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## **NOTICE OF MEETING**

**Notice is hereby given of an  
Extraordinary Meeting of the  
Invercargill City Council  
to be held in the Council Chamber, First Floor  
Civic Administration Building,  
101 Esk Street, Invercargill  
On Tuesday 22 May 2018 at 5.00 pm**

His Worship the Mayor Mr T R Shadbolt JP  
Cr R R Amundsen (Deputy Mayor)  
Cr R L Abbott  
Cr A J Arnold  
Cr K F Arnold  
Cr T M Biddle  
Cr A H Crackett  
Cr I L Esler  
Cr G D Lewis  
Cr D J Ludlow  
Cr I R Pottinger  
Cr L F Soper  
Cr L S Thomas

CLARE HADLEY  
CHIEF EXECUTIVE

## **Council's Values:**

- Responsibility      Take ownership of decisions and outcomes, both collectively and individually.
- We willingly share our knowledge.
  - We acknowledge our mistakes, work to resolve them and learn from them.
  - We give and receive feedback in a constructive manner to resolve issues.
  - We do our job with total commitment.
- Respect              Everyone is important, as are their views.
- We support and care for each other.
  - We stop to listen, learn and understand.
  - We communicate in an honest, up-front and considerate manner.
  - We maintain confidences and avoid hurtful gossip.
- Positivity            Always look on the bright side of life.
- We are approachable, interested and friendly.
  - We are open and receptive to change.
  - We acknowledge and praise the efforts of others.
  - We work together as a team to get the job done.
- Above and Beyond    Take opportunities to go the extra mile.
- We take the initiative to improve our work practices to get the best results.
  - We challenge ourselves and each other to make it better.
  - We take pride in providing the best possible outcomes.
  - We are ambassadors for our Council at all times.

## **Council's Vision for the City:**

Enhance our City and preserve its character, while embracing innovation and change.

## **Council's Vision:**

We are an energised, fun and innovative team that makes it better for each other and our community.

## **Council's Mission:**

Making it better by making it happen.

# **A G E N D A**

1. **APOLOGIES**
2. **REPORT OF THE CHIEF EXECUTIVE**
  - 2.1 **RATING IMPACTS FOLLOWING DECISIONS ON LONG TERM PLAN**

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**TO: EXTRAORDINARY COUNCIL**

**FROM: CHIEF EXECUTIVE**

**MEETING DATE: TUESDAY 22 MAY 2018**

<b>RATING IMPACTS FOLLOWING DECISIONS ON LONG-TERM PLAN</b>
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**Report Prepared by:** Melissa Short, Manager – Strategy and Policy

**SUMMARY**

This report outlines the impacts on rates required following decisions made on the Long-term Plan.
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**RECOMMENDATIONS**

**It is recommended that the report be received; and**

**That the projected rates increases included within the report be adopted for the 2018-2028 Long-term Plan.**

**IMPLICATIONS**

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> This process forms part of the development of the Long-term Plan.
2.	<i>Is a budget amendment required?</i> No
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> The decisions made as part of the Long-term Plan process impact on Activity Management Plans and other Council documents.
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> Yes. Public consultation has been completed.

**FINANCIAL IMPLICATIONS**

Financial implications of decisions have been considered during the submission hearing and decision-making processes. This report is to outline the long-term impact on rates and the impact on rate payers of different categories in the first year of the Long-term Plan.

## TEN YEAR RATE FORECAST

At its extraordinary meeting on 15 May 2018, the Council made the following decisions on key projects identified in its Long-term Plan consultation document:

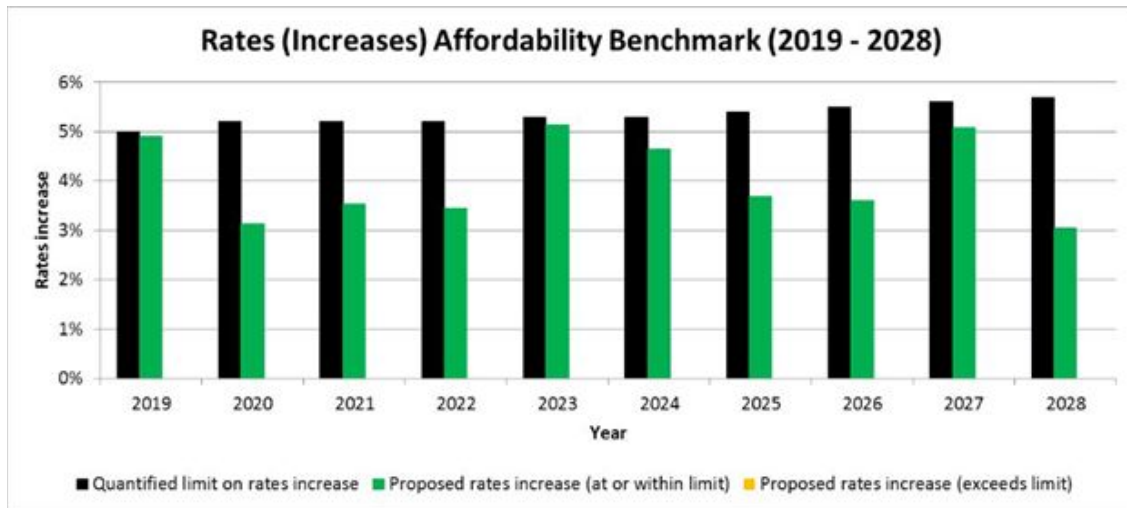
- *Alternative Water Supply* – proceed as planned beginning in the 2025/26 year.
- *Anderson House* – proceed as planned with 67% strengthening without upgrading the kitchen facilities in the 2019/20 year.
- *Additional Pool* – delay the additional pool project until the 2023/24 year.
- *Southland Indoor Leisure Centre Charitable Trust grant* – grant \$300,000 to the Trust in the 2018/19 year. The increase is a one-off payment and is not to be ongoing.
- *Arts and Creativity Invercargill* – proceed as planned beginning funding in 2018/19 and development in 2021/22.
- *Living Dinosaurs Experience* – proceed as planned in the 2019/20 year.

