



# A G E N D A

## Council

### Council Chambers

**Thursday 11 April 2013  
commencing at 9.00 am**

Her Worship the Mayor, M.H. Pugh (**Chairperson**)  
Deputy Mayor Councillor B.O. Thomson  
Councillors J.G. Birchfield, A.N. Bradley,  
J.H. Butzbach, K.J. Eggeling, A.M. Hurley,  
M.D. Montagu, K.R. Scott,  
F.I.W. Stapleton, C.A. van Beek.

# Special Council Agenda

NOTICE IS HEREBY GIVEN THAT A SPECIAL MEETING OF THE WESTLAND DISTRICT COUNCIL WILL BE HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 11 APRIL 2013 COMMENCING AT 9.00 AM

*Tanya Winter*  
*Chief Executive*

*4 April 2013*

## Council Vision

*"Westland will, by 2030, be a world class tourist destination and have industries and businesses leading through innovation and service."*

*This will be achieved by:*

- *Involving the community and stakeholders*
- *Having inspirational leadership*
- *Having expanded development opportunities*
- *Having top class infrastructure for all communities*
- *Living the '100% Pure NZ' brand*

*"Westland, the last best place"*

## Purpose:

The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:

- (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
- (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

## 1. MEMBERS PRESENT AND APOLOGIES

### 1.1 Apologies

### 1.2 Register of Conflicts of Interest

2. **CONFIRMATION OF MINUTES**

2.1 **Confirmation of Minutes of Meeting of Council**

2.1.1 **Special Council Meeting- 20 March 2013**

*(Pages 4-17)*

3. **PUBLIC FORUM**

4. **BUSINESS**

4.1 **Draft 2013/2014 Annual Plan: Omnibus Report Number 2** *(Pages 18-77)*

**NEXT ORDINARY COUNCIL MEETING: WEDNESDAY 24 APRIL 2013  
COMMENCING AT 9.00 AM**

**At the conclusion of the Council Meeting, a Council Workshop  
will be held, on:**

1. **The Annual Plan Consultation Process**
2. **Annual Plan Draft Document**
3. **Statements of Intent for:**
  - Westland Holdings Limited
  - Westland District Property Limited
  - Hokitika Airport Limited
  - Westroads Limited

**MINUTES OF A SPECIAL COUNCIL MEETING OF THE WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON WEDNESDAY 20 MARCH 2013 COMMENCING AT 9.00 AM**

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*The opening prayer was read by Her Worship the Mayor.*

**1. MEMBERS PRESENT**

Her Worship the Mayor, M.H. Pugh (Chairperson)

Deputy Mayor B.O. Thomson

Councillors J.G. Birchfield, A.N. Bradley, J.H. Butzbach, K.J. Eggeling, K.R. Scott, F.I.W. Stapleton, C.A. van Beek.

**1.1 Apologies**

Councillors A.M. Hurley and M.D. Montagu.

**Also in Attendance**

T.L. Winter, Chief Executive; P. Cannell, Assistant Engineer (in attendance for part of the meeting); V. Goel, Group Manager – Assets and Operations; S.H. Halliwell, Acting Group Manager – Corporate Services; K.M. Innes, Development Control Officer (in attendance for part of the meeting); D.M. Maitland, Executive Assistant; T.B. O'Malley, Chief Financial Officer; R.C. Simpson, Manager Planning and Regulatory; S.A.V. Kumar, Planning Engineer (in attendance for part of the meeting)

**1.2 Register of Conflicts of Interest**

The Conflicts of Interest Register was circulated and amendments were noted.

*No members of the public took the opportunity to speak in the Public Forum Section of the meeting.*

## 2. **BUSINESS:**

### 2.1 **2013/2014 Draft Annual Plan: Omnibus Report**

*The Manager Planning and Regulatory spoke to this item.*

*Replacement Pages 14 (iSite, Events), 19 (Safer Community Council, Community Assistance, and 30 (In-house Professional Services and Headquarters) of the Core Operating Budgets were circulated to Councillors.*

### 2.2 **Solid Waste**

*The Group Manager – Asset and Operations spoke to this item, noted some corrections and also gave a presentation regarding Solid Waste Management – Activity Review.*

#### 2.2.1 **Franz Josef Landfill**

Moved Councillor Eggeling, seconded Councillor Butzbach and **Resolved** that Council approves the closure of the Franz Josef Landfill from 30 April 2013.

*The Acting Group Manager – Corporate Services spoke to this item.*

Moved Councillor Bradley, seconded Councillor Stapleton and **Resolved** that Council confirms the capping of the Franz Josef Landfill, as identified in the current Long Term Plan, to be completed in 2014/2015, for \$350,000 funded from loans.

#### 2.2.2 **Waste Management Fees and Charges**

Moved Councillor Butzbach, seconded Councillor Bradley and **Resolved** that Council implement the new fees and charges in South Westland as identified in the current Long Term Plan from 1 May 2013.

#### 2.2.3 **Waste Management Services in South Westland**

Moved Councillor Butzbach, seconded Councillor Scott and **Resolved** that Council accepts the quotation from South Westland Rubbish Removals Ltd, to provide waste management services in South Westland at an annual cost of \$190.00 per tonne of refuse, plus

\$17,500.00 for the management of the Haast Landfill, budgeted for 2013/2014 at a net additional rate requirement of nil.

#### **2.2.4 Trailer Bins**

Moved Councillor Eggeling, seconded Councillor Stapleton and **Resolved** that Council approves the inclusion of a capital budget of \$80,000 in the 2013-14 Draft Annual Plan for purchase of 10 second-hand trailer bins to collect sorted glass at transfer stations around Westland District.

#### **2.2.5 Variations to Contract 10/11/25**

Moved Councillor van Beek, seconded Councillor Butzbach and **Resolved** that Council supports and approves the variations to Contract 10/11/25 for inclusion in the 2013/2014 Draft Annual Plan as follows:

- a) Remove the free trailer bin stations from Otira, Jacksons, Lake Kaniere, Bruce Bay and Neils Beach.
- b) Extend kerbside collection services to Lake Kaniere.
- c) Introduce 240 litre bins for the recycling collection and use the current 120 litre bins for refuse collection instead of bags, to existing serviced properties, plus Lake Kaniere.
- d) Stop the kerbside co-mingled glass collection service from Hokitika residential area, replaced by the sorting trailer bins at the transfer stations.

*The meeting adjourned for morning tea at 10.45 am and reconvened at 11.13 am.*

### **2.3 Financial Management Principles**

*The Acting Group Manager – Corporate Services spoke to this item.*

Moved Councillor van Beek, seconded Councillor Birchfield and **Resolved** that the following financial management principles be adopted and used to develop the 2013/2014 Draft Annual Plan:

#### **Revenue (including investment income)**

1. Operating revenue will be budgeted realistically based on previous experience.

2. Stretched targets may be budgeted, in the context of realistic, documented plans/business cases. These should consider the risks and uncertainties of achieving new revenue and the financial implications of not achieving the new budgets.
3. Uncertain revenue may be budgeted and transferred to reserves, so that, only when the revenue is earned does Council spend it.

### **Expenditure**

1. Expenditure is based on a reasonable estimate of the expenditure needed to operate an activity, having regard to proposed service levels, historic costs and known price levels.
2. Employment cost budgets are based upon actual contracted costs plus vacant positions at estimated market price.
3. Depreciation is assumed to be funded, for the future renewal of assets, unless otherwise resolved by Council.
4. Changes in service level are approved by Council.

### **Debt**

1. Debt funding is approved by Council.
2. Officers are delegated to draw down debt funding approved in an Annual Plan.
3. Debt is used for funding long term investments in equities and assets.
4. Debt may be used for funding operating expenses only after very careful consideration of whether it is prudent with particular regard to the financial impact on future ratepayers.
5. Interest costs are budgeted based on forecast debt, at interest rates based on contracted prices and for floating rates the 1 year swap rate plus 75 points.
6. Where actual costs are lower than budgeted costs, the remaining budget shall be applied to debt repayment.

### **Rates**

1. Rates are calculated according to the revenue and financing policy.
2. Rates are a direct calculation from the budgets without any amendment other than an amendment made with the approval of Council to the budget.

### **Reserves**

1. Reserves are funded from the Westpac Bonds.
2. During the course of the year the bonds are expected to gain in value, but not deliver a cash return.
3. Reserves currently not funded, will be funded from the growth in the bonds.
4. Reserve balances will grow by interest calculated at the weighted average 90 day bill rate, paid quarterly into the reserve.

5. The interest growth for the reserves will be funding from the growth in value of the bonds.
6. During 2013/14 new depreciation reserves will grow quarterly. Interest will be earned on those reserves calculated based on the average 90 day bill rate. This will be funded from external interest revenue (or deficit reserves – internal borrowing) for 2013/14.
7. Interest will be charged on any reserve in deficit at Council's weighted average cost of asset term debt.
8. No funds shall be withdrawn from the Westpac Bonds or any reserve unless provided for in the Annual Plan or by Council resolution.

### **Fees and Charges**

1. Fees and charges will be approved by Council at the 11 April 2013 Final Annual Plan Debate. Changes will be included in the Draft Annual Plan for consultation.

### **Projects**

1. Projects approved for inclusion in the Annual Plan shall also have their funding sources resolved.
2. Funding sources shall be confirmed to exist, prior to the project being approved.
3. Projects funded from grants and subsidies can only begin once funding is confirmed, unless otherwise resolved by Council.
4. Projects exceeding budget by more than \$20,000 or 5% (whichever is the lower) shall be approved by Council, as soon as possible after this information becomes known to officers and preferably prior to the funds being committed.
5. Where projects are approved which exceed \$50,000 (except NZTA funded projects), Council expects the Chief Executive to approve a business case prior to the project proceeding further.
6. Where projects are approved which exceed \$100,000 (except NZTA funded projects), Council will approve the business case prior to the project proceeding further.
7. Business cases will cover:
  - a. Options considered
  - b. Financial considerations (including revenue, expenditure, funding and rates implications)
  - c. Sustainability
  - d. Significance
  - e. Consideration of the purpose of local government.
8. Business cases may need funding.

### **Carry forwards**

1. It is assumed no 2012/13 projects will be carried forward (due to the expected adverse financial result).



2. All future carry forwards will be approved by Council resolution, only after confirmation of the funding sources.

Moved Councillor Eggeling, seconded Councillor van Beek and **Resolved** that the Confidential Report from the Chief Executive regarding Annual Plan Matters – Service Levels be lifted out of the Public Excluded Section and into the open part of the meeting.

*The Chief Executive spoke to this item.*

*It was noted that the figure on Page 12 of the Core Operating Budgets for the Rates Difference is 26.5% and not 21%.*

## **2.4 Core Budgets**

*Amended pages to the Core Budgets were circulated to Councillors.*

*The Chief Executive and Acting Group Manager – Corporate Services spoke to the following items.*

*The meeting adjourned for lunch at 1.03 pm and reconvened at 1.34 pm.*

### **2.4.1 Regent Theatre**

Moved Councillor Scott, seconded Councillor Bradley and **Resolved** that the Regent Theatre grant of \$25,000 be included in the 2013/2014 Draft Annual Plan, funded from rates.

*Her Worship the Mayor, Councillor Stapleton and Councillor Butzbach recorded their votes against the motion.*

### **2.4.2 Service Level Changes**

Moved Councillor Butzbach, seconded Councillor Stapleton and **Resolved** that Council instructs the Chief Executive to undertake further work sufficient to enable public consultation on proposed service level changes in the Library, Museum, Events, iSite, Community Development and Community Services areas of Council.

## **2.5 Debt Overview**

*The Acting Group Manager – Corporate Services spoke to this item.*

Moved Councillor Bradley, seconded Councillor Butzbach and **Resolved** that the report from the Acting Group Manager – Corporate Services be received.

*The meeting adjourned for afternoon tea at 3.33 pm and reconvened at 3.52 pm.*

## **2.6 Rural Fire**

*The Manager Planning and Regulatory spoke to this report.*

Moved Councillor Butzbach, seconded Councillor Eggeling and **Resolved** that Council consult with the communities of Haast and Kokatahi regarding their continued support for the two Rural Fire Parties.

## **2.7 Civil Defence**

*The Manager Planning and Regulatory spoke to this report.*

Moved Councillor Stapleton, seconded Councillor Birchfield and **Resolved** that the agreement with Farmside for the satellite phones stays in place.

## **2.8 Projects**

*The Acting Group Manager – Assets and Operations spoke to this report.*

Moved Councillor van Beek, seconded Councillor Birchfield and **Resolved** that the operating and capital projects are approved as amended for inclusion in the 2013-14 Draft Annual Plan.

Moved Councillor Butzbach, seconded Deputy Mayor Thomson and **Resolved** that Council remove the \$10,000 proposed for the Ross Cemetery Expansion.

Moved Councillor van Beek, seconded Councillor Bradley and **Resolved** that Council remove the \$70,000 proposed for the West Coast Wilderness Trail maintenance.

