Tahua a-tau

2017-2018 Annual Plan

Consultation Document

Invercargill CITY COUNCIL

Greenpoint - David Whelan

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Invercargill
CITY COUNCIL

About this document

Ngā kōrero mō tēnei pukapuka

Invercargill City Council's Annual Plan for 2017/18 represents the third year of our Long-Term Plan 2015-2025 (LTP).

It sets the budget and work plan for the year from 1 July 2017 to 30 June 2018 and identifies what has changed from the LTP. It sets Council's direction for the year and provides accountability to the community.

We're looking forward to delivering on our Long-Term Plan, supporting the growth and continued success of our City and community, and listening to you have your say on this document. Through this plan we have made changes to improve the way we work and deliver services to our communities.

You are welcome to submit on any of the content that was included in the LTP, as well as what is included in this Consultation Document. The LTP can be found online at www.icc.govt.nz

How to have your say

Hei whakapuaki i ō whakaaro

We would like to hear your feedback on the changes proposed for our Annual Plan 2017/18. You can respond by any one of the ways below. We will need your feedback by 22 March 2017.

- **Online Submissions**
  Visit our website www.icc.govt.nz to send an online submission.

- **Written Submissions**
  Use the submission form included in this document and send it to: Submission Annual Plan
  Invercargill City Council
  Private Bag 90104
  Invercargill 9840

- **Pop into our caravan**
  We will be taking the caravan to you, so pop in and have your say. Keep an eye on our social media and website to see where we will be.

- **Speak at a hearing**
  If you make a submission, you will have the option to speak at a hearing. Please let us know if you would like to be heard, and on what topic.

For more information please refer to our website www.icc.govt.nz

Mayor's Comment

He kārere nāā te kaiwhakahaere matua

In last years 'Mayor's Comment', I acknowledged that water was one of the most valuable resources on Planet Earth and that all councils would face challenges involving reticulation, pollution or irrigation. All over the country debate has erupted over the pollution of our waterways. Our Council was proactive before the mass poisoning of residents in Havelock North and the construction of our water purification plant is well under way. The other threat we face regarding water is flooding. Our low lying airport and parts of Otatara could suffer extensive damage from storms and rising sea levels. We would like to hear your views on expanding the stop banks along Stead Street. The projects we are considering are quite modest and focus on improving our lifestyle rather than our basic infrastructure. There have been many complaints about the lack of changing rooms at Splash Palace. When the planning was undertaken in the early 90's our Aquatic Centre was viewed as a co-operative facility. Instead of five secondary schools building their own pools it made common sense to develop one centralised multi-purpose Aquatic Centre. We are a compact urban centre with a well-developed roading network. What we didn't plan for was the increased use of this facility by our health conscious senior citizens. Originally, we had hoped that the development of a dry gym would help to pay for expanding our changing rooms but this plan was not adopted by Council. Now, we are asking for your views on a range of options.

There is a general consensus within our community that Invercargill needs to increase its population if the city is to grow and prosper. To achieve this we need to promote ourselves as an exciting, innovative, vibrant capital city for the dynamic Southern Region. We are, therefore, proposing to increase our events budget that includes producing movies, theatrical projects and major sporting competitions. This is one of the numerous initiatives aimed at attracting more people to our region.

