

Manawatū District Council

**Draft Long Term Plan
2018-28**

Consultation Document

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A MESSAGE FROM Mayor Helen

A key role of Council is to plan for the future, and our Long Term Plan is an important part of this. Councillors and Council staff have worked hard to get it to this draft stage to make sure that today's decisions will make for a great tomorrow. The Long Term Plan (LTP) covers the period 2018–28, but will be reviewed again in 2021.

This plan outlines the projects and priorities that we believe position the District for a successful future— a connected, vibrant and thriving Manawatū. We would like to do more, but consider that affordability and the ability to service loans must be taken into account. It is essential that we prioritise, and we welcome your feedback on the choices we have made. Our highest priorities remain the provision of good quality and sustainable water, wastewater, stormwater and roading services, along with good community facilities and services, and encouraging and supporting economic growth. We are planning to increase our reserves in order to meet future challenges, capitalise on opportunities, or to reduce debt. Pages 23–25 outline some of the projects that, regrettably, we are proposing not to include in this plan.

Planned growth leads to prosperity and a larger population over which to spread the rating burden. Growth requires good infrastructure which costs millions of dollars. We need to balance the levels of services with affordability and competitiveness. Our future infrastructure must meet the needs of future residents and business without imposing too large a burden on existing ratepayers. We also want to retain the best of what we have today to ensure that our District remains an attractive place to live, work, visit and do business.

Council is in a good position, but has financial challenges ahead that we need to plan for. Along with the challenges are positive opportunities to make the Manawatū one of the best places to live, farm and be in business. By 2028, our community is likely to be different, with predictions of 3,800 more people, 1,700 more houses, and 2,000 more jobs. Feilding's town centre will likely change as building owners repair or replace earthquake prone buildings, and our CBD will likely serve more diverse functions. Industrial development in the Kawakawa Industrial Park and residential development in the wider Pharazyn Street/Roots Street/Reids Line area are exciting growth prospects.

We face a number of challenges including how best to fund investment in a fair and equitable way so that those who benefit from the services pay an appropriate share for these services, while ensuring that Council maintains a manageable level of debt. We are proposing changes in rating differentials to improve equity. This is based on comparative New Zealand research.

The proposed average rate increase is 4.7 per cent for the 2018/19 year. In addition is another 0.2 per cent required for increased services (stormwater improvements), and 1.6 per cent due to the increased number of ratepayers (growth). The total rates collected will therefore be 6.5 per cent more than for the 2017/18 year. For many ratepayers, however the proposed increase is significantly lower, and with some paying a higher percentage increase as a result of changes in differentials. Have a look at the chart on page 29 to get a guide as to how the changes will affect your rates. I suggest you focus on the dollar change rather than the percentage.

Another major challenge is how to best manage village wastewater for the long term. Our planned Wastewater Centralisation Project will pipe wastewater from the villages to Feilding – this is expected to save around \$10-20 million over the next thirty years for resource consents and upgrades, and will significantly improve environmental outcomes for our waterways, streams and rivers.

We have pruned the budget for funding water and wastewater renewals because Council's asset data indicates that our assets are in good condition and can continue to operate without interruption. We will manage renewal programmes in subsequent Long Term Plans to review renewal spending as our borrowing capacity allows.

As your Mayor and Councillors, we aim to represent your interests to the best of our ability, while planning for a vibrant future for our District. Your feedback will help us make informed decisions. We encourage you to be part of the consultation process and look forward to hearing from you.

Kind regards,



Helen Worboys
Mayor
Manawatū District Council



“
today's decisions will make
for a great tomorrow
we aim to represent your
interests
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What's this Consultation Document all about?

We have been thinking about the needs of the communities of our District for the next ten years and beyond. This document presents the 'big issues' that our District faces – the issues that are significant because of their impact on communities, their financial cost, or their public interest. We have thought about the best way to address these issues and have made some initial decisions on our preferred way forward. But we want your feedback on the options presented in this document. Your feedback will help us make informed decisions that reflect our community's values and interests.

The key issues outlined in this Consultation Document will go on to form part of our Long Term Plan 2018–28. We've provided the background on the key issues and possible options to address these issues for you to consider. We have outlined the impact of these options on rates, debt and any changes to levels of service so you know how much our proposals are going to cost and what you can expect as a result. Council has considered each key issue and each of the options, and has decided on a preferred option. We have based our initial decisions on the evidence available and consideration of our community's needs now and in the future. For more information on our policies and plans visit www.haveyoursay.kiwi.nz



We've got some big decisions to make. We want to make decisions that best serve our community. Tell us what you think. Have your say.

We've made a lot of progress developing this Long Term Plan (LTP) for 2018–28. We've made many decisions along the way, balancing up the needs of the community now and in the future with what we think is an affordable rate to pay. Now we need you to let us know if we've got the balance right. We want to ensure that tomorrow is great, today.

The proposals

You will have an opportunity to tell your Councillors about what you think of the proposals in this Consultation Document. Want more information about the proposals?



Read about them here:

- The full Long Term Plan (LTP) www.haveyoursay.kiwi.nz
- Printed copies available at Council Offices, 135 Manchester Street, Feilding and the Feilding Public Library, Bowen Street, Feilding



Hear about them here

- Community Committee Meetings

03 APRIL	Cheltenham	7.15pm Cheltenham Hall	11 APRIL	Hiwinui	7.30pm Hiwinui School
03 APRIL	Himatangi	7.30pm Himatangi Beach Community Hall	12 APRIL	Sanson	7.00pm Sanson Hall
04 APRIL	Rongotea	7.30pm Te Kawau Recreation Centre	16 APRIL	Tangimoana	7.00pm McKelvie Hall
05 APRIL	Feilding	7.00pm MDC Offices 135 Manchester St	17 APRIL	Waituna West	7.00pm Waituna West Hall
09 APRIL	Kimbolton	7.30pm Kimbolton Hall	18 APRIL	Bainesse- Rangiotu	7.00pm Rangioutu Memorial Hall
10 APRIL	Halcombe	6.30pm Halcombe Hall	24 APRIL	Pohangina Valley	7.30pm Pohangina Hall
11 APRIL	Apiti	7.00pm Apiti Community Hall	25 APRIL	Colyton	7.00pm Colyton Church
			26 APRIL	Rangiwahia	7.30pm Rangiwahia Hall

- Feilding Farmers Market **6 APRIL / 20 APRIL / 27 APRIL**



Write about them here

- Online www.haveyoursay.kiwi.nz
- Post an informal comment on our social media page Manawatū District Council (*Facebook*)
- We welcome your feedback
- Submissions are open until May 3



Talk about them

- Live chat session on 23 April 7pm – 8pm
- Community Committee Meetings
- Submission hearings will be held on May 14–16 let us know if you need an interpreter—we're happy to help
- Contact your Elected Members for a chat.

Key Issues

Over the next ten years Council will undertake many projects requiring many decisions to be made. Outlined below are what Council consider the key issues facing the community over the next ten years. These are issues that are significant in terms of their impact on the community, financial cost or public interest, among other factors.

In the pages that follow, we outline each of the key issues and how we propose to address each of them. We would like your feedback on the options we have outlined. Your input is important, because it will help shape our final decisions.

