

SHARE OUR RICH HERITAGE BE REAL HAVE FUN BE CREATIVE AND COLLABORATE LOOK AFTER EACH OTHER MAKE A DIFFERENCE

GREY DISTRICT COUNCIL

DRAFT ANNUAL PLAN 1 JULY 2017 – 30 JUNE 2018

CONSULTATION
DOCUMENT

Message from the Mayor & CEO

Our Draft Annual Plan 2017/2018 (Draft Plan) is based on year three of the 2015-2025 Long Term Plan (LTP). We're sticking with addressing the key issues identified and the strategies and direction we set out in the LTP.

We have spent a lot of money in recent years investing in infrastructure upgrades and new capital works, including new sewerage, stormwater and water systems and new buildings (ie Aquatic Centre and more recent complex upgrade, the Westland Recreation Centre). It is now time for Council to look to the future and make sure Greymouth continues to be a place where people want to live, work, play and invest in.

To create a vibrant town that people want to come to, we are turning our focus towards the Greymouth CBD Renewal. The Town Square and Tainui Shared Street projects are already funded and stage one works are underway. This Draft Plan allows for an additional \$450,000 for CBD renewal works to address floodwall access and safety concerns regarding the Mackay Street/Tainui Street intersection. It is planned to install traffic lights at the Mackay Street/Tainui Street intersection to make it safer for both motorists and pedestrians. Refer www.greycdc.govt.nz/draftannualplan for details.

Required earthquake strengthening of the Left Bank Art Gallery building, owned by Council, is included in this Draft Plan at an approximate cost of \$330,000. This is an historically and architecturally significant building in our CBD and we are also proud to be investing in the future of our arts and culture scene.

Council has provisionally assigned \$100,000 for new toilets in Blackball to cater for expected visitors to the planned Pike 29 Great Walk on the basis that we receive suitable funding. Last year Council received \$497,000 from the Government's Regional Mid-Sized Tourism Facilities Grant Fund for the installation of toilets and creation of a car parking area at Cobden.

An amount of \$100,000 has been allocated towards culverting the drains along the main road in Blackball in response to feedback from that community. This will tidy and widen the road, as well as enhance access to the planned Pike 29 Great Walk.

We have listened to community feedback and budgeted an additional \$25,000 per year for garden maintenance, which will include the new CBD gardens and green spaces.

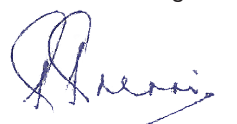
Council decided in 2016/2017 that rental for pensioner units will increase by \$3 to \$4 per week annually over three years to fund connections to new wastewater (sewerage) networks. This is year two of the planned increases and pensioner housing rentals will increase by \$3.50 per week from 1 July.

We are also proposing an increase to the Economic Development targeted rate (which applies to commercial properties and bed and breakfast/homestay operators) to provide an additional \$50,000 per annum. This money will be targeted towards the development of digital content to help promote the Grey District.

Please take the opportunity to read this Draft Plan and have your say. This is your chance to have an input into the future of your community and we want to hear your thoughts on the direction we're heading.



Tony Kokshoorn
Mayor



Paul Pretorius
CEO

KEY ISSUES

- We need accurate data about the condition of our water and stormwater infrastructure so we can replace our assets at the right time, i.e. not too soon and not too late;
- Future financial sustainability of the Port; and
- Reduced funding from New Zealand Transport Agency for roading.

What's in this Draft Plan?

Addressing the key issues

As per the Long Term Plan, increase in rates funding this year for the following activities:

- Stormwater - approx. \$20,000
- Port - approx. \$40,000
- Roading depreciation - approx. \$30,000
- Required earthquake strengthening of the Left Bank Art Gallery building - \$330,000

Other proposed projects

- Additional CBD renewal works - \$450,000
- Toilets at Blackball - \$100,000 (seed funding)
- Culverting the drains along the main road in Blackball - \$100,000

OUR FINANCIAL STRATEGY

- Council working towards a position of an annual surplus;
- Keeping debt levels within policy limits and maintaining capacity to borrow for unforeseen events (such as natural disaster);
- Decreasing debt from 2017/2018); and
- Recognising that whilst rates need to increase, keeping annual increases under 4.5%.

Please read this summary and refer to the complete
Draft Annual Plan 2017/2018 for full details

HAVE YOUR SAY BY WEDNESDAY 19 APRIL 2017

www.greycdc.govt.nz/draftannualplan

Financial summary

The financial summary outlines the forecast financial information for 2017/2018 (column three) compared against the current budget (column one) and what was forecast in year three of the LTP (column two).

