



Notice is given of an Extraordinary Meeting of Council to be held on:

Date: Tuesday, 30 June 2020

Time: 10.00am

**Location: Council Chambers
Fairlie**

AGENDA

Extraordinary Council Meeting

30 June 2020

Note: This meeting may be digitally recorded by the minute-taker.

Council Membership:

Graham Smith (Chair)

James Leslie

Anne Munro

Stuart Barwood

Murray Cox

Emily Bradbury

Matt Murphy

The purpose of local government:

(1) The purpose of local government is—

- (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

(2) In this Act, good-quality, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are—

- (a) efficient; and
- (b) effective; and
- (c) appropriate to present and anticipated future circumstances.

(Local Government Act 2002)

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- 1 OPENING**
- 2 APOLOGIES**
- 3 DECLARATIONS OF INTEREST**

4 REPORTS

4.1 AMENDMENT TO FEES AND CHARGES 2020/21 -

Author: Katherine Hill, Senior Corporate Planner
Authoriser: Paul Numan, General Manager Corporate Services
Attachments: Nil

Council Role:

- ☐ **Advocacy** When Council or Committee advocates on its own behalf or on behalf of its community to another level of government/body/agency.
- ☒ **Executive** The substantial direction setting and oversight role of the Council or Committee e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.
- ☐ **Legislative** Includes adopting District Plans and plan changes, bylaws and policies.
- ☐ **Review** When Council or Committee reviews decisions made by officers.
- ☐ **Quasi-judicial** When Council determines an application/matter that directly affects a person's rights and interests. The judicial character arises from the obligation to abide by the principles of natural justice, e.g. resource consent or planning applications or objections, consents or other permits/licences (e.g. under Health Act, Dog Control Act) and other decisions that may be appealable to the Court including the Environment Court.
- ☐ **Not applicable** (Not applicable to Community Boards).

PURPOSE OF REPORT

To consider an amendment to the adopted Fees and Charges for 2020/21 with regard to disposal of wastewater from septic tank/holding tank to Council oxidation ponds.

STAFF RECOMMENDATIONS

1. That the report be received.
2. Amend the 2020/21 Fees & Charges to increase Foul Sewer: Septic tank/holding tank to oxidation pond from \$6.00/m³ to \$25.00/m³.

BACKGROUND

At its meeting of 23 June 2020, Council adopted fees and charges for 2020/21. Following this meeting, an omission in the proposed fees and charges for wastewater was identified by staff and is now subject of this paper, for Council to consider inclusion for the 2020/21.

This regards an existing charge in the schedule of fees and charges – the disposal of wastewater from a septic tank to oxidation ponds, currently \$6.00/m³. Staff have reviewed the costs incurred to Council for this service, and the fees set in relation to this in neighbouring TAs and have confirmed that the current charge is insufficient.

	Fees 2019/20
Mackenzie District Council	\$6.00/m ³
Waitaki District Council	\$10,000 per year
Waimate District Council	\$10.50/m ³
Timaru District Council	\$8.90/m ³
Ashburton District Council	\$25.00/m ³

It should be noted that in addition to the above Councils charges for the disposal from septic tank to oxidation ponds, an additional trade waste charge is levied.

In light of higher fees in neighbouring areas, the lack of trade waste charge for Mackenzie, and the actual costs incurred for this service, staff recommend an increase to the fee as below:

Foul Sewer

	Fees 2019/20	Proposed Fee 2020/21
Septic tank/holding tank to oxidation pond	\$6.00/m ³	\$25.00/m ³

POLICY STATUS.

The proposed changes to the fees and charges ensure that Council's Revenue and Financing Policy (the Policy) can be complied with. The proposed change to the fees and charges has been determined in accordance with the Revenue and Financing Policy and will ensure that the wastewater activity will meet the Policy.

SIGNIFICANCE OF DECISION

An assessment of this proposal has been undertaken in consideration of the matters in clause 3 of Council's Significance and Engagement Policy (2014). It is the opinion of the author of this paper that the proposal under consideration has a low significance.

OPTIONS

The following options available to Council:

1. Adopt the amendment to the Fees & Charges for the 2020/21 financial year with regard to disposal of wastewater from septic tanks to oxidation ponds; or
2. Decline to adopt the amendment to the Fees & Charges for 2020/21 financial year with regard to disposal of wastewater from septic tanks to oxidation ponds.

For the reasons outlined in this report, staff recommend option 1.

CONSIDERATIONS

Legal

The proposal has considered with regard to legislative requirements of the Local Government Act 2002 and is in compliance with this.

Financial

The setting of fees and charges provides part of the Council's funding for its activities as set out in the Revenue and Financing Policy. The adjusted fee is proposed to ensure that Council is meeting the cost recoverable nature of this service.

Other

N/A

CONCLUSION

Council is asked to adopt the omitted revision to the 2020/21 wastewater charge for the disposal of waste from septic tanks to oxidation ponds.

4.2 ADOPTION OF THE ANNUAL PLAN 2020/21

Author: Katherine Hill, Senior Corporate Planner
Authoriser: Paul Numan, General Manager Corporate Services
Attachments: Nil

Council Role:

- ☒ **Advocacy** When Council or Committee advocates on its own behalf or on behalf of its community to another level of government/body/agency.
- ☒ **Executive** The substantial direction setting and oversight role of the Council or Committee e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.
- ☐ **Legislative** Includes adopting District Plans and plan changes, bylaws and policies.
- ☐ **Review** When Council or Committee reviews decisions made by officers.
- ☐ **Quasi-judicial** When Council determines an application/matter that directly affects a person's rights and interests. The judicial character arises from the obligation to abide by the principles of natural justice, e.g. resource consent or planning applications or objections, consents or other permits/licences (e.g. under Health Act, Dog Control Act) and other decisions that may be appealable to the Court including the Environment Court.
- ☐ **Not applicable** (Not applicable to Community Boards).

PURPOSE OF REPORT

The purpose of this report is for Council to adopt the 2019-2020 Annual Plan.

STAFF RECOMMENDATIONS

1. That the report be received.
2. That Council resolve that it is prudent to include the following breaches of the Revenue and Financing Policy and confirm that these matters should be included in the review of the Revenue and Financing Policy in 2020/21:
 - (a) General Rate funding of Governance General – 0% (60-80%);
 - (b) Investments funding of Governance General – 93% (20-40%);
 - (c) General Rates funding of Corporate Services – 68% (80-100%);
 - (d) Investments funding of Corporate Services – 12% (0%);

- (e) Other income funding of Corporate Services – 13% (0%);
 - (f) General Rates funding of District Planning – 39% (60-80%);
 - (g) User charges funding of District Planning – 0% (20-40%);
 - (h) Reserves funding of District Planning – 61% (0%).
3. That Council resolve to increase forecast external debt from \$5.873m to \$10.5m in 2020/21.
 4. That Council resolve that it is financially prudent to have an unbalanced budget in 2020/21.
 5. That pursuant to section 95(1) of the Local Government Act 2002, the Council adopts the 2020/21 Annual Plan, to take effect from 1 July 2020.
 6. That staff be given the delegation to make minor formatting and grammatical amendments prior to publication.
 7. That the Council informs the public of the adoption of the Annual Plan 2020-2021 and its contents.

BACKGROUND

Once every three years, Council is required to adopt a Long Term Plan and in the intervening years an Annual Plan. These plans set out the service levels and budgets for the coming year and provide the basis on which Council's rates are set.

The Annual Plan 2020/21 is required to be adopted by Council on or before 30 June 2020. Failing to adopt budgets for 2020/21 in time could impact on Council's ability to continue to deliver services and projects to the communities of the Mackenzie, and on the Council's ability to strike new rates for the 2020/21 year.

As the Council is aware, amendments to the Local Government Act 2002 (LGA) in 2014 have streamlined the process for developing and adopting Annual Plans. Essentially the Act now provides that where there are no significant or material differences from the content of Year 3 of the Long Term Plan 2018-2028 (LTP), the Council is not required to consult during the development of the Annual Plan.

The purpose of an Annual Plan is to:

- a) Contain the proposed annual budget and funding impact statement for the year to which the annual plan relates; and
- b) Identify any variation from the financial statements and funding impact statement included in the local authority's long term plan in respect of the year; and
- c) Provided integrated decision making and co-ordination of the resources of the local authority; and
- d) Contribute to the accountability of the local authority to the community.

(section 95 LGA)

The content of an annual plan is prescribed by Part 2 of Schedule 10 LGA.

Council staff have reviewed programmes of work and budgets included in Year 3 of the LTP, and confirmed or made amendments as appropriate. For example some budgets have been adjusted to reflect prior year actuals. During this process, the financial impacts of COVID-19 on our communities and local economy began to be known, some further adjustments were made including realignment

of tourism promotion and economic development support, and a reduction in anticipated building activity for 2020/21.

The Council has had a number of workshops and meetings on the process, considering the budgets and work programmes for the 2020/21 year. Given the current economic climate following the impact of COVID-19, Council has worked hard to reduce rates increases while maintaining existing levels of service and undertaking community and economic recovery actions, including acceleration of shovel ready projects. This has resulted in a rates rise of 4.48%, lower than the forecast rates increase for Year 3 of 8%. This reduction to forecast rates increases in 2020/21 has been achieved through application of forestry income, internal adjustments to overhead costs, and increased use of external debt to fund shovel ready capital works.

At its meeting of 23 June 2020, the Council approved a number of matters for inclusion in the Annual Plan, resolving that those variances from Year 3 of the LTP were not significant or material. Council subsequently confirmed, that the Annual Plan 2020/21 would not be consulted on. The Council did seek to undertake engagement with the community through a range of informing, as outlined under 'communication' in this report.