### **2.8.1 Inclusion of Seismic Valves**

Moved Councillor van Beek, seconded Deputy Mayor Thomson and **Resolved** that the inclusion of seismic valves be removed.

### **2.8.2 Generator**

Moved Her Worship the Mayor, seconded Councillor Scott and **Resolved** that the inclusion of a generator be removed.

### **2.8.3 Community Township Development**

Moved Councillor Eggeling, seconded Councillor van Beek and **Resolved** that the:

- i) Community Township Development Funding rotated between Kumara, Harihari, Ross, Whataroa and Haast of \$70,000 annually; and
- ii) Glacier Township Funds rotated between Franz Josef/Waiau and Fox Glacier of \$70,000 annually, at a total cost of \$140,000 per annum be removed and go out to consultation.

*Deputy Mayor Thomson, Councillor Birchfield, Councillor Scott and Councillor Butzbach recorded their votes against the motion.*

*Her Worship the Mayor left the meeting at 5.10 pm and Deputy Mayor Thomson chaired this section of the meeting.*

### **2.8.4 Sesqui Centennial Celebrations**

Moved Councillor Scott, seconded Councillor Stapleton and **Resolved** that \$5,000 be included for the Sesqui Centennial Celebrations in the 2013/2014 Draft Annual Plan, funded from rates.

## **2.9 Unfunded Depreciation**

*Her Worship the Mayor returned to the meeting at 5.18 pm and resumed chairing the meeting.*

*The Acting Group Manager – Corporate Services spoke to this report.*

Moved Her Worship the Mayor, seconded Councillor Butzbach and **Resolved** that the “Austerity Depreciation Funding Policy” be adopted as follows:

1. Council fully funds depreciation on:
  - a) Short life assets (technology and vehicles)
  - b) Library books
  - c) Ross Pool

d) HQ Building.

2. Council unfunds:

- a) 3 waters depreciation on the following reducing annual schedule 50%, 33% 15%, 0% over the next 3 years.
- b) 100% of solid waste depreciation over the remaining 20 years of the Butlers landfill loan.
- c) Buildings, township works, toilets and cemeteries depreciation on the following reducing annual schedule 75%, 50%, 25%, 0% over the next 4 years.
- d) Administrative activities depreciation on the following reducing annual schedule 100%, 66%, 33%, 0% over the next 4 years.
- e) 100% of Hokitika swimming pool, Elderly Housing and Jackson Bay Wharf depreciation, pending the outcome of consultation on the transfer to WDPL.

*The meeting adjourned for dinner at 5.25 pm and reconvened at 6.55 pm.*

**2.10 Reserves and Separate Funds**

*A replacement page 56 (Funds which are currently unfunded) was tabled at the meeting.*

*The Acting Group Manager – Corporate Services spoke to this report.*

Moved Councillor Eggeling, seconded Councillor Butzbach and **Resolved** that Council approve:

- a) The list of amended restricted reserves listed in the table “Restricted Reserves Balances March 2013”.

## Restricted Reserve Balances March 2013

### Restricted Reserves

Reserve Type	Description	Narrative/Story	Proposed Balance	Committed Funds
Special Fund	Offstreet Parking	Collected from developments in town to pay for off-street parking. Imposed by RMA/District Plan	\$ 28,491.00	
Special Fund	Reserve Development	Monies collected from developments. Imposed by RMA/District Plan (includes 2012/2013 contributions)	\$ 546,205.00	\$100,00 Harihari Community Centre, \$200,000 Fox Community Centre
Trust/Bequest	Museum Assistance Fund	Originally the Museum Bequest Fund (\$8,458) & Carnegie Furnishings (\$3,929)	\$ 17,924.60	
Trust/Bequest	Kumara Endowment Fund	Proceeds from sale of Endowment land. Our brief research has not identified the specific terms of the endowment.	\$ 298,000.00	\$50,000 to Kumara District Plan Project
Trust/Bequest	Euphemia Brown Bequest	Interest earned on funds administered by Public Trust Offices for the estates of Euphemia & William E Brown. Will stated that the funds were to be used to provide Christmas cheer or comfort for orphan children, or aged or infirm persons residing in and around Hokitika. Estate has now been dissolved. No payments have been received since 1989.	\$ 23,208.82	
Trust/Bequest	Waiho River-Franz Josef	Crown: Money to pay for relocation of properties south of the Waiho river. Still in negotiations.	\$ 332,403.00	
Trust/Bequest	Mayors Trust Funds	Contributions from James & Margaret Isdell Trust; Coulston Herbert Trust;	\$ 31,217.00	
Trust /Bequest	Ross Endowment Land	Various sections in Ross sold over time. Our brief research has not identified the specific terms of the endowment.	\$ 237,581.00	
Carry forwards	Big Brothers Big Sisters	Grant funding Received	\$ 1,018.00	
Carry forwards	Community Patrol	Grant funding Received	\$ 2,510.00	
Carry forwards	Graffiti	Grant funding Received	\$ 967.00	
Carry forwards	Taxi Chits	Grant funding Received	\$ 537.00	
Special Fund	Funds held on behalf for driveways	Bond collected from developers and held until works complete	\$ 156,363.92	
		<b>TOTAL RESTRICTED</b>	<b>\$ 1,676,426.34</b>	

b) The list of amended Council created reserves listed in the table "Council Created Reserves March 2013".

### Estimated Separate Fund Balances March 2013

## Council Created Reserves March 2013

Reserve Type	Description	Narrative/Story	Estimated Balance
Emergency Fund	Foreshore Protection	Collected as part of uniform charge to put \$15k aside per year for groyne replacement on the foreshore.	\$ 23,930.00
Project Fund	Glacier Country Promotions	Rates collected from Glacier Country to provide funding for marketing projects	\$ 77,418.00
Project Fund	Three Mile Domain	Council owned. Managed by a reserve committee. Memo dated 2008 states funds are to be spent on the 3 mile reserve only.	\$ 226,531.00
Project Fund	The Preston Bush Trust	Mr Preston donated the reserve to Council. This fund was for the Community to beautify the bush with tracks and interpretation boards.	\$ 5,923.00
Project Fund	Harihari Community Complex	The Harihari Pony Club land was sold and the funding was to go towards a new community complex. Another \$100,000 was raised from the Reserve Development Fund.	\$ 189,061.00
Project Fund	Guy Menzies Day	Surplus from Guy Menzies Day Event. Community Group Surplus	\$ 5,505.66
Project Fund	Cycleway	Road Reserve sold to Westland Diaries	\$ 241,839
Emergency Fund	Emergency Contingency Fund	Rates collected to support Westland in a Civil Defence emergency.	45,229.51
			<b>\$ 815,437.17</b>

### Funds which are currently unfunded

Emergency Fund	The Wildfoods Emergency Fund	Reserve established at the request of the Wildfoods committee in 2006 to provide the resources required to meet financial commitments in the event of the festival being cancelled or affected by weather. Decided by Council resolution.
Special Fund	Westland County Fund	Created in 1995 to reflect funds earned from old Westland County Council plant purchase and renewal account. Fund can only be terminated by a unanimous Council decision. (As per Geoff Day Memo 19th Feb 2008. Original document dated Nov 1996) LTP is incorrect - this is not the logging accord funding. Was used to pay for the Kaniere Sewerage works.
Project Fund	Medical Health Fund	Collected from community when dentist left to help establish a new dentist.
Carry forward	Significant Natural Area	Carry forward now covered by funding of District Plan Review.
Provision	Leaky Homes provision	The provision remains although it is becoming less likely cash funding is required for this.
Provision	Landfill Closure & Monitoring	Opening provision of \$457,218 to remain unfunded. From 2013/14 annual increases in provisions to be funded.
Provision	Employee Benefits	Largely funded from annual budgets - no cash reserves required.
Project Fund	Statue Maintenance	To be rated 2013/2014 yr
Project fund	Franz/Fox Township Development	No carry forwards funded
Project fund	Kumara Township Development	There are no reserve funds available for this. However, \$70,000 of the Town Development Fund is available 2012/2013 (this year)

- c) That all reserves be funded from the Westpac Bonds.

## **2.11 Strategic Assets Transfer**

*The Acting Group Manager – Corporate Services spoke to this report.*

Moved Councillor van Beek, seconded Councillor Stapleton and **Resolved** that:

- a) Council continue to proceed with the proposal to transfer the following assets and advise this intention in the 2013/2014 Draft Annual Plan:
- Hokitika and Ross Elderly Housing
  - Hokitika Swimming Pool
  - Ross Squash Courts
  - Kumara Sports Grounds and Toilets
  - Jackson Bay Wharf.
- b) Council budget \$45,000 funded from rates, in partnership with Westland Holdings Limited, for the preparation of the business case, SCP and LTP amendment, funding to be agreed by the 11 April 2013.

*Councillor Scott recorded his vote against the motion.*

Moved Councillor Eggeling, seconded Councillor Butzbach and **Resolved** that the Hokitika Swimming Pool, Elderly Housing and Jackson Bay Wharf continue under the existing management contracts, until a decision is made on this proposal.

## **2.12 Core Budgets**

Moved Councillor Eggeling, seconded Councillor van Beek and **Resolved** that the amended core operating budget be approved.

## **2.13 Recommendation**

Moved Councillor Butzbach, seconded Deputy Mayor Thomson and **Resolved** that Council:

- a) Instructs the Chief Executive to bring further reports as required by Council to the 11 April 2013 Special Council Meeting; and
- b) Adopts the recommendations herein for the purposes of giving direction to the Chief Executive.



3. **MATTERS TO BE CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION'**

It was noted that this item is not required as it was considered in the open part of the meeting.

**MEETING CLOSED AT 8.10 PM**

**MEETINGS: SPECIAL COUNCIL MEETING – 11 APRIL 2013  
ORDINARY COUNCIL MEETING - 28 MARCH 2013**

**COMMENCING AT 9.00 AM**

Confirmed by:

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**Maureen Pugh**  
**Mayor**

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**Date**

# Report



**DATE:** 11 April 2013  
**TO:** Mayor and Councillors  
**FROM:** Manager Planning and Regulatory

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## **2013/14 DRAFT ANNUAL PLAN: OMNIBUS REPORT NO. 2**

### **1.0 SUMMARY**

- 1.1 The purpose of this report is to provide Council with the further detail that it requested from the Special Council Meeting held on the 20 March 2013 to proceed to the inclusion of various matters in the Draft Annual Plan for adoption.
- 1.2 This issue arises from work that has come out of previous Council meetings, the workshop held on 6 March 2013 and the Special Council Meeting held on the 20 March 2013.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by the Local Government Act 2002. That purpose is:
  - (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
  - (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- 1.4 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

<b>Vision's Objectives</b>	<b>Achieved By</b>
Involving the community and stakeholders Having inspirational leadership Having expanded development opportunities Having top class infrastructure for all communities Living the '100% Pure NZ' brand	An accurate, timely and readily understood Annual Plan that is subject to a Special Consultative Procedure

- 1.5 Section 95 of the Local Government Act 2002 requires Council to prepare and adopt an Annual Plan each financial year. The purposes of the Annual Plan are provided for in Section 95 (5) of the Act.
- 1.6 This report concludes by recommending that Council receive the information and adopt the recommendations herein for the purposes of giving direction to the Chief Executive to prepare a 2013/2014 Draft Annual Plan.

## **2.0 BACKGROUND**

- 2.1 Council has been briefed on the financial situation identified in the 2011/12 Annual Report. In addition Council has held a workshop (on 6 March 2013), and a Special Council Meeting (held on the 20 March 2013), to discuss and resolve a number of financial matters that will need to be included in the Draft Annual Plan.

## **3.0 CURRENT SITUATION**

- 3.1 As a result of the outcome of the 2011/12 Annual Report, Council has reviewed all spheres of expenditure and reviewed income and financial management priorities and as a result of Council discussion and management investigation a number of financial priorities need to be resolved for inclusion in the Draft Annual Plan.
- 3.2 The timetable for the rest of the Annual Plan process is:

24 April	-	Adopt Draft Annual Plan as a Proposal.
30 April	-	Commence Special Consultative Procedure.
30 May	-	Special Consultative Procedure ends.
05 June	-	Hearing of submissions.
06 June	-	Consideration of submissions.
18 June	-	Final debate on content of Proposed Plan.
27 June	-	Adoption of 2013-14 Annual Plan.
- 3.3 Councillors are reminded that if it wishes to maintain the above timetable it will be necessary to use this meeting (11 April) for final decision making prior to the adoption of the Draft Annual Plan on 24 April for public consultative purposes.

## **4.0 FINANCIAL OVERVIEW**

The financial overview attached as **Appendix 1** summarises the financial information as updated by the Council on 20 March 2013 and for new information brought to the attention of managers. Any further resolutions with financial implications made today will amend these budgets.

