

Council Briefing Meeting Minutes

Date: Wednesday, 25 October, 2017
Time: 9:00 a.m.
Location: Council Chamber
Forum North, Rust Avenue
Whangarei

In Attendance

Her Worship the Mayor Sheryl Mai
(Chairperson)
Cr Stu Bell
Cr Crichton Christie
Cr Vince Cocurullo
Cr Tricia Cutforth
Cr Shelley Deeming
Cr Sue Glen
Cr Phil Halse
Cr Cherry Hermon
Cr Greg Innes
Cr Greg Martin
Cr Sharon Morgan
Cr Anna Murphy

Also in attendance: Alan Adcock (General Manager Finance and Corporate), Simon Weston (General Manager Infrastructure), Jill McPherson (General Manager, Strategy and Democracy), Alison Geddes (General Manager, Planning and Development), Rich Kerr (Finance Manager), Alison Puchaux (Manager Revenue), Jason Marris (Manager – Democracy and Assurance), Katherine Voelkerling (Senior Rates Advisor), Nicolene Pestana and Hsi-en Soo (Democracy Advisors).

Her Worship the Mayor convened the meeting at 9.02am.

1. Apologies

No apologies.

2. Reports

2.1 Rating Policy Review (including Rates Remission and Postponement Policies)

Following the previous briefing, staff were asked to further consider and model and comprehend the implications of the options previously presented as well as retaining the status quo and modifying the SUIP definition.

Alan Adcock went through the contents of the presentation and agenda report. This report should be read in conjunction with the presentation and agenda report.

Rates Structure Review

- The rating system needs some fine tuning. There are some aspects that must be changed but the key is to follow the path of least resistance.
- Multi-unit residential accommodation
 - Review the rating of multi-unit type residential accommodation used principally for residential purposes for financial reward.
 - Includes hotels, motels, boarding houses, tourist accommodation, B&B's, Rest and retirement homes and villages.
 - Airbnb's could become an issue. There are Airbnb's who pay rates but there are those who rent out a room and receive income for which they don't pay rates for. Alan advised that it is not about who owns the property but about the type of property, its value and the system to be used.
- Commercial and Industrial Sectors
 - Impact of changes to rates.

Elected member's comments and questions

- *Council must be careful of taxing big companies simply because they are rich.*
- *We have had previous discussions about encouraging industries, growth and investment in Northland and now we are discussing increasing rates for big businesses. This is going to drive away industry.*
- SUIP's
 - Land Value reflects how a property could be developed.
 - Capital Value reflects for what it has been developed.
 - Capital value reflects the ability to pay more than land value.
 - SUIP's lie between capital value and land value and represent intensity of use.

Elected member's comments and questions

- *More properties are being subdivided with the intent of owning multi-million dollar homes. People should be appropriately rated.*
- *SUIP's are not working as a rating unit, we must either remove SUIP's completely or change the definition of SUIP's.*

- Stepped Rates

- Should the eligibility for the discount be increased or decreased or removed?

Elected member's comments and questions

- *Stepped rates should only be for residential properties including lifestyle blocks and baches.*
- *Lifestyle properties have been lumped into residential category, would like to see lifestyles categorised as rural residential.*

- Rating utilities

Elected member's comments and questions

- *Have there been complaints from landowners with regards to utilities using their services? Alan advised that most of the infrastructure is on council's land but landowners do complain and this has been taken into consideration when the land is valued.*
- *If utilities are rated, it will simply be redistributed back to the ratepayers. Alan advised that rating is about WDC receiving funding through rating in a fair and transparent way. These utilities use WDC's services and infrastructure and we should be able to recover this money.*
- *If the rest of the country is rating utilities, we should be as well.*
- *This is going to be put through the LTP, so if there is unhappiness, there will a consultative process to consult with the community.*
- *Consistency is important, commercial entities should also contribute to the district.*
- *Utilities should not be fully rated in order to recognise utilities contribution to the district because utilities provide essential services.*

- Targeted Refuse Management Rate

- Implications of changing to rating units.
- Impact of Waste Minimisation plan and funding.

- Targeted Sewage Rate

- Implications of changing to rating units on the domestic sewage rate.
- Alan recommends maintaining status quo.

- Warmer Homes Initiative

- Voluntary targeted rate.

Elected member's comments and questions

- *This provides health and economic benefits to the district and easily administered.*
- *Some of the Elected Members felt that this is not council's core business and council should not be offering this service.*
- *There was a view that this issue is about health benefits and sits with the DHB, not council because council does not have the systems to set this up and it would thus not be efficient.*
- *Questions were asked regarding the costs of the administration of this and what amount would the ratepayer have to pay to subsidise it. How would this be charged? Would there need to be a financial advisor to advise on a loan?*
Alan advised that Council would provide the facility, not advice. There is difference between advancing the loan and giving advice to take up the loan. The less affluent would take this up but the question is how far would council need to go to recover the costs if they weren't paid.
- *The Elected Members indicated that they would like to have more information from Auckland and Hamilton Councils who have implemented this.*
- Alan advised that if the Elected Members supported taking this further, WDC staff will do the research and come back to the Elected Members.

The briefing adjourned for tea at 9.51am and reconvened at 10.05am.

- Reviewing Remission and Postponement policies

- Key changes include:
- Address low impact commercial use
- Address impact for community organisations
- Change stepped rates from rating differential to rates remission
- Reduce cost of early payment discount
- Pass on administration costs for postponement of rates

Elected member's comments and questions

- *Does the applicant apply for a remission or does the council connect and inform them when a remission is due to them?* Alan advised that generally the ratepayer would have to initiate this unless the value triggered the remission.
- *There needs to be some flexibility with the wording in the rates policy with regards to remissions.* Kathy advised that WDC is looking at ways to make our policy a little bit more expansive.
- Kathy advised that there are anomalies for example clubs with toilets and a bar, sports fields where the public use their toilets. The standard charge is per pan and there is no discretion on that, WDC can put it into the remissions policy that they can apply for a grant. Community games and sports are the biggest contributor to health but they only get 50% remission.

- NRC's remission policy is consistent with our rates remission policy.
- There should be more information on targeted rates, this should be brought back to council.

3. Closure of Meeting

Her Worship the Mayor closed the briefing at 12.13pm.