



SECTION 1 - INTRODUCTION TO THE FUNDING AND FINANCIAL POLICY

1.0 Introduction to the Funding and Financial Policy

Every local authority is required by Section 281(2) of the Local Government Act 2002 to develop a Funding and Financial Policy. The Funding and Financial Policy 2009-19 is included in Sections 2-12 following this introduction and covers the period 1 July 2009 to 30 June 2019.

The Funding and Financial Policy sets out the guidelines of how Council plans for, and acquires funds, to finance its operation, and the projects and programmes in the 2009-19 LTCCP. It also sets out Council's policy parameters, targets and guidelines concerning a number of policies.

The Funding and Financial Policy includes the following policies and summaries:

- **Revenue and Financing Policy**, which shows how Council's operational and capital expenditure will be funded or financed for each significant service, after taking into consideration a number of different factors.
- **Significant Forecasting Assumptions**, which identifies all significant forecasting assumptions that Council has made in developing its financial projections.
- **Investment Policy**, which sets out how Council will manage its cash investments, trust funds, special and reserve funds and investment in shares and property, recognising that Council is a net borrower for the foreseeable future.
- **Liability Management Policy**, which sets out how Council will manage its borrowing, funding and interest rate risks, recognising that Council is a net borrower for the foreseeable future. The policy guides Council on the specific borrowing limits and funding facilities, debt repayment parameters, credit exposure and foreign exchange risk management.
- **Rating Policy**, which sets out in detail the types of rates, rate systems, differential rating categories and definitions, rating levels, and specific rating policies Council has adopted. The rating policy also includes the:
 - **Rates Remission Policies**, which sets out Council's criteria for remitting rates, which involves reducing the amount of rates owing or waiving collection of rates under certain circumstances.
 - **Rates Postponement Policies**, which sets out Council's criteria for postponing rates which involves the payment of rates that is not waived in the first instance, but delayed until a certain time, or until certain events occur.
 - **Remission and Postponement of Rates on Maori Freehold Land Policy**, which sets out Council's criteria for remitting and postponing rates on Maori freehold land, which involves situations where there is no occupier, no economic or financial benefit capable of being derived from the land and there is no practical means of enforcing the rates assessed.



- **BID Policy**, which provides guidance for prospective Business Improvement Districts on Council's policy on BIDs (Council administers BID programmes and their associated targeted rates). The Policy addresses the establishment of new BID programmes, the setting of targeted rates, the operations of existing BID programmes and managing the performance of BID programmes.
- **Funding Impact Statement**, which discloses the revenue, operational and capital expenditure requirements and funding sources/financing mechanisms of Council. It sets out how Council will determine the setting and collecting of rates, types of rates, rate systems, differential rating, and rating levels for the period of the 09 — 19 LTCCP.
- **Significance Policy**, which sets out how Council will decide on the significance of proposals and decisions. The policy guides Council on how to consult when making decisions of varying importance to the community. It also lets the community know what is expected in terms of consultation.
- **Partnerships with the Private Sector Policy**, which sets out Council's policy on committing resources to partnerships between Council and the private sector. It also guides Council on the circumstances in which Council will enter into partnership arrangements with private businesses, what conditions will be imposed and what consultation will take place.
- **Development and Financial Contributions Policy**, which sets out how Council will determine the financial contributions to be taken from developers to develop infrastructure and services to support the provision of services as the City develops and to mitigate the economic, environmental and community impacts of additional development in the City.
- **Appointment and Remuneration of Directors of Council Organisations Policy**, which sets out an objective and process for the identification and consideration of skills, knowledge and experience required of directors of a Council organisation, and the appointment of directors and the remuneration of directors.
- **Freeholding of Council Domain and Municipal Endowment Leases Policy**, which sets out the process Council will follow relating to the sale (freeholding) of Council domain and municipal endowment leases. It also sets out how Council will use the proceeds from the sales of such property.
- **Appendices**