#### 4.1 Part A: Operational Budgets

***Recommendation:***

**THAT** Council confirms the operating budgets for inclusion in the Draft Annual Plan.

#### 4.2 Part B: Capital Projects

***Recommendation:***

**THAT** Council:

1. Includes the HQ building renewal project for disabled access and fire security for \$150,000 funded from loan.
2. Adjusts the funding for the Fitzherbert St Pumping Main \$325,000 from depreciation reserves.
3. Amends the Austerity Depreciation Funding Policy to 100% fund the Hokitika Wastewater depreciation.
4. Confirms the capital budgets for inclusion in the Draft Annual Plan, as amended.

#### 4.3 Debt

***Recommendation:***

**THAT** Council confirms the debt budgets for inclusion in the Draft Annual Plan.

#### 4.4 Depreciation

***Recommendation:***

**THAT** the information be received.

#### 4.5 Rates

Rates information will be tabled.

***Recommendation:***

**THAT** the information be received.

### 5.0 SERVICE LEVELS: COMMUNITY SERVICES

- 5.1 A separate report on Service Levels has been included in **Appendix 2**.

## **6.0 INSPECTIONS AND COMPLIANCE**

- 6.1 The question arose as to the appropriateness of the level of service (LOS) given that the average of 6 days for the turnaround of a building consent was significantly better than the statutory requirement of 20 days.
- 6.2 Although the “average turnaround time” looks very good (and it is a source of compliment) it does not tell the whole building consent application story.
- 6.3 Building consent applications are lodged, assessed for formal receipt (always done quickly) and processed to issue. This is the only part of the process that is measured as a LOS. The LOS is measured because it is a statutory imperative.
- 6.4 Subsequent to the grant of the consent there is a myriad of tasks to perform including the various inspections (generally between 2 and 11), the verification and validation that goes with those inspections and the issue of a code compliance certificate. In addition, there are processes around code compliance certificates that are administratively time consuming and the fiduciary duty issues are significant.
- 6.5 Considering the “6 day average” means that if there were only 2 consents then it could be that one took a minimum of 1 day and the other a minimum of 11 days. There are many consents that can be processed in hours or days (such as space heaters). This is becoming more common as the industry comes to terms with the requirements of the BCA. Larger projects will take longer and Council has recently acknowledged that values of projects are rising. Regardless, the following stages are common to all applications.
- 6.6 The compliance staff are 3.3 (FTE). There are two support staff who cover wider duties and support the administrative processes. The 3.3 FTE also cover (outside of the building consent process) public building compliance (including CPU, WoF and compliance schedules), other building compliance (including notices to fix and certificates of acceptance), counter and other enquiries, liquor licensing and general property enquiries.

### ***Recommendation:***

**THAT** the existing Levels of Service in the Inspections and Compliance activity be retained.

## **7.0 HOKITIKA TAXIS**

- 7.1 This is a Council and NZTA grant for provision of passenger transport services in Hokitika and surrounding area. The grant has been in place for more than 10 years now.
- 7.2 The only mode of public transport in Hokitika is Hokitika Taxis who avail this grant.
- 7.3 In 2011 and 2012 Council had discussions with the business operators to assess the viability of business in the absence of this grant. An application was received with request to increase the subsidy to \$90,000 a year. This was declined. Since this, the business has changed ownership. The \$30,000 per annum grant was a key component of the cash flow when considered for sale. An assurance from Council was provided that this grant was likely to continue.
- 7.4 Council contribution is 60% of the total grant value. The total grant for 2013-14 is budgeted at \$31,700 and Council share at 60% equates to \$19,020.
- 7.5 Buller District Council subsidises the taxi service in Westport to the value of approximately \$50,000 per annum.
- 7.6 Hokitika Taxi Services are the beneficiary to this grant and will have to be consulted if the grant is proposed to be stopped or reduced.
- 7.7 The rationale for the contribution is to ensure there is a taxi service available within the town for elderly and other transport disadvantaged. Council in past has advocated the need for provision of passenger transport services in Hokitika and surrounding area.
- 7.8 Hokitika Taxi services have provided interim 7 month financials to Council. Including the subsidy the business is breaking even. In the absence of this subsidy the business will be not be able to survive.
- 7.9 Westland District also has a total mobility scheme which provides taxi vouchers funded through the West Coast Regional Council. Given that there is only one mode of public transport, these vouchers will be of no use to the elderly and transport disadvantaged should this service discontinue.

### ***Recommendation:***

**THAT** the current levels of service for passenger transport services be maintained via a Council contribution of \$19,020 to Hokitika Taxi Service.

## 8.0 ROAD SAFETY PROMOTION

- 8.1 The Regional Land Transport Strategy 2012-2015 for the West Coast identifies safety and personal security as a high transport priority. This aligns with New Zealand's Road Safety Strategy 2010-2020. The strategy's vision is a safe road system increasingly free of death and serious injury.
- 8.2 Provision of a community road safety programme is allowed for in the Regional Land Transport Programme but is dependent on funding being available from West Coast Regional Council, Grey District Council, Buller District Council, New Zealand Transport Agency and Westland District Council. The cost of the total programme in 2013-14 for WDC is \$27,200 of which the local share is \$8,704.
- 8.3 Council is an active member of the West Coast Road Safety Committee (WCRSC) working towards developing road safety programmes that address reducing the number of crashes, deaths and injuries on the West Coast roads.
- 8.4 The WCRSC comprises local authorities, NZTA, Police, Ministry of Transport, ACC and other community organisations such as Grey Power. WDC currently chairs this committee.
- 8.5 A portion of Council's local share of \$8,704 contributes towards the salary of the Road Safety Co-ordinator employed by WCRSC.
- 8.6 Discussions with GDC, BDC or WCRC conclude that they currently have no intention of reducing or stopping funding for road safety.

### ***Recommendation:***

**THAT** the information be received and the existing levels of service for Road Safety Promotion be maintained via a Council contribution of \$8,704 to West Coast Regional Council towards a Co-ordinator's salary.

## 9.0 PUBLIC TOILET GRANTS

- 9.1 Council gives 5 toilet grants annually at present as follows:

<b>Community</b>	<b>Amount</b>
Kumara Sports Complex Committee	\$6,500
Hokitika Grey Power	\$4,500
Okarito Community Association	\$6,500
Harihari Community Association	\$6,000
Whataroa Community Association	\$6,500

***Recommendation:***

1. **THAT** the annual toilet grant to Harihari be increased to \$6,500; and
2. **THAT** the existing levels of service for public toilet cleaning be maintained.

**10.0 TRANSPORTATION: IMPACT ON PROPOSED RENEWAL BUDGET**

- 10.1 Roothing is one of Council's core businesses and is the largest asset group with a replacement value of \$287,000,000.
- 10.2 Annual renewal budgets are used to resurface roads, maintain their design life and manage the maintenance works. Work is prioritised based on condition rating and roughness surveys, RAMM and dTIMs database outputs and physical inspections. These databases are managed by external experts. This is a common practice around in other Councils.
- 10.3 Any reduction in the renewal budget if agreed would need to occur in resealing, unsealed road maintenance aggregate (top-coursing), structures renewal, traffic services renewal or drainage renewal activities. These are the key activities that affect the integrity of the assets and ultimately safety of road users. The activities include maintenance.
- 10.4 Reseal renewals are the single biggest expenditure. Budgets haven't increased in recent years in comparison with increasing fuel costs etc. This has been in an effort to keep rate increases at a minimum and as a result reseal programme lengths are less than desired and a backlog of reseals areas is developing. The ultimate result could be an increase in maintenance costs and pavements will deteriorate with a significant impact on the long-term life of the asset.
- 10.5 Westland District currently has a very good roading network which has been achieved on a minimum budget over many years. Any reduction in renewals budget would be detrimental to the network. The renewals are already based on minimal budgets which means the capital works are on the extended life of asset. Any further delays will result in higher renewal costs. While it may be possible to get a positive cash flow for year 1 or year 2, moving forward it will be expensive to carry these renewals. A complicating factor is the funding arrangement with NZTA.
- 10.6 The smoothness and roughness coefficients are measured against the national average. Westland has maintained these KPI's above than the national average. These factors are effected by a combination of vehicle movements and renewal works.



- 10.7 Any decrease in transportation renewal or maintenance budgets will also result in a decrease of Council's minor roading improvement budget. Minor roading improvement is calculated as 5% of Council's overall land transport programme and comprises activities such as intersection improvements, geometric road improvements, and traffic calming devices, provision of guard-railing and street lighting improvements.

***Recommendation:***

**THAT** the existing levels of service in the Transportation renewal budget be maintained.

**11.0 SOLID WASTE- TRANSITION PROCESS**

- 11.1 A separate report on the transition process for Solid Waste has been included as **Appendix 3**.

**12.0 RESIDENTS SATISFACTION SURVEY**

- 12.1 The Residents Satisfaction Survey is mentioned 24 times as a Performance Measure in the Long Term Plan for 2012/22.  
12.2 The estimated cost for undertaking the survey is \$22,000 and Council has not budgeted for this in 2013-14.

***Recommendation:***

**THAT** Council confirms its intention to not undertake a Residents Satisfaction Survey in 2013-14.

**13.0 HARIHARI COMMUNITY FACILITY**

- 13.1 A separate report on the funding of the Harihari Community Facility has been included as **Appendix 4**.

**14.0 FEES AND CHARGES**

- 14.1 Council will receive a list of proposed changes to fees and charges for consideration at the meeting.

**15.0 CONSULTATION**

- 15.1 Council will confirm the consultation programme for the Annual Plan on 24 April 2013.

**16.0 OPTIONS**

- 16.1 Council can approve the 2013-14 Draft Annual Plan with the amendments identified.

- 16.2 Council can delay the approval of the 2013-14 Draft Annual Plan at this time and request staff to provide additional information and reports.

## **17.0 SIGNIFICANCE AND CONSULTATION**

- 17.1 At this time the significance of the 2013-14 Draft Annual Plan is low as the Plan will proceed in due course to the special consultative procedure and adoption.

## **18.0 RECOMMENDATIONS**

- A. **THAT** Council adopt the recommendations herein for the purposes of giving direction to the Chief Executive.
- B. **THAT** the Chief Executive be instructed to prepare a 2013/2014 Draft Annual Plan to be adopted on 24 April 2013 for public consultation.

**Richard Simpson**

**Manager: Planning and Regulatory**

**Appendix 1: Financial Overview**

**Appendix 2: Service Levels: Community Services**

**Appendix 3: Solid Waste: Transition Process**

**Appendix 4: Harihari Community Facility**

# Appendix 1



**DATE:** 05 April 2013  
**TO:** Mayor and Councillors  
**FROM:** Corporate Services Group Manager

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## **FINANCIAL OVERVIEW**

### **1.0 SUMMARY**

This report presents the financial information as updated by the Council on 20 March 2013 and for new information brought to the attention of managers.

There are 5 parts to this report.

#### **Part A: Operating Budgets**

The attached operating budgets show the rate requirement for each activity and Council as a whole.

With the inclusion of the Austerity Depreciation Funding Policy (ADFP) the rates increase is presently at 8.3%. Note however; the effect of the ADFP means that the 2014/15 rate increase before inflation, new projects and increased operating costs from this year's projects starts at 4.6%.

Each activity is listed showing the estimated 2012/13 LTP budgets, the budget that the 20 March meeting started with (2013/14 same service level) and the starting point for today's debate (2013/14 revised budget). An explanation of the major changes has been listed under each activity.

#### **Part B: Capital Budgets**

The attached capital budget is an updated view of the spread sheet confirmed at the previous meeting. No other changes have been made to this, other than as resolved by Council on 20 March.

Two changes are recommended.

### **HQ Building \$150,000**

Further enquiry as to the building code requirements and the works associated with the rearrangements for customer services has identified that it is required that the toilet, access and fire system upgrades be done at the same time. This is further aggravated by the loss of the main disabled access to the HQ in last week's tornado.

It is therefore recommended that the deferred HQ toilet upgrade, lift renewal and fire system renewal projects be brought into the 2013/14 draft annual plan.

### **Fitzherbert St Pumping Main \$325,000**

This project is renewing a failing main which is putting the on-going compliance with resource consents at risk. A second pump will need renewing the following year.

In the normal course of business this would be funded from renewal (depreciation) reserves, however rates haven't been sufficient to maintain these reserves in recent times.

Hokitika wastewater depreciation is \$270,000 p.a. and at present the budgets provide for 50% to be funded (\$135,000). Council has resolved to fund the WWTP resource consent renewal \$50,000 from this reserve.

Council has a number of Hokitika wastewater projects ahead of it and as such it appears prudent to fully fund the depreciation on this budget and to fund the Fitzherbert St Pumping Main renewal from this.

Councillors will note that this should put the reserve into a \$100,000 deficit. Internal borrowing procedures will account for this. This project along with the others identified in the near future should be able to be repaid by fully funded depreciation in 4 years, rather than taking out a 20 year loan for a relatively small project. This will need to be monitored should the renewals become greater than expected a term loan may be better for a number of these smaller projects.

### **Part C: Debt**

The following table updates our debt expectations. The major financial changes from the 20 March meeting are to update the new capital projects debt, allocate the interest costs more accurately and calculate the principal repayments more accurately.