A draft Annual Plan has since been circulated to Council for review and comment. The Annual Plan has been updated to reflect all Council decisions made to date with the inclusion of full financial detail. The final Annual Plan, for adoption by Council, will be tabled at the meeting.

In a separate agenda item the Council will be asked to pass its rates resolution setting the rates for the 2020/21 year.

POLICY STATUS

Revenue and Financing Policy

The Revenue and Financing Policy outlines the choices that Council has made to determine the appropriate funding of operational and capital expenditure from the sources of funding listed in the Local Government Act 2002. With regard to operational expenditure, the following table outlines breaches of the funding sources and the extent by which these sources have been applied.

	Governance General			Range in R&F Policy	Corporate Services		Range in R&F Policy	District Planning		Range in R&F Policy
Total Operating Expenditure	\$548,922			\$5,297,332			\$1,179,000			
Funded by:										
General Rates	\$0	0%	60-80%	\$3,585,567	68%	80-100%	\$457,500	39%	60-80%	
User Charges	\$37,485	7%	20-40%	\$366,919	7%	0-20%	\$0	0%	20-40%	
Other Income	\$0	0%	0%	\$708,153	13%	0%	\$0	0%	0%	
Investments	\$511,437	93%	20-40%	\$636,693	12%	0%	\$0	0%	0%	
Reserves	\$0	0%	0%	\$0	0%	0%	\$721,500	61%	0%	

From the Finance and Revenue Policy: Council budgets will normally be set within these ranges. As these ranges are expressed as a percentage of the cost of the activity, they may change over time because of changes in expenditure rather than changes in revenue. If budgets were marginally outside these ranges, it is unlikely that Council will consider that matter to have a high degree of significance and therefore warrant a change the Revenue and Financing Policy.

As identified above, the following operational funding sources are in breach of the Revenue and Financing Policy limits requiring resolution:

1. General Rate funding of Governance General – 0% (60-80%)
2. Investments funding of Governance General – 93% (20-40%)
3. General Rates funding of Corporate Services – 68% (80-100%)
4. Investments funding of Corporate Services – 12% (0%)
5. Other income funding of Corporate Services – 13% (0%)
6. General Rates funding of District Planning – 39% (60-80%)
7. User charges funding of District Planning – 0% (20-40%)
8. Reserves funding of District Planning – 61% (0%)

In addition, the following breaches were resolved as part of the adoption of fees and charges for 2020/21 at the Council meeting of 23 June 2020:

1. User charges funding of Governance General – 7% (20-40%)
2. User charges of Twizel Swimming Pool – 14% (20-40%)

The breach of the Revenue and Financing Policy is District Planning relates to the spreading of District Plan Review costs over the 10 year life of the Plan, ensuring that costs are not met by the ratepayers in the year of review. As the District Plan Review is an operational programme of work, external debt funding cannot be used, therefore reserves are proposed. This is consistent with prior decisions by Council to fund Plan Changes to the District Plan through reserves, including the intergenerational funding of Plan Change 13. In addition, the funding through user charges relates to private plan changes however these cannot be planned for as a forecasted source of income to this activity.

Breaches in Governance General and Corporate Services relate to Council's intention to lower the forecast rates rises from 8% to 4.48% in 2020/21 while maintaining existing operations and level of service. This has been achieved through the application of overhead allocation through cost recoverable activities and the use of forestry timber income (investment income). The use of investment income (forestry revenue) to offset general rates is considered an appropriate use as it allows the district as a whole to benefit from a productive district asset. Historically, general rates have contributed significantly to supporting forestry activities.

The above matters are consistent with the principles of the Revenue and Financing Policy including:

- Subsidies, grants and other income options are fully explored prior to rates being used; and
- Each generation of ratepayers should pay for the services they receive and borrowing can assist to achieve this outcome.

The breaches of limits can be confirmed, by resolution of Council, with a signalled intent to review the Revenue and Finance Policy during the financial year. A complete review of the Revenue and Financing Policy is intended for later in 2020, in preparation for the LTP 2021-31.

Liability Management Policy and Investment Policy

These policies place restrictions on the use of borrowing as a funding source. The LTP forecast that external debt in Year 3 would be \$5.873m. To date Council has no external debt, although the Annual Plan includes a proposal to increase debt to \$10.5m. This will be utilised for the funding of a

number of capital works including planned water supply upgrades and local share of capital roading projects. The increase relates to Council's intention to progress shovel ready projects as part of its COVID-19 Economic and Community Recovery Action Plan. The intended borrowing is in accordance with the Liability Management and Investment Policies.

SIGNIFICANCE OF DECISION

The Annual Plan is, in itself, of high significance as this contains the Council's budget for 2020/21, including its forecast financial, capital programme, operational plans and rates.

The Annual Plan 2020/21 is based on year 3 of the LTP which was consulted on in early 2018. At the meeting 23 June 2020, Council considered the variances contained in the draft Annual Plan 2020/21 with regard to those matters included in Year 3 of the LTP, and resolved that variances were not significant in consideration of the matters contained in Council's Significance and Engagement Policy:

RESOLUTION 2020/1

Moved: Cr Anne Munro

Seconded: Cr Matt Murphy

1. That the report be received.

CARRIED

RESOLUTION 2020/2

Moved: Deputy Mayor James Leslie

Seconded: Cr Murray Cox

2. That the Council resolve that the attached variances are not material or significant.

CARRIED

RESOLUTION 2020/3

Moved: Cr Murray Cox

Seconded: Mayor Graham Smith

3. That Council note the attached variances from Year 3 of the Long Term Plan 2018-2028 and agree to those items for inclusion in the Annual Plan 2020/21.

CARRIED

RESOLUTION 2020/4

Moved: Mayor Graham Smith

Seconded: Deputy Mayor James Leslie

4. That Council confirm that engagement is by way of informing about the Annual Plan 2020/21.

CARRIED

At this meeting, Council also resolved not to consult on the Annual Plan 2020/21. This paper has been prepared subsequent to that decision.

OPTIONS

Council has the following options available:

Option 1: Adopt the Annual Plan 2020-2021; or

Option 2: Decline to adopt the Annual Plan 2020/21 and carry out consultation on the draft Annual Plan proposals and variances.

These options are assessed below:

Option	Advantage	Disadvantage
1 – Adopt the Annual Plan 2020/21	<ul style="list-style-type: none"> Ensures that Council is meeting its legal responsibility to adopt the Annual Plan 2020/21 prior to 1 July and subsequently be able to strike rates for the first quarter; Allows commencement of key programmes of work/projects, especially those contributing to the social and economic recovery of the district; Resources (i.e. staff time and money) required to manage a public consultation process can be utilised on other projects; Expectations of the community are not raised unnecessarily that their submission may be able to be accommodated within the intent to reduce rates rises. 	<ul style="list-style-type: none"> None
2 – Decline to adopt and require consultation on the Annual Plan 2020/21	<ul style="list-style-type: none"> Ability to engage with the community through community consultation. 	<ul style="list-style-type: none"> Council will not be able to meet the statutory timeframe of adoption prior to the commencement of the new financial year (1 July); Council will therefore be unable to strike new rates for the first quarter of the 2020/21 year (rolling 25% of prior year rates); Community expectations may be raised that their submission may be able to be accommodated within Council's intention to reduce rates increases;

Option	Advantage	Disadvantage
		<ul style="list-style-type: none"> • Staff time and resources will be required to carry out the public consultation and submission hearing process; • Delays the commencement of key programmes of work / projects, especially those contributing to the social and economic recovery of the district.

Notwithstanding the above options, Council may resolve to instruct staff to make amendments to the draft Annual Plan 2020/21 and adopt including specified amendments.

Analysis Conclusion

As Council did not consult on its Year 2 Annual Plan it is not anticipated that there will be a community expectation that consultation on the Year 3 Annual Plan will occur. Additionally, at the meeting on 23 June 2020, Council resolved that the variances contained in the draft Annual Plan 2020/21 were not significant. Consultation therefore is not deemed to be required. In addition, if Council chooses not to adopt the Annual Plan then this will potentially delay adoption and the setting of rates for the first quarter of 2020/21. For these reasons and those outlined in the table above, Option 1 is recommended.

CONSIDERATIONS

Legal

The statutory process to develop an Annual Plan for the 2020-2021 year is set down in the Local Government Act 2002.

Local authorities need to consult with the public on the key consultation issues as determined by Council during the Annual Plan process only if the Annual Plan includes significant or material differences from the content of the relevant financial year in the LTP (see clause 2A, section 95A of the Local Government Act).

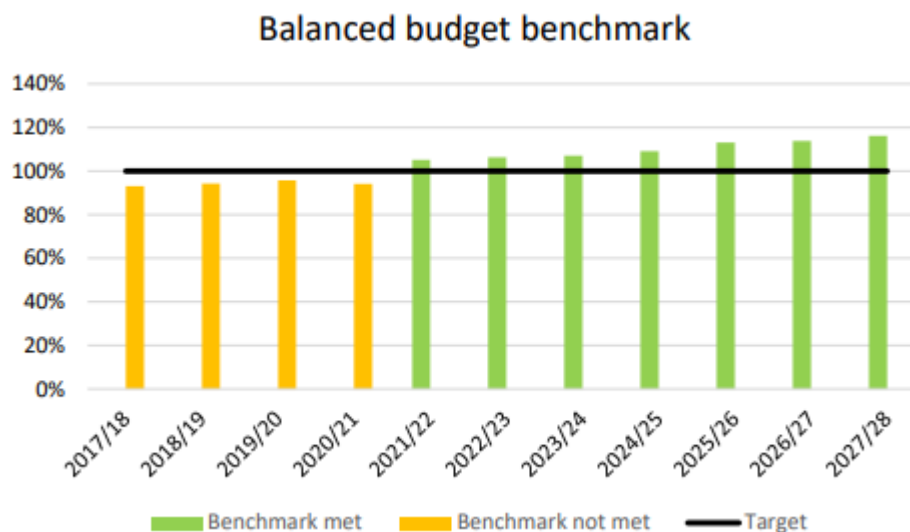
Council adopted the variances against LTP Year 3 at the Council meeting on 23 June 2020. At this meeting, Council resolved that these variances were not considered to be significant or material differences from year three of our 2018-2028 LTP and that Council will be continuing with the projects, priorities and direction as set in the LTP.

