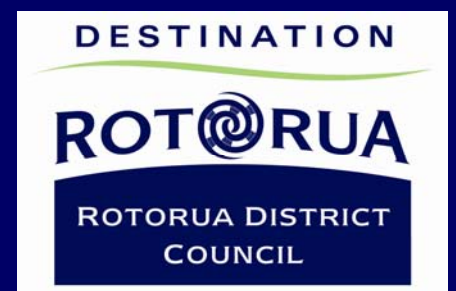
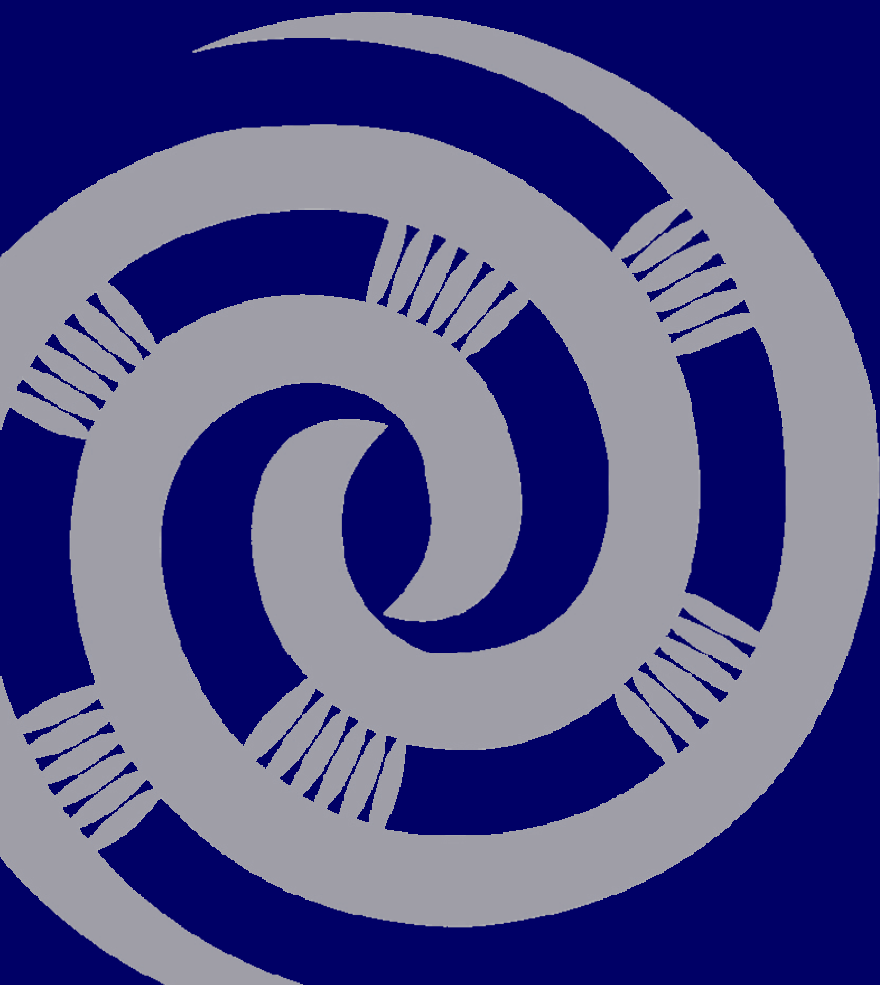




# Amendments to Ten Year Plan

Long Term Council Community Plan 2006 - 2016



# AMENDMENTS TO THE ROTORUA DISTRICT COUNCIL LONG TERM COUNCIL COMMUNITY PLAN 2006-2016 (THE TEN YEAR PLAN)

## Purpose

The purpose is to update Council's Ten Year Plan 2006-2016 (Long Term Council Community Plan) in accordance with the Local Government Act 2002 sections 83 and 84.

## Background

Long Term Council Community Plans (LTCCPs) are required to be reviewed every three years. In the intervening years councils can accommodate variances in the cost of delivering the activities in the LTCCP through the annual plan process. This also enables councils to determine revenue requirements and set rates on an annual basis.