Stuart Campbell

Why is the LTP important to me?

The LTP is our plan to make our district a great place to live, work and visit. We do this by investing in local infrastructure and public benefit activities.

Why is Community input important?

We need to know if our proposed plan invests in the best projects and provides the appropriate amount of resources. Your input is essential.

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make our district a great place to live, work and visit

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ONE:

Changes to the Rating System

What is the fairest way to distribute the cost of services?

The Issue

Council uses money collected through rates to fund the provision of services, carry out projects and maintain and replace assets necessary for the District to function to its full potential. The services Council provides benefit ratepayer groups differently. Rating differentials (which can be understood as weightings) are applied to properties according to the services and level of benefit provided. Council applies rating differentials to the following three categories of rates, recognising that different ratepayer groups in the community may benefit from these services to a varying degree:

- 1) General Rates (these are activities that benefit the wider community and include economic development, community development, some components of environmental and regulatory services, the district-wide component of stormwater, and Central Business District (CBD) redevelopment and security).
- 2) Roading Targeted Rates, and
- 3) Parks, Reserves and Sports Grounds Targeted Rates.

For example, if you live in Feilding, the Parks, Reserves and Sports Grounds rate you currently pay will be based on a higher rating differential (1.00 unit) than people who live in Kimbolton, who will pay a Parks, Reserves and Sports Grounds rate based on a 0.30 unit rating differential. The reason for this is that the benefit of parks, reserves and sports grounds is considered to be greater for Feilding-based properties than for rural properties, principally because they are more accessible to Feilding-based residents, contribute to amenity (aesthetic and recreational enjoyment) of the town environment, and also have the potential to enhance property values.

One of the key principles underlying the application of rates is that it is fair and reasonable to expect that those people who benefit from the service should pay for the service. Based on analysis of the current distribution of costs and the benefits derived from different services, as well as comparisons with rates distributions in other districts, Council has determined that the current rating differentials do not adequately reflect where the benefits of services fall. Therefore, Council is proposing to adjust the rating differentials to better reflect the actual distribution of benefits.¹ If the proposed changes are implemented, some ratepayers will pay more for rates and some will pay less, but the adjustments to rating differentials will not increase the overall amount of rates collected by Council.

¹ This proposal does not include any changes to the Uniform Annual General Charge, Makino Aquatic Centre and Libraries Targeted Rate or any other service rates, e.g. Kerbside Recycling Targeted, Water Supply Targeted Rates—Urban.

To guide decision-making Council has agreed to the following principles:

- Rates are proportional to the capital value of the property
- Rural and Residential ratepayers benefit equally from services funded by the General Rate, e.g., economic development and community development
- Properties in the Industrial and Commercial, CBD and Utilities areas benefit more than Rural and Feilding Residential properties from economic development
- Rural, Feilding Residential and CBD ratepayers benefit equally from the roading network
- Industrial and Commercial, and Utilities ratepayers place greater demand on the roading network than other ratepayer groups, and should pay more towards its maintenance
- Parks, Reserves and Sports Grounds rates are used to develop and maintain parks, reserves and sports grounds throughout the District. CBD ratepayers obtain significant benefit from a vibrant and attractive town centre and streetscape plantings so contribute more towards Parks, Reserves and Sports Grounds. Utilities, Industrial and Commercial, Feilding Residential and Feilding Rural ratepayers receive moderate benefits, while Rural ratepayers benefit the least
- Benefits from all services are equal for Feilding Rural and Feilding Residential Ratepayers.

The proposed changes to the rating differential for General Rates applied to rural areas will be introduced gradually over three years so that affected residents have time to adjust to increases. All other changes will be made in 2018/19.

Michael Ford

Why is the LTP important to me?

The plan is our opportunity to make positive projects happen, balanced with affordability, and a chance to make rates fair and equitable.

Why is Community input important?

Council does listen to every submitter. I had 28 years as a submitter prior to becoming a Councillor in 2016, and was mostly given a very fair hearing, with many submissions adopted. I look forward to hearing from you.

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a chance to make rates
fair and equitable

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How the proposed changes to rating differentials will work

All properties in the District are assigned to a rating area according to geographic location and/or how the owners use the property (e.g. whether it is commercial or residential). There are six different rating areas: Rural, Feilding Rural (outskirts of Feilding), Feilding Residential, Feilding CBD, Industrial and Commercial, and Utilities.

Table 1 below shows how Council is proposing to change the rating differential for each of the rates categories and for each ratepayer group, to better reflect how the benefits are distributed.

Table 1. Proposed Rating Differential Changes

RATING AREA	General Rate				Roading Targeted Rate		Parks, Reserves and Sports Grounds Targeted Rate	
	Current	Proposed from			Current	Proposed from	Current	Proposed from
	2017/18	2018/19	2019/20	2020/21	2017/18	2018/19	2017/18	2018/19
Rural	0.4	0.6	0.8	1	0.65	1	0.3	No change
Feilding Rural	0.5	1			0.65	1	0.3	1
Feilding Residential	1	No change			1	No change	1	No change
Feilding CBD	2.25	1.6			2.75	1	2.75	No change
Industrial and Commercial	1.6	No change			1.5	No change	1.5	No change
Utilities	1.6	No change			1.75	No change	1.75	No change

See Table 3 on page 12 for examples of how the changes will affect other types of ratepayers.

Table 2. The Options

ONE: Council will adjust the Rating Differentials as proposed in Table 1 and introduce the changes in 2018/19, with the exception of the General Rate differential, which will be phased over a three-year period for Rural ratepayers only.	TWO: Council will adjust the Rating Differentials as proposed in the Table 1 and introduce all changes in 2018/19.
<p>Under this option, Council would introduce changes to the General Rate differential for Rural ratepayers over a 3-year period from 2018/19 to 2020/21. The change to the General Rates differential for other ratepayer groups (where applicable) would be introduced from 2018/19.</p> <p>Changes to the Roding Rate differential and the Parks, Reserves and Sports Grounds Rate differential would be introduced in 2018/19.</p> <p>Rates for ratepayers in the Rural and Feilding Rural rating areas would increase as result of higher rating differentials.</p> <p>Rates for ratepayers in the Feilding CBD rating area would decrease as a result of lower rating differentials.</p> <p>The rating differentials for ratepayers in the Feilding Residential and Industrial and Commercial rating areas will not change. However, as the changes proposed will result in other ratepayer groups paying an increased proportion of total rates, this will leave a smaller proportion to be covered by the Feilding Residential and Industrial and Commercial ratepayers, and as a consequence, their rates will decrease as a result of this proposal. Rates for these ratepayers (and others) will increase as a result of other proposals in this plan.</p>	<p>Under this option, all rating differentials and rates will change in the same way as outlined in Option 1. The only difference is that all changes will be introduced as of 1 July 2018, with no phase-in for the General Rates paid by Rural ratepayers.</p>

Preferred Option

Council will adjust the Rating Differentials as proposed in Table 1 and introduce the changes in 2018/19, with the exception of the General Rate differential, which will be phased over a three-year period for Rural ratepayers only.