This leads to a reduction in debt servicing costs which is built into the operating budgets. In building these costs into the operating budgets the asset loans have been now charged to the water and solid waste cost centres.

Description	Start Date	Investment			Interest					Total Finance Cost
		Debt	Asset Debt	Total Debt	Amount	Type	Rate	2014	Principal	
Westland Holdings		8,695,000		8,695,000	5,000,000	Swap	5.99%	299,500		
					3,000,000	Swap	5.35%	160,500		
					695,000	Swap	4.55%	31,623		
Waste Management	1/07/2013		3,069,700	3,069,700	1,805,000	Swap	4.55%	82,128	55,809	
	1/07/2013				1,264,700	Floating	3.51%	44,391	44,462	226,789
Water Supply	1/07/2013		3,223,653	3,223,653	3,223,653	Floating	3.51%	113,150	113,332	226,482
Ross Pensioner Housing			2,369	2,369			3.51%	-		
Projected Debt 30 June 2013		8,695,000	6,295,722	14,990,722	14,988,353			731,291	213,603	
Forecast Debt 2013										
Operating Debt (O/D Facility)	1/07/2013		2,000,000	2,000,000	750,000	Floating	3.51%	69,281	70,312	
Asset Debt (project worksheet)	1/01/2014		1,245,000	1,245,000	1,245,000	Floating	3.51%	21,755	21,694	
Forecast Debt 30 June 2014		8,695,000	9,540,722	18,235,722	16,983,353			822,327	463,403	

## Part D: Depreciation

On 20 March Council resolved to adopt the Austerity Depreciation Funding Policy (ADFP). These made huge changes to bring the rate requirement down by \$1.2m, taking 15% off the rates increase (from 24.5% to 9.4%).

Council is funding \$2.6m of \$5.0m depreciation funds for renewals of which \$1.1m is being spent in 2013/14. Most of this; \$807,000 being spent on transportation.

The implications of this policy are:

- Most of the 2013/14 asset renewal projects are rate funded. The exceptions being HQ and Carneige buildings (funded from short term reserve overdraft) and Fitzherbert St Pumping Main (funded from long term loan – although under part B of this report this is recommended to change).
- Combined with improved reserve accounting Council will start rebuilding depreciation reserves for asset renewal.
- Next year starts with a 4.6% rate increase solely due to moving back towards appropriate renewal funding.
- To some extent current ratepayers are being subsidised by future ratepayers by not contributing fully to their use of the assets involved. For this reason returning to appropriate funding levels should occur as quickly as possible.
- Insufficient funds may be available to meet renewal requirements, which will then impact on debt.

## Part E: Rates

All the work to date has been on looking at the total rates requirement for each activity. We have had little regard to the impact of these changes on targeted rates and on different parts of the community.

We will bring more rates data to the meeting.

In the absence of this however Councillors should consider for example that the projects requested by the community for the Ross Pool push the residential rate contribution to the pool from \$31 to \$130.

We also expect that while the ADFP will reduce overall rates requirement it will have a greater effect on those people paying targeted rates for water and sewer than on high general rate contributors.

**Stephen Halliwell**  
**Corporate Services Group Manager**

**PART A**

<b>ACTIVITIES</b>	<b>2012/13 LTP Budget</b>	<b>2013/14 same service level</b>	<b>2013/14 Revised Budget</b>	<b>% change on 2012/13 rates</b>
Library	422,057	427,284	432,476	2%
Museum	216,757	238,333	226,058	4%
I-Site	(39,000)	144,847	125,547	-422%
Events	(103,000)	(4,700)	(5,938)	
Corporate Planning	(25,000)	172,935	289,918	-1260%
Swimming Pool Hokitika	229,000	229,000	229,000	0%
Swimming Pool Depreciation	0	19,573	0	
Ross Swimming Pool	8,157	24,045	34,065	318%
Elderly Housing	0	22,501	0	
Community Halls & Buildings	62,596	99,020	91,246	46%
Parks & Reserves	331,369	350,721	357,541	8%
Cemeteries	49,700	31,737	77,354	56%
Safer Community Council	33,334	12,657	12,465	-63%
Community Assistance	228,216	139,792	169,803	-26%
Community Development	295,745	162,882	144,448	-51%
Inspections & Compliance	220,693	212,053	200,647	-9%
Resource Management	244,395	254,264	251,316	3%
Animal Control	4,563	13,328	10,565	132%
Emergency Management	101,220	96,038	75,585	-25%
Cycletrail			30,000	
Transportation	1,205,710	1,200,435	1,102,807	-9%
Water Supply	842,702	861,160	851,639	1%
Wastewater	737,820	962,015	643,302	-13%
Stormwater	467,000	569,462	412,820	-12%
Solid Waste Management	886,725	1,265,660	1,267,978	43%
Community Township Development	329,000	296,797	296,244	-10%
Land & Buildings	50,613	98,637	100,894	99%
Public Toilets	180,851	210,233	214,328	19%
Democracy	686,571	749,589	749,340	9%
Interest & Dividends	(331,500)	643,000	67,665	-120%
Remainder of Rates Allocation	476,706			
<b>Total</b>	<b>7,813,000</b>	<b>9,503,298</b>	<b>8,459,113</b>	<b>8.3%</b>

	Library				
	2012/13	2013/14	2013/14	2013/14	
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	24,000	28,673		28,673	
Less Operating Expenditure	446,057	455,957		461,149	
Net Rates Requirements	422,057	427,284	1%	432,476	2%

- Increase in computer support fees \$4,400

	Museum				
	2012/13	2013/14	2013/14	2013/14	2013/14
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	47,100	41,000		41,000	
Less Operating Expenditure	263,857	279,333		267,058	
Net Rates Requirements	216,757	238,333	10%	226,058	4%

- Decreased due to application of Austerity Depreciation Funding Policy (ADFP) \$10,400



	I-site				
	2012/13	2013/14	2013/14	2013/14	
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	371,828	186,000		171,000	
Less Operating Expenditure	332,828	330,847		296,547	
Net Rates Requirements	(39,000)	144,847	-471%	125,547	-422%

- Decreased commission revenue by a further \$15,000. Revised managers assessment based on past levels.
- Decreased ADFP \$28,800

	Events				
	2012/13	2013/14	2013/14	2013/14	2013/14
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	597,388	491,500		491,500	
Less Operating Expenditure	494,388	486,800		485,562	
Net Rates Requirements	(103,000)	(4,700)		(5,938)	

	Corporate Planning				
	2012/13	2013/14	2013/14	2013/14	
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	141,356	0		0	
Less Operating Expenditure	116,356	172,935		289,918	
Net Rates Requirements	(25,000)	172,935	-792%	289,918	1260%

- Increased as the audit fees from Corporate Services were transferred \$120,000.

	Hokitika Swimming Pool				
	2012/13	2013/14	2013/14	2013/14	
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue		-		-	
Less Operating Expenditure	229,000	229,000		229,000	
Net Rates Requirements	229,000	229,000	-	229,000	0

	Ross Swimming Pool				
	2012/13	2013/14	2013/14	2013/14	
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	0	0		0	
Less Operating Expenditure	8,157	24,045		34,065	
Net Rates Requirements	8,157	24,045	195%	34,065	318%

- Increase for rate funded Solar Panel Project \$10,000. Estimated Ross residential rate from \$31 to \$130.

	Eldery Housing				
	2012/13	2013/14	2013/14	2013/14	
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue					
Less Operating Expenditure	22,279	22,501		-	
Net Rates Requirements	22,279	22,501	1%	-	0%

	Community Halls & Buildings				
	2012/13	2013/14	2013/14	2013/14	
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	0	12,780		12,780	
Less Operating Expenditure	62,596	111,800		104,026	
Net Rates Requirements	62,596	99,020	58%	91,246	46%

- Increase in rates charges previously omitted \$8,097
- Decrease in overhead allocation \$15,894

	Parks & Reserves				
	2012/13	2013/14	2013/14	2013/14	2013/14
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	6,960	6,900		6,900	
Less Operating Expenditure	338,329	357,621		364,441	
Net Rates Requirements	331,369	350,721	6%	357,541	8%

- Increase for rate funded Statue Project \$10,000

	Cemeteries				
	2012/13	2013/14	2013/14	2013/14	
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	36,300	35,900		35,900	
Less Operating Expenditure	86,000	67,637		113,254	
Net Rates Requirements	49,700	31,737	-36%	77,354	56%

- Increase due to error in contract price \$32,700
- Increase for rate funded Hokitika Cemetery expansion project \$10,000
- Increase for overhead allocation \$6,400
- Decreased ADFP \$4,400

	Safer Community Council				
	2012/13	2013/14	2013/14	2013/14	2013/14
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	17,000	18,000		18,000	
Less Operating Expenditure	50,334	30,657	-	30,465	
Net Rates Requirements	33,334	12,657	-62%	12,465	-63%

	Community Assistance				
	2012/13	2013/14	2013/14	2013/14	
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	130,001	124,000		124,000	
Less Operating Expenditure	358,217	263,792		293,803	
Net Rates Requirements	228,216	139,792	-39%	169,803	-26%

- Increase due to the inclusion of Regent Theatre Grant \$25,000
- Increase for rate funded 150<sup>th</sup> Anniversary celebration \$5,000

	Community Development				
	2012/13	2013/14	2013/14	2013/14	
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	0	0		0	
Less Operating Expenditure	295,745	162,882		144,448	
Net Rates Requirements	295,745	162,882	-45%	144,448	-51%

- Decrease due to correct allocation of wages to waste minimisation \$16,400

	Inspections & Compliance				
	2012/13	2013/14	2013/14	2013/14	2013/14
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	554,424	541,660		536,660	
Less Operating Expenditure	775,117	753,713		737,307	
Net Rates Requirements	220,693	212,053	-4%	200,647	-9%

- Decrease due to reduction in overhead allocation \$7,400
- Decrease due to reduction in depreciation \$4,000

	Resource Management				
	2012/13	2013/14	2013/14	2013/14	
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	128,176	156,000		156,000	
Less Operating Expenditure	372,571	410,264		407,316	
Net Rates Requirements	244,395	254,264	4%	251,316	3%

- Decrease due to reduction in overhead allocation \$2,600

	<b>Animal Control</b>				
	<b>2012/13</b>	<b>2013/14</b>	<b>2013/14</b>	<b>2013/14</b>	<b>2013/14</b>
	<b>LTP Budget \$</b>	<b>Budget Same Service Level \$</b>	<b>Net Rates Increase to same service %</b>	<b>Revised budget after 20 March \$</b>	<b>Net Rates Increase to revised budgets</b>
<b>Operating Revenue</b>	87,000	87,200		87,200	
<b>Less Operating Expenditure</b>	91,563	100,528		97,765	
<b>Net Rates Requirements</b>	4,563	13,328	192%	10,565	132%

- Decrease due to a reduction in overheads \$2,000
- Decreased ADFP \$1,000

	<b>Emergency Management</b>				
	<b>2012/13</b>	<b>2013/14</b>	<b>2013/14</b>	<b>2013/14</b>	
	<b>LTP Budget \$</b>	<b>Budget Same Service Level \$</b>	<b>Net Rates Increase to same service %</b>	<b>Revised budget after 20 March \$</b>	<b>Net Rates Increase to revised budgets</b>
<b>Operating Revenue</b>	1,500	0		0	
<b>Less Operating Expenditure</b>	102,720	96,038		75,585	
<b>Net Rates Requirements</b>	101,220	96,038	-5%	75,585	-25%

- Decrease due to the decision of council to no longer fund Kokatahi Rural fire \$6,753, Haast Rural Fire \$8,223 and Kaniere Rural Fire \$3,648
- Decrease in Civil Defence due to ADFP \$3,236
- Increase due to correction of rental \$1,114



	Transportation				
	2012/13	2013/14	2013/14	2013/14	2013/14
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	2,839,290	2,820,000		2,820,000	
Less Operating Expenditure	4,045,000	4,020,435		3,922,807	
Net Rates Requirements	1,205,710	1,200,435	0%	1,102,807	-9%

- Decrease due to a change in depreciation for renewals not being funded \$100,000

	Water Supply				
	2012/13	2013/14	2013/14	2013/14	
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	1,179,298	1,150,000		1,150,000	
Less Operating Expenditure	2,022,000	2,011,160		2,001,639	
Net Rates Requirements	842,702	861,160	2%	851,639	1%

- Increase due to finance costs for repayment of Loan \$226,482 transferred from Interest and Dividends cost centre
- Decrease ADFP of \$461,374
- Increase in overheads \$221,043
- Decrease due to correction of Mint Creek Closure \$4,328

	<b>Wastewater</b>				
	<b>2012/13</b>	<b>2013/14</b>	<b>2013/14</b>	<b>2013/14</b>	<b>2013/14</b>
	<b>LTP Budget \$</b>	<b>Budget Same Service Level \$</b>	<b>Net Rates Increase to same service %</b>	<b>Revised budget after 20 March \$</b>	<b>Net Rates Increase to revised budgets</b>
<b>Operating Revenue</b>	63,000	30,000		30,500	
<b>Less Operating Expenditure</b>	800,820	992,015		673,802	
<b>Net Rates Requirements</b>	737,820	962,015	30%	643,302	-13%