Financial

Balanced Budget Requirement

Section 100(1) of the Local Government Act 2002 requires a local authority to '*ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses*'. Section 100(2) provides that, '*despite subsection (1), a local authority may set projected operating revenues at a different level from that required by the subsection if the local*

authority resolves that it is financially prudent to do so'. In the LTP, Council projected that it would run an unbalanced budget for the first three years of the LTP (up to and including 2020/21), before returning to a balanced budget from Year 4 (2021/22).



NB: balanced budget benchmark is met if planned revenue (excluding vested assets and financial contributions) equals or is greater than its planned operating expenses.

The Annual Plan 2020/21 shows an operating deficit with revenue, excluding vested assets and financial contributions, of \$19.769m compared with expenditure totalling \$21.101m. In light of the longer term projected surpluses from Year 4 onwards, it is considered financially prudent for Council to set a budget in the Annual Plan 2020/21 which does not meet the balanced budget benchmark.

Other benchmarks and financial requirements

The Annual Plan, and included forecast financials comply with all other relevant financial benchmarks and the Financial Strategy.

External debt and infrastructure capital expenditure are proposed to increase from Year 3 of LTP due to the bringing forward of 'shovel ready' projects to promote COVID-19 recovery in the District.

Although external debt is forecast exceed levels anticipated for Year 3 of the LTP, projected debt for 2020/21 remains within the financial limits set by Council. Finance costs are within these limits which has been helped by the current climate of low interest rates. These matters are outlined in the table below:

	FINANCIAL STRATEGY LIMITS (YEAR 3)	DRAFT ANNUAL PLAN 2020/21
DEBT (not >2x rates income)	\$21.658m	\$10.500m
FINANCING COSTS (not >10% of total rate income)	\$1.022m	\$0.151m

Other

Risk

Risks associated with the adoption of the Annual Plan were considered by Council on 23 June 2020 where Council resolved that the variances from Year 3 of the LTP were not significant and consultation was not required.

No further risk assessment has been undertaken for the purposes of this paper.

Alignment with Council Mission

Council's mission is to '*foster our communities*'. This is accompanied by a core set of values to underpin decision making, the following of which are relevant to this particular proposal: *Be Fair to Everyone; Peace and Serenity Matters; Not Afraid to be Different; Do Things with Respect and Trust; and Leave Things Better for the Future.*

In addition, the decisions contained in the Annual Plan with regard to the reduced rates rises, funding applications, and capital works programmes are consistent with Council's intent in progressing its COVID-19 Economic & Community Recovery Action Plan.

Consultation

Section 95 requires a local authority to consult in a manner that gives effect to the requirements of Section 82 of the Local Government Act before adopting an Annual Plan, except if the proposed annual plan does not include significant and/or material differences from the content of the long term plan for the relevant financial year. The Council considered this at its meeting on 23 June 2020 and determined there were no significant or material differences that required consultation.

Communication

Following adoption, there will be information placed on the Council's website about the process and the adoption of the Annual Plan and its contents. In addition, it is proposed to circulate the attached two-page summary of the Annual Plan 2020/21 for inclusion in the first quarter of rates, the Twizel Update, Tekapo Scene and Fairlie Accessible as well as via the website and social media. A series of snippet videos will also be promoted via facebook covering a number of key highlights from the Annual Plan 2020.

CONCLUSION

The Council is asked to adopt the Annual Plan 2020/21 which will take effect from 1 July 2020.

4.3 RATES RESOLUTION REPORT

Author: Pauline Jackson, Revenue Officer
Authoriser: Adrian Hodgett, Finance Manager
Attachments: Nil

Council Role:

- ☐ **Advocacy** When Council or Committee advocates on its own behalf or on behalf of its community to another level of government/body/agency.
- ☐ **Executive** The substantial direction setting and oversight role of the Council or Committee e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.
- ☒ **Legislative** Includes adopting District Plans and plan changes, bylaws and policies.
- ☐ **Review** When Council or Committee reviews decisions made by officers.
- ☐ **Quasi-judicial** When Council determines an application/matter that directly affects a person's rights and interests. The judicial character arises from the obligation to abide by the principles of natural justice, e.g. resource consent or planning applications or objections, consents or other permits/licences (e.g. under Health Act, Dog Control Act) and other decisions that may be appealable to the Court including the Environment Court.
- ☐ **Not applicable** (Not applicable to Community Boards).

PURPOSE OF REPORT

The purpose of this report is to meet the requirements of Section 23 of the Local Government (Rating) Act 2002 which requires that rates must be set by resolution. The recommendations also relate to the due dates for payment of rates and the penalties regime.

STAFF RECOMMENDATIONS

1. That the report be received.
2. That the Mackenzie District Council resolves to set the following rates under the Local Government (Rating) Act 2002, on rating units in the Mackenzie District for the financial year commencing on 1 July 2020 and ending on 30 June 2021 and sets the due dates for the payment of rates and associated penalties for unpaid rates as also set out below.

GENERAL RATES

A General Rate set on the capital value of the land under Section 13 of the Local Government (Rating) Act 2002 on all rateable land. The general rate will be set differentially using the following categories based on the use and location of the land:

- Tekapo A A rate of \$0.0157634 per dollar (GST inclusive) of Capital Value

- Ohau A A rate of \$0.0018280 per dollar (GST inclusive) of Capital Value
- Tekapo B A rate of \$0.0027745 per dollar (GST inclusive) of Capital Value
- All Other Properties -
A rate of \$0.0010466 per dollar (GST inclusive) of Capital Value

UNIFORM ANNUAL GENERAL CHARGE

A Uniform Annual General Charge set on all rateable land under Section 15 of the Local Government (Rating) Act 2002.

- A fixed amount of \$24.63 (GST inclusive) per separately used or inhabited part (SUIP) of a rating unit.

WORKS & SERVICES RATES

Targeted rates for works and services, set under Section 16 of the Local Government (Rating) Act 2002, assessed on a differential basis as described below:

TWIZEL WORKS & SERVICES RATE

- A fixed amount of \$31.72 (GST inclusive) per separately used or inhabited part (SUIP) of a rating unit on every rating unit situated in the Twizel community (excluding capital improvement work in the Twizel community area of benefit which is funded by Twizel Improvement rate).).
- A rate of \$0.0006889 per dollar (GST inclusive) based on the capital value on every rating unit in the Twizel community ((excluding capital improvement work in the Twizel community area of benefit which is funded by Twizel Improvement rate) (as defined on a map held by Council)).

The relationship between the rates in the differential category is as follows:

- a) A fixed amount per separately used or inhabited part (SUIP) of a rating unit to fund 10.00% of the targeted rate requirement
- b) A rate per dollar of capital value of the land to fund 90.00% of the targeted rate requirement

FAIRLIE WORKS & SERVICES RATE

- A fixed amount of \$65.88 (GST inclusive) per separately used or inhabited part (SUIP) of a rating unit, on every rating unit situated in the Fairlie community.
- A rate of \$0.0021516 per dollar of capital value (GST inclusive) based on the capital value on every rating unit in the Fairlie community (as defined on a map held by Council)

The relationship between the rates in the differential category is as follows:

- a) A fixed amount per separately used or inhabited part (SUIP) of a rating unit to fund 10% of the targeted rate requirement

- b) A rate per dollar of capital value of the land to fund 90% of the targeted rate requirement.

LAKE TEKAPO WORKS & SERVICES RATE

- A fixed amount of \$184.21 (GST inclusive) per separately used or inhabited part (SUIP) of a rating unit on every rating unit situated in the Lake Tekapo community.
- A rate of \$0.0002961 per dollar of capital value (GST inclusive) based on the capital value on every rating unit situated in the Lake Tekapo community (as defined on a map held by Council)

The relationship between the rates in the differential category is as follows:

- a) A fixed amount in the separately used or inhabited part (SUIP) of a rating unit to fund 48% of the targeted rate requirement
- b) A rate per dollar of capital value of the land to fund 52% of the targeted rate requirement.

