



Carterton District Council

Consultation Document for the proposed Annual Plan 2016/17

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Carterton District

*A welcoming and vibrant community
where people enjoy living*



Message from the Mayor

As Mayor I am continually reminded how special our little District is—the heart and soul of Wairarapa. Carterton District was one of the star performing economies in the Wellington region last year—in fact over the last ten years. We have a strong sense of community, there's a growing demand for properties in our District as families and others look to relocate here, and we are optimistic about ourselves and our future. We are also fast becoming the arts centre of Wairarapa.

The strength of communities like ours is not achieved by the council alone, although my Councillors and I are very focused on the part we must play. We have wonderful volunteers and community leaders who work hard to make a difference.

The unveiling of the Charles Rooking Carter statue in February, and the many hours of voluntary work leading up to that event, was a reflection of the strong community spirit of Carterton.

The relocation of the Farmers' Market to Memorial Square has been very successful. It is a wonderful way to build community, for people to meet informally, and to provide an outlet for quality local produce.

Our local business group has rebranded. As 'Go Carterton' they work with their members to rejuvenate and lift their business profile.





The continuing development of our wastewater treatment plant at Daleton Farm is being hailed as an exemplar for engagement with a consenting authority and for community consultation, and I must congratulate our dedicated staff at the plant and also throughout the Council for the fantastic job they are doing for us all. The Mangatāre Restoration Society continues to set the pace with their environmental work on the Mangatāre Stream and with the wetlands development on Daleton Farm.

Keep Carterton Beautiful deserves special mention. They work tirelessly to help keep the town looking so colourful with their hanging baskets in High Street and their wonderful group of dedicated volunteers who restore and maintain various gardens and public places for all of us to enjoy.



Districts like Carterton and the wider Wairarapa are important for the New Zealand economy. We are the Red Band heartland, where we innovate, create, and work smartly to create a better New Zealand.

Some factors outside our control, however, are making it tough for some people in our community. The current and projected dairy prices and interest rates on investments are challenging many of our farmers, businesses, and people on fixed incomes. We have been very mindful of this in our 2016/17 Annual Plan.

Last year we agreed our ten-year Long Term Plan and we are proposing to deliver the second year of that Plan without significant changes.

There are, however, three proposals for changes on which we would like to hear people's views:

- bringing forward part of the development project for treating and disposing sewage
- investigating a year-round indoor swimming complex
- strengthening Carterton's clock tower to cope with earthquakes.

I strongly encourage everyone in the Carterton community to let us know what you think.

I wish you all well.

Mayor John Booth

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Consultation Topics



Issue 1

Sewage treatment upgrade

The Council proposes to bring forward part of its development project for treating and disposing sewage.

In 2012, the Council purchased Daleton Farm, 65.7 hectares next to its sewage treatment plant. Since the resource consent in 2013, a long term development programme is underway involving sustainable irrigation onto this land. The first irrigator was designed, implemented and commissioned in late 2014, and subsequently a dripline was installed for a native shelter belt on the boundary.

The development to date has included:

- significant modelling and analysis, and on-site research trials
- at-source pre-treatment of trade waste by significant clients
- design and installation of supplementary aeration chambers
- gases from the anaerobic digester diverted to a soil filter
- high-capacity ultra-violet final treatment
- centre-point irrigator for discharge to land in summer
- shelter belts of native plants and sacrificial pines to handle any drift of treated wastewater
- wetlands excavation and initial planting.

Future development planned focuses on irrigation and storage:

- sequential batch reservoirs
- preferential flowpath land treatment trenches
- deficit irrigation over $\frac{3}{4}$ of Daleton Farm
- ultra-violet disinfection
- expanded wetlands.

Over the past two dry summers irrigation has been limited by the storage capacity of the ponds. Greater storage and a second irrigator would allow the best use of the full land area available, and minimise the discharge to Mangatāre Stream during wet months. The period we do not discharge could be increased by as much as three months.

The Council's objective is to have in place a regime that minimises the discharge to Mangatāre Stream and is affordable to the community.

It has considered the following options—

1. The status quo. The Long Term Plan provides for additional 100,000m³ storage to be designed and constructed over three years from 2017/18.
2. Advance the programme by one year. Design work would commence in 2016/17.
3. Advance the programme by one year and further increase the storage capacity by building a three-chamber 200,000m³ pond instead of currently-planned 100,000m³.



