risk is the roading programme may contract further due to the reduction in subsidy rates and/or under co-investment by NZTA that will inevitably reduce the programme. This plan assumes Council will maintain or expand its spend through additional unsubsidised work.

Due to the un-certainty around NZTA's "One Network Classification" system and its impacts, no account of this has been considered in the strategy.

3.7.2.2 Three Waters

The strategy identifies a significant amount of renewals and new works over the life of the strategy. It assumes that the capital works programmes will be funded by existing cash reserves, funded depreciation accumulated over time and external borrowing.

These are critical assets that will have a significant impact on service delivery including fire suppression if no replaced before they completely fail.

3.7.2.3 Insurance and Risk

There are numerous significant active fault zones within Mackenzie District and surrounding areas. Of these some of the most significant in terms of potential lifeline impacts include the Ostler and the Irishman Creek Fault Zones in the Mackenzie Basin. Both these fault zones have the ability to generate significant earthquakes. Not to be ignored is the Alpine Fault on the Districts northern Boundary that has the ability to generate the largest earthquakes and the greatest spread of damage that could severely impact on Council's lifelines.

Figure 6.1 – 20+ Year Resurfacing Forward Works Programme

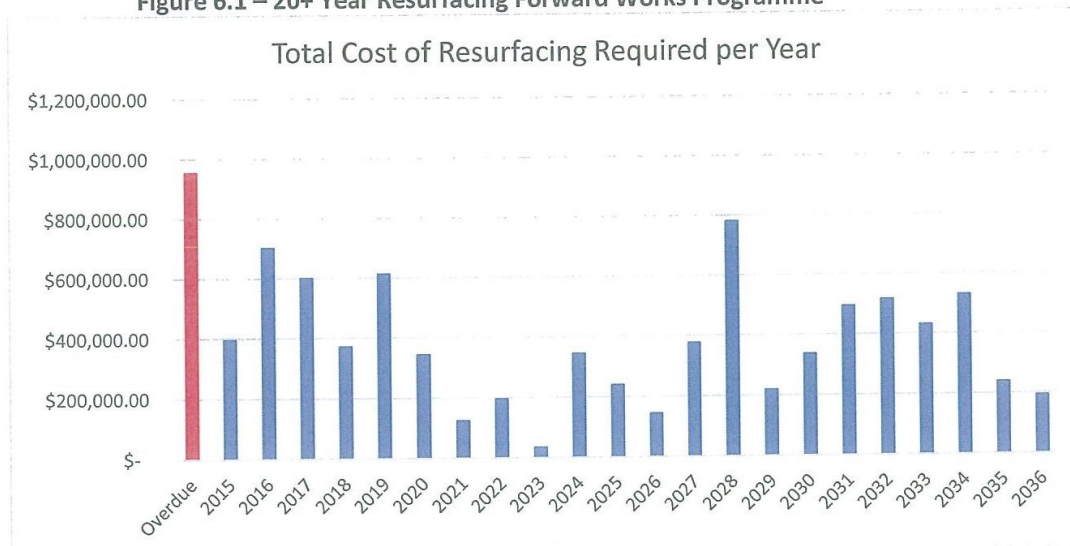
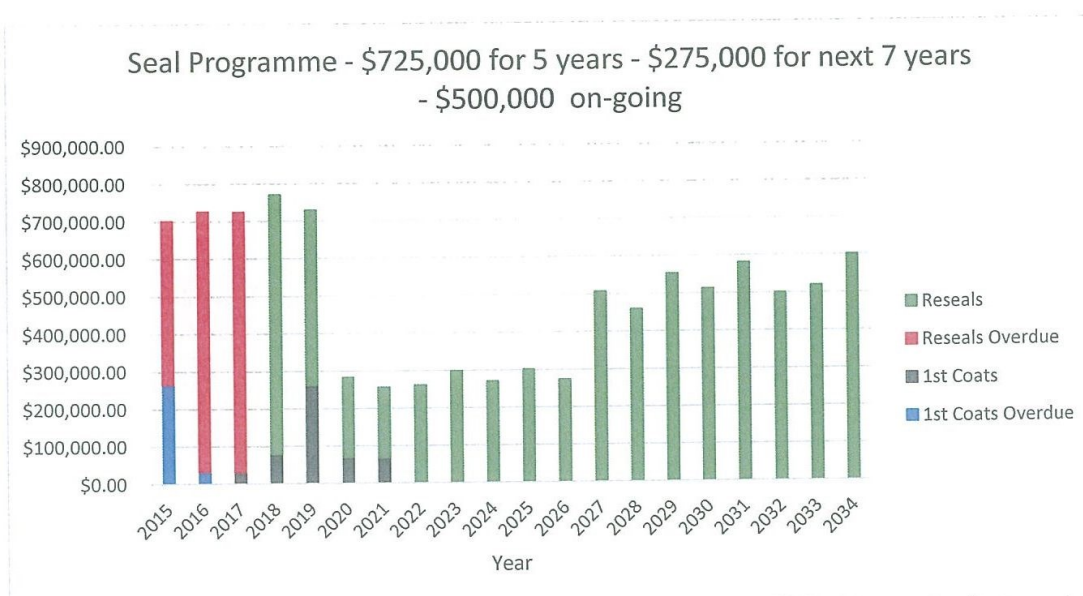