RURAL WORKS AND SERVICES RATE

- A fixed amount of \$20.83 (GST inclusive) per separately used or inhabited part (SUIP) of a rating unit on every rating unit situated in the rural community.
- Ohau A
A rate of \$0.0000221 per dollar of capital value (GST inclusive) on every rating unit in the rural community.
- Tekapo B
A rate of \$0.0000336 per dollar of capital value (GST inclusive) on every rating unit in the rural Community.
- Tekapo A
A rate of \$0.0001909 per dollar of capital value (GST inclusive) on every rating unit in the rural community.
- All other rural properties
A rate of \$0.0000067 per dollar of capital value (GST inclusive) based on the capital value of the land of every rating unit in the rural community.
(as defined on a map held by Council)

The relationship between the rates in the differential category is as follows:

- a) A fixed amount per separately used or inhabited part (SUIP) of a rating unit to fund 49% of the targeted rate requirement, and
- b) Ohau A
20% of the 51% balance of the targeted rate requirement
- c) Tekapo A

20% of the 51% balance of the targeted rate requirement

d) Tekapo B

20% of the 51% balance of the targeted rate requirement

e) All other rural properties

40% of the 51% balance of the targeted rate requirement

SEWAGE TREATMENT RATE

Targeted rates for sewage treatment, set under Section 16 of the Local Government (Rating) Act 2002, of

- A fixed amount of \$40.60 (GST inclusive) per separately used or inhabited part (SUIP) of a rating unit for all rating units situated in the communities of Fairlie, Burkes Pass, Lake Tekapo and Twizel and which are connected to a community sewerage scheme.
- A fixed amount of \$10.15 (GST inclusive) per water closet or urinal (after the first) for all rating units situated in the communities of Fairlie, Burkes Pass, Lake Tekapo and Twizel and which are connected to a community sewerage scheme.

(as defined on a map held by Council)

Notes for the purposes of these rates:

The sewage treatment service is treated as being provided if the rating unit is connected to a public sewerage drain. A rating unit used primarily as a residence for one household must not be treated as having more than one water closet or urinal.

EVERSLEY RESERVE SEWERAGE RATE

A targeted rate for sewerage, set under Section 16 of the Local Government (Rating) Act 2002, of
A fixed amount of \$938.28 (GST inclusive) per rating unit for ratepayers in the Eversley Reserve sewerage area of benefit, (excluding those rating units which have opted to pay the lump sum contribution).

(as defined on a map held by Council)

SEWERAGE INFRASTRUCTURE RATE

Targeted rates for sewerage infrastructure, set under Section 16 of the Local Government (Rating) Act 2002, of

- A fixed amount of \$180.06 (GST inclusive) per separately used or inhabited part (SUIP) of a rating unit for all rating units situated in the communities of Fairlie, Burkes Pass, Lake Tekapo and Twizel and which are connected or capable of being connected to a community sewerage scheme.
- A fixed amount of \$45.01 (GST inclusive) per each water closet or urinal (after the first) per separately used or inhabited part (SUIP) of a rating unit for all rating units situated in the communities of Fairlie, Burkes Pass, Lake Tekapo and Twizel and which are connected to a community sewerage scheme.

(as defined on a map held by Council)

Notes for the purposes of these rates:

The sewerage infrastructure service is treated as being provided if the rating unit is connected to or able to be connected to a public service drain and is within 30 metres of such a drain.

A rating unit used primarily as a residence for one household must not be treated as having more than one water closet or urinal.

WATER TREATMENT RATE

A targeted rate for urban water treatment, set under Section 16 of the Local Government (Rating) Act 2002, of

- A fixed amount of \$47.75 (GST inclusive) per separately used or inhabited part (SUIP) of a rating unit in the communities of Fairlie, Burkes Pass, Lake Tekapo and Twizel and which are connected to a community water supply (except those rating units receiving a metered water supply).

(as defined on a map held by Council)

Notes for the purposes of this rate:

- The water supply treatment service is treated as being provided if any part of the rating unit is connected to a Council operated waterworks except those rating units receiving a metered water supply.

WATER INFRASTRUCTURE RATE

A targeted rate for water supply infrastructure, set under Section 16 of the Local Government (Rating) Act 2002, of

- A fixed amount of \$361.53 (GST inclusive) per separately used or inhabited part (SUIP) of a rating unit which is connected or capable of connection to a community water supply in the communities of Fairlie, Burkes Pass, Lake Tekapo and Twizel (except those rating units receiving a metered water supply).

(as defined on a map held by Council)

Notes for the purposes of this rate

The water supply infrastructure service is treated as being provided, if any part of the rating unit is connected to a Council operated community water supply or if the rating unit is situated within 100 metres of an urban community water supply waterworks and is capable of connection and where water is not supplied and measured by meter.

METERED WATER RATE

A targeted rate under section 16 of the Local Government (Rating) Act 2002 will be assessed on every rating unit connected to a community water supply in Fairlie, Burkes Pass, Lake Tekapo and Twizel and where water is supplied and measured by meter.

- A fixed amount of \$409.28 (GST inclusive) per separately used or inhabited part (SUIP) of a rating unit which is serviced by a council water meter.

RURAL WATER SUPPLIES

Targeted rates for rural water supplies set under Section 19 of the Local Government (Rating) Act 2002, of:

- A fixed amount of \$273.61 (GST inclusive) per unit of water supplied to every rating unit serviced by the Allandale Rural water supply.
- A fixed amount of \$187.43 (GST inclusive) per unit of water supplied to every rating unit serviced by the Spur Road Rural water supply.
- A fixed amount of \$218.00 (GST inclusive) per unit of water supplied to every rating unit serviced by the Downlands Rural water supply area in the Mackenzie District.

Targeted rates for rural water supplies set under Section 16 of the Local Government (Rating) Act 2002, of:

- A fixed amount of \$225.00 (GST inclusive) per rating unit serviced by the Ashwick Opuha Rural water supply
- A rate of \$2.77 (GST inclusive) per hectare on every rating unit serviced by the Fairlie Water Race of a fixed amount per hectare.
- A fixed amount of \$30.00 (GST Inclusive) per rating unit serviced by the Fairlie Water Race.
- A fixed amount of \$544.00 (GST inclusive) per rating unit serviced by the Downlands water supply area in the Mackenzie District.

URBAN STORMWATER RATE

A targeted rate for urban stormwater set under Section 16 of the Local Government (Rating) Act 2002, of

- A fixed amount of \$38.08 (GST inclusive) per separately used or inhabited part (SUIP) of a rating unit which is situated in the communities of Fairlie, Lake Tekapo and Twizel. (as defined on a map held by Council)

DISTRICT ROADING RATE

Targeted rates for Mackenzie District Roding, set under Section 16 of the Local Government (Rating) Act 2002, of

- A fixed amount of \$79.18 (GST inclusive) per separately used or inhabited part (SUIP) of a rating unit on every rating unit (excluding Mount Cook Village) situated in the Mackenzie District.
- Tekapo A

A rate of \$0.0021689 per dollar (GST inclusive) of Capital Value.

- Ohau A

A rate of \$0.0002515 per dollar (GST inclusive) of Capital Value.

- Tekapo B.

A rate of \$0.0003817 per dollar (GST inclusive) of Capital Value.

- All other district properties

A rate of \$0.0001463 per dollar (GST inclusive) of Capital Value.

(as defined on a map held by Council)

The relationship between the rates in the differential category is as follows:

- a) A fixed amount per separately used or inhabited part (SUIP) of a rating unit to fund 35% of the targeted rate requirement, and
- b) Ohau A
10% of the 65% balance of the targeted rate requirement
- c) Tekapo A
10% of the 65% balance of the targeted rate requirement
- d) Tekapo B
10% of the 65% balance of the targeted rate requirement
- e) All other rural properties
70% of the 65% balance of the targeted rate requirement

URBAN SOLID WASTE RATE

A targeted rate for solid waste, set under Section 16 of the Local Government (Rating) Act 2002, of

- A fixed amount of \$279.80 (GST inclusive) per separately used or inhabited part (SUIP) of a rating unit for all rating units to which Council provides the service.

TWIZEL IMPROVEMENT RATE

A targeted rate for fund capitalised improvement work in the Twizel community area of benefit, set under Section 16 of the Local Government (Rating) Act 2002, of

- A fixed amount of \$50.89 (GST inclusive) per separately used or inhabited part (SUIP) of a rating unit situated in the Twizel Community. (as defined on a map held by Council)

TOURISM AND PROMOTION RATE

Targeted rates for Mackenzie District tourism and promotion, set under Section 16 of the Local Government (Rating) Act 2002, of.

- A fixed amount of \$8.23 (GST inclusive) per separately used and inhabited part (SUIP) of a rating unit on every rating situated in the Mackenzie District.
- A rate of \$0.0009041 per dollar of capital value (GST inclusive) based on the land use of all commercial businesses (excluding commercial accommodation businesses and secondary accommodation properties).
- A fixed amount of \$100.00 (GST inclusive) per rating unit on Industrial land properties.
- A rate of \$0.0007349 per dollar of capital value (GST inclusive) based on the land use on the rateable capital value of the land of all commercial accommodation businesses (excluding commercial businesses, secondary accommodation properties and industrial land properties).
- A rate of \$0.0003674 per dollar of capital value (GST inclusive) based on the land use on the rateable capital value of the land of all secondary accommodation properties (excluding commercial business, commercial accommodation businesses and industrial land properties).

Currently the 2020/21 split of the rate requirement is 12.95% fixed charges and 87.05% rates in the dollar based on capital value.

ECONOMIC DEVELOPMENT RATE

Targeted rates for economic development, set under Section 16 of the Local Government (Rating) Act 2002, of

- A fixed amount of \$10.00 (GST inclusive) per separately used and inhabited part (SUIP) of a rating unit on every rating situated in the Mackenzie District.
- A rate of \$0.0000878 per dollar of capital value (GST inclusive) based on the land use on the rateable capital value of the land of commercial businesses, and industrial land properties.

ALPS TO OCEAN RATE

A targeted rate for Alps to Ocean activities, set under Section 16 of the Local Government (Rating) Act 2002, of

- A fixed amount of \$22.20 (GST inclusive) per separately used and inhabited part (SUIP) of a rating unit on every rating situated in the Mackenzie District.

