

TO: EXTRAORDINARY COUNCIL
FROM: DIRECTOR – FINANCE AND CORPORATE SERVICES
MEETING DATE: TUESDAY, 14 FEBRUARY 2017

2017/18 ANNUAL PLAN – AMENDMENTS

Report Prepared by: Melissa Short – Manager, Strategy and Policy

SUMMARY

Since the agenda was presented some minor amendments need to be made to the documents for adoption. This report presents a replacement recommendation for Council.

Also, following the publication of the agenda a member of the public contacted the Manager – Strategy and Policy highlighting some areas that they considered should be included in the Consultation Document. These are presented to Council for determination.

RECOMMENDATIONS

It is recommended that Council adopt the supporting information, with the removal of the ‘New Dog Fee’ from the Fees and Charges for consultation purposes.

AND THAT

Council adopt the 2017/18 Annual Plan Consultation Document, with the inclusion of the Mayor’s comment for public consultation.

OR

Council adopt the 2017/18 Annual Plan Consultation Document, with the inclusion of the Mayor’s comment, the explanation of debt level change and the explanation of Investment Property change for public consultation.

IMPLICATIONS

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> This is the adoption of the Annual Plan Consultation Document.
2.	<i>Is a budget amendment required?</i> This process is used to set the proposed budgets for Council’s activities.
3.	<i>Is this matter significant in terms of Council’s Policy on Significance?</i> No.
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> No.
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> The adoption of the Consultation Document for the Annual Plan 2017/18 for public consultation initiates the process under the Local Government Act 2002.
6.	<i>Has the Child, Youth and Family Friendly Policy been considered?</i> Yes.

FINANCIAL IMPLICATIONS

No financial implications arise from this report.

AMENDMENTS TO ANNUAL PLAN CONSULTATION DOCUMENT AND SUPPORTING INFORMATION

Mayor's Comment

His Worship the Mayor has provided an opening comment to the Consultation Document. It is attached as *Appendix 1* and will be included on page 5 of the Consultation Document.

Animal Services Fee

The New Dog Registration fee (first row of the Animal Services Table on page 36 of the agenda) is to be deleted. This fee was mistakenly reintroduced to the fees and charges section. Following a query from a Councillor last year, Council's Legal Advisor reviewed the fee and determined that it was arguable whether such a fee could be established under section 37 of the Dog Control Act 1996. Council therefore determined to delete the fee.

In seeking to address the large number of unregistered dogs within the city one of the tools considered was trialling new ways to make it easier for people to register their dogs. The more dogs that are registered the better ability Council has to reduce the overall fees. The initial rationale behind the fee was to make registering a dog more affordable. When the fee was deleted, the Director of Environmental and Planning Services assessed methods of achieving the same outcome and exercised her authority to waive part of the registration fee for new dogs. It is anticipated that this method of encouraging registration will continue to occur.

Debt level

A member of the public has queried why the variance in debt levels from the Long-term Plan projections to the 2017/18 Annual Plan has not been included in the Consultation Document. This was included in the 2016/17 Annual Plan and the circumstances have not changed. The member of the public contends that as the LTP was not amended the variance must once again be clearly explained. The change to the Debt level from that which was forecast in the LTP is identified in the Annual Plan. It is done so through the supporting information most notably on pages 84 and 98. Should Council wish to include a statement in the Consultation Document staff recommend that it is added in the For Your Information section and read as follows:

The Council's 2015-2025 Long-term Plan anticipated that our limit on borrowings would remain at or below 7% (being debt over assets), with an overall upper limit of 15%. In the 2017/18 Annual Plan we are now forecasting a 12% debt over asset ratio. This is mainly because of a \$30 million transaction with Invercargill City Holdings Limited.

Investment Property

The member of the public has also queried why the variance in Investment Property from the Long-term Plan projections to the 2017/18 Annual Plan has not been included in the Consultation Document. This was included in the 2016/17 Annual Plan and the circumstances have not changed. The member of the public contends that as the LTP was not amended the variance must once again be clearly explained. The change to Investment Property from that which was forecast in the LTP is identified in the Annual Plan. It is done so through the supporting information most notably on page 127. Should Council wish to include a statement in the Consultation Document staff recommend that it is added in the For Your Information section and read as follows:

The planned Investment Property development at Don Street is now due for completion around July 2017. This is later than what was anticipated in the Long-term Plan. The income

expectation for the 2017/18 year in investment properties is now lower than projected in the Long-term Plan due to the delays with this project. This leads to a decrease in Investment Property profits, which are used to offset rates.

CONCLUSION

Council needs to determine whether the debt level and investment property information is to be included in the Consultation Document.

Mayor's Comment

In last years 'Mayor's Comment', I acknowledged that water was one of the most valuable resources on Planet Earth and that all Councils would face challenges involving reticulation, pollution or irrigation. All over the country debate has erupted over the pollution of our waterways. Our Council was proactive before the mass poisoning of residents in Havelock North and the construction of our water purification plant is well under way. The other threat we face regarding water is flooding. Our low lying Airport and parts of Otatara could suffer extensive damage from storms and rising sea levels. We would like to hear your views on expanding the stop banks along Stead Street. The projects we are considering are quite modest and focus on improving our lifestyle rather than our basic infrastructure. There have been many complaints about the lack of changing rooms at Splash Palace. When the planning was undertaken in the early 90's our Aquatic Centre was viewed as a co-operative facility. Instead of five secondary schools building their own pools it made common sense, to develop once centralised multi-purpose Aquatic Centre. We are a compact urban centre with a well-developed roading network. What we didn't plan for was the increased use of this facility by our health conscious senior citizens. Originally, we had hoped that the development of a dry gym would help to pay for expanding our changing rooms but this plan was not adopted by Council. Now, we are asking for your views on a range of options.

There is a general consensus within our community that Invercargill needs to increase its population if the city is to grow and prosper. To achieve this we need to promote ourselves as an exciting, innovative, vibrant Capital City for the dynamic Southern Region. We are therefore proposing to increase our events budget that includes producing movies, theatrical projects and major sporting competitions. This is one of the numerous initiatives aimed at attracting more people to our region.