Financial statements - summary

The information presented here is only intended as a summary to give a brief overview of Council's intentions for the 2017/2018 year. It cannot be expected to give information as detailed in the full Draft Plan.

The full version gives information grouped by significant activities on what Council proposes to do for the 2017/2018 year, how it will be funded and non-financial performance measures that will be used to measure progress.

What Council does

Council is involved in a wide range of activities:

Land transport includes roading & footpaths
Stormwater
Wastewater (sewerage)
Water supply
Solid waste includes refuse & recycling collection, refuse disposal & recycling
Emergency magement includes civil defence & rural fire authority
Environmental Services includes District planning, building control, animal control, health regulation, liquor licensing, regularoty enforcement
Other transport includes Aerodrome, parking & Port
Property & housing includes Council property & retirement housing
Community facilities includes Libraries, swimming pools, heritage, indoor sports centres, cemeteries, parks & reserves, in-house task foce and public toilets
Democracy & administration includes Council, consultation, administration & economic development

SUMMARY STATEMENT OF COMPREHENSIVE AND EXPENDITURE

	2017 Annual Plan \$000	2018 LTP Year 3 \$000	2018 Draft Annual Plan \$000
Total rates revenue	15,528	16,295	16,109
Total other revenue	9,859	10,048	10,146
Less total expenses	26,716	27,666	27,657
Surplus/(deficit) after tax	(1,329)	(1,323)	(1,402)
Movement in asset revaluation reserve	22,126	-	-
Total comprehensive Revenue and Expense	20,797	(1,323)	(1,402)

SUMMARY BALANCE SHEET

	2017 Annual Plan \$000	2018 LTP Year 3 \$000	2018 Draft Annual Plan \$000
Total assets	448,639	449,027	442,854
Total borrowings	38,182	38,367	34,287
Total other liabilities	6,853	6,890	6,366
Total equity	403,577	403,770	402,201
Total liabilities and equity	448,612	449,027	442,854

SUMMARY STATEMENT OF CASH FLOWS

	2017 Annual Plan \$000	2018 LTP Year 3 \$000	2018 Draft Annual Plan \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from rates revenue	15,503	16,261	16,072
Receipts from other revenue	11,451	10,816	10,886
Payments to suppliers and employees	(17,110)	(17,557)	(17,816)
Interest paid	(2,388)	(2,468)	(2,035)
Goods and services tax (net)	34	(164)	(116)
Net cash from operating activities	7,490	6,888	6,991
CASH FLOWS FROM INVESTING ACTIVITIES			
Total cash inflows from investing activities	14,895	14,157	16,036
Total cash outflows from investing activities	(28,890)	(20,754)	(24,220)
Net cash from investing activities	(13,995)	(6,597)	(8,184)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	12,178	433	7,142
Repayment of borrowings	(5,851)	(875)	(6,136)
Net cash from financing activities	6,327	(442)	1,006
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(178)	(151)	(187)
Cash, cash equivalents and bank overdrafts at the beginning of the year	7,670	8,484	7,492
Cash, cash equivalents and bank overdrafts at the end of the year	7,492	8,333	7,305

Where will money be spent next year?

Please see the graph opposite showing where Council will be spending its money in 2017/2018.

Expenses includes all the operating, maintenance, interest payments and depreciation charges against each activity.

Administration costs are allocated against each activity based on the level of resources that each activity requires.

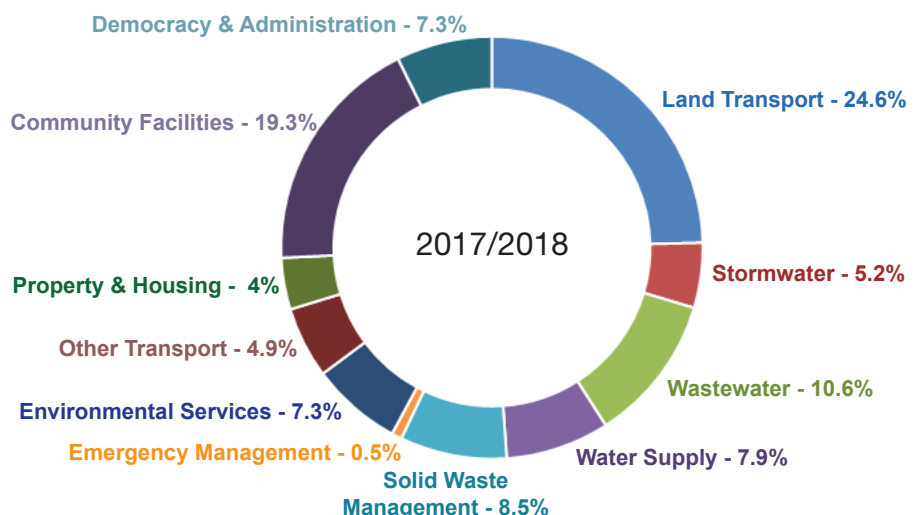


CHART 1: EXPENSES BY ACTIVITY

Rating information

Council sets its rates to recover the amount of money required to provide the services and undertake the projects/activities outlined in the Annual Plan.