Figure 6.2 – Smoothed Resurfacing Forward Works Programme



It should be noted that this is an ideal situation that does not allow for early failure of any seal or inflation. It is also modelled on the re-sealing rates for 2013/14.

NZTA have indicated that they will not fund MDC at the above levels. MDC proposes to fund the shortfall in coinvestment through rates, use of reserves and the sale of assets. If the proposal is not adopted then Council may recommend a reduced level of service on some roads by allowing them to revert to gravel.

Activity District Wide Roading

Note Year 1 through 30 to be in todays \$

Account Type	Year 1 2015/16	Year 2 2016/17	Year 3 2017/18	Year 4 2018/19	Year 5 2019/20	Year 6 2020/21	Year 7 2021/22	Year 8 2022/23	Year 9 2023/24	Year 10 2024/25	Year 11-15 2026/30	Year 16-20 2031/35	Year 21-25 2036/40	Year 26-30 2041/45
Grand Total														
Income														
Rates														
NZTA														
Expenses (Operational)														
Sealed Pavement Mtce	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	1,000,000	1,000,000	1,000,000	1,000,000
Unsealed Pavement Mtce	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	370,000	1,850,000	1,850,000	1,850,000	1,850,000
Routine Drainage Mtce	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	600,000	600,000	600,000	600,000
Drainage Mtce - St Cleaning	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	150,000	150,000	150,000	150,000
Structures Maintenance Bridges	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	650,000	650,000	650,000	650,000
Structures Maintenance Cattlestops	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	75,000	75,000	75,000	75,000
Environmental Mtce	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	700,000	700,000	700,000	700,000
Traffic Services Mtce	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	225,000	225,000	225,000	225,000
Minor Events	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	250,000	250,000	250,000	250,000
Street Lighting – Maintenance	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	300,000	300,000	300,000	300,000

Attachment 2 – Updates for Transportation AMP

EXECUTIVE SUMMARY

Changes that may affect future LOS include:

- Changes in government requirements
- Continual drops in Funding Assistance Rate (FAR) to a base level of 51%
- Funding shortfalls caused by natural disasters, such as Canterbury Earthquakes
- One Network Road Classification.
- Change in land use and intensification associated with the roading network.
- Increased pressure from Central Government to allow heavier vehicles on the network.

1.9 NEW ZEALAND LAND TRANSPORT – ONE NETWORK ROAD CLASSIFICATION - LEVEL OF SERVICE

This AMP was written on the basis of agreed levels of service, consulted on through the LTP process since 2009, with our customers. NZTA's One Network Road Classification recently confirmed (late January 2015) indicates a different level of service from that previously confirmed by Council. The lateness of delivery of this new confirmed classification system has not allowed staff sufficient time to complete the necessary gap analysis to ascertain whether there is a gap between ONRC levels of service and Council's levels of service. A Transitional Plan has been completed and is awaiting NZTA approval.

1.10 FUTURE DEMAND

The Mackenzie District Roding network predominantly carries low volume rural traffic on unsealed roads. Only 52.55km of the total 722km in the network is urban. The districts population of approximately 4,000 is low and the growth at approximately 9.3% (since the 2006 census) this is a significant change from the 2001-2006 period where the population grew by a modest 2.3%. Predominantly the growth we are experiencing in traffic numbers is due to increasing Tourist numbers and economic development due to irrigation and changes in far practices.

Future demand on the network will continue to be driven by tourism and land use changes and intensification brought about through changes to irrigation within the district.

