

GREY DISTRICT COUNCIL

DRAFT ANNUAL PLAN 2019/2020 CONSULTATION DOCUMENT

MESSAGE FROM THE MAYOR & CEO

Welcome to the consultation document for our Draft Annual Plan 2019/2020 (Draft Plan), which is based on year two of the 2018-2028 Long Term Plan.

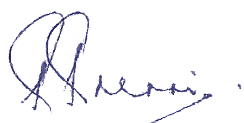
A Draft Plan maps out Council's proposed services and projects for the next 12 months. It also outlines the performance targets Council strives to achieve for each group of activities.

In this consultation document we have summarised the key issues we are addressing, our proposed projects and funding which has been included in our budgets, projects which have not been included, the proposed rates for the next year and our financial position.

More detailed information can be found in the full Draft Plan - please take the opportunity to have a read and then have your say. This is your chance to have an input into the future of your town and help ensure it is a progressive, sustainable area where people want to live, work, play and invest in.



Tony Kokshoorn
Mayor



Paul Pretorius
CEO

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
Environmental Services includes District planning, building control, animal control, health regulation, liquor licensing, regulatory enforcement
Other transport includes Aerodrome, parking & Port
Property & housing includes Council property & retirement housing
Community facilities & events includes Libraries, swimming pools, History House Museum, culture, heritage & arts, indoor sports centres, cemeteries, parks & reserves, in-house task force and public toilets
Democracy & administration includes Council, consultation, administration & economic development

Please read this summary and refer to the complete Draft Annual Plan 2019/2020 for full details

HAVE YOUR SAY BY THURSDAY 2 MAY 2019

www.greydc.govt.nz/draftannualplan

MĀWHERA
GREY
DISTRICT COUNCIL

Heart of the West Coast

WHAT'S IN THE DRAFT PLAN?

KEY ISSUES

We're going to continue to address the key issues which were identified in the 2018-2028 Long Term Plan.

- Increased funding into the water supply, stormwater and roading activities to address deferred renewals. If we don't renew/replace our assets (ie pipes, roads, bridges etc) when needed, these assets may fail or we'll have to spend more money repairing assets already in poor condition. We are choosing to focus on bringing the infrastructure we already have up to a good standard and maintain it, rather than looking to build new or additional infrastructure.
- In 2015 we started putting rate funding into the Port activity as user fees do not fully fund the Port and we are planning to continue with this strategy. The Port is likely to be a strategic asset in terms of accessing the West Coast in the event of an emergency event such as major earthquake.

RATES

A total overall average rate increase of 3.79% is proposed.

This is lower than the forecast rate rise of 3.88% signalled in year two of the LTP. This proposed rates increase is made up of the following:

- **Inflation** – this increases the cost to Council to keep providing the same levels of service; and
- **Addressing the following:**
 - Deferred renewals in water supply, stormwater and roading infrastructure
 - Funding for Port
 - New water reservoir for Greymouth
 - Public toilets – additional cleaning at Iveagh Bay and ongoing maintenance for new facilities

INCLUDED The following proposed projects/funding are included in our budgets

PROJECT	APPROX. COST	FUNDED FROM
Demolition of earthquake prone building (ex Gas Works), Lord Street, as this building is no longer required.	\$20,000	Reserves
Providing safe roof access to Council offices at Tainui Street for contractors etc to meet health and safety requirements.	\$24,300	Reserves
Demolition of the Shakespeare Street toilet facility, which is old and in poor condition. There are other facilities nearby available for users, ie tennis club and Westland Recreation Centre. <i>(Note: New facilities are to be built and maintained in Blaketown, Rapahoe and Blackball, construction funded from Tourism Infrastructure Fund.)</i>	\$10,000	Reserves
Additional cleaning at Iveagh Bay toilet and shelter block.	\$5,000	Rates
Council has included money for the Draft CBD Redevelopment Plan, which, in a nutshell, identifies Greymouth's assets and how to use them. We have allowed \$160,000 for seed funding and implementation of projects under the CBD Redevelopment Plan and are planning on applying to the Provincial Growth Fund.	\$160,000	Reserves
Additional funding required for project cost of replacing the aged Greymouth water reservoir currently located on seismically unstable land with three new smaller reservoirs – approval has been given for funding of one reservoir to date.	\$450,000	Debt funded, repayments from rates
Construction of a viewing platform on the floodwall over the Grey River.	\$150,000	Donations

NOT INCLUDED These projects were considered but have not been included in our budgets in order to keep rate rises down.