Tim Shadbolt

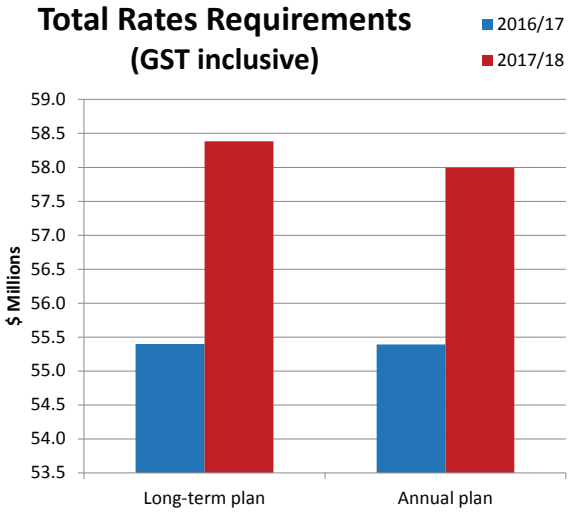
MAYOR OF INVERCARGILL

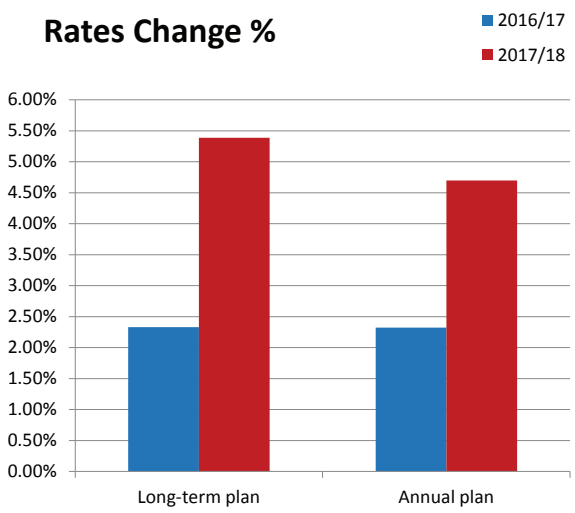
Our Rates

2017/18 Financial Summary

The Annual Plan 2017/18 incorporates a rates increase of 4.7%. This is a total rates draw of $58 million.
The Council's Long Term Plan anticipated an increase of 5.39%. This was a total rates draw of $58.4 million.
Total revenue will increase from $85.4 million in 2016/17 to $90 million in 2017/18, a 5.39% increase.
Total operating expenditure will increase from $89.8 million in 2016/17 to $92.5 million in 2017/18,
a 3.01% increase.

Financial Summary	2016/17 Annual Plan $000	2017/18 Long-Term Plan $000	2017/18 Annual Plan $000
Rates Revenue (GST inclusive)	55,391	58,382	57,995
Rates Change	2.32%	5.39%	4.70%
Rates Revenue (GST exclusive)	48,166	50,767	50,430
Total Revenue	85,374	88,952	90,002
Operating Expenditure	89,755	93,052	92,490
Operating Surplus/(Deficit)	(4,381)	(4,100)	(2,488)
Total Assets	857,455	809,740	856,947
Total Liabilities (excluding External Debt)	14,876	14,051	15,260
External Debt	102,672	56,677	101,593
Total Equity	739,907	739,012	740,094

