

# Review of Reserves Contributions Policy

**Meeting:** Council Briefing  
**Date of meeting:** 4 August 2021  
**Reporting officer:** Sue Davidson General Manager Sustainable Growth and Investment

## Purpose | Ngā whāinga

To review the policy relating to reserves contributions and provide future options for the distribution going forward.

## Context | Horopaki

Financial contributions for reserves are a type of levy applied to offset growth. Council receives a financial contribution on each subdivision in the district. These funds are referred to commonly as reserves contributions and used for

- Creating open spaces (including recreational areas, visual buffers and amenity areas)
- Adding capacity to or otherwise enhancing existing open spaces
- Giving public access to coastal areas, reserves, bush areas or areas of special character

The funds are not to be used for the maintenance of reserves but to be used for the purchase, development or enhancement of reserves. Generally, the projects for use of these reserves will be detailed in the Long Term Plan (LTP).

## Discussion | Ngā kōrerorero

Current Policy has been to apply funds in the locality in which they were generated, and apply 20% of the funds as district funds, that is:

- Dargaville and surrounds
- Maungaturoto, Paparoa, Tinopai and surrounds
- Kaiwaka and Surrounds
- Mangawhai and Surrounds

For the three years prior to June 2021 Council allocated funds to each of its 3 Premier Parks:

- Pou Tu O Te Rangi Harding Park
- Kai iwi Lakes
- Mangawhai Park

The funds allocated will not be fully expensed until 2022 as they have been included in the carry forwards as unfinished projects.

Council had also determined that a contestable fund of \$300,000 per annum be established. For the last 3 years there has been a contestable application process overseen by the Community Activities area in Council and projects being selected to award a grant to by a Reserves Contribution Committee of Council. The last contestability fund is about to be advertised. These funds have been appreciated by the Community to help them with specific reserve projects. There have always been sufficient applications to enable the amount to be allocated.

For the long term plan development Council staff continued the 80% locality and 20% district funding and allocated projects to be funded out of each locality. Where there were insufficient funds in the relevant locality, the project was funded out of general rates or deleted from the project list. The district rates fund has been left to accumulate. (see attachment A estimates of reserve balances going forward)

Consideration needs to be given as to how Council wants to distribute these reserve contributions going forward from 1 June 2022.

The reserve contributions held in district reserves are higher than originally anticipated as growth has exceeded budgets.

The amount collected for the year ended 30 June 2021 is \$2,669,000 and allocated as follows:

Area	Community 80% 2021 \$000s	20% District \$000s
Dargaville and surrounds	53	13
Maungaturoto, Paparoa, Tinopai and surrounds	76	19
Kaiwaka and Surrounds	91	23
Mangawhai and Surrounds	1915	479
Totals	2135	534

Projects going forward to be funded by reserves are detailed in Attachment A. These projects are included in the LTP.

Council has previously questioned that we have no planning for new parks to support Mangawhai's growth and nothing has been included in our reserve management planning.

There are other projects in the LTP which could be funded in future by reserves. These are:

Year	Project	\$	Funding
2028-2029	Memorial Park drainage	250pa	Loan
2026	Selwyn Park improvements	60	Loan
2027-2029	Selwyn Park Drainage	Various totalling 320k	Loan
2025-2031	Pou Tu O Te Rangi Harding Park	Various totalling 620k	General rates
2025-2026	Te Kopuru park	50pa	Loan
2025-2031	Kai Iwi lakes	125pa	General rates

Council staff need discussion and guidance around

- Community Reserve funds set up for the 4 areas
- % to these reserves and District
- If there are to be funds allocated to the District where should this be allocated first. Below are some suggestions
  - Playgrounds
  - Cycleways
  - Tracks
  - Carpark sealing in Reserves
  - General park improvements- bollards, seats
  - Priority Parks
  - If there are any future projects funded in the above table that Council may prefer to be funded from reserves rather than loan or general rates
  - Annual contestable fund for the next 3 years

## Next steps | E whaiake nei

The Reserves Contribution Policy will be reviewed and brought to Council for approval.

## Attachments | Ngā tapiritanga

	Title
A	Reserves 2021-2032 Actual and LTP reconciliation