Based on a comprehensive evaluation of the current distribution of costs and benefits, Council has determined that the changes in rating differentials outlined above better reflect the distribution of benefits. Under the proposed changes, ratepayers in the Rural rating area will pay more towards General and Rooding, and Feilding Rural ratepayers will pay more towards General, Parks, Reserves and Sports Grounds, and Rooding. Feilding CBD ratepayers will pay less towards General and Rooding. There are no rating differential changes proposed for Feilding Residential, Industrial and Commercial, and Utilities ratepayers. However, these properties will pay a smaller proportion of the rates as a consequence of the increased proportion paid by Rural and Feilding Rural ratepayers. The changes would be introduced over a three-year period.

Examples of the impacts on rates for some properties are detailed in the Table 3. *Note that the table only shows changes to the capital value differential-based component of rates. Other increases may be made by Council due to inflation and costs associated with service delivery.*



Howard Voss

Why is the LTP important to me?

The LTP is important as it sets out how Council is planning to provide the infrastructure and services to the community over the next ten years.

Why is Community input important?

The LTP is important as it sets out how Council is planning to provide the infrastructure and services to the community over the next ten years. We need to hear from our community whether we have it right, or wrong, as the final decisions will affect the future of our District.

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final decisions will affect the future of our District

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Table 3. Examples of how the proposed changes will apply to different types of ratepayers

Type of ratepayer	Capital Value of your property	What you currently pay	Change in what you will pay		
			2018/19	2019/20	2020/21
Feilding Residential	\$245,000	\$593	-\$56	-\$88	-\$113
Feilding Residential	\$330,000	\$799	-\$76	-\$119	-\$152
Feilding Residential	\$640,000	\$1,549	-\$147	-\$231	-\$295
Feilding Rural	\$610,000	\$769	+\$567	+\$488	+\$427
Village Residential	\$240,000	\$281	+\$60	+\$74	+\$86
Rural Lifestyle	\$660,000	\$772	+\$165	+\$205	+\$238
Large Dairy Farm	\$10,500,000	\$12,285	+\$2,625	+\$3,255	+\$3,780
Small Dairy Farm	\$5,250,000	\$6,142	+\$1,313	+\$1,628	+\$1,891
Large Sheep Farm	\$6,250,000	\$7,312	+\$1,563	+\$1,938	+\$2,251
Small Sheep Farm	\$1,184,000	\$1,385	+\$296	+\$367	+\$427
Large Industrial and Commercial	\$7,752,000	\$28,014	-\$1,890	-\$3,595	-\$4,836
Small Industrial and Commercial	\$435,000	\$1,623	-\$157	-\$253	-\$322
Feilding CBD	\$510,000	\$3,167	-\$1,244	-\$1,356	-\$1,438
Feilding CBD	\$3,800,000	\$23,598	-\$9,272	-\$10,108	-\$10,716

Please note Table 3 only shows one part of the total rates package and does not reflect the total rates increase for individual properties. There are several other types of rates that Council administers including Kerbside Recycling Targeted Rate and Water Supply Targeted Rates etc. These rates, and any changes to them, are not included in the table above. If you would like a further break down of the total increases visit the Fact Sheet on this subject at www.haveyoursay.kiwi.nz

Is your property type not represented here? Want to know more about the impact of this proposal on your rates? Contact us public@mdc.govt.nz or visit www.mdc.govt.nz—property and rates search, and type in your address.

This proposal causes consequential changes to the Revenue and Financing Policy. The draft Revenue and Financing Policy has been updated to reflect the changes outlined in this proposal. The policy is now open for public consultation. To view the draft Revenue and Financing Policy visit www.haveyoursay.kiwi.nz



TWO:

Protecting people and property from flooding

What is the best way to pay for stormwater improvements?

The Issue

Council is considering the best way to fund the \$5.6 million required to complete necessary improvements to the stormwater systems in our District. These stormwater systems play a vital role in protecting our communities by carrying away excess water from roads and other impermeable surfaces (such as carparks)—thereby reducing the likelihood of homes flooding in times of heavy rainfall. Currently, Council only rates for existing stormwater systems in Feilding, Rongotea and Sanson.

In the past few years heavy rain events have caused flooding in Feilding, Cheltenham, Tangimoana, Himatangi Beach, Rongotea, Sanson and Halcombe. Heavy rainfall and other extreme weather is also likely to become more frequent in the future as a result of a changing climate, putting additional pressure on our stormwater systems. Floods are distressing, costly and disruptive for affected communities and we want to minimise the risk of such flood events in the future. We are proposing to undertake significant improvements to the stormwater network throughout the District.

We propose establishing new stormwater networks in Cheltenham, Tangimoana, Himatangi Beach and Halcombe, as well as making further improvements to existing schemes in Feilding, Sanson and Rongotea. This will mean creating additional network capacity to deal with the additional stormwater generated by these new and extended schemes. These improvements to stormwater management in the District will also ensure that Council complies with legal obligations, resource consent conditions and the Manawatū River Leaders' Accord.

To fund these improvements to stormwater systems in the District, Council is proposing a change to the existing stormwater funding arrangement, from a targeted rate to a harmonised targeted rate.

Targeted Rate

Currently each stormwater scheme is treated separately and paid for by a targeted rate. This means that only those residents that benefit from the service pay for the service. Only the rates collected for a particular scheme are spent on that scheme. The downside of this arrangement is that smaller settlements with low population numbers have less residents contributing to the costs of the scheme. The significant cost of improvements to establish a satisfactory service in these areas may therefore be unaffordable for small communities.

Harmonised Targeted Rate

Under this funding arrangement, the targeted rate still applies, so residents that benefit from the service pay for the service. However, in contrast to the targeted rate, costs are not scheme-specific. Instead, the total cost of all services is shared amongst those that are provided with the service. This spreading, or 'harmonising', of the costs over a larger pool of residents helps to fund schemes that would otherwise be unaffordable for small communities.

Table 4. The Options

ONE: Establish a harmonised targeted rate to fund improvements in stormwater services	TWO: Continue with the targeted rate to fund improvements in stormwater services
<p>This option involves changing the way stormwater improvements are funded through rates. Increasing the amount of funding for stormwater and harmonising the cost of improvements will enable Council to provide a better stormwater management system for everyone in the District at a more affordable rate.</p>	<p>This option would see no change in the way that stormwater services are paid for. Rates for some ratepayers benefitting from this service would remain as they currently are, but for others, particularly ratepayers living in smaller settlements, rates may increase significantly.</p>

Preferred Option

Council is proposing to use a harmonised targeted rate to fund stormwater system improvements.

Continuing as we are restricts Council's ability to provide better stormwater management to smaller communities. The risk of flooding to people and property is likely to grow over time, due to increasing pressure on the stormwater network and the probability of increased frequency of extreme rain events.

Council believes a harmonised targeted rate across the District is the most equitable way to fund an effective and affordable stormwater management system for all communities that benefit from a stormwater service, including those with only a small ratepayer base. The total cost of the proposed improvements is \$5.6 million, and will be spent during 2018–28 at approximately \$500,000 per annum.