1.10.1 POPULATION

The following graph predicts a relatively static population growth over the period of this strategy. As a result there will not be any significant increase or decrease in demand for Council services based on change in population.

EXECUTIVE SUMMARY

Other systems operated by the Council are:

- ArcGIS Geographic Information System
- NCS Corporate financial management system
- Hardcopy plan filing systems

1.14 PLAN IMPROVEMENT AND MONITORING

This AMP has previously been reviewed and updates incorporated including improvements to move towards “Core+” level Asset Management. Council is committed to a continual improvement as outlined in Section 10. A key objective is to dovetail the asset management planning process with the other key planning processes particularly the 30 year infrastructure plan and the Community Long Term Plan (LTP).

The review and improvement of this AMP requires resource and budget in order to complete the selected improvement tasks. Table 10.1 outlines the items for improvement, relative urgency, resource, priority, budget and the authority sought to give approval to complete each item.

1.15 KEY ASSUMPTIONS AND CONFIDENCE LEVEL

There are a number of significant assumptions that have been made in the development of this AMP as outlined below.

1.15.1 ASSET DATA

The level of confidence in our data has significantly increased since the last iteration of this AMP completed in 2013. Council has carried out a significant auditing and validation programme on its RAMM data, completed by OPUS Consultants Ltd. All previous assets excel spreadsheets and modelling practises have been integrated with this validated data.

Table 9.1 gives the assessed data confidence quality of the MDC RAMM and spread sheet data tables as described in the 2010 Roding Asset “Mackenzie District Infrastructure Revaluation” report.

1.15.2 FINANCIAL FORECASTS

NZTA’s 10 year National Land Transport Programme (NLTP) for Mackenzie District is based on targeted maintenance of the existing and increased roading infrastructure paired with an escalation in renewal programmes. Over the 10 year period there has been no allowance for cost increases due to inflation.

The forecast total Mackenzie District Transport Programme for 2015/18 for operations, maintenance and renewals totals \$10,380,949 (inclusive of all administration costs and professional service fees). 47% (\$4.85M) of this is to be spent on maintenance and operation with 53% (\$5.53M) to be spent on renewals. Whilst Council realise this is an increase of nearly 36% over the approved allocation for the 2012/15 NLTP, the real cost is under \$1M per annum and addresses the network needs, which deals with deferred maintenance, due to restricted funding for a number of years. This is not an increased level of service. The \$250,000 approved in the 2012/15 NLTP, for WC 341, has been requested to continue to allow for minor improvements to address structures replacements and safety issues. NZTA have indicated approval of approximately \$8.8 million of total transport programme.

FINANCIAL SUMMARY

9. FINANCIAL SUMMARY

9.1 INTRODUCTION

The total Mackenzie District National Land Transport Programme for 2014/15 for operations, maintenance, and renewals is \$2.46M. The overall roading budget is \$3.36M. The difference is for other “direct expenses” such as Administration, Employment, Consultancy and Non Funded Depreciation.

The following table summarise the budgets presented within the lifecycle management section. In addition budgets for “Other Direct Expenses” are developed and are included within the totals. In accordance with good practise, and the procedures used so far within this AMP, the budgets are shown in today’s dollars unless noted otherwise.

9.1.1 10-YEAR FUNDING FORECAST

Table 8.1 sets out the Council’s 10 year expenditure forecast for the Land Transport activity. This programme reflects the application for funding initially requested from NZTA for the 2015/18 NLTP period. This will be finalised once the NLTP programme is approved by NZTA. NZTA has notified Council that it is increasing the roading programme that is co-funded, by 10% on the 2012-2015 level. Council has decided to proceed with its proposed programme as planned.

9.1.2 CAPITAL WORKS

The only capital works allowed for over the 10 years 2015-2025 is covered under minor improvements (WC 341). Work to be completed using this funding primarily consists of bridge renewals/replacements, other minor improvements and minor safety works. The amount forecast for Capital works is \$250,000 per year over the 10 year period. Audit requires these capital works projects to be split to identify whether new capital is growth or LOS related. Generally capital projects identified are related to meeting LOS requirements.