How are your rates set?

Your rateable land value is used to determine how much of the General Rate you pay in comparison to other properties in the District. General Rates are currently used to fund activities such as roading, refuse disposal sites, stormwater, parks, community services, district planning, flood protection and much more.

Targeted rates apply for services and activities such as:

- Sewerage
- Water Supply
- Kerbside Refuse and Recycling Collection
- Refuse Collection
- Economic Development
- Metered Water

Which area of the District you live in and what the property is used for also determines how much you contribute towards these services (ie residential, rural, commercial use etc).

Proposed rates increase

The Draft Plan signals an overall rate rise for 2017/2018 of 3.75% (a rate rise of 3.2% was forecast in the Long Term Plan). This increase from that budgeted for allows Council to do some pretty exciting stuff over the coming years to prepare our town for a vibrant, progressive and prosperous future.

There have been increases to targeted rates to allow for ongoing operating costs.

TABLE 1: SUMMARY OF RATES TO BE LEVIED

GENERAL RATES - PAYABLE BY ALL

UNIFORM ANNUAL GENERAL CHARGE (UAGC)	2016/2017 Current rates	2017/2018 Draft Annual Plan
Rate	464.10	482.70

TARGETED RATES - PAYABLE BY THOSE PROPERTIES WHO HAVE ACCESS TO SERVICES

WASTEWATER (SEWERAGE)	2016/2017 Current rates	2017/2018 Draft Annual Plan
Blackball	593.80	608.60
Dobson/Taylorville/Kaiata - capital rate	740.10	758.60
Dobson/Taylorville/Kaiata - operating and maintenance rate	246.50	252.70
Greymouth	639.60	655.60
Karoro	323.90	332.00
Moana	265.80	272.40
Runanga	257.80	264.20
South Beach/Paroa	288.10	295.30
Te-Kinga	708.50	726.20
South Beach Loan	432.40	432.40
WATER		
Blackball	480.80	495.30
Dobson/Taylorville	472.00	486.20
Greymouth	429.60	442.50
Runanga	342.90	353.20
Stillwater	472.00	486.20
South Beach Water Loan	151.30	151.30
REFUSE COLLECTION		
Residential	192.20	195.10
Residential (within kerbside recycling area)	265.90	271.30
Commercial - Twice Weekly Collection (where available)	531.80	542.60
ECONOMIC DEVELOPMENT		
Bed and Breakfast/Homestay/Farmstay		
Rate	181.50	223.20

THE FOLLOWING TARGETED RATES ARE PAYABLE BY COMMERCIAL PROPERTIES ONLY

ECONOMIC DEVELOPMENT	2016/2017 Current rates	2017/2018 Draft Annual Plan
Rate	0.001165	0.00144
METERED WATER		
Rate	1.30	1.33

The actual rates charges for each property will depend on the land value and which targeted rates apply. Please refer to the table above for a summary of rates to be levied.

Examples of rates assessments for different suburbs can be found on our website and in the full Draft Plan.

Where does our money come from?

Council receives revenue from a number of different sources but, as the pie chart shows, Council relies on rates for the majority of revenue. Fees are set to fund all or part of activities where the person receiving the service receives all or part of the benefit (refer to our fees and charges).

Please refer to the full Draft Plan for further details on subsidies and grants.