Table 5 below describes the change in harmonised rate that will be paid by those residents that are currently part of a stormwater scheme (Feilding, Rongotea and Sanson) and those that are currently not charged a stormwater rate (Tangimoana, Himatangi Beach, Cheltenham and Halcombe).



Table 5. Impact of Proposed Harmonised Rate

Rating Unit	Current Targeted Rate	Proposed Harmonised Rate 2018/19	Change (\$) 2018/19
Feilding	\$98.00	\$107	+\$9
Rongotea	\$85.00	\$107	+\$22
Sanson	\$86.00	\$107	+\$21
Tangimoana, Himatangi Beach, Cheltenham and Halcombe	N/A	\$107	+\$107

Only households that benefit from stormwater schemes will pay for the service. Each of the households in the scheme will pay \$107 in the 2018/19 financial year (ending June 2019). This figure will increase to approximately \$140 by 2028. If the scheme was not harmonised some households could face rates increases of over \$1,500, depending on the value of improvements required by their local scheme.

The Rating System Policy and the Revenue and Financing Policy have been updated to reflect the proposed change in funding arrangement.

Shane Casey

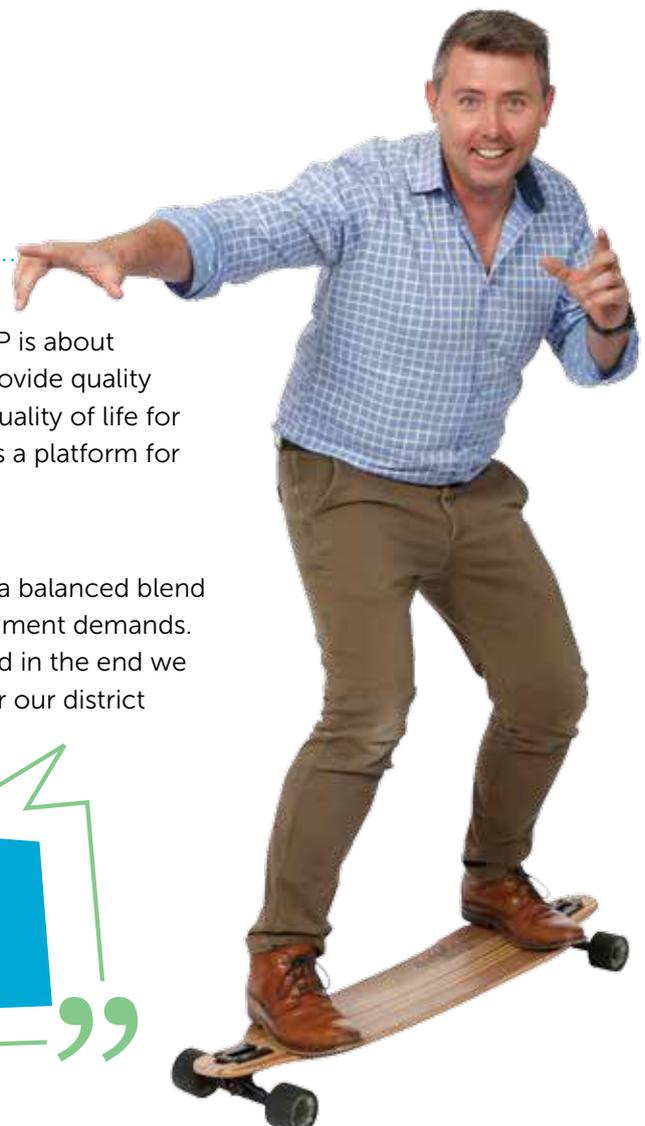
Why is the LTP important to me?

Putting the legislative requirement aside the LTP is about planning for the future and ensuring that we provide quality infrastructure that helps enhance the general quality of life for our people in our district. The LTP also provides a platform for sustainable growth in our wider community.

Why is Community input important?

Community input is critical to helping develop a balanced blend of community needs and wants vs local government demands. To me these aspects power the LTP process and in the end we have an exciting forward thinking document for our district

“ in the end we have an exciting forward thinking document ”



Projects and ongoing commitments

Considering the tradeoffs

We have some hard decisions to make. As a Council we strive to make balanced decisions that serve our community well and which are affordable. We are in the inevitable position of having to balance the budget and sometimes this requires us to say no. We remain open-minded about where to make further savings whilst maintaining good quality services. The following tables include some of the projects and savings we have made to keep the rates increase at the proposed level.

Council has many projects in its Long Term Plan 2018–28. Here are some of the key projects Council has prioritised to proceed with and will be carried out over the next few years. Council is not providing consultation options on these projects as it considers, due to a variety of reasons, these projects represent the best and/or only option available. Some of these projects are new, while others are existing projects that may include new elements and/or require additional investment.

Project figures have been adjusted for inflation.

Phil Marsh

Why is the LTP important to me?

Council must plan for continued population growth for the life of this LTP. Decisions made regarding subdivisions, infrastructure, water, waste, community services and debt management must be well planned, maintained and developed in a timely manner. They must be affordable for old and new residents. Partnering with Tangata Whenua and all our communities ensures informed decisions, fair and equitable for all.

Why is Community input important?

I am a single voice sitting at a table of eleven people who must decide on the direction and growth of our District. Community feedback is paramount. It results in informed, robust debate and two way communication. The result will be a community backed LTP and a strengthened Manawatu where we can all live and prosper.

“ ensures informed decisions, fair and equitable for all ”



New Projects

These vitally important projects will enable Council to continue to provide essential community services.

Wastewater Centralisation Project

The Manawatū wastewater centralisation project will pipe untreated or pre-treated wastewater from the villages of Halcombe, Sanson, Rongotea, Awahuri, Cheltenham and Kimbolton to the Feilding Wastewater Treatment Plant. The Plant has capacity to take wastewater from these areas. Each of these villages currently has a wastewater treatment plant with discharge consents that have expired or are due to expire over the next few years. All of the existing consents involve some discharge of treated wastewater to a waterbody, and obtaining new consents will be time-consuming, difficult and expensive. This project will mean that Council will not need to seek the renewal of current these discharge consents and is the best, cost effective option in the long term.

The Three Waters Asset Management has further details about this proposal.

Council is also working with the New Zealand Defence Force to consider the future options for the Ohakea Airforce Base wastewater management system. We are also working constructively with the industrial trade waste sector to better manage their wastewater.

2018/19	2019/20	2020/21	2021-28
\$1.8 million Sanson to Feilding	\$1.9 million Rongotea to Mt Stewart (eventually to Feilding)	\$1.9 million Cheltenham to Feilding	\$1.7 million Halcombe to Mt Stewart (eventually to Feilding) 2021/22 \$1.6 million Kimbolton to Cheltenham (eventually to Feilding) 2022/23

Turners Road Extension

Enhancing economic growth is one of Council's priorities, and providing access to good quality industrial land is one of the components of successful economic growth. Council is proposing to construct an adequate but basic road from Turners Road to Kawakawa Road as a first step in developing this area. Further enhancements to the road will occur in future years. The extension will enable access to an initial 24 hectares of high-quality industrial land, attracting investment into the District. Council will work in partnership with current landowners and stakeholders to fund and construct this initial stage of the industrial growth area.

This project was included in previous Annual Plans but Council has reduced the scope and cost of project to save costs.