ASSET MANAGEMENT IMPROVEMENT PLAN

Item	Task Name	Relative Urgency			Resource	Priority	Budget	Approval Sought	Timeframe
		1	2	3					
6.4	Emergency management (including lifelines) requires review. Require procedures in place for rapid response to emergency failures.		✓		Workshop utilising External Consultant	Medium	To be Confirmed	Council	Within 24 months
7.0	Life Cycle Management								
7.1	Review and update the RAMM database. Ensure all inventory data is captured.			✓	Council External Consultant	Low	To be Confirmed	Roading Manager	Ongoing
7.2	Complete a full review of the network assets (using both RAMM and field inspections) and develop a detailed 10 year Forward Work Programme for all asset groups.		✓		Council External Consultant	Low	To be Confirmed	Roading Manager	Ongoing
8.0	Financial Forecasts								
8.1	Review funding on confirmation of 2015/18 NLTP		✓		Council	High		Financial Manager Asset Manager	June 2015

Attachment 3 – Updates for Stormwater AMP

FINANCIAL FORECASTS

Water supply	63%
Sewer network	51%
Stormwater network	0%

While stormwater network issues are not significant in the period of this LTP for Twizel, water supply and sewer networks are likely to present major hurdles that Twizel cannot afford long term. Tekapo has a similar issue with the early town reticulation completed in three specific years, namely 1955, 1970 and 1976. These original networks are likely to fail at the same time.

A major piece of work was completed for the current LTP on Water supply and Sewerage assets, using 2009 pipe construction costs and industry standard base lives, to look out eighty years. As part of this LTP the Council has also prepared a 30-year Infrastructure Strategy, which identifies significant infrastructure issues facing the District over the next 30 years, and outlines how the Council intends to manage its infrastructure assets.

This work has allowed the Council to ascertain where the peaks in replacement expenditure of these assets are, by community. Council has modelled this expenditure and has come to the conclusion that some towns cannot afford this level of expenditure alone. If the District as a whole is to be sustainable, the individual communities cannot be left to fund these large replacement costs.

Council has decided its preferred option is that each of the four urban water supplies, sewerage schemes and stormwater networks are amalgamated into single urban schemes for water, stormwater and sewerage, all paying the same rate for the provision of those services. Council is proposing that the cost of providing stormwater networks across the townships is funded universally across the users of those services. This is to ensure that stormwater networks remain affordable to all ratepayers that benefit from the service, regardless of where they reside in the district.

With the combining of the water supplies, stormwater and the sewerage schemes, the Council will be able to set priorities on the key capital expenditure for the networks as a whole, and bring more resources to problems and remedy them more efficiently. This is also expected to provide lower operating costs and as a result, the Council will be able to control the overall rates increases because it will have a complete view of requirements.

This proposal is being consulted on during the 2015/2025 LTP process.

9.4 STORMWATER VALUATION

The last valuation of the stormwater infrastructural network and associated assets was undertaken as at 1 July 2013 and is summarised in the Table 8.2. The valuation is updated 3 yearly to take into account capital works and additions to the stormwater network.

The valuation consists of an assessment of the replacement cost, depreciated replacement cost and the annual depreciation or decline in service potential of the network. The annual depreciation or decline in service potential is the amount the asset declines in value over a year as

FUTURE DEMAND

organisation culture to improve performance in emergencies and identifying ways to quickly return services to full operational capacity.

8. Explore alternative sources of funding, and implement funding tools that can be used to manage the current portfolio more effectively.

Financial Contributions

Financial Contributions are another means of funding network infrastructure, reserves or community infrastructure. Mackenzie District Council has prepared a 'Financial Contribution Policy'. The contribution policy includes a methodology for calculating the cost of the impact a development will have on existing community infrastructure including Stormwater. This ensures that the negative impact of development is in part funded by the developer rather than the ratepayer.

The policy uses the following formula to calculate the level of contribution:

ASSET VALUATION – DEBT LOADING / THE NUMBER OF CONNECTABLE PROPERTIES TO THE SCHEME.

For 2015/16, the financial contribution payable on each lot created at the time of subdivision is calculated at \$1039. This amount is GST exclusive.

The financial contribution figures are reviewed annually.

Environment Canterbury's Land and Water Regional Plan

Environment Canterbury's Land & Water Regional Plan provides the regulatory framework to implement the community's aspirations for water management under the Canterbury Water Management Strategy. It addresses competing demands for land and water resources in both rural and urban Canterbury in a sustainable manner.

It also provides the regulatory framework around a number of other environmental and development matters required to be managed by Council.

- The objectives of the plan identify the outcomes that are to be met with regards to management of these resources. These outcomes will be achieved over varying timeframes.
- The policies (which direct how activities are to be managed to achieve these outcomes) give effect to the objectives.
- The rules are the tools used to implement these policies.