If councils wish to make significant changes or alter activities or policy outside of the scope of an annual plan, they must use the Special Consultative Procedure (SCP) to do this.

It should be noted that these amendments do not reflect non material changes to activities or the annual budget for activities, as these matters are covered in the Annual Plan which will undergo consultation concurrently with these amendments.

There are several reasons for the various amendments proposed:

1. To reflect intended changes in powers, duties, functions or levels of service that would otherwise be in conflict with the plan.
2. To correct errors or a minor or clerical nature.
3. To enable Council to more effectively implement or undertake the activities as proposed in the plan.
4. To incorporate new policy or revisions to existing policy.
5. To provide improved clarity, or assist with interpretation of the plan.

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# AMENDMENT 1.

## Rating Policy (Definition of SUIP)

Reason:

To incorporate new policy or revisions to existing policy.

### Part C Financial Statements

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#### Background

At the time the Ten Year Plan 2006-2016 was prepared there was no requirement to define "Separately Used or Inhabited Part" (SUIP) of rating units. However, under the Local Government Act 2002 and the Local Government Amendment Act 2006, if Council wants to charge rates to separately used or inhabited parts of property, then a definition is required to be included in the Funding Impact Statement.

#### Effect of amendment

To ensure compliance with legislation which will permit Council to continue charging targeted rates for water and refuse collection on SUIP of various rating units.

#### Amendment

B: Definitions (includes the following):

"Separately Used or Inhabited Part (SUIP)" means, for the purposes of targeted rates for non-metered water supply and for refuse collection charges, any part of a rating unit that is or is able to be used or inhabited by the ratepayer or by any other person or body having a right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement.

## AMENDMENT 2.

### Rating Policy

#### 1. Establishment of targeted rate for Rotorua Lakes Community Board

#### 2. Establishment of targeted rate for urban sewerage development

##### Reason:

To incorporate new policy or revisions to existing policy.

##### Effect of amendment

1. Ratepayers in the Community Board area will be charged a new targeted rate annually to fund the Community Board cost.

### Part C Financial Statements

The Lakes Community Board rate is set at:

2007/2008	\$21.90
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The amount to be collected is \$56,250 per annum (GST inclusive).

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#### Background

1. A Rotorua Lakes Community Board will be established following the Council elections in October 2007. Council will establish a targeted rate to meet the cost of the Community Board.
2. A new targeted rate will be established to fund the cost of sewerage capital work in the Ngongotaha, Fairy Springs and Hinemoa Point areas.

2. An additional uniform targeted rate will be charged annually to ratepayers within the "urban sector" to fund sewerage development costs.

The Urban Sewerage Development rate is set at:

2007/2008	\$6.10
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The amount to be collected is \$127,863 per annum (GST inclusive).

#### Amendment

- 1.& 2. Included in the Rating Policy and Funding Impact Statement are targeted rates for:
  - Rotorua Lakes Community Board; and
  - Urban Sewerage Development.

## AMENDMENT 3.

### Treasury Policy

Reason:

To incorporate new policy or revisions to existing policy.

### Part C Financial Statements

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#### Background

Council's Treasury policy imposed certain limits on fixed rate borrowing amounts (%) for each term category. It was subsequently determined at the annual review of the debt structure by the Treasury Management Group that these limits may restrict the Council's ability to ensure borrowing costs are minimised and that the recommendations of financial advisors are followed.

#### Effect of amendment

There is very little effect resulting from this amendment apart from possibly a slight change to Council's loan profile which will mean the best possible rates are obtained for Council's borrowing, while still minimising risk.

#### Amendment

New Table 1: Percentage of Fixed Rate Borrowing as follows:

Term of Exposure	Minimum Fixed Rate Exposure	Maximum Fixed Rate Exposure
0 - 1 year	60%	100%
1 - 2 years	40%	90% <del>80%</del>
3 - 5 years	30% <del>20%</del>	70% <del>60%</del>
5 - 10 years	0%	60% <del>40%</del>
10 years and over	Any hedging must be approved by Council	