Council also made decisions regarding the Invercargill City Council's contribution toward a Museum redevelopment and a Regional Storage Facility. The Council determined that the grant for redeveloping the Museum would be moved from the 2027/28 year to the 2021/22 (\$2.5 million) and 2022/23 (\$7 million) years. It also determined that an additional \$200,000 would be added to the budget in the first four years (2018/19 – 2021/22) as Invercargill City Council's contribution to any interim museum presence. Council determined that the \$9 million grant for the Regional Storage Facility would remain scheduled for the 2024/25 year.

The table below shows the impact of these decisions on rate increases over the ten year period of the Long-term Plan.

<b>Year</b>	<b>Average Rates Change</b>	<b>Rates Change Limit</b>
2018/19	4.91%	5.00%
2019/20	3.14%	5.20%
2020/21	3.53%	5.20%
2021/22	3.44%	5.20%
2022/23	5.14%	5.30%
2023/24	4.66%	5.30%
2024/25	3.70%	5.40%
2025/26	3.60%	5.50%
2026/27	5.09%	5.60%
2027/28	3.05%	5.70%

The graph below illustrates the level of rates increase against the rate increase limit (forecast Local Government Cost Index + 3%). The graph demonstrates that there are a number of years where the difference between actual rates increases and the limit on rates increases is minor. Unanticipated works or projects could result in a breach of these limits and will require careful monitoring through the ongoing annual planning process.



The decisions made by Council on the 15 May 2018 have resulted in a 4.91% rates increase for the 2018/19 year. The 4.91% increase is the overall average rates increase, however many properties will have a rates change different to this. The table of Rating Changes below show some examples of different properties, their valuation change and the impact that this has had on the rates payable by the rate payer.

The larger changes from those outlined in the Consultation Document are on those properties with a higher capital value. This is because the increased funding for the Southland Indoor Leisure Centre Charitable Trust grant is funded through the General Rate which is based on Capital Value.

Type of property	Rateable Value (Current) \$	Rateable Value (Proposed) \$	Rates 2017/18 \$	Rates 2018/19 \$	\$ Change Annual	\$ Change Weekly	% Change Rates
Residential	109,000	130,000	1,745	1,809	64	1.23	3.64%
Residential	215,000	255,000	2,188	2,303	115	2.21	5.22%
Residential	310,000	350,000	2,585	2,678	93	1.79	3.56%
Residential	485,000	540,000	3,317	3,428	111	2.13	3.35%
Residential	600,000	660,000	3,797	3,902	105	2.02	2.75%
Commercial	690,000	750,000	5,855	5,980	125	2.40	2.14%
Commercial	1,100,000	1,090,000	8,891	8,732	-159	-3.06	-1.79%
Commercial	2,450,000	2,900,000	13,521	14,422	901	17.33	6.66%
Commercial	3,500,000	3,590,000	19,760	19,228	-532	-10.23	-2.69%
Farms	620,000	620,000	1,455	1,422	-33	-0.63	-2.25%
Farms	1,730,000	1,730,000	2,955	2,929	-26	-0.50	-0.87%
Farms	5,300,000	5,370,000	8,532	8,625	93	1.79	1.08%

Farms	10,050,000	10,600,000	15,514	16,333	819	15.75	5.28%
Industrial	17,700,000	19,500,000	52,417	52,444	27	0.52	0.05%
Industrial	1,000,000	1,030,000	6,952	6,880	-72	-1.38	-1.03%
Industrial	2,000,000	2,200,000	11,928	12,171	243	4.67	2.04%

**CONCLUSION**

The decisions made at Council's meeting on the 15 May 2018 and the implications of these decisions as outlined in this report will be included in the Long-term Plan document prepared for auditing.

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