Clause 5.93

The discharge of stormwater from a community or network utility operator Reticulated stormwater system onto or into land or into or onto land in circumstances where a contaminant may enter water, or into groundwater or a surface water body is a restricted discretionary activity provided the following conditions are met:

APPENDIX II

11.2 FUNDING IMPACT STATEMENT

Mackenzie District Council
Funding Impact Statement for 10 Years to 30 June 2025 for Stormwater

	Annual Plan	LTP Year 1	LTP Year 2	LTP Year 3	LTP Year 4	LTP Year 5	LTP Year 6	LTP Year 7	LTP Year 8	LTP Year 9	LTP Year 10
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates (other than a targeted rate for water supply)	82	78	91	163	98	116	92	97	110	98	111
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees, charges, and targeted rates for water supply	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	14	10	13	17	19	21	25	28	31	33	35
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	96	88	104	180	117	137	117	125	141	131	146
Applications of operating funding											
Payments to staff and suppliers	33	26	38	118	35	50	38	37	43	42	55
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	-	1	-	-	14	13	12	11	9	10	8
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	33	27	38	118	49	63	50	48	52	52	63
Surplus (deficit) of operating funding (A - B)	63	61	66	62	68	74	67	77	89	79	83
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	21	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	21	0	0	0	0	0	0	0	0	0	0
Applications of capital funding											
Capital expenditure											
to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
to improve the level of service	172	-	-	321	17	-	-	-	57	20	-
to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	-88	61	66	-259	51	74	67	77	32	59	83
Increase (decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	84	61	66	62	68	74	67	77	89	79	83
Surplus (deficit) of capital funding (C - D)	-63	-61	-66	-62	-68	-74	-67	-77	-89	-79	-83
Funding balance ((A - B) + (C - D))	0	0	0	0	0	0	0	0	0	0	0

MACKENZIE DISTRICT COUNCIL**REPORT TO:** MACKENZIE DISTRICT COUNCIL**SUBJECT:** LONG TERM PLAN SUPPORTING INFORMATION**DATE:** 12 May 2015**FROM:** TONI MORRISON, SENIOR POLICY PLANNER
PAUL MORRIS, FINANCE MANAGER**REASON FOR REPORT**

To provide and adopt the Foul Sewer and Water Supply Activity Management Plans as supporting information for the 2015-2025 Long Term Plan and consultation document.

RECOMMENDATIONS:

1. That the report be received.
2. That the Foul Sewer Activity Management Plan be adopted by Council as supporting information for the Consultation Document and Long Term Plan.
3. That the Water Supply Activity Management Plan be adopted by Council as supporting information for the Consultation Document and Long Term Plan.

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

ATTACHMENTS:

Attachment 1: Foul Sewer Activity Management Plan
 Attachment 2: Water Supply Activity Management Plan

BACKGROUND:

As part of its Long Term Plan (LTP) process, the Council puts together activity management plans (AMPs) for each of its groups of activities. AMPs form part of the supporting information during the consultation phase in developing the LTP.

Attached are the Foul Sewer and Water Supply AMPs which describe current activities and levels of service, and identify future proposals with associated performance measures and targets, and financial information.

The Council is asked to consider and adopt the Foul Sewer and Water Supply AMPs as a basis for activities to be included in the Long Term Plan.

POLICY STATUS:

N/a.

SIGNIFICANCE OF DECISION:

In accordance with Council's Significance and Engagement Policy, these matters have been assessed as significant because the decisions relate to supporting information for the Consultation Document and the Long Term Plan 2015-25.

ISSUES & OPTIONS:

This process is currently progressing under tight timeframes. Council is required to adopt all supporting information for the Consultation Document prior to adopting the Consultation Document itself. The CD will be presented to Council at this meeting. The document will be presented for adoption on 20 May 2015.

The options available to Council are to either:

1. Approve the AMPs as attached to this report OR
2. Amend as appropriate and approve the AMPs.

CONSIDERATIONS:***Legal***

This process is guided by the Local Government Act 2002.

Financial

As stated above there may be a financial risk to Council if the Long Term Plan process does not meet its deadlines and adoption is delayed.

CONCLUSION:

The Council is required to have adopted all supporting information for the Consultation Document prior to adopting the Consultation Document itself. This paper seeks the adoption of the two remaining AMPs, to enable the adoption of the Consultation Document.