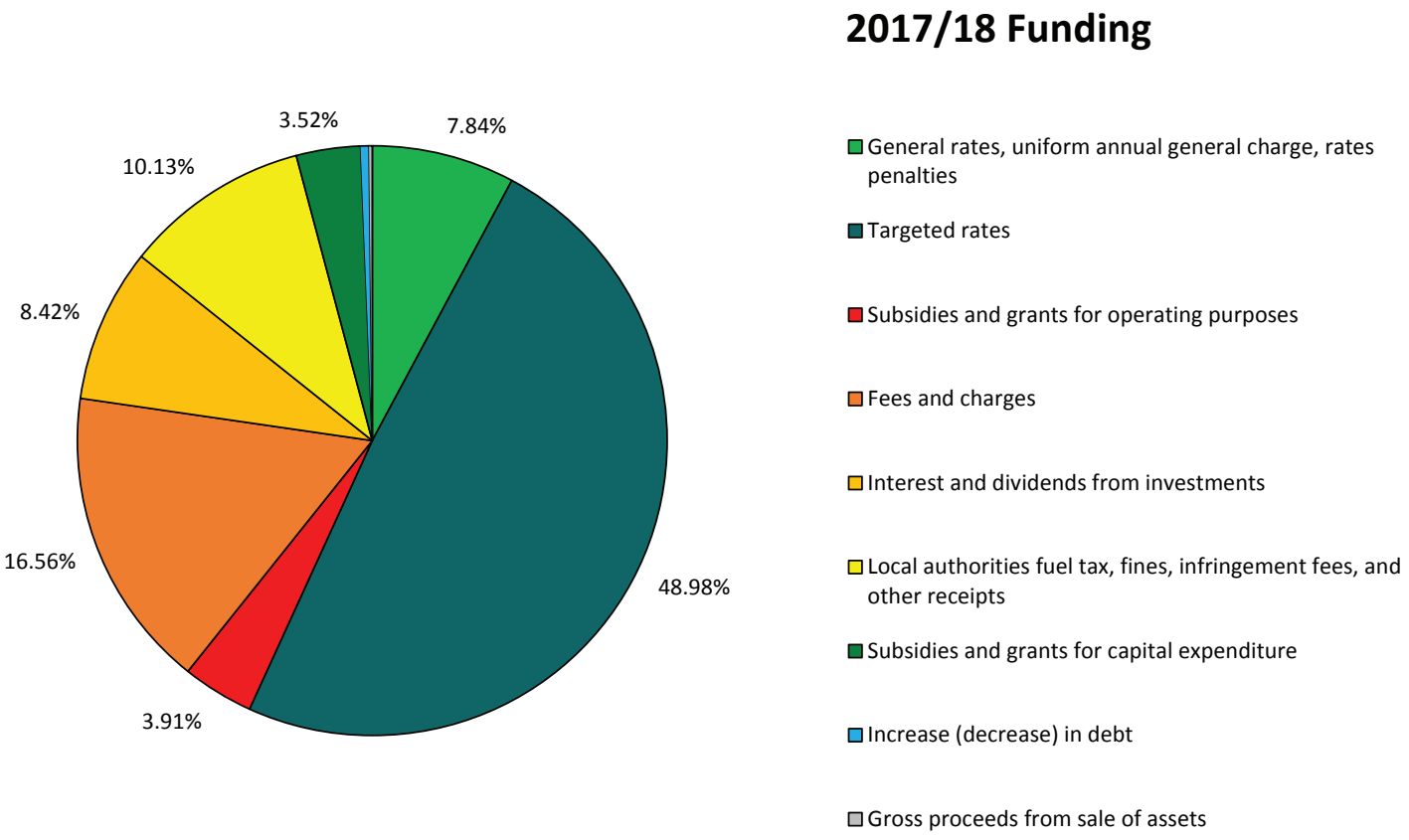




For more information and details on Financial Statements and Funding Impact Statements please refer to our website www.icc.govt.nz

2017/18 Funding

Council funding comes from a number of sources including 57% from rates and 17% from fees and charges. Other funding is received from grants and subsidies, interest, dividends, loan and reserves. This is based on the 2017/18 year and is shown in the pie graph below.



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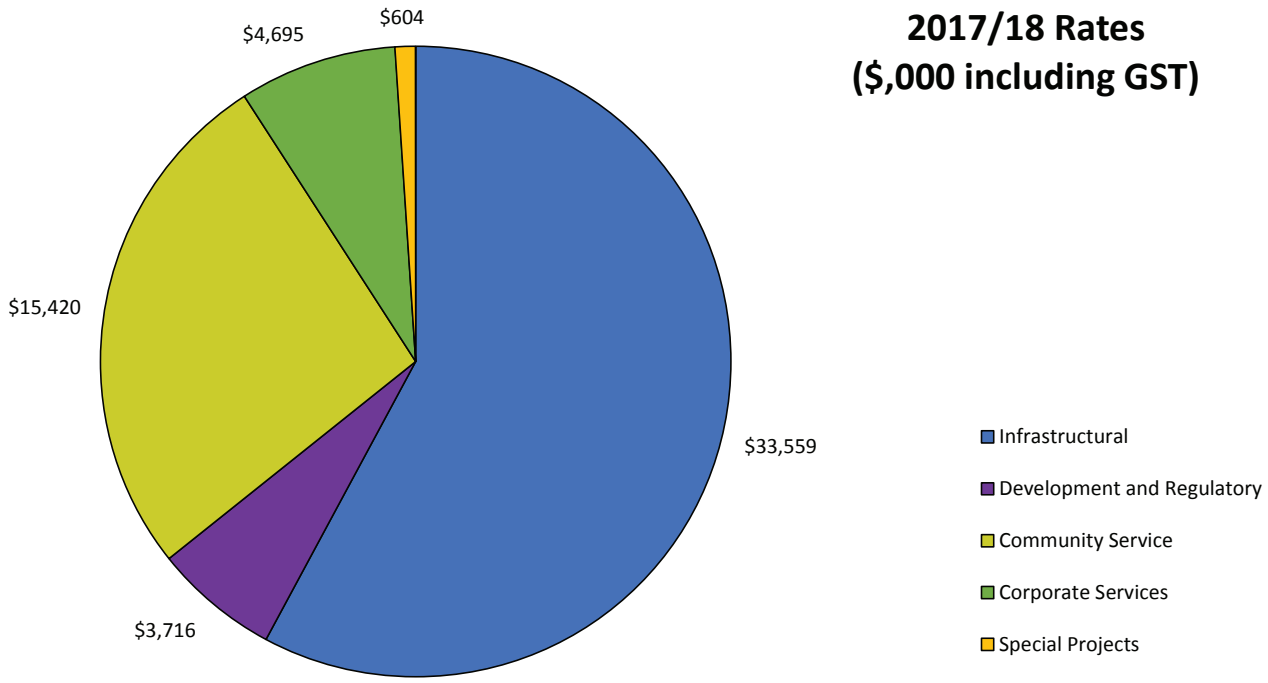
2017/18 Rates support for activities

Most 2017/18 expenditure occurs within the Infrastructural Services group of activities (Roading, Sewerage, Solid Waste Management, Stormwater and Water Supply).