RURAL CATTLE STOP MAINTENANCE RATE

A targeted rate for rural cattle stop maintenance, set under Section 16 of the Local Government (Rating) Act 2002, of

- A fixed amount of \$108.69 per cattle stop or part thereof, on those rating units or parts of rating units benefitting.

FIXED CHARGES

Under section 21 of the Local Government (Rating) Act 2002, the Council is limited to setting fixed charges, excluding charges for water and sewer, at 30% of the total revenue from all rates sought by the Council.

The Mackenzie District Council has complied with section 21 of the Local Government (Rating) Act 2002 as excluding water and sewer charges, fixed charges as a percentage of the total rates amount to 16.96%.

DIFFERENTIAL CATEGORIES**GENERAL RATE**

The Council adopts the following differential categories based on the use and location of the land for the purposes of the general rate:

Tekapo A

Ohau A

Tekapo B

All Other Properties

The relationship between the rates set per differential categories is as follows:

Tekapo A 10% of the total rate requirement

Ohau A 10% of the total rate requirement

Tekapo B 10% of the total rate requirement

All Other Properties 70% of the total rate requirement

RURAL WORKS & SERVICES RATE

The Council adopts the following differential categories for the purposes of the Rural Works & Services Rate:

Category

Tekapo A

Ohau A

Tekapo B

All other rural properties

The relationship between the rates set per differential categories is as follows:

Tekapo A 20% of the balance of the targeted rate requirement

Ohau A 20% of the balance of the targeted rate requirement

Tekapo B	20% of the balance of the targeted rate requirement
All other rural properties	40% of the balance of the targeted rate requirement

DISTRICT ROADING RATE

The Council adopts the following differential categories based on the use and location of the land for the purposes of the District Roothing rate:

Tekapo A

Ohau A

Tekapo B

All other district properties

The relationship between the rates set per differential categories is as follows:

Tekapo A 10% of the balance of the total rate requirement

Ohau A 10% of the balance of the total rate requirement

Tekapo B 10% of the balance of the total rate requirement

All other district properties 70% of the balance of the total rate requirement

TOURISM AND PROMOTION RATE

The Council adopts the following differential categories based on the use and location of the land for the purposes of the Mackenzie District tourism and promotion.

Commercial Businesses

All rateable properties within the Mackenzie District identified as the principal use of the land being commercial business (excluding accommodation providers).

Industrial Land properties

All rateable properties within the Mackenzie District on land with a property category code beginning with I in the Council's Rating Information Database.

Commercial Accommodation Businesses

All rateable properties within the Mackenzie District identified as accommodation providers and where the principal use of the land is commercial accommodation businesses.

Secondary Accommodation Properties

All rateable properties within the Mackenzie District identified as accommodation providers but where the principal use of the land is not commercial accommodation business.

Definitions:

- Tekapo A - all separate rating units in the former Tekapo Ward, used for hydroelectric power generation (as more particularly defined on valuation roll number 2530015901).

- Ohau A - all separate rating units in the former Twizel Ward used for hydroelectric power generation (as more particularly defined on valuation roll number 2532000701A).
- Tekapo B - all separate rating units in the former Tekapo Ward, used for hydroelectric power generation (as more particularly defined on valuation roll number 2530018400).
- All other properties - all separate rating units in the Mackenzie District other than Tekapo A, Ohau A and Tekapo B.
- All other rural properties - all separate rating units in the Rural community other than, Tekapo A, Ohau A, Tekapo B and Mount Cook Village.
- Rural community is defined as the area of the Mackenzie District excluding the community areas of benefit of Twizel, Lake Tekapo, Fairlie and Mount Cook Village.
- All other district properties- all separate rating units in the Mackenzie District other than Tekapo A, Ohau A, Tekapo B and Mount Cook Village.

DUE DATE FOR PAYMENT OF RATES

All rates will be payable in four instalments on due dates as follows:

Instalment number	Due Date
One	20 September 2020
Two	20 December 2020
Three	20 March 2021
Four	20 June 2021

PENALTIES

That pursuant to sections 57 and 58 of the local Government (Rating) Act 2002, the Council prescribes the following penalties to be added to unpaid rates:

- a) A penalty of 5% of the amount of any instalment that has been assessed after 1 July 2020 and which is unpaid after the due dates will be applied on:
 - 22 September 2020
 - 22 December 2020
 - 22 March 2021
 - 22 June 2021
- b) A further 5% penalty will be added to unpaid rates from previous financial years unpaid on the later of 5 working days after the date of the resolution or 7 July 2020. The penalty charge will be applied on so much of any rates levied before 1 July 2020 which remain unpaid on 7 July 2020.
- c) A further 5% penalty will be added to unpaid rates from previous financial years to which a penalty has been added under (b) if the rates remain unpaid on 7 January 2021.

PAYMENT OF RATES

That rates shall be payable at any of the following places:

Council offices, 53 Main Street, Fairlie (between the hours of 8.30 am to 5.00 pm, Monday to Friday), and Market Place, Twizel (between the hours of 8.30 am to 5.00 pm Monday to Friday) excluding public holidays.

BACKGROUND

Section 23 of the Local Government (Rating) Act 2002 requires that the rates must be set by resolution of the local authority.

POLICY STATUS

Not applicable.

SIGNIFICANCE OF DECISION

This matter is not deemed significant under the Council's Significance Policy.

OPTIONS

Council has two options:

- a) Set its rates by passing the above resolution.
- b) Not pass the above resolution to set the 2020/21 years rates.

CONSIDERATIONS**Legal**

Council can only levy rates if these rates are set by resolution of Council and if an LTP or Annual Plan is current for the year in which the rates are to be applied.

Financial

If Council chooses not to set its rates by resolution it cannot levy any rates. It cannot base its rates on previous year's levels because it has adopted a new Long Term Plan which replaces the rates of the previous Annual Plan.

CONCLUSION

That the rates and due dates for payment be set by resolution for the 2020/21 financial year.

4.3 ADOPTION OF COMMITTEE TERMS OF REFERENCE - CHIEF EXECUTIVE PERFORMANCE COMMITTEE

Author: Katherine Hill, Senior Corporate Planner

Authoriser: Paul Numan, General Manager Corporate Services

Attachments: 1. Draft Chief Executive Performance Committee Terms of Reference [↓](#) 
2. Draft Audit and Risk Committee Terms of Reference [↓](#) 

Council Role:

- ☐ **Advocacy** When Council or Committee advocates on its own behalf or on behalf of its community to another level of government/body/agency.
- ☒ **Executive** The substantial direction setting and oversight role of the Council or Committee e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.
- ☐ **Legislative** Includes adopting District Plans and plan changes, bylaws and policies.
- ☐ **Review** When Council or Committee reviews decisions made by officers.
- ☐ **Quasi-judicial** When Council determines an application/matter that directly affects a person's rights and interests. The judicial character arises from the obligation to abide by the principles of natural justice, e.g. resource consent or planning applications or objections, consents or other permits/licences (e.g. under Health Act, Dog Control Act) and other decisions that may be appealable to the Court including the Environment Court.
- ☐ **Not applicable** (Not applicable to Community Boards).

PURPOSE OF REPORT

The purpose of this report is for Council to confirm and adopt the terms of reference for the newly established Chief Executive Performance Committee.

STAFF RECOMMENDATIONS

1. That the report be received.
2. That Council confirms the establishment of a new standing committee called the Chief Executive Performance Committee.
3. That Council adopt the attached terms of reference for the Chief Executive Performance Committee.
4. Adopt revised terms of reference for the Audit and Risk Committee to exclude responsibility for the Chief Executive's performance review, as attached.

5. That Council's decisions related to the Chief Executive Performance Committee be communicated to the Audit and Risk Committee.

BACKGROUND

The oversight of the chief executive's performance were written into the Terms of Reference for the Audit and Risk Committee adopted by Council 11 February 2020.

At its first meeting of the triennium, the Audit and Risk Committee considered these Terms of Reference and the following discussion was recorded in the minutes:

5.1 AUDIT AND RISK COMMITTEE - TERMS OF REFERENCE

Mr Mincham raised the subject of the chief executives performance review, which was included in the Terms of Reference for Audit and Risk. He said it was not normal practice to have this within the responsibility of the Audit and Risk Committee.

He suggested that this become either a sub-committee of Council or a sub-committee of Audit and Risk. He was concerned that he would not have the same amount of contact with the chief executive as other members of the committee and therefore not be able to discharge this duty well.

Discussion took place on this matter. John Mackey from Audit NZ was asked for his view. He said the usual practice was to form a small subcommittee which made recommendations to Council.

The chairperson suggested that the Audit and Risk Committee forms a subcommittee with membership consisting of the Mayor, Deputy Mayor, and Chair of the Audit and Risk Committee. There was general agreement on this and resolutions were passed accordingly.

COMMITTEE RESOLUTION AUD/2020/1

Moved: Cr Stuart Barwood

Seconded: Cr Anne Munro

1. That the report be received.

CARRIED

COMMITTEE RESOLUTION AUD/2020/2

Moved: Mayor Graham Smith

Seconded: Cr Anne Munro

2. That a sub-committee be formed to review the Chief Executive's performance with membership consisting of the Mayor, Deputy Mayor and Chairperson of the Audit and Risk Committee.

CARRIED

COMMITTEE RESOLUTION AUD/2020/3

Moved: Mr Bruce Mincham

Seconded: Cr Matt Murphy

3. That the Audit and Risk Committee recommends to Council that it reconsiders whether the chief executive's overview sits with the Audit and Risk Committee or with Council.
4. That the Audit and Risk Committee be informed of Council's decision.