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL
SUBJECT: LTP 2015-25 CONSULTATION DOCUMENT
DATE: MAY 12, 2015
FROM: Paul Morris, Manager Finance and Administration
Arlene Goss, Long Term Plan Project

REASON FOR REPORT

To adopt the Draft Consultation Document subject to audit changes. The final version of the Consultation Document will come before Council for adoption at an Extraordinary Meeting on May 20.

RECOMMENDATIONS:

1. That the report be received.
2. That Council adopts the Draft 2015-2025 Long Term Plan Consultation Document for public consultation, subject to audit changes.

A copy of the Draft Consultation Document has been circulated to councillors.

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

MACKENZIE DISTRICT COUNCIL

MINUTES OF A MEETING OF THE ASSET AND SERVICES COMMITTEE HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON TUESDAY, APRIL 28, 2015, AT 9.37AM

PRESENT:

Cr James Leslie (Chairman)
Mayor Claire Barlow
Cr Graham Smith
Cr Murray Cox
Cr Russell Armstrong
Cr Noel Jackson
Cr Evan Williams arrived (9.49am)

IN ATTENDANCE:

Bernie Haar (Asset Manager)
Suzy Ratahi (Roading Manager)
Geoff Horler (Utilities Manager)
Julie Jongen (Committee Clerk)
Angie Taylor (Arrived 9.45am)
Pat Deavoll (Timaru Herald arrived at 10.05)

APOLOGIES:

Apologies were received for lateness from Evan Williams.
Apology received from Wayne Barnett.

DECLARATIONS OF INTEREST:

There were no declarations of interest.

MINUTES:

Resolved that the minutes of the meeting of the Asset and Services Committee held on March 17, 2015, including those parts taken in public excluded, be confirmed as an accurate record.

Russell Armstrong/Graham Smith

Graham Smith enquired about previous minutes re "dump station" and wondered where the conversation ended. He has spoken to a few truckies and a dump station is urgently needed within the district.

Suzy Ratahi added that we weren't going to jump on board until further enquiries were made re costs of contributing and if we contribute we would require a dump station within the district. Graham Smith stated there is evidence a station is needed and this matter will need to stay on the agenda.

Russell Armstrong asked about the car park painting to which Suzy Ratahi confirmed she has spoken to the contractors and due to the rain they were held up, it should be done this week. Suzy will chase them up again. Russell Armstrong feels it is now a health and safety issue and he will email Suzy with their concerns and she will bring these issues up with Fulton Hogan.

REPORTS:

ASSET MANAGERS MONTHLY REPORT – MARCH/APRIL 2015:

The purpose of this report was to update the Asset and Services Committee on the progress on various projects and also the normal operation of the department for the past month. The following matters were included in the discussion of this report:

Resolved that the report be received.

Graham Smith/Russell Armstrong

Bernie Haar added that following writing the report he has had a conversation with Murray Petrie and everything is going to plan. The 11th or 18th of May is planned for the cut over of water and during this time there will be no water, it will be done at night, the equipment is on site, the concrete pad is being poured and Angie is doing signs.

Roading – Suzy Ratahi spoke on this. Lillybank Road is a big issue this year as there is no budget to do this road. 2004 was the last time this road blew away and was repaired. Graham Smith asked if we can put some metal on these roads as they are small areas, Suzy stated they would be unsubsidised. Suzy will come back with costings to get these areas done and bring back to next meeting being 7th May. This will need to be discussed in the finance meeting and would like this on the 7th May meeting agenda. Suzy will send the report to Graham Smith and he will bring to the council meeting on the 7th.

Noel Jackson then mentioned about speed restrictions and whether these can be done. Murray Cox asked if they would be enforced if signs were there but there are no resources for this. Bernie Haar said he could put "temporary road works" signs.

Graham Smith made a complaint about there being no finance meetings or reports since January. He requested there be a report at the next meeting.

Graham Smith asked if NZTA are funding better percentages to other councils than what we have being assigned and asked if a conversation could be had with NZTA to ask why we were cut back on funding. Suzy Ratahi confirmed she would like to know this as well and that they would try to get some answers.

Meeting was adjourned at 10.10am for official councillor photos to be taken and morning tea.

Meeting recommenced at 10.31am

Utilities – Geoff Horler spoke to his report. There may need to be an increase in future budgets for toby water replacements, there are a few getting quite tired now. Preference is to move them to the boundary of the properties.

Water restrictions have being eased but not lifted yet. Ecan are still keeping an eye on Council re their water restrictions and usage. It is a continual monitoring process.