2018/19	2019/20	2020/21	2021-28
\$102,000	\$1.2 million		

Reserves Funds

Repair costs from severe weather events and previous Council decisions to invest in infrastructure has seen a depletion of reserves funds. Council is concerned that without sufficient reserves it cannot respond as readily to any future emergency situations. This could affect Council's ability to provide necessary services and places it in an untenable financial position. At the current time a number of Council reserves funds are in deficit. For example the roading reserve is in significant deficit of \$2.4million. This is primarily due to funding unbudgeted emergency roading works including:

- 2014 \$1.3 million
- 2015 \$0.3million
- 2016 \$2.9million
- 2017 \$2.4million
- 2018 \$2.4million

While a significant portion of these costs are funded from New Zealand Transport Agency Council is still required to fund a local share.

Council is proposing to improve its financial resilience by replenishing and building up reserves. This will enable Council to repay debt, undertake repairs to infrastructure in the event of an emergency or other unforeseen event, and/or respond to unanticipated community requests.

2018/19	2019/20	2020/21	2021-28
\$430,000	\$646,000	\$819,000	1.1 million per annum (avg)

Ongoing Commitments

Many of these projects have featured in previous consultation exercises.

Feilding Water Strategy

Feilding's reservoir at Almadale and the trunk water main into town are nearing the end of their useful lives and are in need of replacement.

The Strategic Water Assessment evaluated whether the renewal of the Almadale water treatment plant is the most cost-effective and resilient option for Feilding's water supply. The outcome of this assessment was that if the Almadale Water Treatment Plant was retired and replaced with a new bore, treatment plant and reservoir on the western side of the Oroua River, savings could be made.

Council will proceed with the construction of a new bore, treatment plant and reservoir, rather than renewing the various components of the Almadale Water Treatment Plant and trunk main. This was determined to be both the most cost-effective and resilient option for Feilding's water supply.

2018/19	2019/20	2020/21	2021-28
\$1.8 million	\$1.6 million	\$1.7 million	\$1.4million

Water Supply

Council will continue to provide good-quality, safe drinking water. Supplies are treated with chlorine and surface water takes are treated with ultra violet (UV). Dependent on further directives from the Ministry of Health (in light of the recent Havelock North water contamination), Council may also implement additional UV treatment.

2018/19	2019/20	2020/21	2021-28
\$2.5 million	\$1 million	\$1 million	\$1 million

Feilding Waste Water Treatment Plant (WWTP)

Over the past ten years a significant upgrade programme has improved the quality of the wastewater discharged from the WWTP. A specially designed irrigation system now enables discharge to land during the dry summer months, which reduces the amount of treated wastewater being discharged into the Oroua River over this period.

2018/19	2019/20	2020/21	2021-28
\$255,000	\$261,000	\$267,000	

Mangaweka Bridge

The Mangaweka Bridge has had weight restrictions in place for a number of years and has reached the end of its useful life. A business case has indicated a full replacement is required. A detailed business case, including community engagement and the replacement options is currently being completed. Funding for the replacement bridge will be shared with Rangitikei District Council and New Zealand Transport Agency. These figures are the Manawātū District Council's share of the project, which will attract a 53% subsidy from New Zealand Transport Agency.

2018/19	2019/20	2020/21	2021-28
\$825,000	\$4.2 million		

Resource Recovery Centre

First proposed in 2015–25 Long Term Plan, Council is now proceeding with the construction of a purpose-built Resource Recovery Centre (transfer station) at a total cost of \$3.5million. Funding for this project includes approximately \$2 million of external funding.

2018/19	2019/20	2020/21	2021-28
\$3.5 million			

District Plan Review

In the Annual Plan 2017/18, Council signalled it would be seeking additional funding for this project. Council is required by law to review the District Plan every 10 years. Reviewing the plan is a significant and complex project requiring input from a range of technical experts and industry professionals, and requires extensive community consultation. The funding requested over ten years will enable a more manageable rolling review to be undertaken.

2018/19	2019/20	2020/21	2021-28
\$611,000	\$623,000	\$318,000	\$325,000 per annum

Growth Precinct 4 Pharazyn Street

In 2013, Feilding's Urban Growth Strategy identified areas in the town suitable for development. Precinct 4 was identified as a priority for development. The required infrastructure, such as roads, footpaths, wastewater and town water supply networks will necessitate considerable investment.

2018/19	2019/20	2020/21	2021-28
\$4 million	\$2.6 million	\$2.7 million	\$11.8 million

Growth Precinct 4 Pharazyn Street—New Park

Council plans to bring forward funding provided for in the 2012 and 2015 Long Term Plans for the acquisition of park land in Precinct 4, as envisaged in the 2006 Open Space Framework and 2013 Feilding Urban Growth Framework. Suitable land will need to be secured in 2018/19 ahead of development.

2018/19	2019/20	2020/21	2021-28
\$934,000			\$681,000

Growth Precinct 4 Pharazyn Street Walkway

Purchase of Pharazyn Walkway—land along the Makino Stream.

2018/19	2019/20	2020/21	2021-28
			\$908,000

Feilding Public Library Redevelopment

Initiated in 2017, plans are now being developed to modernise, extend and carry out seismic strengthening to the existing Library Building, to ensure the building meets the needs of the community now and in the future. The project will be funded by loans and possible external funding (not included in this plan).

The budget includes:

- \$153,000 renewal furniture and fittings including new floor coverings
- \$424,000 for upgrade of library spaces and increased accessibility
- \$4.9 million of major renewals, seismic strengthening and redevelopment.

2018/19	2019/20	2020/21	2021-28
		\$5.4 million	

Kowhai Park

We plan to undertake a range of operational, renewal and development projects to return Kowhai Park to its iconic status in the Manawatū District over the next ten years. Key components include the development of a new exotic bird aviary, fenced playground, renewal of boardwalks and walkways, and replacement of the pond bridge.

2018/19	2019/20	2020/21	2021-28
\$12,000	\$552,000	\$65,000	\$783,000

Johnston Park Redevelopment

This redevelopment comprises resurfacing of the velodrome, lighting renewal, upgrading and refurbishment of changing rooms and toilets.

Other proposed developments, including new changing rooms and the provision of an additional training field, have been removed from budget to reduce costs.

2018/19	2019/20	2020/21	2021-28
\$63,000			\$1.1 million

Victoria Park Lighting and Drainage Upgrade

Funding has been provided to upgrade existing floodlights at Victoria Park as the primary training ground for the Manawātū District. A new playground has been scheduled to respond to urban growth in this area. Planned drainage improvement has been removed from budget.

2018/19	2019/20	2020/21	2021-28
		\$461,000	\$105,000

Timona Park

We plan to build new toilets at the park along with the installation of a new dump station and the extension of road-sealing from Nelson Street to Poole Street.

A proposal to develop a four-changing-room facility with storage and public toilets next to the football clubrooms at the northern end of the Timona Park has been deleted from the plan. However provision has been made to upgrade the existing changing room within the football club rooms.

2018/19	2019/20	2020/21	2021-28
\$288,000			\$22,000

Duke Street Courts Resealing

Resealing of the Duke Street Courts for Saturday morning netball, with resurfacing making provision for tennis courts also.