Financial forecasts reflect the cost associated with Council undertaking its activities. Changing the overall cost of Council activities can only be undertaken by reducing levels of service or reducing the maintenance on assets (which increases the risk of failure).

Rates support for activities may be reduced by increasing fees and charges for that activity. Council's financial strategy (Pages 33 - 54 of the LTP) will assist Council in refining the projects that the community considers to be essential and those which it would like to have but cannot afford.



For more information and details on Financial Statements and Funding Impact Statements please refer to our website www.icc.govt.nz

The following table sets out proposed and current rating examples by property type. These examples are indicative only.

Type of property	Rateable Value	Rates 2016/17	Rates 2017/18	Rates Change Annual	Rates Change Weekly
Residential	$ 600,000	$ 3,769.05	$ 3,854.70	+ $ 85.65	+ $ 1.65
Residential	$ 485,000	$ 3,274.33	$ 3,360.30	+ $ 85.97	+ $ 1.65
Residential	$ 215,000	$ 2,112.79	$ 2,199.50	+ $ 86.71	+ $ 1.67
Residential	$ 111,000	$ 1,665.39	$ 1,752.60	+ $ 87.21	+ $ 1.68
Commercial	$ 720,000	$ 5,761.47	$ 6,033.70	+ $ 272.23	+ $ 5.24
Commercial	$ 2,450,000	$ 13,478.14	$ 13,867.20	+ $ 389.06	+ $ 7.48
Farms	$ 1,960,000	$ 3,407.05	$ 3,429.20	+ $ 22.15	+ $ 0.43
Farms	$ 4,820,000	$ 7,904.36	$ 7,953.90	+ $ 49.54	+ $ 0.95
Lifestyle	$ 610,000	$ 2,571.39	$ 2,591.70	+ $ 20.31	+ $ 0.39
Lifestyle	$ 330,000	$ 1,564.80	$ 1,577.20	+ $ 12.40	+ $ 0.23

Type of property	2016/17	2017/18
Projected number of rating units	25,196	25,596
Projected total capital value of rating units	7,245,108,058	7,422,840,000
Projected total land value of rating units	2,560,304,650	2,661,984,000

For more information and details on Financial Statements and Funding Impact Statements please refer to our website www.icc.govt.nz

Stead Street Stopbank

The Stead Street stopbank was constructed in 1910, and protects the Invercargill airport, Stead Street, and parts of the residential area of Otatara from tidal flooding. It was overtopped in March 2016 due to a very high tide amplified by a storm surge. With predicted sea level rise the risk of overtopping will increase in the future. This project intends to reconstruct the stopbank to current standards, and to raise it to protect against the expected 2100 storm tide level.

There are two options - Council can either renew the Stead Street stopbank to provide better protection of the road for the future, or they can choose not to renew the stopbank, which would maintain the current risk of future flooding.

Council's preferred option is 1, to renew the stopbank for future protection.

Council's Preferred Option (Option 1)	
Level of Service ↑	Ratepayer 17/18 $ - No Change
	Ratepayer 18/19 $ ↑

We have two options:

Option 1	Option 2
Renew the Stead Street stopbank for better future protection of the road, airport and residential area of Otatara from tidal flooding. The total cost of this project is an estimated $1.33 million dollars and will be loan funded. The first year it will have no impact on rates, but in the following year it will increase rates by 0.21%, this would mean an average increase of $0.08 per week on your rates which is $4.19 per year. The project will increase the level of service provided.	Do not renew the Stead Street stopbank and maintain the current risk of future flooding. This will have no impact on rates and it will not change the current level of service.

Events

Council has two events funds –
The 'Iconic Events Fund' which sponsors major events such as Burt Munro, Surf to City, Buskers Festival and the like.