CARRIED

Staff have, following the request by the Audit and Risk Committee, reviewed mechanisms for achieving the performance review of the Chief Executive. The option presented is to establish a standing committee of Council responsible for these tasks. This has been done to action resolution 4 of 25 February 2020.

Establishing a standing committee of council rather than a sub-committee of the Audit and Risk Committee is appropriate for the following reasons:

- (a) Recommendations regarding the employment of the Chief Executive must be confirmed and actioned by full Council.
- (b) Other councils in South Canterbury use this structure.

It is therefore the recommendation of staff, following this review, that the performance review of the Chief Executive be by way of a standing committee of Council rather than a sub-committee of the Audit and Risk Committee.

At Council's meeting of 23 June 2020, draft terms of reference for a standing committee were tabled, with discussion resulting in a number of changes to the terms of reference and scope, meeting frequency and membership. The item was held over until 30 June 2020 for amended terms of reference to be prepared.

The terms of reference for the proposed Chief Executive Performance Committee have been revised and are attached to this report.

As this decision will remove the responsibility for the Chief Executive's performance management from the remit of the Audit and Risk Committee, revised Terms of Reference for the Audit and Risk Committee are also attached, for adoption by Council. Changes to these Terms of Reference have been limited to the removal of these responsibilities.

POLICY STATUS

If adopted, the new terms of reference will be added to Council's Delegations Manual, with the amendments recorded within the schedule of changes.

SIGNIFICANCE OF DECISION

The decision to adopt terms of reference is an important one, but is not considered significant under the terms of the Council's Significance and Engagement Policy.

OPTIONS

The options available to Council are to either:

Option 1: Confirm the new Chief Executive Performance standing committee and adopt the terms of reference for the committee and the revised terms of reference for the Audit and Risk Committee; or

Option 2: Confirm the new committee as a standing committee of Council and, instruct staff to make amendments to the terms of reference, adopting the terms of reference inclusive of those specified changes; or

Option 3: Recommend to the Audit and Risk Committee that the Chief Executive Performance Committee be established as a sub-committee of the Audit and Risk Committee and adopt the terms of reference with specified changes to reflect that the establishment as a subcommittee of Audit and Risk.

Option 4: Decline to confirm the committee or adopt the terms of reference.

For the reasons outlined earlier in this report, and following discussion at the Council meeting of 23 June 2020, staff recommend option 1: to confirm the new Chief Executive Performance Committee as standing committee of Council and adopt the terms of reference for the committee and the revised terms of reference for the Audit and Risk Committee.

CONSIDERATIONS

Legal

The draft terms of reference of Council's standing committees have been prepared in accordance with the Local Government Act 2002 and Mackenzie District Council Standing Orders.

Financial

There are no direct financial implications.

CONCLUSION

The purpose of this report is for Council to confirm and act on the decisions made by the Audit and Risk Committee at its last meeting.

Chief Executive Performance Committee

The purpose of the Chief Executive Performance Committee is to review the performance of the Chief Executive annually, and also undertake the legislative requirements in relation to the Chief Executive's performance. The legislative basis for this committee is Schedule 7 clause 30 (1) (a), Local Government Act 2002.

1.1 Terms of Reference

The committee's role is to:

1. In May of each year:
 - a. Review the performance of the Chief Executive against the performance targets for the preceding year.
 - b. In conjunction with the Chief Executive Officer, set and confirm the performance targets for the upcoming year.
2. In December of each year:
 - a. Undertake a mid-year performance review; and
 - b. In conjunction with the Chief Executive Officer, set or amend, where appropriate, the key performance indicators for the remainder of the performance year.
3. In August of each year, the committee will, in consultation with the Chief Executive Officer, undertake a review of the terms, conditions and term of employment agreement in accordance with the following:
 - a. As a good employer, any amendments or alterations to the terms and conditions will be made in mutual agreement of the Committee and Chief Executive Officer, in good faith, providing fair and proper treatment in all aspects of employment.
 - b. The Committee is committed to applying fair and equitable remuneration and reward practices, taking into account internal and external relativities, Local Government practices and the ability to achieve the Mackenzie District Council strategic objectives.
 - c. As part of the Remuneration considerations, individual performance as well as internal and external relativities will be taken into account regarding any Chief Executive Officer remuneration based decisions, balanced by the organisational context, performance and affordability.
4. Undertake a performance review at end of first term of appointment as required by Schedule 7, clause 35 of the Local Government Act 2002, which currently provides:
 - (1) *A local authority must, not less than 6 months before the date on which the chief executive's contract of employment for the first term expires, conduct and complete a review of the employment of the chief executive.*
 - (2) *The review must assess –*
 - (a) *The performance of the chief executive; and*
 - (b) *The mix of skills and attributes possessed by the chief executive, and the degree to which they are consistent with the skills and attributes that the local authority considers necessary for the future; and*

- (c) Any other factors that the local authority considers relevant.*
- (3) To avoid doubt, responsibility for determining the degree to which any factors in subclause (2)(a) and (b) apply to a review, and the relevance of any additional factors under subclause (2)(c), rests solely with the local authority.*

Subclause (1) does not apply if the incumbent chief executive declares in writing to the local authority that he or she does not wish to be considered for appointment to a second term.

1.2 The scope of this Committee includes:

Considering matters relating to the performance of the Chief Executive Officer, including annual performance review.

The Committee shall have delegated authority to make decisions for and on behalf of the Council.

Membership	The Chief Executive Performance Committee will be a standing committee of all Councillors and the Mayor.
Quorum	The quorum shall be four members.
Chair	The Chair will be appointed by the Mayor.
Meetings	The Committee will meet at least twice a year (May and December) to review performance and once per year to review employment arrangements (August), and six months before the expiry date of the Chief Executive's contract of employment.

Audit and Risk Committee

The purpose of the Audit and Risk Committee is to provide governance and oversight of the effectiveness of risk management and internal control systems, including internal audit and external audit relationships.

Terms of Reference

- Monitor the Council's external and internal audit process.
- Consider and make recommendations to the Council on:
 - a. Monitoring the robustness of the internal control framework and financial management practices;
 - b. The integrity and appropriateness of internal and external reporting and accountability arrangements;
 - c. The robustness of risk management systems, processes and practices;
 - d. The independence and adequacy of external audit functions;
 - e. All year-end financial reporting obligations;
 - f. Compliance with applicable laws, regulations and standards, and best practice guidelines; and
 - g. The establishment and maintenance of controls to safeguard the Council's financial and non-financial assets.
- Discuss, with the external auditor, matters affecting the annual financial and non-financial statements and the annual audit.
- Monitor existing corporate policies and recommend new corporate policies to prohibit unethical, questionable or illegal activities.
- Support measures to improve management performance and internal controls.
- Ensure the quality of internal and external reports of financial and non-financial information.
- Develop policy relating to published financial statements and accounting standards of the Council.
- To review annual financial statements prior to Council adoption and ensure disclosures are in accordance with statutory requirements and consistent with best practice.
- Develop and monitor Annual Reports.

The scope of this Committee includes:

- Recommending the approval of the annual external audit proposal.
- Liaising with Council's external auditor:
 - a. at the start of each audit, confirm the terms of engagement with the external auditor including the nature and scope of the audit, timetable and fees;
 - b. approve the external audit engagement letter and letter of undertaking and any additional services to be provided by the external auditor;
 - c. receive the external audit report(s) and review action to be taken by management on significant issues and audit recommendations raised within;
 - d. conduct a members only session (i.e. without any management present) with external audit to discuss any matters that the auditors wish to bring to the committee's attention and/or any issues of independence;
 - e. meet with Council's audit direction on a quarterly basis
- Internal Control Framework:
 - a. review whether management's approach to maintaining an effective internal control framework is sound and effective;
 - b. review whether management has taken steps to embed a culture that is committed to probity and ethical behaviour;

- c. review whether there are appropriate systems, processes and controls in place to prevent, detect and effectively investigate fraud.
- External Reporting and Accountability:
 - a. agree the appropriateness of the Council's existing accounting policies and principles and any proposed change;
 - b. enquire of external auditors for any information that affects the quality and clarity of the Council's financial statements and statements of service performance, and assess whether appropriate action has been taken by management in response to the above;
 - c. satisfy itself that the financial statements and statements of service performance are supported by appropriate management signoff on the statements and on the adequacy of the systems of internal control (ie letters of representation), and recommend to Council the signing of the financial statements by the Chief Executive/Mayor and adoption of the Annual report.
- Overseeing the Council's systems, processes, and practices for risk management:
 - a. Ensure that management has in place a current and comprehensive risk management framework and associated procedures for effective identification and management of the Council's significant risks (including financial and non-financial risks);
 - b. consider whether appropriate action is being taken by management to mitigate Council's significant risks.
- Reviewing insurance arrangements annually.
- Monitoring insurance claims.
- Reviewing all audit reports of Council activities, including (but not limited to) building control authority audit reports, NZTA audit reports, Long Term Plan audit, and any other external audits.
- Preparing the Annual Report and carryovers.

Membership	The Audit and Risk Committee will be a standing committee of all Councillors and the Mayor. The Committee may appoint an additional person to the Committee where it considers that person has skills, attributes, or knowledge that will assist the work of the Committee.
Quorum	The quorum shall be four members.
Chair	The Chair will be nominated by the Mayor.
Meetings	The Audit and Risk Committee will meet on a quarterly basis or as required.