2018/19	2019/20	2020/21	2021-28
			\$288,000

Earthquake Strengthening Council Building

The Council building is below the new minimum recommended safety standard. Strengthening work is required to ensure the building is fit for every-day operations and also to function as an Emergency Operations Centre in the event of a civil defence emergency.

2018/19	2019/20	2020/21	2021-28
		\$1.9 million	

Feilding and Rongotea Cemetery Development

Extensions are required to meet anticipated demand.

2018/19	2019/20	2020/21	2021-28
	\$35,000 (Feilding)		\$563,000 (Feilding)
	\$67,000 (Rongotea)		\$96,000 (Rongotea)

Rimu Park Exchange and Development

Council plans to purchase the adjoining land parcel from Rimu Park to the Makino Stream to allow for the continuation of the James Palmer Park to Rimu Park Walkway. Development includes relocation of the playground from the existing park to the new Rimu Park with minor development. More significant upgrades of the park will follow in subsequent years, including provision of a walkway, drainage, seating and plantings.

2018/19	2019/20	2020/21	2021-28
	\$813,000	\$79,000	\$210,000

District-wide Halls Maintenance

Ongoing funding for the maintenance of rural halls.

2018/19	2019/20	2020/21	2021-28
\$56,000	\$57,000	\$58,000	\$448,000

Te Kawau Recreation Centre

Seismic strengthening and renewal of key building components.

2018/19	2019/20	2020/21	2021-28
\$7,000	\$78,000	\$81,000	\$115,000

Street Trees and Gardens

Funding required in order to safely and proactively manage street trees and park vegetation.

2018/19	2019/20	2020/21	2021-28
	\$30,000		\$231,000

Community Development Funding

Funding is provided to a number of organisations that Council has partnerships with to deliver community development services to the value of \$356k.

- Also included is Representative Grants \$20k
- Community Swimming Pool Grants \$2k
- Youth Initiatives \$14k
- Community Planning Development and Implementation \$66k
- Event Funds \$55k
- Community Committee Project Funding \$45k
- Grants to other specific organisations include:
 - Te Manawa (museum) \$20k
 - Sport Manawatu \$91k
 - Feilding Civic Centre Trust \$79k.

2018/19	2019/20	2020/21	2021-28
\$748,000	\$765,000	\$780,000	\$796,000 per annum

Economic Development Funding

Council has agreements with the Central Economic Development Agency (CEDA) \$772k and Manfeild Park Trust \$318k to deliver economic development services.

2018/19	2019/20	2020/21	2021-28
\$1.0 million	\$1.1 million	\$1.12 million	\$1.14 million per annum

Projects not included in the Long Term Plan 2018-28

Throughout the development of the Long Term Plan 2018-28, we have already made decisions that will reduce budgets, enabling Council to keep rates affordable and loans manageable. Budgets have been carefully reviewed, and we have decided to delay or cancel some projects from this ten-year period. Even though budgets have been reduced there is no significant impact on essential levels of service.

These projects may be reconsidered in future Annual Plans and Long Term Plans. There are possibly some external funding sources that Council can apply to for project funding. If Council is successful in obtaining external funds some of the projects outlined below may proceed.

Three Waters

Water and wastewater renewal programme \$10 million

The programme to renew water mains and wastewater network has been reduced in scope to save costs.

The reduction in the renewals programmes means that Council has re-positioned its risk profile, balancing a criticality needs framework with a higher risk of network failure. The risk of failure is considered acceptable given that Council has made a considerable investment in water and wastewater renewals over the past six years. Over the past years Council has invested in technology to assess its assets. Asset data indicates the assets are in overall good condition and despite the budget reduction can continue to operate without interruption. However, the move from proactive asset renewal towards a more reactive approach means that maintenance costs could increase. However, it is difficult to quantify costs as it is dependent on the actual level of asset failure and the specific asset(s) that fail. There may be no increase in maintenance costs if the increased risk of failure is not realised. If a failure occurs requiring maintenance Council could potentially fund this from the additional capacity built up in the reserves funds.

Precincts 1, 2, 3 and 5 \$15.6 million

Focus for development is on Precinct 4. There is no other investment planned for the other precincts over the period 2018–28.

Stanway-Halcombe Potable Water Separation \$1.7 million

Council has chosen to wait for clear direction from the Ministry of Health before investing in additional treatment upgrades for water supplies. While \$1.7 million has been removed from budget for this project in 2018–28, Council has committed resources in 2019/20 and 2020/21 to evaluate other options. These options will be subject to further community consultation.

Roading and Footpaths

Non-subsidised footpaths and roads \$6.0 million

No provision has been made to construct non-subsidised footpaths, urban upgrades or seal extensions. Only NZTA-subsidised projects or specified growth projects will be funded by Council.

The budget reductions for footpaths will mean that footpaths will be maintained rather than renewed. No immediate roading deterioration is expected from the budget reductions to roads due to the network being currently at a “fit for purpose” standard. However, the condition of the roads will be continually monitored. Overall there will be little or no immediate impact on levels of service but needs and budgets will be reassessed in future Long Term Plans.

Palmerston North to Feilding Cycleway \$1.2 million

This project has been planned since 2007. A business case has been initiated and Council is awaiting the opportunity to apply for a funding contribution from New Zealand Transport Agency. Council currently has no funding budgeted for this project – it will only go ahead if external funding is secured. Alternative options that align with Regional Land Transport Plans and other initiatives are currently being explored.

Property

Feilding Little Theatre \$1.4 million

Council has reduced its contribution to the overall project which is now limited to roof repairs and strengthening.

Feilding Public Library \$168,000

Minor refurbishment, including replacement of carpet, has been removed and is included as a part of the redevelopment project included in the plan.

Feilding Civic Centre Redevelopment \$566,000

Council has reduced its contribution to the redevelopment project and has not included the purchase of the adjoining property.

Parks, Reserves and Sportsgrounds

Greenspine Public Toilets \$301,000

Development of new public toilets on the Greenspine, which aimed to respond to an increase in pedestrian traffic and recreational use in area, has been cancelled.

Kitchener Park \$910,000

Council has reduced its contribution to Kitchener Park projects from \$1.16 million to \$250,000. The Trust still plans to undertake developments costing approximately \$4 million over the next ten years, including walkways, bridges, construction of the visitor centre and additional planting.

Mt Lees \$354,000

Council has postponed plans to develop the reserve into a freedom-camping site, including upgrades to the public toilet and redevelopment of the homestead.

Himatangi Beach \$343,000

Projects to further develop the area surrounding the toilets and community centre, complete the skate park and undertake remedial sand dune work have been cancelled.

Tangimoana Beach \$80,000

Funding is no longer allocated to the development of the Kina Street Reserve to Ellison Reserve Walkway, reserve pathways, the BBQ area at the playground or the replacement of vehicle barriers.

Rural Reserves and Domains \$239,000

Development and upgrade plans at Vinegar Hill, Londons Ford, Almadale, Cheltenham Memorial Park and all Pohangina Valley Reserves have been cancelled.