Option 3—It is proposed that the development programme be advanced by one year, and the planned second pond's capacity be increased to 200,000m³.

Rates will be increased by \$14,000 in 2016/17 and \$50,000 per annum in outyears. About 95% of this rate is met by urban ratepayers (about \$4.70 each).

Debt will be increased by \$200,000 in 2016/17 and by \$500,000 overall.

Services provided by Council will be enhanced by optimising the storage and discharge capacity of Daleton Farm and minimising the discharge to Mangatāre.



Issue 2

Indoor swimming complex

The Council proposes investigating a year-round indoor swimming complex.

The Council manages an outdoor swimming complex, which includes a 34-metre pool, a learners' pool and a toddlers' pool. There is a diving board, two slides, some shade structures, and picnic tables. There are a number of buildings including the changing rooms and toilets, a kiosk at the entrance, and pump and storage sheds.

In the Long Term Plan, the main pool was to be resurfaced in 2016/17 for \$61,440 and the changing room refurbished in 2017/18 for \$314,700.

We have now assessed the work needed on the changing room building to improve its general safety for both health and safety purposes and seismic performance.

A number of options were considered—

1. The status quo. Defer the earthquake strengthening, being mindful that it must be completed by 2021.

2. Investigate the feasibility of integrating with the swimming club's indoor swimming pool by enclosing both pools into one year-round indoor complex, a one-off cost to ratepayers for the feasibility study of about \$45,000, and defer the pool resurfacing.



3. Bring forward the start of the strengthening work to address the most urgent seismic and safety risks, loan-funding the capital cost of \$100,000, and an ongoing additional cost to ratepayers of about \$12,000 pa.

It is planned to provide a range of equipment for accessibility and for health and safety. This includes shade sails, rescue equipment, and accessible ladders for elderly and disabled users.

Option 2—It is proposed that a feasibility study be done on integrating the existing indoor pool with the outdoor and create a year-round indoor complex.

Rates will increase by about \$25,000 in 2016/17.

Debt will be reduced by \$61,440.

Services provided by Council will be unaffected.



Issue 3

Clock tower

The Council proposes to undertake earthquake strengthening on the town's clock tower.

In 2015/16, the Council set aside \$50,000 for a seismic assessment of the town's clock tower on High Street, and to undertake any strengthening work to meet the earthquake standards. All strengthening must be completed by 2021.

The clock is a listed heritage item on the District Plan, but it is not on the Heritage New Zealand list. Other than informing Heritage New Zealand, the Council is unencumbered as to its options.

We have received an estimate that the work required on the tower's foundations will cost \$270,000.

The Council has considered two options—

1. Spend \$270,000, funded by loan, on strengthening.
2. Remove the clock tower before 2021. The removal costs could be significant.

Option 1—It is proposed that the clock tower is strengthened at a capital cost of \$270,000.

Rates will increase by \$13,700 in 2016/17 and \$27,400 per annum in outyears.

Debt will increase by \$270,000.

Services provided by Council will continue as at present.

Financial Summary

Under the Council's Financial Strategy, increases in the average rates are limited to the local government cost index plus 2 percent. Generally rates are set to match expenditure, and borrowing is limited in terms of the ratios of debt to assets, of interest to revenue, and of interest to cashflow.

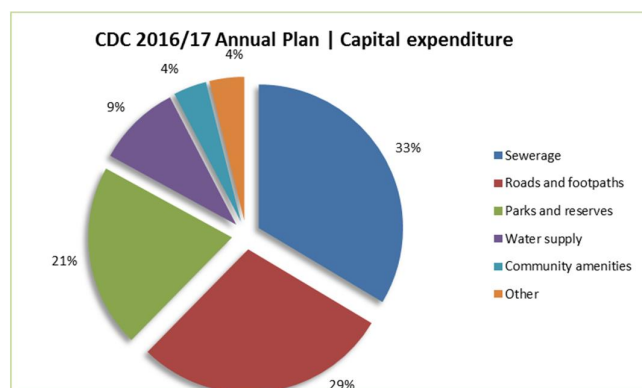
Levels of service

In the Long Term Plan 2015–2025, Council allowed for continued growth in the rating base but at a lower rate than in the past decade. This modest growth will not impact levels of service. The Council is planning to continue with its current range of activities generally to the same level of service as at present, except for the following issues of capacity and quality:

- an accelerated programme of sewer mains renewals—more than just end-of-life renewals, and beyond depreciation funding
- continued expansion of the sewage treatment capacity, in line with expected consent conditions and to create additional headroom
- further development of the town centre.

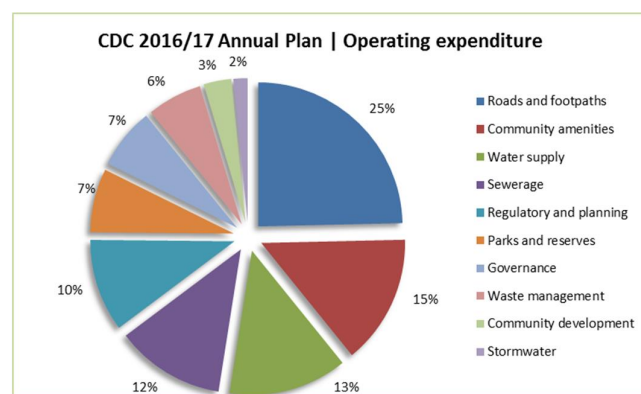
Capital expenditure

The Council proposes to spend \$6.2 million on capital expenditure over the next year. Of this, \$2.1 million, or 33 percent, will be on sewage treatment and disposal (more details in the consultation topics above) and \$1.8 million, or 29 percent, on road and footpaths.



Operating expenditure

The Council proposes to spend \$13.8 million on operating expenditure over the next year. Of this, \$3.4 million or 25 percent will be on roads and a further \$3.4 million on community support (including community amenities, parks and reserves, and community development).



Funding

No changes are proposed to how the Council will fund its operating and capital expenditure requirements. Rates are set at a level to produce a desired surplus. In some activities, rates are more than the net projected expenses to cover the repayment of loan principal, or to build up reserves for future year expenses (such as the three-yearly elections). In some other activities, notably the Events Centre, rates are less than the net projected expenses because not all expenses (especially depreciation) needs to or should be funded.

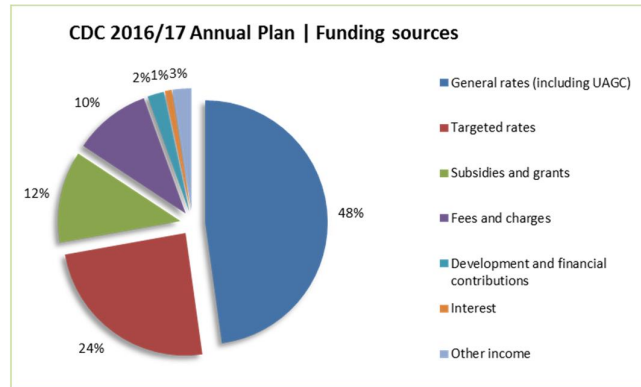
Charging depreciation each year spreads the cost of an asset over its useful life. Generally, depreciation is funded by income (including rates) in the same year that the depreciation is incurred. Funding of depreciation results in an increase in the Council's cash balance, and is held in depreciation reserves for the replacement of relevant infrastructure assets in the future.

Council will fully fund depreciation expense, except for the following:

- roads and footpaths
- Events Centre building and fitout
- loan-funded infrastructure development, such as the accelerated programme of sewerage renewals and treatment capacity.

This recognises that either we do not need to build up the full amount of funds for future replacement, or it would not be fair on the current generation of ratepayers.

The chart below shows how the Council will fund the services and projects it will deliver to the community

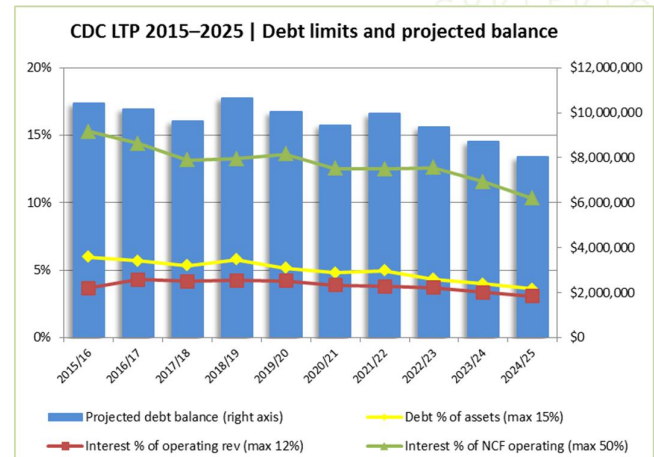


Some of the capital construction of roads and footpaths is funded from subsidies received from the National Land Transport Fund, and the capital construction of other assets was partly-funded from external funding. Therefore, we do not need to build up the full amount of replacement funds.

We need to borrow to fund other capital expenditure, including for example the planned accelerated programme of sewerage renewals, and expansion of the sewage treatment capacity, and the re-vitalisation of Broadway. This is because insufficient funds have built up in the past in depreciation reserves. Either it is a new asset, or rates have not covered the cost of depreciation over the full life of the asset.

In these cases, the Council considers it would be unfair for the current generation of ratepayers to pay both the loan repayment (to fund the existing asset) and the depreciation (to fund its replacement). During the terms of the loans, rates will fund the principal repayment and interest expense, after which rates will fully fund the annual depreciation expense. At the end of the asset life, there will be some depreciation reserves built up to contribute to the replacement cost.

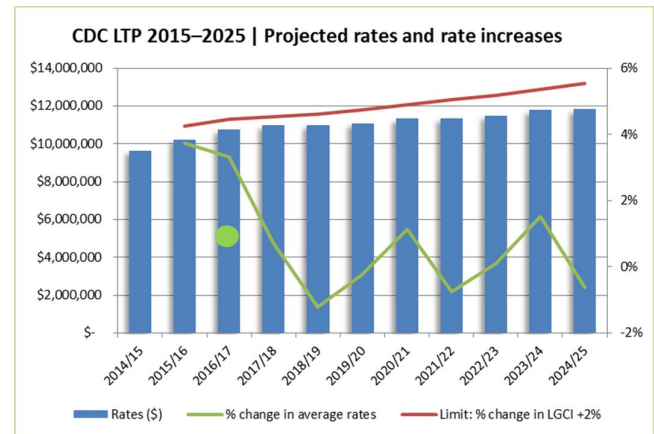
The Council has set limits on the level of borrowing, shown in the chart below. Proposed interest and debt for 2016/17 are well below the limits and the projected balances in the Long Term Plan.



Rates increase

The Council has decided to limit the increase in average rates¹ in any one year to the increase in the BERL local government cost index plus 2 percent.

The following chart shows the projected rates from the Long Term Plan and the percentage increase compared with the self-imposed limit in rates increases.



The limit for 2016/17 is 4.5 percent. The Long Term Plan projection for 2016/17 was 3.3 percent. This consultation document proposes an increase of 1.3 percent in the average rates in 2016/17.

¹ The average rates is the total forecast rates divided by the total number of forecast rateable properties.