4.4 HERITAGE PROTECTION FUND

Author: Ann Rodgers, Planning Manager

Authoriser: Tim Harty, General Manager Operations

Attachments:

1. **Simspon Application - Confidential**
2. **McMurtrie Application - Confidential**

Council Role:

- ☐ **Advocacy** When Council or Committee advocates on its own behalf or on behalf of its community to another level of government/body/agency.
- ☒ **Executive** The substantial direction setting and oversight role of the Council or Committee e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.
- ☐ **Legislative** Includes adopting District Plans and plan changes, bylaws and policies.
- ☐ **Review** When Council or Committee reviews decisions made by officers.
- ☐ **Quasi-judicial** When Council determines an application/matter that directly affects a person's rights and interests. The judicial character arises from the obligation to abide by the principles of natural justice, e.g. resource consent or planning applications or objections, consents or other permits/licences (e.g. under Health Act, Dog Control Act) and other decisions that may be appealable to the Court including the Environment Court.
- ☐ **Not applicable** (Not applicable to Community Boards).

PURPOSE OF REPORT

To consider and approve two applications for funding from the Heritage Protection Fund from J & K Simpson and J McMurtrie.

STAFF RECOMMENDATIONS

1. That the report be received.
2. That Council approves a grant of \$2,500.00 from Councils Heritage Protection Fund for enhancement and management works, being the repair and repainting of original windows, fascia and trim at Eversley Homestead, 89 Fairlie-Tekapo Road (Mount Cook Road), State Highway 8, Fairlie. (Application from J McMurtrie).
3. That Council approves a grant of \$2,500.00 from Councils Heritage Protection Fund for enhancement and management of the Mt Nessing Homestead Gate/Picket Fence, being: the repair and replacement of a picket fence, finials, and repair of metal latches, a new "Mt Nessing" sign, and re-painting the repaired picket fence and gate at 1031 Mt Nessing Road, Albury. (Application from J & K Simpson).

BACKGROUND

The Heritage Protection Fund (the Fund) is provided by the Mackenzie District Council for the protection of heritage buildings, items, and places. The purpose of the fund is to assist and actively encourage property owners and Mackenzie community members to manage, maintain, preserve and enhance the heritage values of items or areas. The fund provides a partial contribution towards the costs of a specific project that is related to a building, item or place.

Applications for funding may be made in relation to buildings, items or places that are either currently listed or that have been approved to be listed under the Heritage Items Schedule of the Mackenzie District Plan as Category X, Y or Z heritage items. Applications for funding may also be made in relation to trees or groups of trees listed in the Protected Trees Schedule and archaeological sites and wāhi tapu sites or areas as identified by the Heritage New Zealand/Pouhere Taonga.

There are three types of projects eligible for funding:

- **Preservation/ Conservation:** Assist in caring for a feature so as to safeguard its heritage values with as little change as possible. Includes mechanisms to prevent damage or decay, covenanting of heritage features and the drafting of management plans.
- **Enhancement/Management:** Enhance the heritage value of the feature. This may include maintenance works on the item or its immediate surrounding, repairs, reconstruction work, restorations or stabilisation.
- **Research and Education:** Provide public information on the values of heritage features and assist in providing greater interest, protection and management of the feature.

The Heritage Protection Fund states that applications are eligible for a maximum grant of \$2,500.00 or a specified percentage of the sum required, whichever is the lesser. The specified percentage is based classification of the heritage item:

- Category X items – 75%
- Category Y items – 60%
- Category Z items – 45%
- Protected Trees – 50%
- Archaeological sites and Wāhi Tapu Sites – 50% The Heritage Protection Fund (the Fund) is provided by the Mackenzie District Council for the protection of heritage buildings, items, and places. The purpose of the fund is to assist and actively encourage property owners and Mackenzie community members to manage, maintain, preserve and enhance the heritage values of items or areas. The fund provides a partial contribution towards the costs of a specific project that is related to a building, item or place.

APPLICATIONS

- **EVERSLEY HOMESTEAD**

Jamie McMurtrie has applied for financial assistance through the Heritage Protection Fund for maintenance works at Eversley Homestead (the Homestead). A total contribution of \$2,500.00 towards the works from the Heritage Protection Fund has been requested.

The works consist of repairing and repainting original windows, fascia and trim on the Homestead, which form part of the 'huge list of repairs' required.

Eversley Homestead is located at, 89 Fairlie-Tekapo Road (Mount Cook Road), State Highway 8, Fairlie. The site is legally described as Lot 1 Deposited Plan 81102 and is contained within Record of Title 331188, Valuation number 25280 09206. The location of Eversley Homestead is illustrated below in Figure 1.

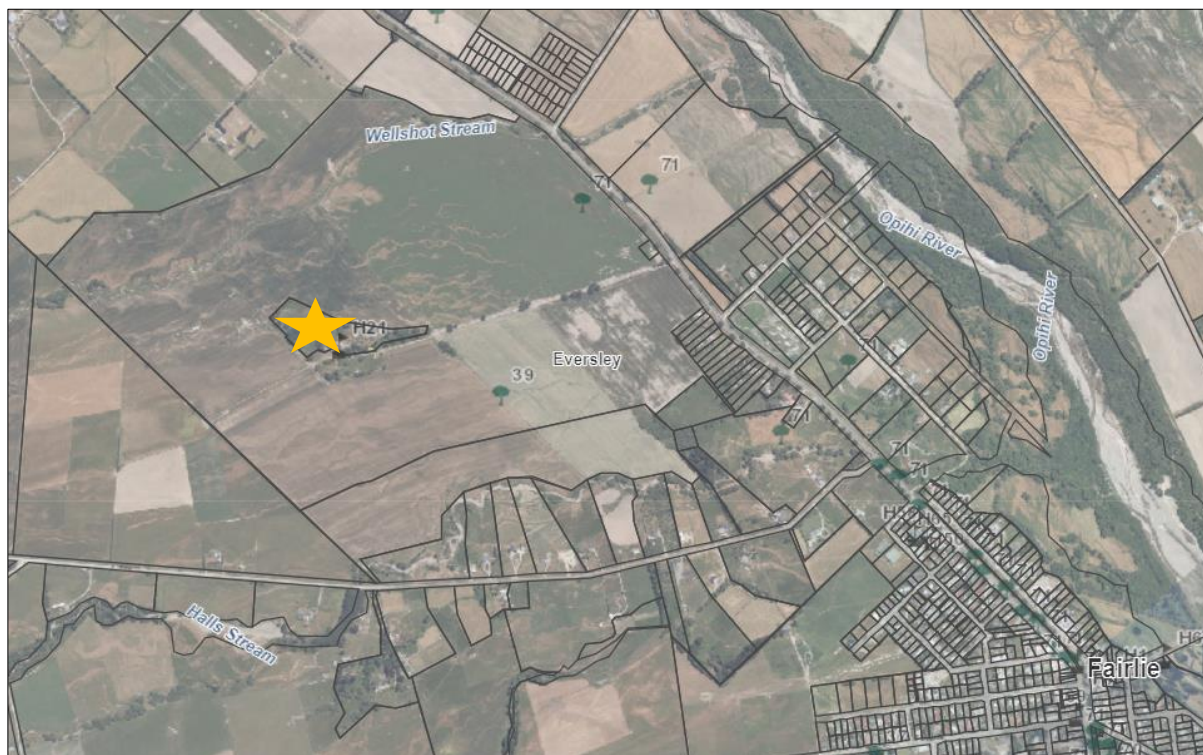


Figure 1: Eversley Homestead (indicated by yellow star) (Source: Mackenzie District Council Asset Viewer)

The cost of the proposed works is estimated to range from \$6,000 to \$9,500.15 based on two quotes provided with the application.

Eversley Homestead is included in the Operative Mackenzie District Plan 2004 (the District Plan) Heritage Items Schedule as a 'Y' category item. Under the District Plan Heritage Protection Rules Category 'Y' items are considered important but are not classified as significant as Category 'X' items, which is the highest classification possible under the District Plan. Under the District Plan Category 'Y' includes all places of special or outstanding historical or cultural significance that are included in the Historic Places Register as having 'historical or cultural heritage significance or value'.

Under the New Zealand Heritage List/Rārangi Kōrero (formerly the Historic Places Register or the Register), Eversley Homestead, List Number 1958, is listed as a Historic Place Category 2.

To inform the District Plan Review, Council commissioned a Heritage Assessment to be undertaken in 2014. This work involved an assessment of all known heritage items in the Mackenzie District, including Eversley Homestead. At the time of the assessment the Homestead appeared to be in 'very good condition'. A Photograph of the Homestead from the report is illustrated below in Figure 2 below.



Figure 2: Eversley Homestead (Source: Council Report on Eversley Homestead by Arlene Baird, 19 September 2014.

ASSESSMENT OF PROPOSAL AGAINST CRITERIA

The Heritage Protection Fund identifies that applications are eligible for a maximum grant of \$2,500.00 or a specified percentage of the sum required, based on the classification of the heritage item. Under Category 'Y', items will receive a maximum grant of \$2,500.00 or 60% of the sum required, whichever is the lower. Council may choose to allocate a lesser amount than the maximum specified to a project that does not meet all the criteria for evaluating an application which are listed below.

The criteria for evaluating a funding application is:

- The significance of the heritage feature.
- The primary focus of the proposed works.
- The contribution of the work to the long term viability of the heritage feature.
- Whether the project will provide new information, assist in public interpretation or understanding about the heritage feature.
- Public accessibility to the building.
- The amount of money available in the fund and the need for equitable distribution.

Assessment

Under the District Plan Eversley Homestead is classified as 'Y' Category item under the Mackenzie District Plan. The Homestead is also classified as a Category 2 item in the New Zealand Heritage List/Rārangi Kōrero.