- Decrease ADFP of \$201,179
- Decrease in overhead allocation \$160,534
- Increase due to Rates Funded Project for Franz Josef compliance issues \$20,000
- Increase due to Rates Funded Project for trade waste review in Hokitika \$30,000
- Increase due to additional monitoring expenses recognised in Haast \$7,000

	<b>Stormwater</b>				
	<b>2012/13</b>	<b>2013/14</b>	<b>2013/14</b>	<b>2013/14</b>	
	<b>LTP Budget \$</b>	<b>Budget Same Service Level \$</b>	<b>Net Rates Increase to same service %</b>	<b>Revised budget after 20 March \$</b>	<b>Net Rates Increase to revised budgets</b>
<b>Operating Revenue</b>	20,000	0		0	
<b>Less Operating Expenditure</b>	487,000	569,462		412,820	
<b>Net Rates Requirements</b>	467,000	569,462	22%	412,820	-12%

- Decrease in overhead allocation \$18,350
- Decrease ADFP \$188,292
- Increase due to rate funded project for investigations into infrastructure failures Fox and Franz \$50,000

	Solid Waste Management				
	2012/13	2013/14	2013/14	2013/14	2013/14
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	1,236,358	779,550		858,550	
Less Operating Expenditure	2,123,083	2,045,210		2,126,528	
Net Rates Requirements	886,725	1,265,660	43%	1,267,978	43%

- The detail of this budget has changed significantly to reflect new solid waste contracts however as previously advised the net effect on total rates is nil

	Community Township Development				
	2012/13	2013/14	2013/14	2013/14	
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	0	0		0	
Less Operating Expenditure	329,000	296,797		296,244	
Net Rates Requirements	329,000	296,797	-10%	296,244	-10%

	Land & Buildings				
	2012/13	2013/14	2013/14	2013/14	2013/14
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	0	5,500		5,500	
Less Operating Expenditure	50,613	104,137		106,394	
Net Rates Requirements	50,613	98,637	95%	100,894	99%

- Decrease due to ADFP \$7,134
- Decrease in overhead allocation \$13,024
- Increase due to correction in rates expenses \$22,415

	Public Toilets				
	2012/13	2013/14	2013/14	2013/14	
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	0	0		0	
Less Operating Expenditure	180,851	210,233		214,328	
Net Rates Requirements	180,851	210,233	16%	214,328	19%

- Decrease in overhead allocation \$38,838
- Increase due to correction for Tancred Street Toilet costs \$30,000
- Increase due to rate funded project for repairs to Beachfront Toilets \$4,000
- Increase due to a correction for Beach Street Toilet Costs \$4,000

	Democracy				
	2012/13	2013/14	2013/14	2013/14	2013/14
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	1,500	1,500		1,500	
Less Operating Expenditure	688,071	751,089	-	750,840	
Net Rates Requirements	686,571	749,589	9%	749,340	9%

- Decrease in Overheads \$16,800
- Increase in 50% share rate funded Strategic Asset Project \$22,500
- Decrease in ADFP \$5,200

	Interest and Dividends				
	2012/13	2013/14	2013/14	2013/14	2013/14
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	841,500	687,000		687,000	
Less Operating Expenditure	510,000	1,330,000		754,665	
Net Rates Requirements	(331,500)	643,000	-294%	67,665	-120%

- Decrease due to the allocation of interest and principal payments directly to water and waste \$367,207.
- Decrease due to correction in principal repayments made by council \$207,994

	Chief Executive				
	2012/13	2013/14	2013/14	2013/14	2013/14
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	6,500	391,368		387,608	
Less Operating Expenditure	378,702	391,368		387,608	
Net Rates Requirements	372,202	0		0	-100%

- Decrease due to ADFP \$3,760

	IT				
	2012/13	2013/14	2013/14	2013/14	2013/14
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	2,600	228,973		278,601	
Less Operating Expenditure	123,078	228,973		278,601	
Net Rates Requirements	120,478	0		0	-100%

- Increase due to correction in depreciation costs on IT equipment \$19,646 transferred from other cost centres.
- Increase due to rate funded project on IT improvements and strategy \$30,000

	Corporate Services				
	2012/13	2013/14	2013/14	2013/14	2013/14
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	775,700	1,794,281		1,692,449	
Less Operating Expenditure	1,482,020	1,794,282		1,692,449	
Net Rates Requirements	706,320	0		0	-100%

- Decrease due to reallocation of audit fees \$120,000

	Planning & Regulatory Manager				
	2012/13	2013/14	2013/14	2013/14	2013/14
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	5,000	444,900		443,825	
Less Operating Expenditure	361,057	444,900		443,825	
Net Rates Requirements	356,057	0		0	-100%

	Operations Administration				
	2012/13	2013/14	2013/14	2013/14	2013/14
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	10,000	788,466		759,625	
Less Operating Expenditure	681,078	788,466		759,625	
Net Rates Requirements	671,078	0		0	-100%

- Decrease due to reduction in overhead allocation costs \$28,841

	In House Professional Services				
	2012/13	2013/14	2013/14	2013/14	2013/14
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	437,000	790,547		778,503	
Less Operating Expenditure	700,712	790,547		778,503	
Net Rates Requirements	263,712	0		0	-100%

- Decrease due to reduction in overhead allocation costs \$12,044



	Headquarters				
	2012/13	2013/14	2013/14	2013/14	2013/14
	LTP Budget \$	Budget Same Service Level \$	Net Rates Increase to same service %	Revised budget after 20 March \$	Net Rates Increase to revised budgets
Operating Revenue	23,500	191,438		191,438	
Less Operating Expenditure	196,762	191,438		191,438	
Net Rates Requirements	173,262	-	-100%	-	-100%

## PART B

## PROJECTS

Capital (CAPEX) / Operational (OPEX)	Activity	Brief Description of Project (Comments on 2013-14 - Yr 1 projects only)	LTP / New	YR2	YR3	YR4	YEAR 2 Project funding \$'s				
				2013-14	2014-15	2015-16	Depn	Rates	Subsidy	Loan	Reserves
	<b>LIBRARY</b>										
OPEX	E-content for overdrive; Audio/Visual resources	E-Books/Audiobooks/ DVDs	4,117	3,000	3,027	3,054		100%			
CAPEX	Adult - Fiction	Maintain quality and choice of fiction books	12,352	12,500	12,613	12,726	100%				
CAPEX	Adult - Non Fiction	Core collection - need to improve av age	20,587	18,400	18,566	18,733	100%				
CAPEX	Children and Young Adult resources / Junior Publications	Today's readers, tomorrow's leaders	10,293	11,500	11,604	11,708	100%				
CAPEX	Large print books	Inc number of older readers needing LP	4,117	6,000	6,054	6,108	100%				
			51,467	51,400	51,863	52,329	48,400	3,000			
CAPEX	Ross Cemetery - Expansion / Improvements	Finish off the work already started. More sites needed. Council may decide to close the cemetery	NEW		10,000	10,000		100%			
CAPEX	Hokitika Cemetery - Expansion / Improvements	10k is required for new sites. On av 20-30 are buried per year max to 40 in a year. Pre-sales are putting pressure on available plots.	15,440	10,000	50,000	10,000		100%			
			15,440	10,000	60,000	20,000	0	10000	0	0	
CAPEX	<b>PARKS AND RESERVES</b>										
CAPEX	Prestons Bush - Track upgrade within reserve				10,000						
CAPEX	Cass Square - Replacement of top playing surface	Urgent works - however deferred to 14-15 and 15-16 Notes needed...	25,733		25,000	20,000					
CAPEX	Cass Square - Repairs to Statues	Political and Community input. Statues are desperate and in need of repairs. Emily Fryer report. Repairs and maintenance have been budgeted over next 3 years.	5,147	10,000	5,000	5,000		100%			
CAPEX	Other Improvements - Heritage Walkway Extension, Cass Square - Furniture replacement					50,000					
			30,880	10,000	40,000	75,000	-	10,000			
OPEX	<b>PLANNING &amp; REGULATORY</b>										
OPEX	Cost of Reviewing DP	Budgeted in Operational budgets	102,933								
OPEX	Other Renewals	Taken out	5,443								
			108,376								
	<b>TRANSPORTATION</b>										
	West Coast Wilderness Cycle Trail (Marketing)			30,000							
CAPEX	Renewals - District	Works committed - NZTA program. Cannot delay these works as will result in increased re-seal requirements in future years. Maintenance will have a corresponding increase as well. Bridge renewals are also included which cannot be delayed.	2,112,187	1,922,765	1,984,554	2,057,983	42%		58%		

Capital (CAPEX) / Operational (OPEX)	Activity	Brief Description of Project (Comments on 2013-14 - Yr 1 projects only)	LTP / New	YR2	YR3	YR4	YEAR 2 Project funding \$'s				
				2013-14	2014-15	2015-16	Depn	Rates	Subsidy	Loan	Reserves
	<b>WATER SUPPLY</b>		<b>2,112,187</b>	<b>1,952,765</b>	<b>1,984,554</b>	<b>2,057,983</b>	<b>807,561</b>	<b>30,000</b>	<b>1,115,204</b>		
CAPEX	Kumara improvements - Intakes & Treatment / Upgrade with Telmetry					350,000			50%	50%	
	Install Water Meters at Treatment Plants( Harihari , Whataroa and Fox)	Data Management. Meters are required to monitor consumption and assess the future demand. E.g. Franz Josef Water issue last year - couldn't assess the exact amount out of the treatment plant. Helps to assess the water losses and night flows as well.	51,467	25,000	25,000	25,000				100%	
CAPEX	Telemetry SCADA improvements	Remote location plants and connection to above meters. Year 2 project	51,467		50,000	100,000					
CAPEX	Hokitika Renewals - Reticulation upgrades	As per 3 water AMP programs.	123,520	120,000	120,000	120,000	100%				
CAPEX	Haast upgrade - Intakes & Treatment		669,500		650,000						
CAPEX	Fox Treatment plant		360,500								
CAPEX	Arahura - Intakes & Treatment					350,000					
CAPEX	Whataroa - Intakes & Treatment					350,000					
CAPEX	Kumara Reticulation upgrades - 4th Street	Council decision to form 4th street. Urban area. Properties on this road pay 50% service charge. Now needs services and a proper ring main. The contribution from developers is not sufficient.	56,184	50,000		80,000				100%	
OPEX	Mint Creek - Whataroa Rural Supply - Divestment / Closure Costs	Funds to close/transfer the supply. Council collects a targeted rate. Water Supply will have to be upgraded if stays with Council. Stock Water Supply only. Section 131 LGA can apply.	NEW	5,000				100%			
	<b>WASTEWATER</b>		<b>1,256,453</b>	<b>200,000</b>	<b>845,000</b>	<b>1,375,000</b>	<b>120,000</b>	<b>5,000</b>		<b>75,000</b>	
OPEX	Franz Josef Compliance issues (Infiltration Galleries)	On going problems which will require a budget for future proofing	20,587	20,000				100%			
CAPEX	Franz Josef Compliance issues - Stage 2 Plant Improvement (In progress)	Essential for resource consent compliance!. Work in progress. Quality improving	175,000	175,000						100%	
CAPEX	WWTP - Improvements at Hokitika	Includes investigation of renewal Resource Consent application	NEW	50,000	350,000		100%				
OPEX	Hokitika WWTP - Trade waste agreements	Need to review TWA asap to improve discharge		30,000				100%			
CAPEX	Haast Treatment improvements	Resouce Consent compliance! Pressure from Regional Council. Abatement Notice will apply. Non-compliance will result in no discharge allowed. Already delayed from Year 1.	350,000	375,000						100%	
	Flow Meters - Hokitika & Franz, Then Fox and Haast	Provide data to ensure resource consent compliance		60,000	25,000	30,000				100%	