PROJECT	APPROX. COST
Flood mitigation - Nolan Crescent, Karoro Stage 2	\$175,000
Flood mitigation – Moa Street, Dobson	\$200,000
Greymouth stormwater improvements - Petrie Avenue, Puketahi and Whall Streets, Stage 2	\$467,500
Staff resource for enforcement of sewer/stormwater separations (to meet resource consent conditions)	\$75,000
Iveagh Bay vehicle parking area, Stage 2	\$75,000
Extend berms at Ahaura cemetery	\$10,800
Mitchells toilet facility - onsite wastewater treatment & maintenance	\$77,000
Enhanced stormwater system near Blackball Hilton to allow campervan parking on owner's land	\$60,000

FINANCIAL SUMMARY

The financial summaries opposite outline the forecast financial information for 2019/2020 (column three) compared against the current budget (column one) and what was forecast in year two of the Long Term Plan (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 2019/2020 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 2019/2020 year, how it will be funded and non-financial performance measures that will be used to measure progress.

BREAKDOWN

See the next page for a breakdown of where our money comes from and how our money will be spent next year.

OUR FINANCIAL STRATEGY

Council is involved in a wide range of activities, each of which has their own unique funding requirements and challenges. As part of the LTP, we developed a Financial Strategy to set the overall direction for Council's finances over the next ten years.

Our goals for managing our finances have been set to reflect where the Council wants to be in 2028 and beyond and focus on the following:

- 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 over the next ten years; and
- Recognising that whilst rates need to increase, keeping annual increases under 4.5%.

SUMMARY STATEMENT OF COMPREHENSIVE AND EXPENDITURE

	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2020 Annual Plan \$000
Total rates revenue	16,691	17,339	17,324
Total other revenue	12,963	14,809	16,078
Less total operating expenditure	28,492	29,077	29,291
Surplus/(deficit) after tax	1,162	3,071	4,111
Movement in asset revaluation reserve	-	17,493	17,493
Total comprehensive Revenue and Expense	1,162	20,564	21,604

SUMMARY BALANCE SHEET

	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2020 Annual Plan \$000
Total assets	424,909	446,646	461,597
Total borrowings	29,673	30,447	31,148
Total other liabilities	6,609	7,009	7,226
Total equity	388,627	409,190	405,730
Total liabilities and equity	424,909	446,646	444,104

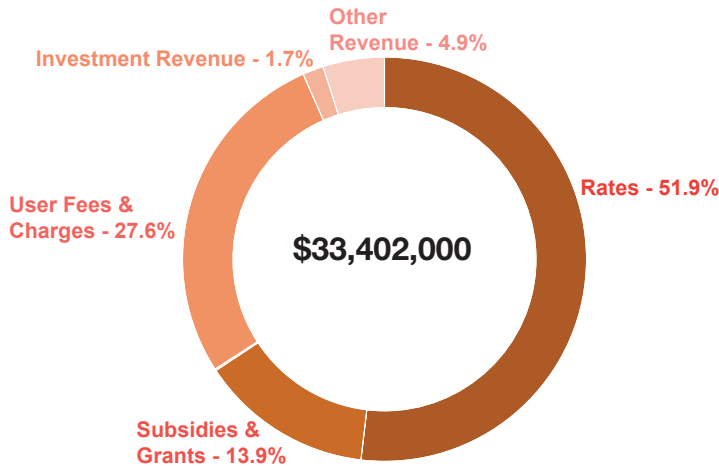
SUMMARY STATEMENT OF CASH FLOWS

	2019 LTP Year 1 \$000	2020 LTP Year 2 \$000	2020 Annual Plan \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from rates revenue	16,650	17,297	17,283
Receipts from other revenue	13,947	15,133	16,190
Payments to suppliers and employees	(17,822)	(18,303)	(18,644)
Interest paid	(1,817)	(1,873)	(1,700)
Goods and services tax (net)	36	29	54
Net cash from operating activities	10,994	12,283	13,183
Total cash inflows from investing activities	15,058	15,113	14,370
Total cash outflows from investing activities	(25,379)	(27,784)	(28,498)
Net cash from investing activities	(10,321)	(12,671)	(14,128)
Proceeds from borrowings	5,953	7,408	255
Repayment of borrowings	(6,383)	(6,633)	(132)
Net cash from financing activities	(430)	775	123
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	243	387	(822)
Cash, cash equivalents and bank overdrafts at the beginning of the year	7,287	7,530	7,917
Cash, cash equivalents and bank overdrafts at the end of the year	7,530	7,917	7,095



WHERE DOES OUR MONEY COME FROM?