The 'Emerging Events Fund' which is for emerging events in the City.

Council is proposing to increase the funding to the 'Emerging Events Fund' by $50,000 to $150,000 which would make the combined fund $250,000. Groups and organisations can apply for grants from this fund.

There are two options – to increase the emerging events funding by $50,000 to $150,000 or leave the funding at its current level.

Council's preferred option is 1, to increase the funding by $50,000.

Council's Preferred Option (Option 1)	
Level of Service ↑	Ratepayer $ ↑

We have two options:

Option 1	Option 2
Increase the Emerging Events Fund from $100,000 to $150,000. This would increase the level of service provided by Council. It would also result in an increase in the rates for this year by 0.10%, this would mean an average increase of $0.04 cents per week on your rates which is $1.95 per year.	Do not increase the Emerging Events Fund by $50,000. This would have no impact on rates and would not increase the level of service provided.

Festive Lights

The cost of putting up the Christmas lights and removing them was met by existing reserves in December 2016. Council is including an extra $107,000 to meet this cost for the 2017 Christmas period and going forward.

Feedback on the Christmas lights that were installed was that it was a shame these could not be enjoyed over a period where there are longer hours of darkness so that children could see them without staying up too late.

Council would like to install lights over the winter months to be enjoyed, however does not think it is currently affordable in this financial year with other projects taking priority. Council is seeking your feedback on this.

There are three options – Council could invest $200,000 into the purchase of new winter theme festive lights, this includes the ongoing maintenance and costings to install and remove the lights; remain with the existing lights to be displayed in December only; or display the existing Christmas lights over the winter months.

Council's preferred option is 2, to display the existing lights at Christmas only.

Council's Preferred Option (Option 2)	
Level of Service – No change	Ratepayer $ – No change

We have three options:

Option 1	Option 2	Option 3
Invest $200,000 into purchasing winter lights to be displayed in the City. This would also cover costs for installing and removing the lights, as well as ongoing maintenance and power. This would increase the level of service provided by Council. It would also result in an increase in the rates for this year by 0.42%, this would mean an average increase of $0.15 cents per week on your rates which is $7.81 per year.	Display the existing lights at Christmas only. This would mean no change in the levels of service provided and would have no impact on rates.	Display the existing Christmas lights during the mid-winter months. This would increase the level of service provided by Council. It would require $107,000 to install and remove the lights. Further the lights would depreciate at a faster rate than anticipated as they will be displayed in colder conditions and twice a year, rather than once a year that was forecast.

Invercargill Development

The Invercargill City Council is committed to enhancing our City and embracing innovation. As a part of this, Council is aware that there are a number of exciting new projects that are in varying stages of development that will invigorate the City following the Southland Regional Development Strategy. Before proceeding with these new projects the Council wishes to undertake feasibility studies, business case analysis and community engagement projects to ensure, as much as possible, that the impact Council believes the projects will have will be realised. In the 2017/18 year, Council intends to allocate $500,000 towards developing and initiating these proposals.

Examples of these projects include things such as a new Art Centre, and also a Kakaporium to operate alongside the Tuatarium. As these projects are at an early stage of development, it is Council's intention to engage with the Community in the coming months when further information is known and the concept plans can be better explained. It is at this later stage that Council will be seeking your feedback on which projects you support, and which you do not wish to see progress further.

We have three options – Council could allocate $500,000 to further investigate and progress projects to reinvigorate the City funded from rates; Council could allocate $500,000 funded from a reserve fund established for the Invercargill City Centre redevelopment; or Council could choose not to allocate funding to these projects.

Council's preferred option is 2, to allocate the $500,000 and fund this from a reserve fund that has been established for the Invercargill City Centre redevelopment.

Council's Preferred Option (Option 2)	
Level of Service -	Ratepayer $ - No change

We have three options:

Option 1	Option 2	Option 3
Allocate $500,000 to further investigate and progress projects to reinvigorate the City. Funded by Rates. This would increase the level of service provided by Council. It would also result in an increase in the rates for the year by 1.04%, this would mean an average increase of $0.38 cents per week on your rates which is $19.53 per year.	Allocate $500,000 to further investigate and progress projects to reinvigorate the City. Funded from Reserves. This would increase the level of service provided by Council and it will not impact the rates as it will be funded through the City Centre Redevelopment Reserve Fund that is held for the purpose of invigorating the CBD. If Council wishes to continue with previously planned City Centre upgrades, at some stage in the future, this money will be required to be reimbursed back to the reserve which will then have an impact on rates required.	Do not allocate funding to reinvigorate the City. This will have no impact on rates and will not increase the level of service provided.