Capital (CAPEX) / Operational (OPEX)	Activity	Brief Description of Project (Comments on 2013-14 - Yr 1 projects only)	LTP / New	YR2	YR3	YR4	YEAR 2 Project funding \$'s				
				2013-14	2014-15	2015-16	Depn	Rates	Subsidy	Loan	Reserves
CAPEX	Fitzherbert St Pump Station	Replacement of 2nd pump. Pumps all Hokitika. Yr 2 project			150,000						
	Fitzherbert Street Pumping Main	Two recent breaks on main. Abatement notice possibility	334,533	325,000						100%	
	Hokitika Outfall/Pond Treatment					6,500,000					
	<b>STORMWATER</b>		<b>880,120</b>	<b>1,035,000</b>	<b>525,000</b>	<b>6,530,000</b>	<b>50,000</b>	<b>50,000</b>		<b>935,000</b>	
	Mains Upgrade - Gibson Quay / Sewell St Pumps	Yr 2 Project - 40 yr old Pump.	225,000		250,000						
	Mains Upgrade - Pipe renewals deferred to 3 yrs					25,000					
	Weld Street - New Mains		32,622			32,000					
OPEX	Franz Josef - Investigations	Operational Problems - Infrastructure failing, CCTV works., AMP program.Condition ratings and data management	20,587	25,000				100%			
OPEX	Fox Glacier - Investigations	Operational Problems - Infrastructure failing, CCTV works., AMP program.Condition ratings and data management	20,587	25,000				100%			
	Kumara - Easement over open drains Hokitika Infiltration Investigation					25,000					
						25,000					
	<b>SOLID WASTE</b>		<b>298,796</b>	<b>50,000</b>	<b>250,000</b>	<b>107,000</b>		<b>50,000</b>			
CAPEX	Butlers - Construction of Sheds and small office				30,000						
	Truck wash and grey water system (Washpad essential)				20,000						
	Butlers Extension/Additional Leachate treatment fields		51,467		50,000						
	Intermediate Capping					100,000					
	Capping of Franz Josef Landfill (With Resource consent Obligations)	Re-profiling and preparing for final capping in 2014-15 . Budget has been increased to account for engineering drawings and cross-sections. Estimates based on Hoki landfill capping works	308,799	25,000	350,000					100%	
CAPEX	Haast Landfill - Hazardous Waste Facility	Provision of a wash pad. H&S requirement as per resource consent	NEW							100%	
CAPEX	Hokitika Capping - Landscaping	Work in progress from 2012-13. Landscaping continues as per capping plan	NEW	30,000	20,000					100%	
OPEX	Hokitika - Leachate Management system	Works on this major project have been delayed. Feasibility studies if we need to address any leachate issues and if yes what needs to be done. 500k was budgeted in year 2012-13 of LTP.	NEW	25,000	500,000					100%	
CAPEX	Other bin stations and satellite transfer stations	Estimates costs for provision of Bin trailers for glass sorting at transfer station. Detailed cost- benefit analysis are included in a separate report.	NEW	80,000						100%	
CAPEX	Kumara Landfill (Ops Project)		NEW	25,000						100%	

Capital (CAPEX) / Operational (OPEX)	Activity	Brief Description of Project (Comments on 2013-14 - Yr 1 projects only)	LTP / New	YR2	YR3	YR4	YEAR 2 Project funding \$'s				
				2013-14	2014-15	2015-16	Depn	Rates	Subsidy	Loan	Reserves
	Transfer station Improvements - 24/7 Recycling Access Facility				20,000	20,000					
			360,266	185,000	990,000	120,000	-	-	-	185,000	
CAPEX	<b>BUILDINGS</b>										
	Cemetery shed- Demolition of store					5,000					
	Pensioner Housing	WDPL request to upgrade roofs at Pensioner Housing.	NEW	20,000						100%	
CAPEX	RSA Hokitika					20,000					
	Carnegie Building -Fire alarm system upgrade	Fire-alarm system. Overdue Project	NEW	30,000			100%				
	Carnegie Building -Security system upgrade					30,000					
	Cass Square changing sheds - fix portal structure & upgrade toilets					300,000					
	WDC Office - Toilets Upgrade (Building consent requirement)				60,000						
CAPEX	WDC Office - Lift mechanism upgrade.				60,000						
OPEX	Harihari Community Centre	To build a community centre in Harihari		290,000	1,000,000						100%
	Fox Community Centre	Grant to Fox Community Trust to fund Council share of Community hall		200,000	800,000						100%
	WDC Office - Roof replacement ground floor					180,000					
CAPEX	Refurbishing Council Front Office	Council office layout improvements	NEW	35,000			100%				
CAPEX	Ross Swimming Pool - Solar installation and plumbing fixes	On-going issue with Solar Panels at Ross Pool	NEW	10,000				100%			
	Ross Swimming Pool - Pool liner and				60,000			25%	75%		
	<b>CONVENIENCES</b>			585,000	1,980,000	535,000	65,000	10,000	-	20,000	490,000
	Beach front Toilets	Repainting works and minor repairs. Budget not available in Operational Cost centres.	NEW	4,000				100%			
				4,000	-	-		4,000	-	-	-
OPEX and CAPEX	<b>COMMUNITY TOWNSHIP DEVELOPMENT</b>										
	Township Development - Rotated		72,053					100%			
	Glacier Townships funds (Franz and Fox)							100%			
	<b>MUSEUM</b>		72,053	-	-	-	-	-	-	-	-
	Lundia Shelving for collection storage				13,000						
					13,000						
	<b>CORPORATE SERVICES</b>										
	IT SERVICES / GIS improvements	IT hardware improvements- Depn is not enough. Strategy will outline the requirements. Email archiving software is included at an estimate of 10k.	NEW	30,000	30,000	30,000		100%			
	<b>COMMUNITY SERVICES</b>			30,000	30,000	30,000	-	30,000	-	-	-
OPEX	150th Celebrations			5,000				100%			
				5,000	-	-	-	5,000	-	-	-



Capital (CAPEX) / Operational (OPEX)	Activity	Brief Description of Project (Comments on 2013-14 - Yr 1 projects only)	LTP / New	YR2	YR3	YR4	YEAR 2 Project funding \$'s					
				2013-14	2014-15	2015-16	Depn	Rates	Subsidy	Loan	Reserves	
	TOTAL PLANNED WORKS PROGRAMME			5,186,038	4,118,165	6,769,417	10,902,312	1,090,961	207,000	1,115,204	1,215,000	490,000

# Appendix 2



DATE: 11 April 2013

TO: Mayor and Councillors

FROM: Chief Executive

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## **SERVICE LEVELS: COMMUNITY SERVICES**

### **1.0 SUMMARY**

This report presents some options for reducing service levels in the Community Services Group. These options are not designed to save Council money. The savings from these service level changes are planned to be redistributed to areas that are currently inadequately resourced, for example Finance, IT and Asset Management.

The report focuses on service levels in the following activities: Westland District Libraries, Hokitika Museum, I-Site, Events, Community Development, Community Services and Community Assistance. Managers in these areas have been involved in the process to come up with options for service level changes.

### **2.0 WESTLAND DISTRICT LIBRARIES**

#### **A. Reduced Opening Hours**

Council has one fully staffed library in Hokitika. There are 8 volunteer branch libraries throughout the district.

There are two distinct parts to the library operation: front of house and back of house. Front of house includes the programmes, activities, services, events and staff interaction that the public see. Back of house includes book selection, ordering, processing, shelving, research, cataloguing, mending that the public do not see but that are necessary to ensure the front of house activities can take place. Staffing levels must support both functions.

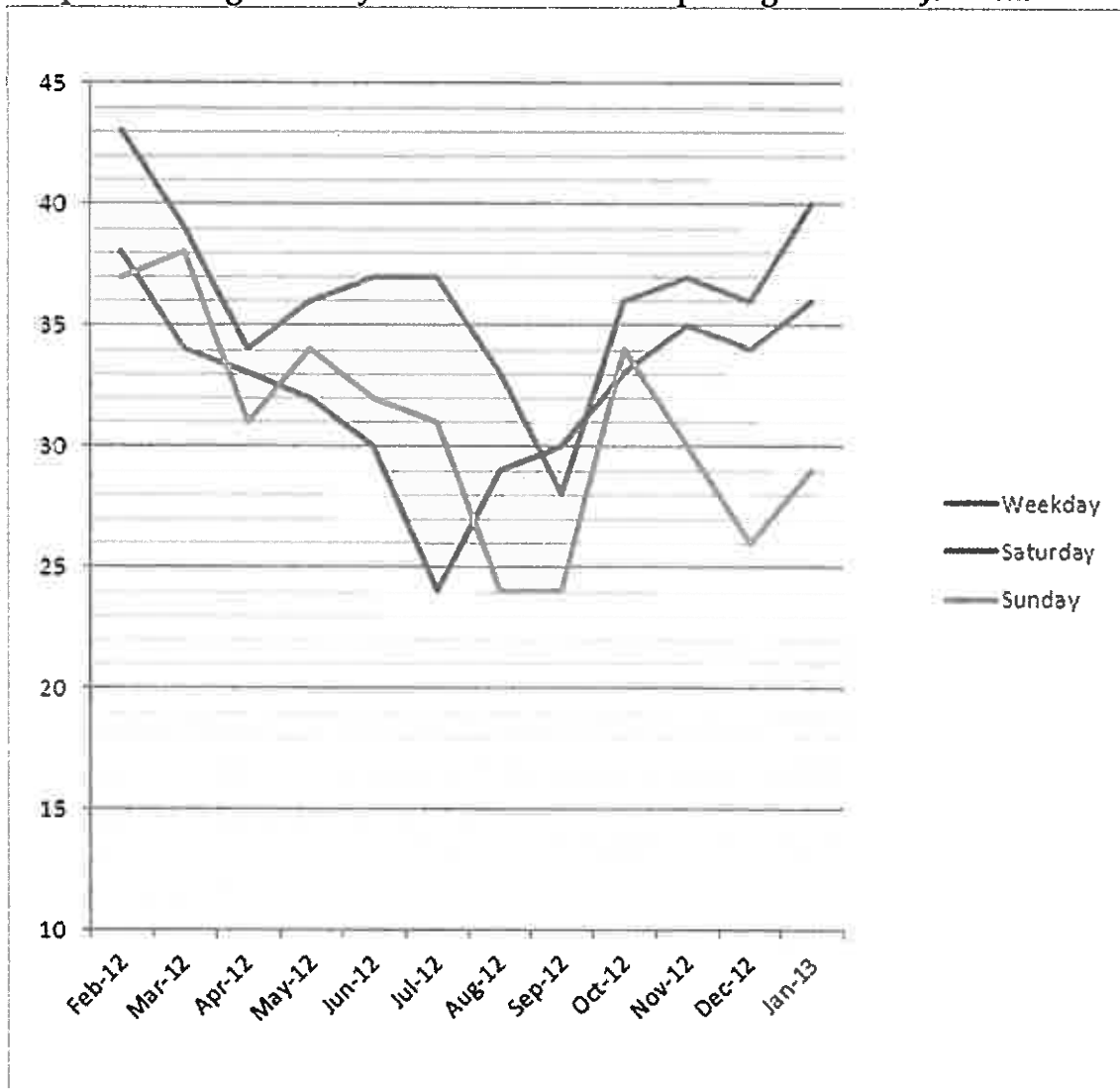
The proposal is to reduce opening hours in the Westland District Library. The main impact would be to weekend users. Graph 1 below shows foot traffic data from Feb 2012-Jan 2013. This shows that weekend use is less than on weekdays.

A further option for Council to consider is to cease the funding support to the 8 branch libraries. This is not recommended. There is no proposal to reduce the back of house functions.

**Table 1: Westland District Library Current and Proposed Opening Hours**

Current opening hours:	Proposed opening hours:
Mon-Fri 9am-6pm (9 hours)	Mon-Fri 9am-5pm (8 hours)
Sat 10am-4pm (6 hours)	Sat 10am – 1pm (3 hours)
Sun 12pm-4pm (4 hours)	
TOTAL: 55 hours per week	TOTAL: 43 hours per week

**Graph 1: Average Library Visits Per Hour of Opening Feb 2012-Jan 2013**



**Direct savings:** \$11,000 pa

**Implications:** Library user dissatisfaction with reduced accessibility to library services.



### **Local Comparisons:**

*Sue Thomson Casey Memorial Library, Westport*

Monday – Friday: 9.30am-5pm

Saturday: 10.30am-1pm

TOTAL: 40 hours per week

*Grey District Library, Greymouth*

Mon, Tues, Thurs, Fri: 9.30am-5pm

Wednesday: 9.30am-7pm

Saturday: 9.30am -12pm

TOTAL: 42 hours per week

### **B. Remove Grants to Volunteer Libraries**

Another potential area for service level changes is removing the grants made to the volunteer libraries. There are 8 community libraries and the annual cost is \$5,000 p.a

**Direct savings:** \$5,000 pa

**Implications:** Loss of volunteers in the community libraries as they perceive Council does not value them.

## **3.0 HOKITIKA MUSEUM**

### **A. Reduced Opening Hours: Museum**

Council has one Museum, located in Hokitika. Like the library, there are two parts to the Museum operation: front of house and back of house. Front of house includes reception and retail area, exhibitions, marketing, and public programmes. Back of house is focused on care of the collection. Hokitika Museum has a significant collection that comprises paper-based archives, photographs and three-dimensional objects. The photographic collection alone comprises over 29,000 images. Only approximately 4% of these are digitally catalogued.

The proposal is to reduce the opening hours of the Museum and also reduce the curatorial functions so that the current vacancy in the Museum is replaced with 0.3 FTE. This will limit the staff's ability to provide a regular programme of changing

exhibitions, cataloguing the collections and making them available digitally, supporting other heritage groups and projects in the community.