CHART 1: SOURCES OF REVENUE

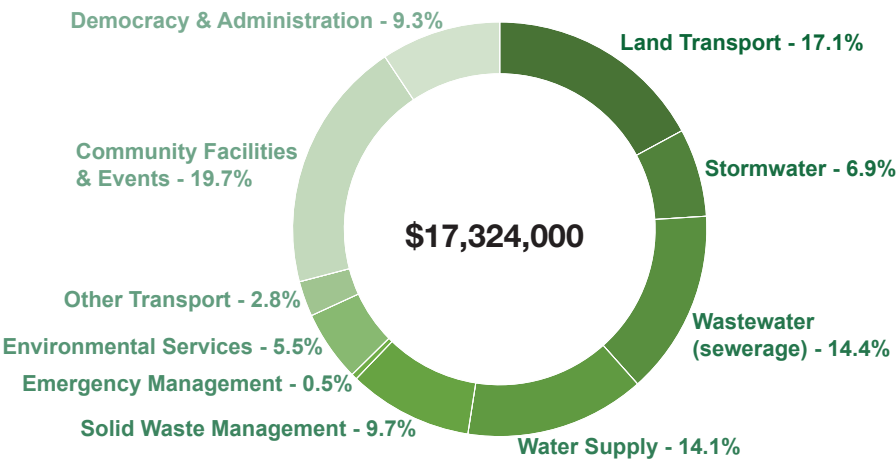


Council receives revenue from a number of different sources but, as Chart 1 shows, Council relies on rates for the majority of revenue. Fees are set to fund all or part of activities where the person receiving the service receives all or part of the benefit.

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

Chart 2 shows the percentage of rates which go into each activity/groups of activities.

CHART 2: RATE INPUT INTO EACH ACTIVITY



WHERE WILL MONEY BE SPENT NEXT YEAR?

CHART 3: EXPENSES BY ACTIVITY

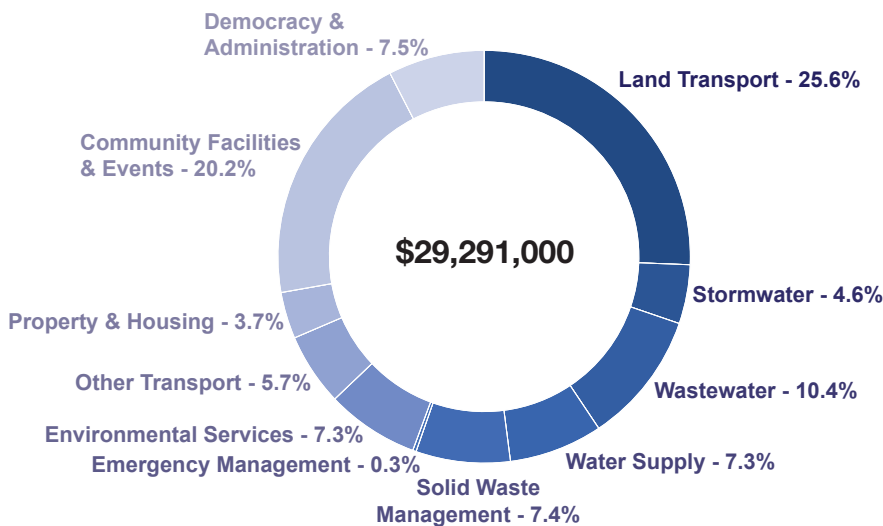


Chart 3 shows where Council will be spending its money in 2019/2020.

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.

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 and metered water (commercial properties).

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).

2018 VALUATION

The latest revaluation was carried out as at 1 September 2018 and these new values will be first used for rating purposes from 1 July 2019.

PROPOSED RATES INCREASE

The proposed overall rate rise for 2019/2020 is 3.79% (as opposed to a rate rise of 3.88% forecast in year two of the LTP). This rates increase is made up of inflation and addressing key issues and projects around the District. 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)

	2018/2019 Current rates	2019/2020 Draft Annual Plan
Rate	494.00	511.80

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

WASTEWATER (SEWERAGE)

	2018/2019 Current rates	2019/2020 Draft Annual Plan
Blackball	626.90	634.40
Dobson/Taylorville/Kaiata - capital rate	781.40	790.80
Dobson/Taylorville/Kaiata - operating and maintenance rate	260.30	263.40
Greymouth	675.30	683.40
Karoro	342.00	352.30
Moana	280.60	284.00
Runanga	272.10	275.40
South Beach/Paroa	304.20	307.90
Te-Kinga	748.00	757.00
South Beach Loan	432.40	432.40