Impact on Rates

	GST inclusive 2016/17	Rates required \$ incl GST	GST inclusive 2015/16
General rates—differential factor			
Residential	1.0		1.0
Commercial	2.0		2.0
Rural	0.8		0.8
General rates—capital value			
Residential	0.23822 cents in the \$	\$ 1,408,512	0.24435 cents in the \$
Commercial	0.47645 cents in the \$	\$ 436,212	0.48870 cents in the \$
Rural	0.19058 cents in the \$	\$ 2,810,351	0.19548 cents in the \$
Uniform Annual General Charge	\$ 844.34 ea	\$ 3,365,551	\$ 804.29 ea
50% Uniform Annual General Charge	\$ 422.17 ea	\$ 6,755	\$ 402.14 ea
Regulatory and planning services—capital value	0.02229 cents in the \$	\$ 482,076	0.02058 cents in the \$
Urban sewerage			
Connected	\$ 541.10 ea	\$ 1,418,224	\$ 486.90 ea
Able to be connected (half charge)	\$ 270.55 ea	\$ 27,867	\$ 243.45 ea
Waingawa sewerage—capital value			
Connected	\$ 402.28	\$ 3,463	\$ 423.45
Connected or able to be connected commercial properties in the Waingawa industrial zone	0.3300 cents in the \$	\$ 35,834	0.3474 cents in the \$
Connected or able to be connected residential properties in the Waingawa industrial zone	0.1650 cents in the \$	-	0.1737 cents in the \$
Stormwater—land value	0.11614 cents in the \$	\$ 233,109	0.11890 cents in the \$
Refuse collection and kerbside recycling	\$ 91.66 ea	\$ 215,692	\$ 73.21 ea
Urban water			
Connected	\$ 495.55 ea	\$ 1,250,776	\$ 489.39 ea
Able to be connected	\$ 247.78 ea	\$ 24,778	\$ 244.70 ea
Metered water in excess of 225 cubic metres	\$ 1.70 per cubic metre	\$ 60,000	\$ 1.70 per cubic metre
Rural water rate			
Carrington water rate			
Rural water services rate	\$ 240.64 ea	\$ 16,363	\$ 204.21 ea
Class A	\$ 72.60544 per ha	\$ 79,257	\$ 62.51282 per ha
Class B	\$ 14.73399 per ha	\$ 8,683	\$ 12.68733 per ha
Class C	\$ 129.86877 per ha	\$ 7,013	\$ 111.82899 per ha
Taratahi water rate			
Rural water services rate	\$ 209.32 ea	\$ 99,635	\$ 184.66 ea
Class A	\$ 16.28550 per ha	\$ 118,046	\$ 14.01546 per ha
Class B	\$ 3.36113 per ha	\$ 11,293	\$ 2.64995 per ha
Class C	\$ 121.11025 per ha	\$ 56,922	\$ 107.74445 per ha
Waingawa water			
Connected	\$201.38 ea	\$ 8,297	\$197.43 ea
Metered water	\$2.32 per cubic metre	\$ 115,000	\$2.23 per cubic metre



Calculate your proposed rates for 2016/17

Actual rates for individual properties will vary depending upon the targeted rates that are applicable, the differential rating category, and the valuation of each property. The table below **includes** GST and **excludes** the Greater Wellington Regional Council rates. It does **not** show rates rebates available to low-income households.

You will need your last Rates Assessment Notice and the latest rateable valuations provided to you by Quotable Value (also on your rates notice).

Residential		multiplier	GST inclusive
General-residential	Capital value <input type="text"/>	x 0.0023822 =	<input type="text"/>
Uniform Annual General Charge		fixed	844.34
Regulatory and planning services	Capital value <input type="text"/>	x 0.0002229 =	<input type="text"/>
Urban sewerage		fixed	541.10
Stormwater	Land value <input type="text"/>	x 0.0011614 =	<input type="text"/>
Refuse collection and kerbside recycling		fixed	91.67
Urban water-connection		fixed	495.55
Metered water	Cubic metres <input type="text"/>	x \$1.70 =	<input type="text"/>
	over 225		
Total			<input type="text"/>

Rural		multiplier	GST inclusive
General-rural	Capital value <input type="text"/>	x 0.0019058 =	<input type="text"/>
Uniform Annual General Charge		fixed	844.34
Regulatory and planning services	Capital value <input type="text"/>	x 0.0002229 =	<input type="text"/>
Carrington water race		if applicable	\$240.64 =
Class A	Hectares <input type="text"/>	x 72.60544 =	<input type="text"/>
Class B	Hectares <input type="text"/>	x 14.73399 =	<input type="text"/>
Class C	Hectares <input type="text"/>	x 129.86877 =	<input type="text"/>
Taratahi water race		if applicable	\$209.32 =
Class A	Hectares <input type="text"/>	x 16.28550 =	<input type="text"/>
Class B	Hectares <input type="text"/>	x 3.36113 =	<input type="text"/>
Class C	Hectares <input type="text"/>	x 121.11025 =	<input type="text"/>
Total			<input type="text"/>

The following table provides indicative rates assessments for a range of rating categories and property values:

Example properties		capital value	land value	water over allowance	rates total	rates %
rating category	features	\$	\$	cubic metres	\$	increase
Residential	low value	165,000	75,000	-	\$2,489.61	4.6%
Residential	medium value	290,000	110,000	15	\$2,881.39	3.7%
Residential	high value	365,000	120,000	50	\$3,147.89	3.3%
Commercial	2 toilets	475,000	225,000	100	\$5,314.09	2.2%
Commercial - rural	water and sewerage connected	160,000	na	-	\$3,220.07	4.5%
Rural	4 hectares on Carrington water race	550,000	na	na	\$2,546.19	4.1%
Rural	120 hectares on Taratahi water race	2,250,000	na	na	\$7,539.01	3.2%



Have your say

We encourage every one of you to submit your views on what you think the Council should be doing and the services it should be providing over the next year.