Manuka Terrace Water Supply Survey had quite a low response.

Solid waste – Angie Taylor spoke to her report.

Murray Cox asked if they can look at the layout and placement of the bins to try and ensure that trucks avoid the main area. Bernie Haar agreed with this and will have a workshop to discuss this matter.

James Leslie mentioned about the damage that the rubbish trucks cause during their collections in cul de sacs and whether the bins can be placed in a better place to avoid less damage to the roads. Angie stated she will have a conversation with the contractors.

Graham Smith congratulated Angie on the work and her reports. He asked why there are the spikes in the graphs and Angie replied it would depend on how many collections in that period and what holidays were in that period. Claire Barlow mentioned it may have spiked with the rowing regatta.

James Leslie asked if a bottle bin could be placed at the gate of the recovery park and Bernie replied that he will have a conversation with ESL.

COMPOST PROJECT REPORT:

The Council has a responsibility to promote waste education and reduction in accordance with the Council's Waste Management and Minimisation Plan and the Waste Minimisation Act 2008. Organic waste is responsible for 30-40% of waste from kerbside collection. An effective way to reduce organic waste going to landfill is with home composting systems. It is proposed to provide subsidies on two types of home composting systems to encourage residents to compost their organic waste.

Bokashi systems seem to be successful and are being used by Graham Smith and Claire Barlow at home and both congratulated Angie on her work and that this has being talked about for at least 18 months so it is good to see this being put forward.

Claire Barlow also asked about the nappy packs. Angie replied the first lot sold out and are now on to the second batch, this seems to have being very successful. This would be funded from the waste levy.

Resolved

1. That the report be received.

Claire Barlow/Russell Armstrong

2. That the Council agrees to fund the proposed compost project using waste levy funding provided by the Ministry for the Environment.

Claire Barlow/Graham Smith

ENVIROSCHOOLS PROJECT:

Waste education is key to driving improved waste minimisation and recycling, an integral aim of the Council's Waste Management and Minimisation Plan. EnviroSchools is an action based education programme with a goal to instill environmental values in school children. Education at a school level has the flow on effect of sparking change in family values and practices. It is proposed that funding is provided to set up the EnviroSchools programme in the Mackenzie District.

This would be funded from the waste levy and is part of a national process. This would use the full amount of the waste levy which is \$12,000.00.

Russell Armstrong agreed it is worth a try.

Resolved

1. That the report be received.

Claire Barlow/Murray Cox

2. That the Council agrees to support the EnviroSchools project in the Mackenzie District.

Russell Armstrong/Murray Cox

**THERE BEING NO FURTHER BUSINESS THE
CHAIRMAN DECLARED THE MEETING CLOSED AT 11.01am**

CHAIRMAN: _____

DATE: _____

MACKENZIE DISTRICT COUNCIL

MINUTES OF AN EXTRAORDINARY MEETING OF THE MACKENZIE DISTRICT COUNCIL HELD AT THE COUNCIL CHAMBERS IN FAIRLIE ON THURSDAY, APRIL 16, 2015, AT 11AM

PRESENT:

Claire Barlow (Mayor)
Cr Graham Smith
Cr Murray Cox
Cr James Leslie
Cr Russell Armstrong
Cr Noel Jackson
Cr Evan Williams

IN ATTENDANCE:

Bryan Cadogan (Mayor of Clutha District)
Wayne Barnett (Chief Executive Officer)
Paul Morris (Finance manager)
Arlene Goss (Long Term Plan project)
Toni Morrison (Senior planner)
Reporter from the Timaru Herald

OPENING:

The Mayor welcomed everyone to the meeting. She introduced the Mayor of Clutha, Bryan Cadogan, who was observing. He offered to speak to councillors following the meeting about the work of the Mayor's Taskforce.

APOLOGIES:

There were no apologies.

DECLARATIONS OF INTEREST:

There were no declarations of interest.

LONG TERM PLAN SUPPORTING INFORMATION:

The purpose of this report was to provide a number of updated supporting reports for the Council's Long Term Plan 2015/2025 and Consultation Document for adoption.

Paul Morris spoke regarding the Draft Investment Policy. He said changes have been made in the area of cash investments council can make. Council was looking at considering a lower credit rating for some investments. The bond market has been static and there is a lot of cash sitting in term deposits.

Higher returns can be earned if Council changes its investment policy to a triple B. This would allow Council to invest in power companies and banks. Cr Smith said Council needs to have a mix, cannot put all the money into the riskier investments.