WATER

Blackball	512.20	527.60
Dobson/Taylorville	502.80	517.90
Greymouth	457.60	471.30
Runanga	365.30	376.30
Stillwater	502.80	517.90
South Beach Water Loan	151.30	151.30

REFUSE COLLECTION

Residential	198.30	202.30
Residential (within kerbside recycling area)	279.50	285.10
Commercial - Twice Weekly Collection (where available)	559.00	570.20

ECONOMIC DEVELOPMENT

Bed and Breakfast/Homestay/Farmstay

Rate	227.70	234.30
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THE FOLLOWING TARGETED RATES ARE PAYABLE BY COMMERCIAL PROPERTIES ONLY

ECONOMIC DEVELOPMENT

	2018/2019 Current rates	2019/2020 Draft Annual Plan
Rate	0.001470	0.0015127

METERED WATER

Rate	1.37	1.42
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RATES EXAMPLES

Following are some examples of proposed rates under the Draft Plan for various types of properties in the District. It is important to note that rates are affected by whereabouts in the District the property is located, what it is used for, what services it has and, for this year, how the property's valuation has moved in relation to other properties.

	CURRENT RATES	PROPOSED RATES		CURRENT RATES	PROPOSED RATES
Greymouth residential, LV \$82,000	\$3,168	\$3,309	Blackball commercial, LV \$22,000, CV \$110,000	\$2,240	\$2,291
Runanga residential, LV \$27,000	\$1,780	\$1,812	Moana commercial, LV \$185,000, CV \$415,000	\$4,923	\$5,610
Blaketown residential, LV \$33,000	\$2,462	\$2,497	Farming/forestry, LV \$3,690,000	\$5,122	\$7,485
Dobson residential, LV \$38,000	\$2,596	\$2,681	Rural Residential (land area between 0.4HA and 5HA), LV \$136,000	\$1,378	\$1,459
Moana residential, LV \$220,000	\$2,567	\$2,920	Rural (land area 5HA or more), LV \$155,000	\$1,378	\$1,459
Ahaura residential, LV \$25,000	\$891	\$932			
Greymouth commercial, LV \$159,000, CV \$665,000	\$8,451	\$8,975			

LV = Land Value and CV = Capital Value. Please refer to our website for an explanation of the differentials used for setting general rates. More examples of proposed rates can be found in the full Draft Plan, available on our website.

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 2019/2020 include:

- Most fees and charges for 2019/2020 are proposed to increase by 1-2% (in line with inflation).
- There is no change to the current fees for the Westland Recreation Centre or Grey District Library.
- Solid waste fees (ie McLeans Landfill and Resource Centres) will increase by between 10-15% due to increased costs to Council to meet our obligations under the Emissions Trading Scheme (ETS).
- Noise control fees, ie call-outs and seizure of equipment, will increase to recover the cost associated with this activity.

TABLE 2: SUMMARY OF FEES AND CHARGES

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

		2018/2019 Current Fees	2019/2020 Draft Annual Plan		2018/2019 Current Fees	2019/2020 Draft Annual Plan
SOLID WASTE - McLEANS LANDFILL & RECYCLING CENTRE				ANIMAL CONTROL		
Commercial Refuse*	per tonne	\$295.00	\$325.00	Pet	\$93.00	\$94.50
Mixed Domestic Waste*	per tonne	\$295.00	\$325.00	Desexed	\$69.00	\$70.50
Hardfill/Soil*	per tonne	\$295.00	\$325.00	Working	\$39.00	\$39.50
* Minimum charge per weighbridge entrance (trip over weighbridge)		\$12.00	\$12.00	Late Registration	\$139.50	\$141.70
SOLID WASTE - RESOURCE CENTRES				NOISE CONTROL		
Car boot	per load	\$26.10	\$28.80	Noise control - call out	\$60.00	\$100.00
Station wagon	per load	\$39.60	\$43.60	Seizure of equipment	\$60.00	\$100.00
Utility vehicle/van	per load	\$39.60	\$43.60			
Single axle trailer	per load	\$52.10	\$57.40			
SOLID WASTE - GENERAL						
Refuse Bag disposed of with Council issued tie	per bag	Free	Free			
Refuse Bag disposed of without Council issued tie	per bag	\$4.00	\$4.50			
Refuse ties	each	\$3.00	\$3.50			
Green Waste		FREE	FREE			
Accepted Recyclables		FREE	FREE			

SUBMISSIONS

We want to hear what you have to say - we'd like to know if you agree with our Draft Plan for 2019/2020 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 2019. 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 6 June 2019.

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

SUBMISSIONS CLOSE AT 5PM ON THURSDAY 2 MAY 2019