Pools

Splash Palace is used by many residents and visitors to the City with 380,000 to 400,000 admissions every year (over 1,000 people per day). Usually these visitors will come at peak times, meaning there is an influx in the changing rooms. These numbers continue to grow every year, and currently there are over 100,000 more visitors per year than the facility was built to house. The existing changing rooms are simply not large enough to cope with this increase in numbers.

Last year this matter was brought up alongside a proposal for a dry gym. Regardless of whether people supported the gym or not, a large majority were supportive of additional changing rooms.

The ILT 'Learn to Swim' Programme is incredibly successful, but it does mean that at peak times throughout the day these changing rooms are effectively taken over by various schools, which makes it difficult for members of the public to access.

Additional changing rooms would increase the space available, provide the ability to close a changing room off to adequately clean it without affecting patrons, separate school groups from the public if required, and maintain an overall higher level of safety and cleanliness.

There are two options – Council can either put $1.4 million dollars into building additional changing rooms; or leave the changing rooms at Splash Palace as is.

Councils preferred option is 1, to build additional changing rooms to adequately provide for the pool users, upgrade the café and foyer and other external works.

Anticipated costings for Pool upgrade	
Café and Foyer	$184,000
Changing rooms extension	$1,005,000
External works*	$211,000
TOTAL:	**$1,400,000**

*This will include changes to the entrance way and airlock, wheelchair access ramp, paving and LED lighting.

Council's Preferred Option (Option 1)	
Level of Service ⬆	Ratepayer 17/18 $ – No Change
	Ratepayer 18/19 $ ⬆

We have two options:

Option 1	Option 2
Build additional changing rooms, upgrade the café and foyer as well as other external works, at a cost of $1.4 million to be funded by a loan. The first year this will have no impact on rates, but in the following years Council will need to increase rates to pay back the loan. This will increase the level of service provided. However in the following year it will increase rates by 0.23%, this would mean an average increase of $.0.09 per week on your rates which is $4.42 per year.	Do not build additional changing rooms, upgrade the café and foyer or complete external works at Splash Palace. This would mean there is no impact on rates and there is no increase in Council's level of service provided.

Solid Waste

There have been a number of Central Government changes to the New Zealand Emission Trading Scheme (ETS), and WasteNet Southland is committed to meeting these ETS obligations. This means that Council has to pay a further $21.11 per tonne of waste to meet these obligations.

In order to pay the extra, WasteNet needs to increase their per tonnage general waste charge at the Transfer Station. This will offset their increased disposal expenditure and lower volumes going through the Transfer Station. Any shortfall will be met by rates funding.

There are three options – the fees could be increased by $20 per tonne to offset this cost which will have no impact on rates as the further $1.11 will be funded through savings; or $10 increase per tonne as well as a $65,000 impact on rates; or no increase in the waste charge fee with a $130,000 increase on rates.

Council's preferred option is 1, to offset the expenditure by increasing the fee by $20 per tonne.

Average Fee Charge for standard trailer load based on 180kg (inc GST).

	Option 1	Option 2	Option 3
General Waste	$34.56	$32.76	$30.96
Rates increase for the year	$0	$2.54	$5.08

Council's Preferred Option (Option 1)	
Level of Service – No change	Ratepayer $ – No change

We have three options:

Option 1	Option 2	Option 3
Increase Transfer Station Fees by $20 per tonne to offset increased disposal expenditure and lower volumes going through the transfer station. The further $1.11 will be funded through savings. This will not increase the level of service provided and it will not increase the rates draw.	Increase Transfer Station Fees by $10 per tonne to offset increased disposal expenditure and lower volumes going through the transfer station. This will not increase the level of service provided, it will however increase the rates by $65,000 which is a 0.13% increase overall. This is an average of $0.05 cents per week, or $2.54 per year.	Leave the fees as they currently are and fund the increased disposal expenditure cost through rates. This will not increase the level of service provided. This will increase rates by $130,000 which is a 0.26% increase on the rates overall. This is an average of $0.10 cents per week, or $5.08 per year.