Paul Morris said the limits on the table have been advised to us by Bancorp. It's based on our previous experience and what other councils are doing. Cr Leslie asked about the ability for council to gift money to community projects. Paul Morris explained that Council has the ability to set property rentals according to the use of the land and assist in this way. Council could use the land subdivision reserve to grant money for the purpose of playgrounds.

The Mayor asked regarding the winding up of Mackenzie Holdings. This is not something that needs to be consulted on and can be wound up.

Regarding the 30 Year Infrastructure Strategy, Cr Leslie said he was not happy with the 3 Waters component of this strategy. He would like to register his opposition to page 266, or section 3.7.1. He asked for it to be minuted that he was generally happy with the content but had concerns about the issue of amalgamation that he has previously voiced at an earlier meeting. Cr Armstrong also asked that his concern about this issue be noted in the minutes.

Toni Morrison raised the question of whether the 30 Year Infrastructure Strategy should be adopted at this meeting, given that changes would need to be made to reflect a new situation with NZTA funding that Council had only received notice of that morning. It was agreed that the 30 Year Infrastructure Strategy and Transportation AMP would not be adopted at this meeting, but would come back to a later meeting with those changes reflected.

Resolved:

That the report be received.

Graham Smith/Russell Armstrong

That the draft Investment Policy be adopted by Council.

James Leslie/Evan Williams

That the Corporate Services and Governance Activity Management Plan be adopted by Council as supporting information for the Consultation Document and Long Term Plan.

Graham Smith/Murray Cox

That the following updated Activity Management Plans be adopted by Council as supporting information for the Consultation Document and Long Term Plan:

- a) Community and Townships Activity Management Plan
 - b) Regulatory Services Activity Management Plan
- Evan Williams/Russell Armstrong**

That the updated Infrastructure Strategy and Transportation Activity Management Plan be brought back to Council at a later meeting to be adopted.

Russell Armstrong/James Leslie

RESOLUTIONS TO FINALISE THE FIXED AND VARIABLE RATES IN THE LONG TERM PLAN:

As councillors had been unable to do a workshop on this topic before the meeting it was agreed that this subject be postponed to a future meeting.

RESOLUTIONS TO CHANGE HOW TOURISM, ECONOMIC DEVELOPMENT AND ALPS2OCEAN ARE RATED:

Paul Morris explained that Council is looking to introduce three new rates in each of these areas. He went through a break down of each rate and what it involves.

Discussion was held on each rate and councillors debated the merits of spreading the costs of Alps2Ocean across the whole district, or limiting this rate to people in the Pukaki Ward. Crs Leslie and Armstrong were in favour of restricting this rate to the Pukaki Ward only. The Mayor spoke in favour of Alps2Ocean being rated for across the district and councillors debated this issue.

Resolved:

That Council changes the way it rates for tourism promotion.

Murray Cox/Evan Williams

That 10 percent of the costs of tourism promotion be met by a fixed charge across the district.

Murray Cox/Evan Williams

That 30 percent of the costs of tourism promotion be broken down into two components – a \$100 fixed charge on industrial ratepayers, with the remaining amount to be charged to tourism businesses based on capital value.

Murray Cox/Evan Williams

That 60 percent of the costs of tourism promotion be met by commercial accommodation providers, with a 60 percent differential on secondary accommodation providers to recognise that they live in the house and the primary use of their property is not accommodation.

Murray Cox/Evan Williams

That Council changes the way it rates for economic development.

Murray Cox/Graham Smith

That a fixed charge of 10% of the total rate requirement, or \$10, whichever is higher, be charged across the district for economic development.

Murray Cox/Evan Williams

That 90 percent of the costs of economic development be met by commercial and industrial properties based on capital value.

Murray Cox/Evan Williams

That Council changes the way it rates for Alps2Ocean.

Claire Barlow/Murray Cox

That \$50,000 of Alps2Ocean costs be charged across the district through the general rate.

Claire Barlow/Murray Cox

That all ratepayers in the district be charged a fixed charge of \$25.11 to pay for the balance of Alps2Ocean.

Claire Barlow/Murray Cox

(Crs Leslie and Armstrong voted against this resolution. The Mayor and Crs Smith, Williams, Cox, Jackson voted in favour of this resolution and it was carried by a majority vote.)

THE MAYOR DECLARED THE MEETING CLOSED AT 11.49AM

MAYOR: _____

DATE: _____