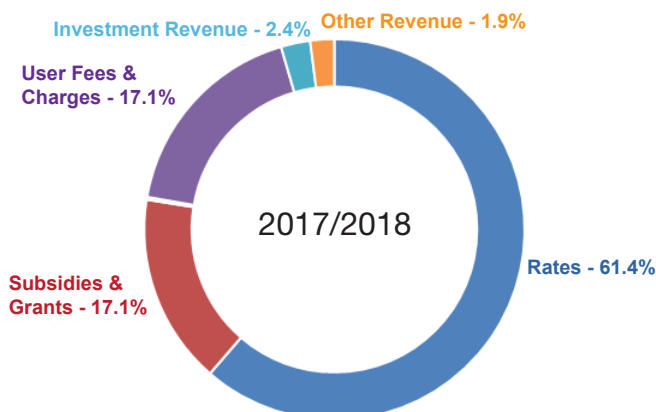


CHART 2: SOURCES OF REVENUE

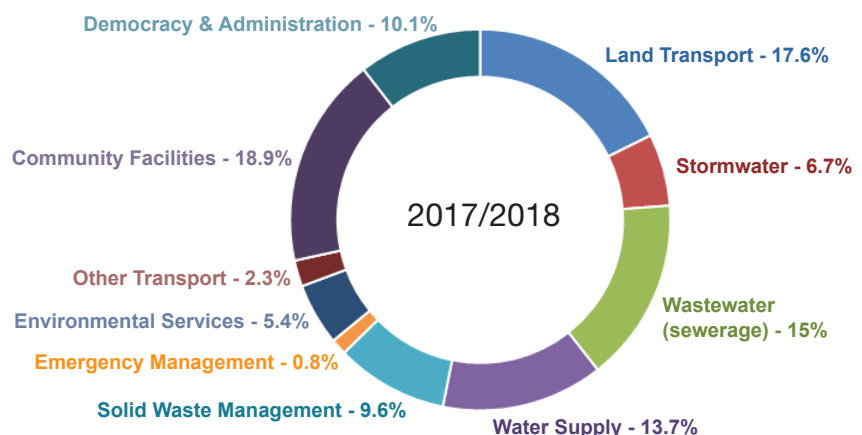


CHART 3: RATE INPUT INTO EACH ACTIVITY

Fees and charges

Council reviews fees and charges each year to set what it believes to be fair fees and charges based on the benefit received by those receiving the service. Significant changes for 2017/2018 include:

- Pensioner housing rents will increase by \$3.50 per week. This is year two of a planned three year rent increase to fund connections to new wastewater (sewerage) networks.
- This year sees the introduction of health fees, where Councils can set fees to recover costs associated with the new Food Safety Act 2014. Council has developed these charges based on actual and reasonable costs for staff to undertake works in relation to food licensing, registrations, audits, administration and more.
- The Long Term Plan assumed cost increases of 3% to cover increases faced by Council. We've managed to trim the increase to fees and charges to approximately 1-2% for 2017/2018.



Cyclists and dogs on leads sharing the popular West Coast Wilderness Trail

TABLE 2: SUMMARY OF FEES AND CHARGES

Please refer to the full Draft Plan for a complete list of proposed fees and charges.

	2016/2017 Current Fees	2017/2018 Draft Annual Plan		2016/2017 Current Fees	2017/2018 Draft Annual Plan
SOLID WASTE - McLEANS LANDFILL & RECYCLING CENTRE			HEALTH		
Commercial Refuse*	per tonne	\$283.00	\$289.00		
Mixed Domestic Waste*	per tonne	\$283.00	\$289.00		
Hardfill/Soil*	per tonne	\$283.00	\$289.00		
Refuse Bag with Council issued tie	per bag	Free	Free		
Refuse Bag without Council issued tie*	per bag	\$4.00	\$4.00		
* Minimum charge per trip over weighbridge		\$12.00	\$12.00		
Green Waste		FREE	FREE		
Accepted Recyclables		FREE	FREE		
ANIMAL CONTROL			Food Licensing		
Pet		\$90.00	\$91.50	Initial Registrations and Renewals for Food Control Plans	n/a \$311.00
Desexed		\$66.50	\$67.50	Initial Registrations and Renewals for National Programmes	n/a \$100.00
Working		\$38.00	\$38.50	All further work (including verification, audits, investigation enforcement and administration)	n/a hourly rate per appropriate Council officer
Late Registration		\$135.00	\$137.30		

Submissions

We want to hear what you have to say - we'd like to know if you agree with our Draft Plan for 2017/2018 or if you have another point of view. Council will consider all submissions received before the final Plan and budgets are set for the new financial year starting 1 July 2017. Submissions must be made in writing. Please clearly identify who is making the submission.

Submitters also have the option of addressing Council at a public meeting when submissions are considered - if you wish to do this please clearly indicate so on your submission. The public meeting will be held on Thursday 18 May 2017.

Submissions can be made on-line at our website, www.greymouth.govt.nz/draftannualplan, mailed to Grey District Council - Draft Annual Plan, PO Box 382, Greymouth 7840 or emailed to submissions@greymouth.govt.nz. All submissions will be copied and made available to the public.

SUBMISSIONS CLOSE AT 5PM ON WEDNESDAY 19 APRIL 2017

The annual planning process



Heart of the West Coast

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