Rongotea Village \$104,000

Both phases of redevelopment planned for Douglas Square and further development of Te Kawau Playground have been cancelled.

Sanson Main Street and Sanson Recreation Reserve \$465,000

Funding is no longer allocated for the Recreation Reserve entranceway, new toilets and car park development and Sanson Main Street redevelopment.

Timona Park \$119,000

Planned lighting upgrades to the southern fields have been cancelled.

Makino Park \$263,000

The scope of works for the Makino Precinct has been reduced to focus development on the Makino Aquatic side of the Makino Park and now includes the skate park, playground and car parking.

A number of projects have been cancelled, including the park to CBD walkway, upgrade and beautification of Makino Stream, construction of a second bridge, development on the library side, footpath network, playground and dome, and additional car parking.

Walkway Linkages \$250,000

Plans for future purchase of esplanade reserves throughout the District have been cancelled.

Sanson Walkway and Quail Avenue Walkway \$400,000

Funding has not been allocated for proposals to develop walkways from Mt Lees to Sandon Cemetery and in Mt Taylor from Quail to Homelands Avenue.

Duke Street Court Changing Rooms \$241,000

Funding for the construction of changing rooms to complement the existing toilet block has been removed from budget.

Precinct 4 Reserve \$681,000

No funding has been allocated for car-parking facility or toilets in open space areas.

Public Toilets

Cheltenham Toilets \$283,000

No funding has been allocated for the upgrade and renewal of new Cheltenham public toilets as part of the proposed Cheltenham Memorial Park development.

Cemeteries

Cemeteries \$46,000

The cemetery signage/wayfinding project and the redevelopment of the Child Memorial at the Feilding Cemetery have been cancelled.

Pools

Makino Aquatic Centre Hydrotherapy Pool \$3.88 million

The proposal to construct a hydrotherapy pool will not go ahead.

Disposal of Assets

All of Council's property assets are actively maintained and monitored through an Asset Management Plan. If a property is no longer fit for use, or surplus to requirements it is considered for disposal. Council is proposing to dispose of the following properties and buildings over the next ten years. The disposal of some of these properties will be subject to further consultation with tenants and other interested parties. The buildings will be demolished or removed, depending on the state of the building at the time.

- 139 South Street (previously used as Council's Depot)
- 145 South Street (Tennis Courts) (as per previous Council decision)
- Kimbolton Depot
- Regional Archives
- Tangimoana Beach Motor Camp (buildings only)
- Kawakawa Road and South Street land
- Community House (building only)
- Pohangina Road House (building only)
- Pohangina Depot (building only)
- Old Sanson Library (building only)
- Red Cross House, Grey Street Feilding (building only)
- Rimu Park (possible exchange for alternative land)
- Caretaker's House Kowhai Park (building only).

The following buildings will be demolished due to safety reasons:

- Eyre Street Depot
- Carnarvon School Building (former)
- Clydesdale Hall.

Alison Short

Why is the LTP important to me?

The Long Term Plan is the blueprint for our District's future. Once adopted it becomes our principal guiding document for the next ten years - both financially and strategically. It is the single most important piece of work we undertake every Council term.

Why is Community input important?

The Long Term Plan is the guide to our community's future. We need to be sure we are providing our community with the services, facilities and infrastructure they need while also considering what the community can afford to pay.

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our principal guiding document
for the next ten years

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How much does it all cost?

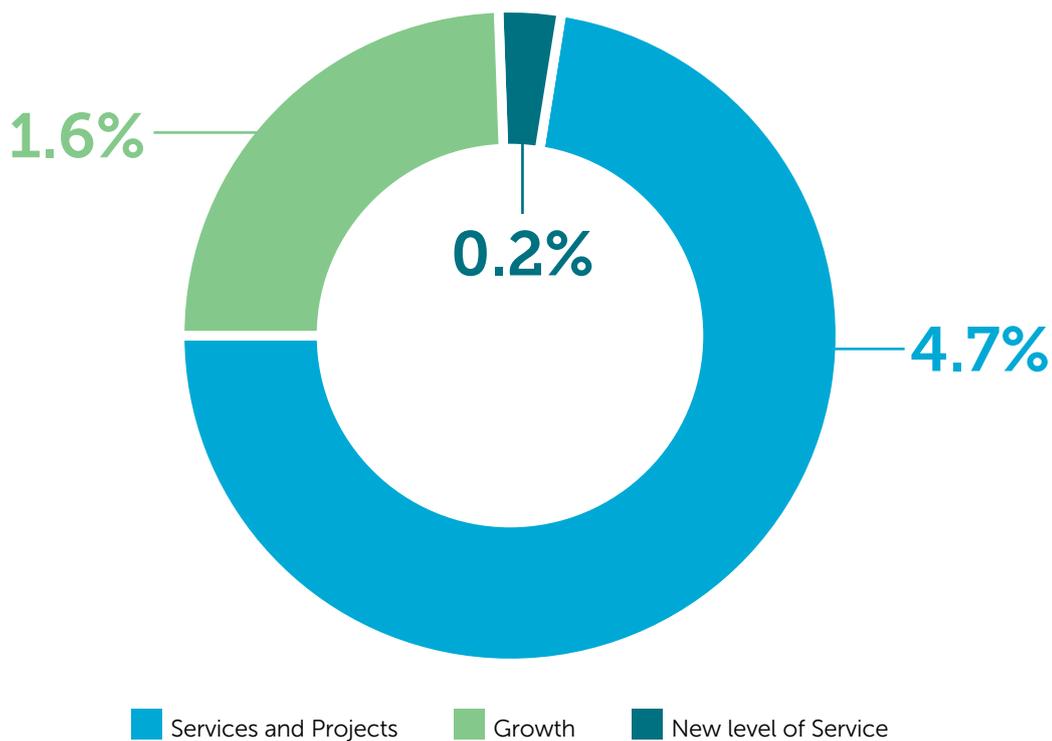
Proposed rates increase in 2018/19

Rates revenue increases are made up of three components

- maintaining existing levels of service,
- providing new levels of service and
- accommodating growth in the District's rate payer base.

Considering these three components Council's is proposing a 6.5 per cent increase in total rates revenue for 2018/19. The majority of the increase (4.7 per cent) covers increased costs to provide services, service loan repayments and the proposals included in this plan. Additionally, 0.2 per cent covers the cost of new levels of service (stormwater improvements), and 1.6 per cent is due to growth in our ratepayer base.

6.5% Rates Increase Requirements 2018/19



Please note these figures do not reflect individual rates rises. The change in rates on individual properties may differ from the average increase, because they are dependent on valuation changes, the mix of rate charges and the combination of services provided.

How is the money spent? Unpacking the 6.5% increase

Inflation = 2 per cent

Household inflation is measured by the Consumer Price Index (CPI). However, this measure is only marginally useful for Councils, which have different cost pressures. Instead, New Zealand councils use the Local Government Cost Index (LGCI), developed by Business and Economic Research Limited (BERL), to determine inflation. This year, the LGCI is 2 per cent. It reflects the cost pressures associated with roading and construction costs that are influenced by commodity prices and the availability of specialist staff.