**Table 2: Hokitika Museum Current and Proposed Opening Hours**

<b>Current opening hours: Summer</b>	<b>Proposed opening hours: Summer</b>
Mon-Sun 9.30am-5pm (7.5 hours)	Mon-Sun 10am-4pm (6 hours)
TOTAL: 52.5 hours per week	TOTAL: 42 hours per week
<b>Current opening hours: Winter</b>	<b>Proposed opening hours: Winter</b>
Mon-Sun 9.30am-5pm (7.5 hours) Sat & Sun 10am-2pm (4 hours)	Mon-Sun 10am-2pm (4 hours)
TOTAL: 45.5 hours per week	TOTAL: 28 hours per week

**Direct savings:** \$25,000

**Implications:** Visitors and residents dissatisfied with reduced opening hours. One less “wet weather” visitor attraction.

**Council Operated Local Comparisons:**

<i>History House, Greymouth</i>
Monday – Friday: 10am-4pm Saturday: 10am-2pm (January only)
TOTAL: 30 hours per week

<i>North Otago Museum, Oamaru</i>
Monday-Friday: 10.30am-4.30pm Saturday & Sunday: 1pm -4.30pm
TOTAL: 37 hours per week

**B. Reduced Opening Hours: Research Centre**

Within the Museum is a Research Centre, which has opening hours as outlined in Table 3. The changes proposed are to bring opening hours in line with the proposed Museum opening hours.

**Table 3: Research Centre Current and Proposed Opening Hours**

<b>Current opening hours</b>	<b>Proposed opening hours</b>
Mon-Fri 1pm-4pm (3 hours)	Mon-Fri 10am-12pm (2 hours)
TOTAL: 15 hours per week	TOTAL: 10 hours per week

**Direct savings:** Negligible

**Implications:** Researchers dissatisfied with opening hours. Extended turnaround times for research enquiries.

#### **4.0 EVENTS**

The Events department of Council has a dual responsibility. Its main focus is to organise the annual Wildfoods Festival. Council has been doing this for 24 years, and the event is considered iconic on the national events calendar. The event also attracts significant international attention because it is so unique. The other function of the Events department is to provide advice, support, ideas, information and resources to organisations in the community who are organising events themselves. There is no charge made for this service.

In the 2012-22 LTP Council signalled their intent to develop “at least one new iconic event by the middle of 2013”. Council achieved this with The West Coast Whitebait Festival which was held in November 2012. Council have resolved to retain the intellectual property for this festival, but not run it again in the foreseeable future.

The proposal is to reduce service levels in the Events department, so that Council’s only responsibility is to organise the Wildfoods Festival.

**Direct savings:** \$40,000 pa

**Implications:** Community event organisers have to manage on their own events. Council have reduced ability to support community events. Publicity for this event is all year round and there would be limited capacity to respond to requests for information.

#### **5.0 I-SITE**

##### Reduced Opening Hours

The I-Site is often the first port of call for visitors to Hokitika and the Westland District. Council is already aware of the proposal to merge the Council customer service entrance with the I-site so that the town has one customer portal for visitors and residents. This project is included in the draft Annual Plan.

This proposal is to reduce the opening hours in the I-site to bring them in-line with the current opening hours of the Council. This will result in an increase in service level for residents as they will be able to conduct front-line transactions seven days a week, but a slightly reduced service level for visitors. Under this proposal the I-Site would be open 130 hours less annually.

Sales statistics for the I-site show the peak visitor numbers to be between 10am and 4pm daily. Weekdays are busier than weekends.

**Table 4: Hokitika I-site Current and Proposed Opening Hours**

<b>Current opening hours: Summer</b>	<b>Proposed opening hours: All Year Round</b>
Mon-Fri 8.30am-6pm (9.5 hours) Sat and Sun 9am-5pm (8 hours) TOTAL: 63.5 hours per week	Mon-Fri 8.30am-5pm (8.5 hours) Sat and Sun 10am-5pm (7 hours) TOTAL: 56.5 hours per week
<b>Current opening hours: Winter</b>	
Mon-Fri 8.30am-5pm (8.5 hours) Sat and Sun 10am-4pm (6 hours) TOTAL: 54.5 hours per week	

**Direct savings:** Negligible

**Implications:** Visitors arrive outside of hours and the I-site is closed.

## 6.0 COMMUNITY SERVICES AND COMMUNITY DEVELOPMENT

Community Services and Community Development provide support to a number of community organisations including:

- Co-ordinator for Big Brothers Big Sisters (this service is funded by external grants and donations that is intended to cover overheads, administration costs and salary. It is likely that this service would continue if it was not delivered by Council)
- Chairperson/Secretary/Trustee/Facilitator roles for Safer Community Council, Community Patrol, Restorative Justice, Victim Support, Awatuna Parenting Programme, CACTUS, Hokitika and Environs Community Group, Life Education Trust, Strengthening Families.
- Administering Council funding, applying for funding for Council and community projects, and providing advice on external funding available
- Overseeing the Fox and Franz Community Development Officers
- Graffiti reporting, street appeals, taxi chits

- Organising Retail Excellence Awards, TrustPower Community Awards, Garden Competition, Citizenship Ceremonies, Industry Training Awards
- Waste minimisation and Civil Defence education
- Member of COGs Committee, supervise community work, mentor for Gateway programme

The proposal is to reduce service levels in these areas including:

- Ceasing direct involvement with community groups
- Re-distributing some activities to other areas of Council
- Focusing the activity on:
  - Managing Council's funding schemes and contracts with community organisations
  - Providing funding advice
  - Supporting community projects
  - Providing social policy advice to council
  - Assisting communities with planning
  - Managing Council's consultation processes

**Direct savings:** \$87,000 pa

**Implications:** Negative community reaction to loss of support for their project or community organisation.

## 7.0 COMMUNITY ASSISTANCE

In the cost centre Community Assistance, Council provides a range of grants to community organisations and manages one in-house funding scheme. These are outlined in the tables below:

**Table 5: Grants from the General Rate**

ORGANISATION	AMOUNT	COMMENT
Regent Theatre	\$25,000	One-off grant signalled in LTP for 2012-13. Included in draft budget for Annual Plan 2013-14. Unclear what purpose Regent Theatre requires the grant for.
Sport West Coast	\$31,000 (plus office space at \$3,000pa)	Long standing grant that supports the delivery of Sport Canterbury programmes on the West Coast.
Infrastructure Fund	\$20,000	Currently used to maintain swimming pools and other community facilities around the district. Suggest Council broadens the focus to project-based funding for community organisations that meet defined criteria.

**Table 6: Grants from Targeted Rates**

ORGANISATION	AMOUNT	COMMENT
Tourism West Coast	\$86,000	Targeted rate on commercial properties. Year by year funding of TWC. KPIs put in place for 2012-13 and looking at an SoI for 2013-14.
Glacier Country Grant	\$65,000	Targeted rate on Glacier country to employ Community Development Officers in Fox and Franz Josef and Promotions Co-ordinator in Haast. Currently employed by WDC. Proposed to bulk fund organisations from 2013-14 to employ their own staff.
Enterprise Hokitika	\$39,000	Targeted rate on Hokitika businesses. Funds activities that support and promote business development in Hokitika.

Council could decide to reduce or cease any of the grants above. At the very least accountability frameworks should be in place for all of these grants. The start of any accountability framework is Council being clear on the rationale for having the grant in the first place.

## 8.0 OTHER OPTIONS

- 8.1 Retain current service levels in all Community Services activities. This would mean that resource distribution could not occur and Council would need to identify another funding option to provide resource in those areas that need it.
- 8.2 Support some service level reductions identified in this report and not others.
- 8.3 Identify other areas of Council to reduce service levels in.

## 9.0 SIGNIFICANCE AND CONSULTATION

- 9.1 The proposals to reduce service levels outlined in this report have been assessed against Council's Policy on Significance in the LTP 2012-22. Consideration has also been given to the statements on service levels in the LTP for all activities that this report identifies. Officers have concluded that the proposed reductions in service levels do not significantly alter the intended service levels.

- 9.2 Should Council disagree with the officers evaluation of the proposal against the LTP Policy on Significance and determine that these changes are significant an LTP amendment must be made. Such an amendment may impact on the Annual Plan timetable as the documentation has not been prepared and no arrangements for audit have been made.
- 9.3 Managers in the Community Services group have had input into the service level changes identified in this report.

## 10.0 COMMENT

- 10.1 This report is particularly sensitive because any changes to service levels have potential consequences for staff in these areas. This impact is yet to be determined.
- 10.2 Should Council adopt the recommendations below, there will be total savings of \$163,000.

## 11.0 RECOMMENDATIONS

1. **THAT** Council consult with the community through the draft Annual Plan 2013-14 on service level changes as follows:

### **Westland District Library**

- a. New hours in the Westland District Library as follows:  
Mon-Fri 9am-5pm  
Sat 10am – 1pm
- b. Continue providing grants totalling \$5,000 per annum to the 8 Westland branch libraries

### **Hokitika Museum**

- c. New hours in the Hokitika Museum as follows:  
Summer: Mon-Sun 10am-4pm  
Winter: Mon-Sun 10am-2pm
- d. Curatorial service levels in the Museum are reduced.
- e. Research Centre opening hours are reduced as follows:  
Mon-Fri 10am-12pm

### **Hokitika I-Site**

f. New hours in the Hokitika I-site as follows:

Mon-Fri 8.30am-5pm

Sat and Sun 10am-5pm

### **Events**

g. Reduced service levels in Events so that the only event Council organises is the Wildfoods Festival.

### **Community Development and Community Services**

h. Reduced service levels in Community Development and Community Services so that the activity is focused on:

- Managing Council's funding schemes and contracts with community organisations
- Providing funding advice
- Supporting community projects
- Providing social policy advice to council
- Assisting communities with planning
- Managing Council's consultation processes

2. **THAT** Council confirms the level of funding and rationale for each grant listed in Tables 5 and 6.

ORGANISATION	AMOUNT 2013/14	RATIONALE
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3. **THAT** the draft Annual Plan be prepared with the cost savings reallocated to the organisational risk areas determined by the Chief Executive.

**Tanya Winter**  
**Chief Executive**



# Appendix 3



**DATE:** 03 April 2013

**TO:** Mayor and Councillors

**FROM:** Group Manager - Assets and Operations

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## **SOLID WASTE SERVICES – TRANSITION PROCESS AND PHASING OUT OFFICIAL BAGS**

### **1.0 SUMMARY**

- 1.1 The purpose of this report is to highlight issues and options associated with proposed variations agreed at the Special Council Meeting on 20 March 2013.
- 1.2 This issue arises with the Franz Josef Landfill reaching its consent and design life in terms of its capacity to receive the waste.
- 1.3 The report provides information on three transition processes as they affect the residents for implementing the new proposed level of service
- 1.4 Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002 Amendment Act 2012. That purpose is:
  - (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
  - (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

- 1.5 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the Vision identified in the following table.

Vision's Objectives	Achieved By
Having top class infrastructure for all communities	Providing the possible alternatives to dispose waste in Westland District.
Living the '100% Pure NZ' brand	Making sure disposal of waste in Westland is affordable and in accordance with the objectives of WMMP and Waste Minimisation Act 2002.

- 1.6 This report concludes by recommending that Council provides vouchers for 13 official refuse bags for financial year 2013-14, the collection of bags be stopped when the bins are available for refuse collection and the bags continue to be accepted free of charge at the transfer station until 31<sup>st</sup> December 2013.

## 2.0 BACKGROUND

- 2.1 At the Special Council meeting on 20 March 2013 Council resolved as follows:

### Franz Josef Landfill

That Council approves the closure of the Franz Josef Landfill from 30 April 2013.

That Council confirms the capping of the Franz Josef Landfill, as identified in the current Long Term Plan, to be completed in 2014/2015, for \$350,000 funded from loans.

### Waste Management Fees and Charges

That Council implement the new fees and charges in South Westland as identified in the current Long Term Plan from 1 May 2013.

### Waste Management Services in South Westland

That Council accepts the quotation from South Westland Rubbish Removals Ltd, to provide waste management services in South Westland at an annual cost of \$190.00 per tonne of refuse, plus \$17,500.00 for the

management of the Haast Landfill, budgeted for 2013/2014 at a net additional rate requirement of nil.

### **Trailer Bins**

That Council approves the inclusion of a capital budget of \$80,000 in the 2013-14 Draft Annual Plan for purchase of 10 second-hand trailer bins to collect sorted glass at transfer stations around Westland District.

### **Variations to Contract 10/11/25**

That Council supports and approves the variations to Contract 10/11/25 for inclusion in the 2013/2014 Draft Annual Plan as follows:

- a) Remove the free trailer bin stations from Otira, Jacksons, Lake Kaniere, Bruce Bay and Neils Beach.
- b) Extend kerbside collection services to Lake Kaniere.
- c) Introduce 240 litre bins for the recycling collection and use the current 120 litre bins for refuse collection instead of bags, to existing serviced properties, plus Lake Kaniere.
- d) Stop the kerbside co-mingled glass collection service from Hokitika residential area, replaced by the sorting trailer bins at the transfer stations.