For your information

Our plans continue to focus on improving what we are delivering for the community – spending time and money on vital improvements to our infrastructure and services. Below are some further projects that will be started or continued in 2017/18:

An extra $100,000 is required this year for the Pool, to maintain the increased staffing needed to meet the requirements under the new Health and Safety standards introduced in 2016/17. This was not included in last year's Annual Plan or the Long-Term Plan.

Council is in the process of digitalising their property files for ease of access and to future proof the history of these files. Currently there are two staff members doing this, but Council will increase this in the next year to four staff members to increase the progress rate of the digitalisation. Only part of these staff members' expenses will be funded through rates, which will have an impact of $50,000 to cover wages, equipment and other associated costs. The other expenditure will be funded through the existing reserve, which is held for this purpose.

Council had forecast increased revenue in the Long-Term Plan for Building Services. This was due to the increased workload following the Christchurch earthquake. As this level of work has now levelled out and is less than forecast, Council requires further rates funding to maintain its current activity levels. This was consulted on in the previous Annual Plan.

Council continues its asbestos pipe replacement programme as was determined in the 2015-2025 Long-Term Plan. This will require a $1,088,000 increase in rates and includes the uplift of $200,000 placed in reserve from 2016/17.

The Long-Term Plan had a number of drainage based programmes planned; this will result in a $732,000 capital increase from last year. It is broken down below:

- Increase in treatment facilities - $232,000
- Stormwater pipe renewal programmes - $362,000
- Sewerage pipe renewal programmes - $138,000

Public consultation has been undertaken about the future of Anderson Park House. We are still awaiting these results.

Submission Form
consultation document

Invercargill CITY COUNCIL

2017-2018
annual plan

Submitter Details

First Name		**Surname**	
Organisation (if appropriate)		**Postal Address**	
			Postcode
Phone (daytime)			
Email		**Date**	
IF NON-RESIDENTIAL RATEPAYER, PROPERTY(IES) LOCATED IN		**Signature**	

Returning your submission

Return by 5pm, 22 March.

Deliver to: Civic Administration Building
101 Esk Street
Invercargill

Email: Policy@icc.govt.nz

Post to: Submission Annual Plan
Invercargill City Council
Private Bag 90104
Invercargill 9840

Presentation of submission

Please tick as appropriate. If neither of the boxes is ticked, it will be considered that you do not wish to be heard.

○ I wish to speak to the Mayor and Councillors about my submission.

○ I do NOT wish to speak in support of my submission and ask that the following written submission be fully considered.

Other Ideas?

If you have a different option for any of the issues that you think Council should consider, please tell us.

Tips for making an effective submission

- Head each of your topics with a title so we clearly know what issue you are submitting on. Make it clear what you are supporting or opposing and give reasons why.
- Bullet points help you form ideas clearly and are easy for the Mayor and Councillors to read.
- Dark coloured pens make it easier to read and copy your submission.

Please note: Submissions received on the Proposed 2017/18 Annual Plan will be made available to the public as required by the Local Government Act 2002 and subject to the Local Government Official Information and Meetings Act 1987.
This will include the name and address of submitters.

Stead Street Stopbank (Refer page 10)

Which option do you support? ◯ OPTION 1 ◯ OPTION 2

MY COMMENT:

Include extra pages if you wish.

Events (Refer page 11)

Which option do you support? ◯ OPTION 1 ◯ OPTION 2

MY COMMENT:

Include extra pages if you wish.

Festive Lights (Refer page 12)

Which option do you support? ◯ OPTION 1 ◯ OPTION 2 ◯ OPTION 3

MY COMMENT:

Include extra pages if you wish.

Invercargill Development (Refer page 13)

Which option do you support? ◯ OPTION 1 ◯ OPTION 2 ◯ OPTION 3

MY COMMENT:

Include extra pages if you wish.

Invercargill CITY COUNCIL

Pools (Refer page 14)

Which option do you support? ○ OPTION 1 ○ OPTION 2

MY COMMENT:

Include extra pages if you wish.

Solid Waste (Refer page 15)

Which option do you support? ○ OPTION 1 ○ OPTION 2 ○ OPTION 3

MY COMMENT:

Include extra pages if you wish.

Further comments

MY COMMENT:

Include extra pages if you wish.

Invercargill
CITY COUNCIL

Further comments

MY COMMENT:

Include extra pages if you wish.

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Include extra pages if you wish.

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Private Bag 90104, Invercargill 9840, New Zealand - PHONE 03 211 1777 - www.icc.govt.nz - www.consultsouth.govt.nz