

## **SOUTHLAND DISTRICT COUNCIL**

### **EXTRAORDINARY COUNCIL MEETING**

**12 MARCH 2008**

MINUTES of an EXTRAORDINARY MEETING of the SOUTHLAND DISTRICT COUNCIL held at the Council Chambers, 15 Forth Street, Invercargill on WEDNESDAY, 12 MARCH 2008 at 1.00 PM.

**PRESENT:** Mayor F Cardno, Crs L A Bailey, J D Copland, R A Dobson, B J Dillon, B W Drummond, B Ford, G Harpur, W Jack, G MacPherson and A D Ridley.

**IN ATTENDANCE:** Messrs D P Adamson, R Hawkes, C McIntosh, L McKenzie, R Washbourn, Miss Y Waymouth, N Taylor and Mrs R Heerdegen and Mrs J O'Shannessy.

Messrs D Fraser, P Phiskie and V Templeton - Federated Farmers,  
Ms S Davidson and Mr M Morrison - Morrison Low.

#### 1.0 **APOLOGIES**

Apologies were received from Crs P Duffy and J Douglas.

Moved Dillon, seconded Cr Macpherson  
and RESOLVED THAT THE APOLOGIES BE ACCEPTED.

#### 2.0 **PUBLIC FORUM**

Moved Cr Ridley, seconded Cr Ford  
and RESOLVED THAT STANDING ORDERS BE SUSPENDED TO ALLOW MEMBERS OF THE PUBLIC TO SPEAK DURING THE PUBLIC FORUM.

#### 2.1 **Federated Farmers**

Messrs D Fraser, P Phiskie and V Templeton were in attendance to speak to the following matters:

Venture Southland Funding Proposal - The move to funding Venture Southland as a Development and Promotion Uniform Annual Charge was a good move, Mr Fraser said. Concern was expressed that lower income ratepayers would face an increase in costs but Federated Farmers generally agreed with the process of using a UAC and looked forward to working with Council on this issue.

Road Rate Funding - Mr Fraser made the point that roading costs were approximately half of their members rates bill. It was a "big ticket item" and it was important Council "got it right". Council needed to have a great deal of confidence in the model they used.

Federated Farmers believed they did not have enough information to debate using a capital rating system for roading.

No ratepayers or councillors had seen the Morrison Low Consultants report and the newly elected councillors had not seen either the PWC or GHD reports to be able to base a comparison on. One change was asked for - that the previous reports also be included in the proposal.

Comment was made regarding the following matters:

- \* Tonnage data.
- \* Spitting of pavement costs - urban/rural - assumption all industrial and commercial are urban based.
- \* Morrison Low took no account of anything other than heavy vehicles movements.
- \* PW and GHD reports addressed all traffic movements.
- \* Council had suggested the PWC and GHD models were complicated and difficult to understand but Federated Farmers didn't think so.

Mr Fraser concluded by advising Federated Farmers had real issues with the Morrison Low model and also with staff interpretation of the PWC and GHD models. He reiterated Council should add both the former models to the table so all options could be viewed by ratepayers and considered by Council.

Moved Cr Bailey, seconded Cr Jack  
and RESOLVED THAT STANDING ORDERS BE REINSTATED.

### 3.0 **REPORTS**

#### 3.1 **STATEMENT OF PROPOSAL - AMENDMENT TO LTCCP 2006-2016**

140/15/4/1 and 140/15/2/1

NT/08/3/02699

Report by Miss N Taylor dated 6 March 2008.

The report recommended that Council adopt the draft Statement of Proposal regarding amendments to the Long-Term Council Community Plan 2006-2016, related specifically to the Revenue and Financing Policy. The amendment would be consulted on at the same time as the Draft Annual Plan 2008/2008. The report explained the nature of the amendment and the legislative requirements. Once the Statement of Proposal was adopted, it would be forwarded to Council's auditors who would audit the amendment and issue an audit opinion. The audit opinion and the final Statement of Proposal would then be presented to Council for adoption along with the remainder of the Draft Annual Plan on 9 April 2008.

Moved Cr Dillon, seconded Cr Ridley  
and RESOLVED THAT THE REPORT ON THE AMENDMENT TO THE LONG TERM COUNCIL COMMUNITY PLAN 2006-2016 BE RECEIVED.

Mr Adamson advised the main purpose of the amendment was to change roading funding from land value rating to capital value rating.

He then introduced Mr Malcolm Morrison and Ms Sue Davidson from Morrison Low and invited them to address the meeting. A power point presentation was given to Council and at the conclusion questions were invited.

The meeting discussed various categories of traffic that could not be "captured" e.g. campervans and buses, heavy transport that supplied goods for sale in supermarkets etc. It was explained that unless the owners of the vehicles had property in the District, they were unable to be rated.

Cr Copland referred to the significant changes in spending on roads during the past 10 years.

The meeting then discussed allocation of tonnage for people who lived on a State Highway and the question was asked "how did that balance out".

Mr Morrison explained that the model had not been taken to that level. The basis used was that everyone lived an equal distance from a State Highway. Rooding was a network and everyone should contribute. If the model was taken to the extreme, people that lived a long way from a state highway would pay a vast amount of rates.

Mr Adamson explained that by using this model, the non dairy farming sector would have an approximate drop of \$800,000 in roading rates - this sector would be the biggest winner. Morrison Low had not been commissioned to write a report on the model, instead, information included in the powerpoint had been included in the Statement of Proposal.

The next LTCCP would signal the model would be looked at when the properties in the district were next re-valued.

#### Revenue and Financial Policy

Suggested amendments to the Revenue and Financing Policy related to the change of the differential road rate levied district wide on land use to *capital value*.

The other major amendment was for the Development and Promotions levy to be recovered from a District-wide rate based on a Uniform Annual Charge.

Ms Taylor explained the amendments needed to be adopted by Council so the Draft Statement of Proposal concerning the amendment to the LTCCP could be forwarded to the auditor for approval.

Members debated the content of the LTCCP and several suggestions were made. These included:

- \* GHD and PWC figures be included in the document.
- \* Inclusion of a column showing "Land Value" so ratepayers could see the impact on rates if no differentials were made.
- \* The need to tell the "whole story" that included a table of how rates would alter given the following scenarios:
  - Land Value
  - Capital Value
  - PWC Model
  - GHD Model
  - Morrison Low Model
  - Modified Morrison Low Model
  - Inclusion of two sets of figures, "Where we were" and "Where we are".

New Councillors could be given copies of previous reports, if required.



It was agreed the following explanation be included in the "Background" section of the document - *Prior to 2004, the roading rate was based on a 10% Uniform Annual Charge with the balance of funding coming from a rate based on the land value of a property. This method of funding would have resulted in the farming sector (dairy and non-dairy farming) paying around 80% of the roading rate in 2007/2008.*

Moved Cr Dillon, seconded Cr Ford

and RESOLVED THAT SOUTHLAND DISTRICT COUNCIL ADOPT AND APPROVE THE DRAFT STATEMENT OF PROPOSAL CONCERNING THE AMENDMENT TO THE LONG TERM COUNCIL COMMUNITY PLAN AS PRESENTED WITH ANY SUBSEQUENT CHANGES APPROVED BY THE COUNCIL AND MINOR EDITORIAL CORRECTIONS AS NECESSARY FOR AUDITING (PURSUANT TO SECTION 84(4) OF THE LOCAL GOVERNMENT 2002).

Mr Adamson concluded by thanking Ms Robson and Ms Taylor for their input into the report.

The meeting closed at 3.00 pm.

CONFIRMED:

MAYOR:

DATE: