

Kaipara Kickstart Programme
Summary Scope/Budget

Programme Support (\$1.3M)

- Programme/Project Management team delivery resource costs
- Establish Centre of Excellence for Unsealed Network

Kai for Kaipara (\$0.98M)


- Transformation Hub, Feasibility Study and Activation Plan

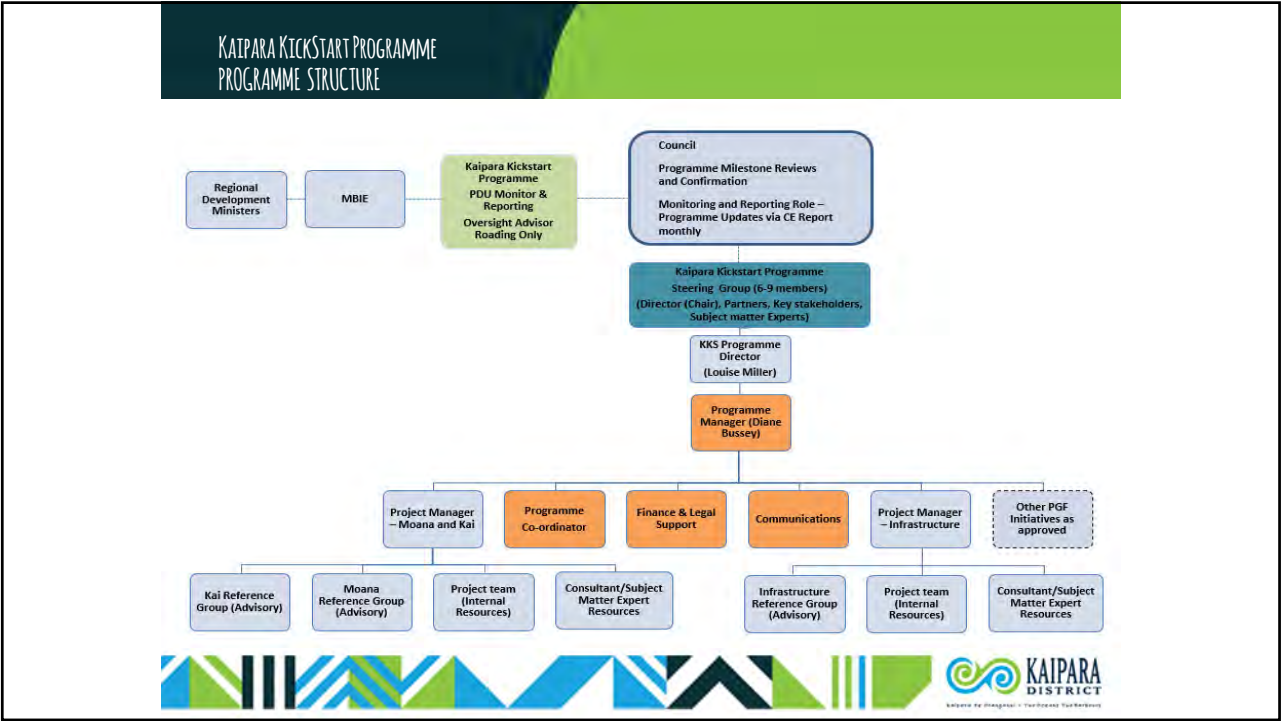
Kaipara Wharves (\$0.95M Investigation; \$4.0M Physical Works)

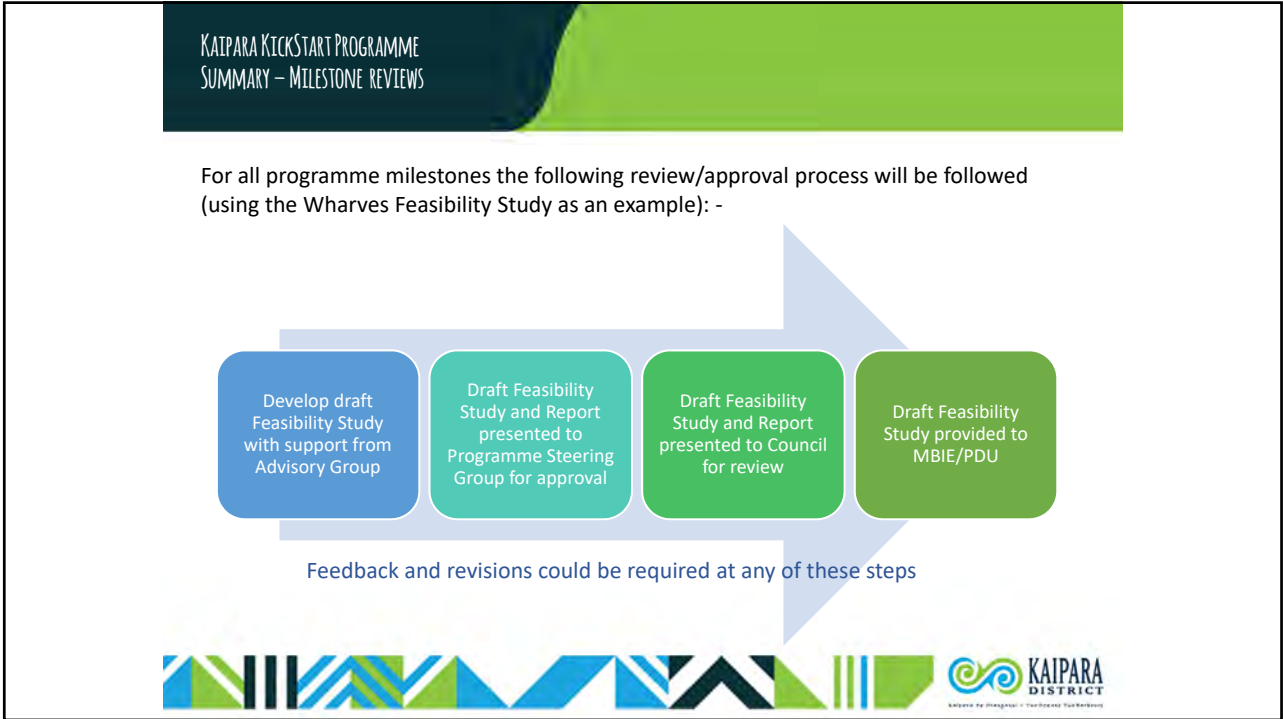
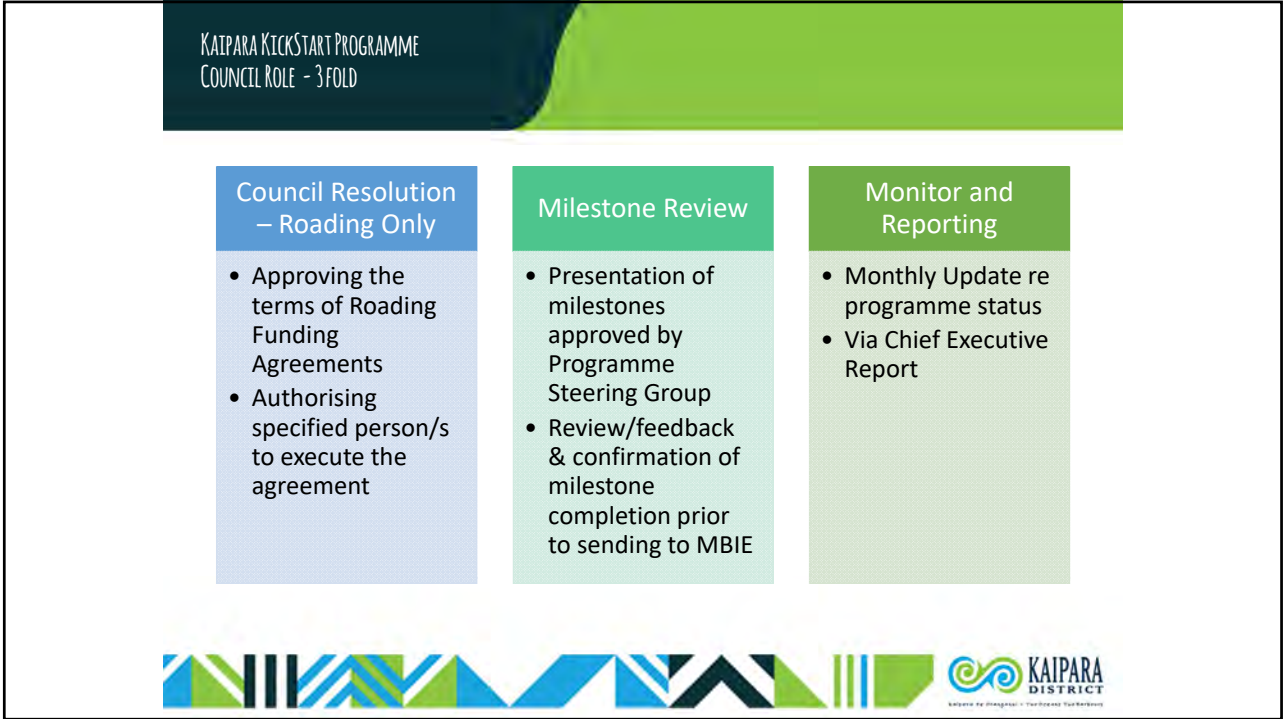
- Feasibility study (Engineering assessments, commercial & financial analysis), Business Cases – to inform decisions on physical works.

Roading (\$21.01M)

- Physical Works - 50 Max Bridges
- Physical Works - Unsealed Network
- Physical Works - Pouto Road sealing (2 phases)
- Physical Works - Waipoua River Road









Kaipara Kickstart Programme
Programme Milestones

Kai	Wharves	Roading (TBC)
<ul style="list-style-type: none">• 3rd party providers approved by Ministry for the Topoclimate Study & Feasibility Study• Transformation Hub report – identify advocates and costs• Initial analysis of stakeholder engagement for the Feasibility Study• Draft Feasibility Study• Transformation Hub Report – Service offering, recruitment of staff & salary costs• Final Feasibility Study• Draft Activation Plan• Final Activation Plan	<ul style="list-style-type: none">• 3rd party providers approved by the Ministry for infrastructure investigations, Feasibility Study and Business Case development• Scope and timetable of Feasibility Study• Draft Feasibility Study• Final Feasibility Study• Business Cases submitted to the Ministry• Final Report submitted to the Ministry• Further milestones for physical work – to be informed by Business Case decisions	<ul style="list-style-type: none">• Programme Support Plan• Centre of Excellence Unsealed Network• 50MAX HPMV network extension• Pouto Road –Phase 1• Pouto Road – Phase 2• Waipoua River Road• Unsealed Roothing Network Improvements – TBC within second Funding Agreement



Kaipara Kickstart Programme
Funding Agreements

Kai for Kaipara



- At time of writing signature by both parties imminent.

Kaipara Moana

- At time of writing, MBIE making final revisions, then signature by both parties.

Roothing

- Diverse funding position of NZTA/NLTF funding portion for Unsealed Roads (\$8.06m) progressed.
- Agreement with MBIE and NZTA to split Roothing Funding Agreement into two, means work can commence on majority of Roothing scope.
- Two separate Funding Agreements have been drafted – received by KDC 27th May.
- Reviews of both agreements underway at KDC.



KAIPARA KICKSTART PROGRAMME FUNDING AGREEMENT COMMITMENTS

KDC as Recipient

- Deliverables completed to schedule, within funding allowed
- All Governance papers made available to MBIE/PDU, who could attend
- Reporting – specific formats provided
- Approval of procurement practices and contractors
- Media and Communications
 - Prior MBIE/PDU approval for media statements OR press releases (incl. social media posts)
 - Any enquiries regarding the terms OR performance of Funding Agreement referred to MBIE/PDU

MBIE/Provincial Development Unit as Investor

- Payment of claims - 20th month following
- Cross Government support (MBIE, MoT (NZTA))

Specific for Roothing Project

- MBIE Appointed Oversight Advisor – terms of engagement TBC
- Council Resolution – as Condition Precedent
- Utilising NZTA TIO Payment system to process payment requests
- NZTA Quality Management



KAIPARA KICKSTART PROGRAMME NEXT STEPS

Programme Management

- Programme Steering Group established
- Project Advisory Groups for Kai and Wharves Projects established
- Finance systems set up completed
- Regular status reporting and stakeholder engagement commenced
- Programme schedule baselined
- Communications plan and activities underway

Kai for Kaipara and Kaipara Wharves Projects

- Funding agreements signed
- Advisory Groups established – terms of reference agreed
- Procurement commenced with procurement management plans

Roothing Project

- Funding agreements (2) reviewed and negotiated
- Council resolution to execute agreement
- Funding Agreement/s signed
- Project resources confirmed and appointed
- Project schedule confirmed and programme schedule finalised
- Procurement commenced with procurement management plans





WHAT WE DO NOW		
Activity	Current Service Provision	Funded by
Refuse Disposal	Kerbside Collection in urban areas with some collection Points in Rural areas Transfer Stations East and West	User Pays
Recycling	Kerbside Collection in Urban areas Drop off points at Transfer Stations East and West	User Pays Subsidy from Council Waste Levy for recycling processing
Transfer Station	Dargaville Transfer Station Hakaru Transfer Station	User Pays – with monthly management fee paid from General Rates.
Closed Landfill Monitoring	15 x Closed Landfills	General Rates
Litterbin Servicing	Multiple Litterbin servicing through out Kaipara District	General Rates
Illegal Litter	Retrieval of illegally dumped Rubbish	General Rates

The table is presented on a green and dark teal background. At the bottom, there is a decorative geometric pattern in blue, green, and white, followed by the Kaipara District logo and name.

OPTION 1 FOR CONSIDERATION

Stay with general refuse bags and introduce a bin for recycling.

General refuse

- User continues to pay for bags as required, could be official bag or any 60L bag with sticker and transfer station fees.
- Look at options for biodegradable bags versus plastic
- Need to control pricing of bags

Recycling

- Activity funded from targeted rate
- House holds to be provided with recycling bin for weekly kerbside collection
- Free to drop off recycling at collection points and transfer stations
- In lieu of recycling bins in Rural areas collection points could be established.



OPTION 2 FOR CONSIDERATION

Introduce wheelie bin for general refuse and a bin for recycling

General Refuse

- Council provides wheelie bins to all residents
- Residents pay for collection when required – would need to implement a tag/sticker system.
- Major disadvantage is refuse contractors would not know how long collections would take and may travel long distance for collection only to find that there are no bins out for collection.
- Unsure how this could be applied in Rural areas.

Recycling

- Activity funded from targeted rate
- House holds to be provided with recycling bin for weekly kerbside collection
- Free to drop off recycling at collection points and transfer stations
- In lieu of recycling bins in Rural areas collection points could be established.



OPTION 3 FOR CONSIDERATION

Introduce fully targeted rate to cover all refuse and recycling disposal.

General Refuse

- Targeted rate charged to cover refuse disposal and management
- All refuse disposal whether it is kerbside collected or taken to the Transfer stations is free.
- In rural areas mini transfer stations could be established and cleared on a weekly basis.

Recycling

- Activity funded from targeted rate
- House holds to be provided with recycling bin for weekly kerbside collection
- Free to drop off recycling at collection points and transfer stations
- In lieu of recycling bins in Rural areas collection points could be established.



FOR CONSIDERATION DURING PLANNING PROCESS

- How do we improve service to Rural residents, and what will it cost
- How will a targeted rate for refuse disposal impact on local business (reference to business operators carrying out private refuse collection)
- Costs for provision of different options
- Can we have different targeted rates depending on residential, commercial, service available or rural properties
- Method of payment for user pay wheelie bin option
- Will introduction of targeted rate and perceived free disposal and recycling see a decrease in illegal dumping
- Timeframes for rolling out, do we do staged rollout, how do pick up new residents.
- Frequency of collections.







CONTEXT

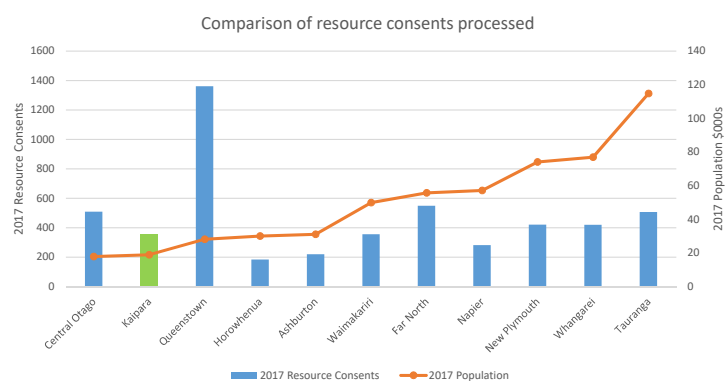
- No significant changes to the annual plan confirmed by Deloitte auditors and the Auditor-General as long as Council is transparent about the expenditure.
- Consultation was not required, nor undertaken.
- Rates are set at 5.26% as per the Long Term Plan 2018/2028.

LONG TERM PLAN KEY ALTERATIONS

- Addition
 - Capital Kaiwaka Treatment Plant \$250,000
 - Capital Tomarata Bridge on Insley Street \$1,450,000
 - Operations and Capital Provincial Growth Projects \$20,180,000
 - Financial contributions for Capital projects \$500,000
- Deferred
 - Capital Mangawhai Treatment Plant \$650,000
 - Capital Kaiwaka reticulation \$100,000
- Operations Increased growth of revenue and Increased costs relating to resource and building consents.



GROWTH WHERE ARE WE?



GROWTH WHERE ARE WE?

Territorial Authority	2017 Resource Consents	2017 Population	2018 Capex	2018 Rates	Staff 2018
Central Otago	509	17,900	23,666	28,300	218
Kaipara	355	18,900	18,112	33,394	121
Queenstown	1361	28,200	48,775	66,559	392
Horowhenua	184	30,100	23,420	36,381	227
Ashburton	220	31,100	22,592	33,803	252
Waimakariri	355	49,900	55,960	55,664	386
Far North	549	55,700	44,896	79,465	353
Napier	282	57,200	28,983	53,694	552
New Plymouth	421	74,100	44,209	84,651	600
Whangarei	420	76,900	46,410	92,016	383
Tauranga	507	114,800	133,492	154,927	690



HIGHLIGHTS OF ANNUAL PLAN - BIG PICTURE

- Increased growth
 - Council wants to meet statutory deadlines for processing of resource consents, and has provided more staff and consultants. These have increased in workload and complexity. Many of the additional costs can be recouped from the applicants.
 - This has also meant increased financial contributions can be anticipated which will translate into reserve projects in the relevant catchments.
 - A contestable fund for community reserve projects of \$300,000 has been added. This will allow the community to put forward ideas to Council which can be considered for funding.
- District Plan - Additional costs have been committed to the development of the District Plan and ensuring appropriate environmental reports can be resourced and good consultation occurs. We will also be making it easier for customers to access our District Plan by putting it online. This should help to reduce customer queries and wait times.



HIGHLIGHTS OF ANNUAL PLAN - BIG PICTURE CONT.

- Consultation solid waste - The current contract comes up for review late 2020 and consultation will occur on any change proposed in the service. This could involve better recycling and refuse collection services.
- Consultation change in rating - The Council has a total of 88 rates and is more complicated than other councils. Council is looking at how the current system can be simplified and how communities can support each other.
- Preliminary investigation of improved libraries at both Dargaville and Mangawhai for inclusion in the Long Term Plan.
- Future planning for offices.
- Dargaville Town Hall - This is a well-used venue and the weathertightness needs to be fixed. \$300,000 has been allocated in this year. The overall cost is \$550,000 and completion of the fix is likely to be over the next two years.



HIGHLIGHTS OF ANNUAL PLAN - BIG PICTURE CONT.

- Fagan Place Mangawhai pensioner housing.
- Community planning - Improved placemaking plans for Kaiwaka and Mangawhai that will inform the next Long Term Plan.
- Significant Capital projects
 - Remediation of the Insley Street Bridge
 - Start of the Mangawhai coastal cycleway and walkway
 - Intersection improvements in Mangawhai to mitigate increased traffic
 - Improvement of access, parking and ambience of Wood Street Mangawhai
 - Investment in Mangawhai Wastewater system for growth-reticulation and disposal system.



KEY FINANCIALS

Operational summary	LTP Budget 2019/2020 (\$000)	Annual Plan 2019/2020 (\$000s)	NOTES/Addendums
<u>Rates</u>	37,147	36,884	Includes water rates
Other revenue (including financial contributions)	8,195	9,856	Increased resource and building consent activity, Increased financial contributions
Subsidies and grants received for capital	12,154	32,005	This includes NZTA and Provincial Growth Fund grants/subsidies
Total operating revenue including grants	57,496	78,745	This includes Provincial Growth Fund grants
Operating expenditure	48,342	55,145	Additional staff to cope with increased resource and building consents and includes Provincial Growth Fund operating projects
Surplus/(deficit)	9,155	23,601	Surplus is greater as the grants need to fund increased capital expenditure
Rates increase average after growth	5.26%	5.26%	Increase is net of a 1% growth factor and excludes water rates
<u>Debt Summary</u>			
Closing balance net debt at 30 June 2019	47,416	48,257	Most capital is funded from reserves or financial or development contributions
Capital investment	19,900	25,000	This includes increased capital expenditure costs including Provincial Growth Fund capital projects
PGF projects (operating and capital)	n/a	20,180	



PGF PROJECTS PROPOSED TREATMENT

Announcement of funding of \$28.24 million of projects, both operating and capital.		
Some PGF projects still under negotiation and not included in annual plan figures as yet.		
Programme Support	1,300,000	operational support
Kai for Kaipara	980,000	operations
Kaipara Moana	950,000	operations
Kaipara Moana	4,000,000	capital (may be later year)
Bridges	3,160,000	capital
Poutu Road extension	5,050,000	capital
Poutu Road business case	330,000	capital
Poutu Road sealing	2,800,000	capital
Waipoua River Road	130,000	operations (management) investigations
Waipoua River Road	1,480,000	operations (management) physical works
TOTAL	\$20,180,000	

All above funded by grants/subsidy, and there is no large operational maintenance cost for many years

Assessed as no consultation needs to be provided for on above projects

Difference of \$8,060,000 being discussed. Unsealed road improvements and 50max bridges is currently being reviewed as to who funds.



CAPITAL EXPENDITURE 19/20 SIGNIFICANT ITEMS \$'000

• Wood Street parking and amenities	400
• Heads Loop Walkway	300
• Baylys Beach Boardwalk	250
• Digital Transformation	920
• Murphy's Stopbank, Raupo	376
• Kaiwaka Sewerage	250
• Mangawhai Sewerage	1,800
• Insley/Tomarata Bridge	1,450
• Heavy Metaling	2,500
• Forestry Road metaling	500
• Insley/Moir Streets intersection	1,040
• Moir Street/Molesworth Drive Intersection	1,040
• Paths/cycleways	560
• Minor improvements	1,533
• Drainage renewals	800
• Sealed resurfacing	2,289
• Rehabs	1,354
• Dargaville watermain replacement	820
• Maungaturoto watermain renewal	350
• Ruawai water treatment plant	339
• Remediation Town Hall	300



ANNUAL PLAN – DISCLOSURE STATEMENT

- **Annual Plan disclosure statement for year ending 30 June 2020**
- The purpose of this statement is to disclose Council's planned financial performance in relation to various benchmarks to enable the assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. Council is required to include this statement in its Annual Plan in accordance with the [Local Government \(Financial Reporting and Prudence\) Regulations 2014](#) (the **regulations**). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Benchmark	Quantified limit	Planned	Met
Rates affordability benchmark			
- income (quantified limit on rates excluding water by meter and penalties)	\$32.507 million	\$36.153 million	No
- increases (quantified limit on rates increases)	4.20%	5.26%	No
Debt affordability benchmark (quantified limit on borrowing)	170%	61%	Yes
Balanced budget benchmark	100%	137%	Yes
Essential services benchmark	100%	296%	Yes
Debt servicing benchmark	10%	4.0%	Yes



NEXT STEPS

- Adoption of Annual Plan 2019/2020 at 27 June 2019 Council meeting
- Approve rates resolution at 27 June 2019 Council meeting
- Going forward - Need to build connections with the community:
 - about what is in the Annual Plan
 - that the increase is the same as has been planned in the LTP
 - share information about the drivers of the increase so the community is better informed
 - share information about current planned 2019/2020 projects.



ANY QUESTIONS?



We welcome your feedback!
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