The applicant has stated that the proposed works will protect the original features of the building from water and weather damage. Under the Heritage Protection Fund the proposed works are classified as an enhancement and management project. Enhancement and management projects are intended to enhance the heritage value of a feature, and includes maintenance works on the item, repairs and restoration. The proposed works include repairs and maintenance and will enhance the heritage value of the Homestead. The primary focus of the works falls within the scope of the Heritage Fund criteria.

The proposed works being repairs and maintenance will ensure the long term viability of Eversley Homestead. The works involve the protection of the original doors, windows, and fascia from water and weather damage.

The project is not a research and education project, therefore, there is no requirement to provide new information or a greater understanding about Eversley Homestead.

Eversley Homestead is a private residence and there is no public access, however, this does not diminish the value of the Homestead in the wider heritage context. The Homestead is recognised under the District Plan and by Heritage New Zealand/Pouhere Taonga as having heritage values worthy of recognition and protection.

Under the Heritage Protection Fund Policy, the amount of funding available each financial year is \$5,000. One other application has been received by council for funding in the current financial year (2019/2020).

If the amount of funding to be provided was based on 60% of the costs, the amount sought would range from \$3600.00 to \$5700.00. Therefore, based on the Heritage Funding allocation formula the maximum amount that can be allocated is \$2500.00.

CONCLUSION

The proposal satisfies the assessment criteria in terms of significance of the heritage feature, the primary focus of the works, and the contribution to the long term viability of the heritage feature.

Given the costs associated with the works, which are greater than \$2,500.00, and the benefits, which will enable ongoing protection of the heritage values of the Homestead, it is recommended that Council consider approving funding to the total of \$2,500.00 for the Enhancement/Management works.

RECOMMENDATION

That Council approves a grant of \$2,500.00 from Councils Heritage Protection Fund for enhancement and management works, being the repair and repainting of original windows, fascia and trim at Eversley Homestead, 89 Fairlie-Tekapo Road (Mount Cook Road), State Highway 8, Fairlie.

ATTACHMENTS

The application including two quotes for the proposed work.

- **MT NESSING HOMESTEAD GATE/PICKET FENCE – APPLICATION FOR FUNDING**

James and Katie Simpson (the applicants) have applied for financial assistance through the Heritage Protection Fund for maintenance works at Mt Nessing Homestead (the Homestead). A total contribution of \$2,500.00 towards the works from the Heritage Protection Fund has been requested.

The works consist of refurbishing and repairing the Mt Nessing Homestead Gate/Picket Fence. The proposal includes the repair and replacement of a rotten picket fence, rotten finials, and repair of metal latches, a new “Mt Nessing” sign, and repair/painting of the new picket fence and gate.

Mt Nessing Homestead and the Mt Nessing Homestead Gate/Picket Fence is located at 1031 Mt Nessing Road, Albury. The site is legally described as Section 13 Mt Nessing SETT, SO 8866 and is contained within Record of Title 3417271, Valuation number 25270 08400. The location of Mt Nessing Homestead Gate and Picket Fence is illustrated below in Figure 1.



Figure 1: Mt Nessing Homestead and Entry Gate and Picket Fence (indicated by red rectangle) (Source: Mackenzie District Council Asset Viewer)

The cost of the proposed works is estimated as follows:

- Pickets - \$1969.38, \$2,795.94, or \$2,961.25.
- Finials - \$1,814.93 or \$2,277.00.
- Installation of picket fence -
 - Materials (Posts and Rails) and labour \$3,043.00; or
 - Labour, machine (auger for post holes) and travel \$3,335.00.
- Painting including restoration of gate and picket fence \$1,759.50 or \$4,555.52.

All prices are inclusive of GST and based on quotes provided with the application.

Conservatively, taking the lowest quote for each activity, the minimum amount required to undertake the works would be \$8,586.81 inclusive of GST.

The Mt Nessing Homestead Gate/Picket Fence is included in the Operative Mackenzie District Plan 2004 (the District Plan) in the Heritage Items Schedule as a ‘Y’ category item. Mt Nessing Homestead at the same site is also included in the District Plan Heritage Items Schedule as a ‘Y’ category item.

Under the District Plan Heritage Protection Rules Category 'Y' items are considered important but are not classified as significant as Category 'X' items, which is the highest classification possible under the District Plan. Under the District Plan, Category 'Y' includes all places of special or outstanding historical or cultural significance that are included in the Historic Places Register as having 'historical or cultural heritage significance or value'.

Under the New Zealand Heritage List/Rāangi Kōrero (formerly the Historic Places Register or the Register), Mt Nessing Homestead Entrance Gate and Picket Fence, List Number 1964, is listed as a Historic Place Category 2. Mt Nessing Homestead is also include on the New Zealand Heritage List/Rāangi Kōrero, List Number 3143, as a Historic Place Category 2 item.

To inform the District Plan Review, Council commissioned a Heritage Assessment to be undertaken in 2014. This work involved an assessment of all known heritage items in the Mackenzie District, including the Mt Nessing Homestead Gate/Picket Fence. The notable features of the Homestead Gate/Picket Fence was identified as being the detailing on the gate. At the time of the assessment the Mt Nessing Homestead Gate/Picket Fence was considered to be in 'good solid condition', however, the paint work needed attention. The picket fence was also described as needing some attention. A photograph of the Homestead Gate/Picket Fence from the report is illustrated below in Figure 2 below, with further details provided in Figure 3.



Figure 2: Mt Nessing Homestead Gate/Picket Fence (Source: Council Report on Mt Nessing Homestead Gate/Picket Fence by Arlene Baird, 12 September 2014)



Figure 3: Mt Nessing Homestead Gate - details (Source: Council Report on Mt Nessing Homestead Gate/Picket Fence by Arlene Baird, 12September 2014)

ASSESSMENT OF PROPOSAL AGAINST CRITERIA

The Heritage Protection Fund identifies that applications are eligible for a maximum grant of \$2,500.00 or a specified percentage of the sum required, based on the classification of the heritage item. Under Category 'Y', items will receive a maximum grant of \$2,500.00 or 60% of the sum required, whichever is the lower. Council may choose to allocate a lesser amount than the maximum specified to a project that does not meet all the criteria for evaluating an application which are listed below.

The criteria for evaluating a funding application is:

- The significance of the heritage feature.
- The primary focus of the proposed works.
- The contribution of the work to the long term viability of the heritage feature.
- Whether the project will provide new information, assist in public interpretation or understanding about the heritage feature.
- Public accessibility to the item.
- The amount of money available in the fund and the need for equitable distribution.

Assessment

Under the District Plan Mt Nessing Homestead Gate/Picket Fence is classified as 'Y' category item. The Gate/Picket Fence is also classified as a Category 2 item in the New Zealand Heritage List/Rārangi Kōrero.

The applicant has stated that the proposed works are necessary as the fence and gate is damaged, and needs repair. There are rotten fence posts and pickets, sagged fence timber, rotten finials, a broken metal latch, and the 'Mt Nessing' sign has peeled off. Paint work is also chipped. The purpose of seeking funding for the works is to help the owners 'do a quality job'.

Under the Heritage Protection Fund the proposed works are classified as an enhancement and management project. Enhancement and management projects are intended to enhance the heritage value of a feature, and includes maintenance works on the item, repairs and restoration. The proposed works include repairs and maintenance and will enhance the heritage value of the Mt Nessing Homestead Gate/Picket Fence by ensuring that they remain in good condition. The primary focus of the works falls within the scope of the Heritage Protection Fund criteria.

The proposed works being repairs and maintenance will ensure the long term viability of the Homestead Gate/Picket Fence. The works are a significant refurbishment, some of which have been required since at least 2014 when a Council representative visited site.

The project is not a research and education project, therefore, there is no requirement to provide new information or a greater understanding about Mt Nessing Homestead Gate/Picket Fence.

Mt Nessing Homestead Gate/Picket Fence is a private residence and there is no public access. The gates, however, are at the property entrance and therefore, visible to passers-by. Given the gates are on the road boundary there is the opportunity for the public to view and appreciate the gates from the public realm.

Under the Heritage Protection Fund Policy, the amount of funding available each financial year is \$5,000. One other application has been received by council for funding in the current financial year (2019/2020).

If the amount of funding to be provided was based on 60% of the costs, the minimum amount sought would be \$5152.08. Therefore, based on the Heritage Funding allocation formula the maximum amount that can be allocated is \$2500.00.

CONCLUSION

The proposal satisfies the assessment criteria in terms of significance of the heritage feature, the primary focus of the works, and the contribution to the long term viability of the heritage feature.

Given the costs associated with the works, which are greater than \$2,500.00, and the benefits, which will enable ongoing protection of the heritage values of the Mt Nessing Homestead Gate and Picket Fence at the , it is recommended that Council consider approving funding to the total of \$2,500.00 for the Enhancement/Management works.

RECOMMENDATION

That Council approves a grant of \$2,500.00 from Councils Heritage Protection Fund for enhancement and management of the Mt Nessing Homestead Gate/Picket Fence, being: the repair

and replacement of a picket fence, finials, and repair of metal latches, a new “Mt Nessing” sign, and re-painting the repaired picket fence and gate at 1031 Mt Nessing Road, Albury.

ATTACHMENTS

The application including seven quotes for the proposed work and a history of the Mt Nessing Gates provided by the applicant.

SIGNIFICANCE OF DECISION

The proposals do not trigger Council’s Significance and Engagement Policy.

OPTIONS

1. Approve applications as outlined
2. Decline applications as outlined