The Council has carefully considered what it thinks is important to meet the reasonable needs of our community. You may have different views, or you may agree with our choices. This consultation phase is your chance to have an influence on the Annual Plan that is adopted.

Submissions close **4.00pm, 26 May 2016.**

How to find out more

Clinics—drop in to a clinic to be run 16–18 May

Meetings—invite a councillor to the next meeting of your community group

Online—visit the Council website where you'll find the consultation document and supporting information at www.cdc.govt.nz/plans

Hardcopies—copies of the consultation document and supporting information are available at the Council office, Holloway Street, and at the Library.

More information

Further supporting information is also available to view at our offices and on our website:

- **funding impact statement**
- **financial prudence disclosure statements**
- **fees and charges 2016/17**
- **activity summaries**
- **prospective financial statements**
- **significant forecasting assumptions**
- **accounting policies**

Go to www.cdc.govt.nz/plans for a full list.

The following information was included in the Long Term Plan 2015–2025, which is available on our website and as reference copies at our office and the library:

- **Long Term Plan 2015–2025**
- **community outcomes**
- **financial strategy**
- **liability management policy**
- **financial contributions policy**
- **postponement of rates policy**
- **remission and postponement of rates on Māori freehold land policy**
- **significance and engagement policy**
- **infrastructure strategy 2015–2045**

Talk to your councillors

You can also find out more or have your say by talking directly to your councillors or Mayor.

Cr. John Booth (Mayor)

06 378 2481 / 027 442 7469

john.booth@cdc.govt.nz

Cr. William (Bill) Knowles

06 379 8730 / 022 126 2154

bill.knowles@cdc.govt.nz

Cr. Jill Greathead

06 379 6193 / 027 488 4376

jill.greathead@cdc.govt.nz

Cr. Elaine Brazendale (Deputy Mayor)

06 379 6899 / 027 441 3557

elaine.brazendale@cdc.govt.nz

Cr. Ruth Carter

06 379 7467 / 027 379 7467

ruth.carter@cdc.govt.nz

Cr. Mike Palmers

06 379 7855 / 027 220 6282

mike.palmers@cdc.govt.nz

Cr Mike Ashby

06 379 7890 / 027 922 2999

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Cr. Greg Lang

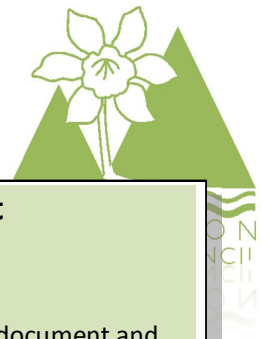
06 372 7080 / 027 898 1618

greg.lang@cdc.govt.nz

Cr. Russell Keys

06 379 6433 / 027 454 0860

russell.keys@cdc.govt.nz



Annual Plan 2016/17 submission

You can write a letter, or complete the submission form, and either:

- send to Long Term Plan submissions, Carterton District Council, PO Box 9, Carterton
- deliver to Council office, Holloway Street, Carterton
- email it to info@cdc.govt.nz
- fax it to (06) 379 7832.

Submissions close **4.00pm, 26 May 2016**

All submissions will be available to the public and the media.

Tips for writing great submissions

- Read the consultation document and, if needed, refer to the supporting information on our website.
- Use simple language, be as clear as possible, keep to the point.
- Tell us what you want, what decision you seek, and tell us why.
- If you are writing, get the important points up front.
- Consider speaking at a hearing. You'll have more opportunity to press your case.

Name

Address

Email

Phone (daytime)

Phone (evening)

Mobile

Organisation

(if you are submitting on behalf of an organisation)

Do you wish to speak about your submission at a hearing on 1–2 June? YES/NO

Key issues

Bringing forward part of the development project for treating and disposing sewage



Investigating a year-round indoor swimming complex

Strengthening the clock tower to cope with earthquakes

Any other comments or issues that you would like to raise