## **3.0 CURRENT SITUATION**

- 3.1 The Northern District has kerbside collection and refuse is collected in bags every fortnight.
- 3.2 Residents with kerbside collection are provided with 26 bags each year from Council as part of their rates contribution.
- 3.3 Additional bags can be purchased locally a cost of \$5.00 (incl. GST) per bag.
- 3.4 The variation proposed to be included in Annual Plan 2013-14 presents the following issues:
  - 3.4.1 Transition phase: There is lag time of at least 12-14 weeks to procure new bins and a new side arm fitted truck. Transition phase and its issues have been highlighted in section 4.0 of this report.

- 3.4.2 The current bags in circulation: Council needs to agree on a time-frame to phase out the refuse bags already in circulation. The options around phasing out of refuse bags have been highlighted in section 5.0 and section 7.0 of this report.

## 4.0 DISCUSSIONS

### Transition Phase

#### 4.1 Franz Josef Landfill

The current Solid Waste Contract (referred to as 'Mastagard Contract') includes the management of Franz Josef Landfill. This site now closes on 30<sup>th</sup> April 2013.

The proposed variations are subject to public consultation as part of the adoption of the Annual Plan 2013-14 process and cannot effectively be implemented until Council formally confirms these.

The implementation of the variations if approved in the Annual Plan 2013-14 is an operational matter.

Mastagard has advised that for operational efficiency they intend to deploy a mechanical fitted side arm truck for servicing these bins. The truck and the bins have a lag time of at least 12-14 weeks from the date of order confirmation.

The proposed variation also includes a new contract to provide services in South Westland. Mastagard currently brings refuse from Whataroa and Fox to the Franz Josef Landfill. When the landfill officially closes at Franz Josef, Mastagard will cart all refuse to the Butler's landfill. There will be no extra payment for this cartage.

South Westland Rubbish Removal will open their facility to the public and will bring the refuse from Franz Josef to Butlers Landfill. The new fees and charges will be implemented which will offset any expenditure.

All other variations will not be implemented until the bins are delivered.

## **4.2    The Bags**

The current bags must be phased out to accept bins as receptacles for collection of refuse or recycling.

It is proposed that the bags be in circulation until the bins are delivered. Once the bins are delivered, the official bags would continue to be accepted free of charge at the transfer stations; however these will be phased out on 30 December 2013.

Also for annual distribution of bags, it is proposed that only 13 bags be distributed instead of 26 bags. A period of six months is considered reasonable enough to provide and deliver bins. Section 5.0 and Section 6.0 detail these options.

## **4.3    The glass collection**

It is proposed that co-mingled glass collection ceases when the new bins are delivered. At that stage the trailer bin stations will be placed at transfer stations to accept sorted glass. All un-sorted glass will be charged at the current \$413.00 (excl GST) per tonne fee.

## **5.0    OPTIONS**

### **For refuse bags**

- 5.1    **Option 1:**    Do nothing.
- 5.2    **Option 2:**    Provide 13 official refuse bags to residents and cap the validity of official bags to 31 December 2013.
- 5.3    **Option 3:**    Continue to accept bags as well as 120 ltr bins for refuse collection.

## **6.0    SIGNIFICANCE AND CONSULTATION**

- 6.1    The continuation of bags issue will have financial implications and is of moderate significance to Council. In accordance with Council's Policy on Significance the decision is deemed to be:
  - 6.1.1    Of low significance if Council chooses to continue with Option 2 as planned, which is to provide 13 bags official bags and continue to accept the bags at the transfer station free of cost until 31 December 2013.

- 6.1.2 Of high significance if Council chooses Options 1 or 3 as this would then trigger additional rate requirements for the Solid Waste activity.

## **7.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)**

### **7.1 Option 1: Do nothing.**

This is not an option. To give effect to the variations and thus an improved level of service, Council has to progress with other options.

### **7.2 Option 2: Provide 13 official refuse bags to residents and cap the validity of official bags to 31 December 2013.**

This is the preferred option. Council has enough stock from 2012-13 financial year to provide for these bags.

This option provides maximum operational efficiency and enough time lag to efficiently implement the changes.

This option also recognises the contribution of rate payers and hence free acceptance of Council bags at the transfer station. However Council has the option to continue with free acceptance of official bags. This though will have financial implications in the long term.

### **7.3 Option 3: Continue to accept bags as well as 120 ltr bins for refuse collection at the kerbside.**

This is not a preferred option. Operationally it is not possible to have bags and bins both for refuse collection. Having a mechanical truck operating for pickups eliminates the health and safety risks associated with contractors staff.

## **8.0 PREFERRED OPTION AND REASONS**

### **8.1 The option that is most cost effective and economical to households and businesses is Option 2 – provide 13 official refuse bags to residents and cap the validity of official bags to 31 December 2013.**

The options provides enough lag time to implement the changes.

The options provides an acceptable mode of collection of refuse without compromising health and safety obligations

## **9.0 RECOMMENDATION**

- 9.1 **THAT** at 1<sup>st</sup> July 2013, Council will have provided vouchers for 13 official refuse bags to residents with kerbside collection,
- 9.2 **THAT** the kerbside collection of bags be stopped when the bins are available for refuse collection, and
- 9.3 **THAT** the official bags continue to be accepted free of cost at the transfer stations until 31 December 2013.

**Vivek Goel**  
**Group Manager – Assets and Operations**

# Appendix 4



**DATE:** 11 April 2013  
**TO:** Mayor and Councillors  
**FROM:** Chief Executive

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## **SHORTFALL IN FUNDS: HARIHARI COMMUNITY FACILITY**

### **1.0 SUMMARY**

- 1.1 The purpose of this report is to seek some direction from Council regarding the shortfall in capital funding for the proposed Harihari community facility.
- 1.2 This issue arises from the delays in the commencement of this project and changes in Council's financial situation resulting in a shortfall in funding for the project.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:
- (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
  - (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- 1.4 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

<b>Vision's Objectives</b>	<b>Achieved By</b>
Involving the community and stakeholders Having top class infrastructure for all communities	The Harihari community have led this project with the goal of providing a multi-purpose facility for community use.



- 1.5 This report concludes by recommending that Council either funds the project shortfall of \$190,000 for the Harihari community facility, or that they don't fund it and the project is reviewed.

## 2.0 BACKGROUND

- 2.1 In 2007, the Harihari community met with Council staff and elected members to discuss the development of a multi-use community facility for the town.

- 2.2 A Hall Committee was formed to oversee the project and liaise with Council, and fundraising began.

- 2.3 It took over 12 months to produce concept plans and in 2008 the capital cost was estimated by a Quantity Surveyor at approximately \$700,000. This was to be funded by incorporating the public toilets into the building and the toilet money, allocated in 2006, of \$100,000, and the sale of the Pony Club grounds in 2008, which realised \$189,000. These combined amounts were eligible for an MDI subsidy from Development West Coast of 65% giving a total of \$870,000. As the subsidy was above the estimate of \$700,000 cost, Council pared back the MDI contribution to \$455,000. In 2009/10, a detailed Quantity Surveyor estimate put the facility at \$1,021,000 and Lottery money was applied for giving an amount of \$240,000, approved July 2011 and added to the project.

- 2.4 The summary of funding for the project is:

• \$240,000	Lottery Community Facilities (2012)
• \$455,000	MDI Funding (2011)
• \$190,000	Sale of Pony Club land in Harihari (2008)
• \$100,000	Contribution from Council in lieu of public toilets (2006)
<u>\$985,000</u>	<u>TOTAL FUNDING AVAILABLE</u>
• \$190,000	Funding shortfall
<u>\$1,175,000</u>	<u>TOTAL PROJECT COST</u>

- 2.5 In 2009/10 concerns were raised by Council over potential depreciation implications. These were resolved after about 6 months with Council deciding that depreciation would not be funded for the facility.

- 2.6 In July 2012 the question of operating costs, reported to be in the vicinity of \$50-\$60,000, were brought to Council's attention by Council staff, and the Council requested the Harihari Community delay the project while the wider issue of funding operating costs for community facilities was referred to the Risk Committee. This Committee met on 20th November 2012 and

their recommendations were considered by Council on 11 December 2012. Council resolved that operating costs would be funded as per the existing policy for community facilities and Harihari was given the green light to proceed.

- 2.7 In 2013 an updated Quantity Surveyor estimate was requested. This has come in at \$1,174,150 plus GST.
- 2.8 In late 2012, after the adoption of the Annual Report 2011-12, Council was made aware of its tenuous financial position.
- 2.9 Council began a process of determining the cash available to fund the reserve balances, and it was discovered that insufficient funds were available to fund all of the reserves. Council needed to prioritise its reserve funding and did that at the 20 March Special Council meeting.
- 2.10 The reserves to support the Harihari project were approved through that process , however there is still a shortfall between the new estimate and the secured funding of approximately \$190,000.

### **3.0 CURRENT SITUATION**

- 3.1 A meeting was held with Council staff, Cr Bryce Thomson and the Hall Committee on 13 February 2013.
- 3.2 At that meeting the Hall Committee expressed their frustration and disappointment at the delays to this project. These delays have had a negative impact on the project in that the capital cost has escalated and more funding is now required. At this meeting the Committee were unaware of the situation regarding Council's reserves.
- 3.3 The Hall Committee believe that any shortfall in funding should come from Council with the rationale being that Council has been responsible for these delays.

## 4.0 OPTIONS

4.1 The options available to Council to meet this funding shortfall are:

**Option 1:** Council meet the shortfall from the Township Development Fund and debt.

**Option 2:** The community fundraise for the shortfall.

**Option 3:** The project scope is amended to match the budget.

**Option 4:** The funding is put towards other projects in Harihari.

## 5.0 SIGNIFICANCE AND CONSULTATION

5.1 According to Council's Policy on Significance this matter is of moderate significance in that Council have not budgeted for the extra funding required and would need to borrow to fund it. This would impact on the whole community.

5.2 If this project is unable to proceed due to a shortfall in funding there will be an impact on the Harihari community, who have been supporting this project for a number of years, i.e. the decision could have a high impact on a small number of people.

5.3 Council staff have consulted with the Harihari Hall Committee on this matter. Representatives of the Committee made representation at the 24 March 2013 Council meeting.

## 6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

6.1 **Option 1:** The shortfall is \$190,000. According to the Long Term Plan 2012-22 the Harihari community are due their next instalment of \$70,000 from Township Development Funds in 2013-14. With the permission of the wider community, this amount could be applied to this project. This would leave a shortfall of \$120,000 which would need to be funded from debt.

6.2 **Option 2:** The community could fundraise for some or the entire shortfall. This would require the identification of appropriate funders, applications made, with potential for further delays as the outcomes of applications are received. It is fair to say that after a number of years waiting for this project to proceed the community would struggle to find enthusiasm for fundraising.

6.3 **Option 3:** At the meeting on 13 February 2013, this option was discussed with the Hall Committee. They believe that the project has been scoped

appropriately and they would not like to see the facility compromised. Council staff who would be managing this project will do all they can to ensure the project comes under budget, but until it is put out to tender this cannot be guaranteed.

- 6.4 **Option 4:** The funding secured so far could be used for other projects in Harihari. It is likely that the Lottery Grants Board grant would not be able to be used for another purpose. Also the MDI funding is for the specific purpose of building a community facility in Harihari. Proceeds from the sale of Pony Club land could be made available. The money for public toilets would need to be spent on that purpose.

## 7.0 PREFERRED OPTION AND REASONS

- 7.1 The Harihari community have been waiting a number of years for this project to proceed. For the last year, the community have believed that all of the funding has been in place to achieve a million dollar facility. Of the MDI funding schedule from September 2008 (Table 1 below) this is the only project that has not started.

**Table 1: MDI Funding Project Status**

Project	MDI Funding	Status
Donovan's Store Restoration	\$78,375	In Progress
Franz Josef Medical Centre	\$100,000	Complete
Hokitika Regent Theatre Restoration	\$910,000	Complete
WDC Library Relocation	\$489,393	Complete
Wild At Heart Centre	\$296,952	Complete
Harihari Community Centre	\$455,000	Not Started

- 7.2 In the past six months Council has become aware that its financial position has changed considerably since receiving the 2011-12 Annual Report. Funding Council's contribution to this project has now become more difficult. The community are aware of this, and have asked Council to make a decision one way or the other.

## 8.0 RECOMMENDATIONS

- A) **THAT** Council either approves \$190,000 to fund the shortfall for the Harihari community facility project and this is funded \$70,000 from Township Development Funds and \$120,000 from debt.

**OR**

- B) **THAT** Council advises the Harihari community that they are unable to fund the community facility project at this time as it is currently scoped and discussions are entered into with the community to redefine the project.

Should Council choose Option A:

- C) **THAT** \$70,000 is allocated from the 2013-14 Township Development Fund subject to consultation with the Harihari community.
- D) **THAT** \$120,000 is included in the 2013-14 Annual Plan to be funded from debt repaid as per Council's funding policy for community halls.

**OR**

- E) **THAT** \$190,000 being the proceeds from the sale of Pony Club land be made available to the Harihari community for other community projects.
- F) **THAT** \$100,000 be allocated to build new public toilets in Harihari.

Tanya Winter  
**Chief Executive**