Interest = 2 per cent

Council has approximately \$60 million of loans that it is required to pay interest on. Loans are used to fund the cost of capital projects so that the cost of the project can be spread over the life of the asset. Some assets are useful for a long time and provide service to more than one generation. For example, pipes and bridges often have an estimated life of 60 to 100 years. Council takes into account how today's decisions will impact on current and future generations and that it is fair to expect those people who benefit from the service should pay for it. For example, long life assets may be funded by a loan. Council has funded the construction of various infrastructure projects through loans, including:

- Upgrades to the Feilding Waste Water Treatment Plant
- Makino Aquatic Centre redevelopment
- Feilding CBD redevelopment.

Levels of service = 1.8 per cent

This component is made up of increases to a number of budgets, necessary to deliver on the projects and maintaining existing levels of services we have set out in this consultation document and our Long Term Plan. We've worked hard to keep this percentage increase low by reducing a number of project and operational budgets. Here are some of the budgets that have changed:

Increases in costs to provide existing levels of service:

- Parks, Reserves and Sports Grounds
- Makino Aquatic Centre
- Wastewater

Increases in costs to provide new levels of service:

- Stormwater improvements

Savings:

- Roothing
- Water Supply

Reserves Funds = 0.7 per cent

Council is proposing to improve its financial resilience by building up reserves. This will enable Council to pay debt, undertake repairs to infrastructure in the event of an emergency and/or respond to unanticipated community requests. The reserves will be collected via General Rates. (See Financial Strategy Summary, page30, for more details.)

How will my rates change?

This table provides examples of different rating categories as they may apply to properties of various capital values, and shows the annual change in rates as a dollar figure and percentage. Actual changes, as they apply to specific properties, may depend on the capital value of the property, services provided and location.

Rating Category	Capital Value (\$)	2017/18 Total Rates (\$ GST incl.)	2018/19 Total Rates (\$ GST incl.)	Annual Change (\$)	Change (%)
Feilding Residential	\$245,000	\$2,885	\$2,935	\$50	1.7%
Feilding Residential	\$330,000	\$3,091	\$3,121	\$30	1.0%
Feilding Residential	\$640,000	\$3,841	\$3,800	\$-41	-1.1%
Feilding Residential (multi-unit)*	\$2,420,000	\$32,733	\$33,792	\$1,059	3.2%
Feilding Rural (no water)	\$450,000	\$2,474	\$3,026	\$552	22.3%
Feilding Rural with services	\$610,000	\$2,841	\$3,509	\$668	23.5%
Feilding CBD ^	\$3,800,000	\$43,586	\$35,385	-\$8,201	-\$18.8%
Feilding CBD	\$510,000	\$7,428	\$6,385	\$-1,043	-14.0%
Rural with no services	\$147,000	\$1,067	\$1,164	\$97	9.1%
Rural with no services	\$660,000	\$1,667	\$1,892	\$225	13.5%
Rural with services	\$195,000	\$2,305	\$2,462	\$157	6.8%
Rural with wastewater	\$240,000	\$2,097	\$2,375	\$278	13.3%
Rural with farming as one remission	\$1,184,000	\$1,385	\$1,681	\$296	21.4%
Rural with no service, 3 dwellings	\$6,250,000	\$9,997	\$11,740	\$1,743	17.4%
Rural with drainage scheme - 2 dwellings	\$5,250,000	\$8,860	\$10,498	\$1,638	18.5%
Rural with Waituna West water (47 units), 2 dwellings	\$10,500,000	\$29,256	\$34,304	\$5,048	17.3%
Industrial/ Commercial	\$435,000	\$3,530	\$3,506	\$-24	-0.7%
Industrial/ Commercial	\$7,752,000	\$28,909	\$27,079	\$-1,830	-6.3%

* Does not include volumetric charges – wastewater and water

^ Does not include volumetric charges – water only

How will my rates be used?

Feilding Resident

Based on a property with a Capital Value of \$330,000

Rural Resident

Based on a property with a Capital Value of \$769,000 without services

Annual rates **\$3,121**

\$2,103

Weekly rates **\$60.01**

\$40.43



Water
\$6.88 per week



Wastewater
\$14.71 per week



Stormwater
\$2.06 per week

Rural drainage
\$1.08 per week



Solid Waste
\$3.87 per week

\$1.60 per week



Roading
\$6.50 per week

\$12.58 per week



Environmental Services
\$3.42 per week

\$3.42 per week



Governance & Strategy
\$3.48 per week

\$3.48 per week



Cemeteries
\$0.52 per week

\$0.52 per week



Civil Defence
\$0.44 per week

\$0.44 per week



Animal Control
\$0.42 per week

\$0.42 per week



Halls & Recreation Complexes
\$0.90 per week

\$0.90 per week



Library
\$2.62 per week

\$1.86 per week



Makino
\$3.73 per week

\$2.66 per week



Parks & Reserves
\$4.35 per week

\$3.13 per week



Public Conveniences
\$0.65 per week

\$0.65 per week



General*
\$5.64 per week

\$7.69 per week

Financial Strategy Summary

What guides us

The Financial Strategy provides a financial framework for making decisions. Put simply, it enables Council to assess proposed spending against rates and borrowing requirements over the ten years of the Long Term Plan 2018–28. It draws together all of the issues in the Long Term Plan and their financial implications, and presents these along with the Council’s response. Here are some of the key financial issues Council will face over the next ten years.

Managing our borrowing levels

As at July 1 2018 Council has the capacity to borrow \$87 million. This limit is set by lending covenants, not by Council. The limits set in our Liability Management Policy mirror our lending covenants. The maximum debt allowed in the Financial Strategy is based on whichever limit in the Liability Management Policy yields the lowest debt, less a \$5 million emergency buffer. In this case the lowest debt limit not exceeding 175% of revenue.

Over the life of the Long Term Plan Council will have the capacity to borrow more; up to a maximum of \$108 million. Council has taken a conscious step in the Financial Strategy to limit the level of debt to \$5 million less than our borrowing capacity. This buffer provides Council with capacity to respond to emergency works caused by natural disasters. By the end of the 2017/18 financial year Council is expected to have borrowed \$62 million, which will constrain our borrowing capacity over the next ten years. We are mindful that a single infrastructure project or significant emergency works could use up this remaining borrowing capacity. Council seeks to improve its financial resilience by reducing the number of projects funded by loans and repaying existing debt.

Council is proposing to improve its financial resilience by building up reserves. Reserve funds will enable Council to pay debt, undertake repairs to infrastructure in the event of an emergency, and/or respond to unanticipated community requests. The 2018-2028 Long Term Plan proposes to build up reserve funds by \$430,000 in 2018/19, \$646,000 in 2019/20 and \$819,000 in 2020/21 and \$1.1 million per annum (on average) in each subsequent year. Reserve funds will be collected via the General Rate.

Hilary Humphrey

Why is the LTP important to me?

The LTP is a bit like a recipe for the future of our community. I want to make sure the ‘dish’ we create not only looks and tastes fantastic, but also fuels and nourishes our economy, our people and our community spirit.

Why is Community input important?

Each and every person in our community is a vital ingredient in this plan. Your feedback is the essential taste test as we work out where we need to adjust the seasonings or balance the flavours to get this recipe right.

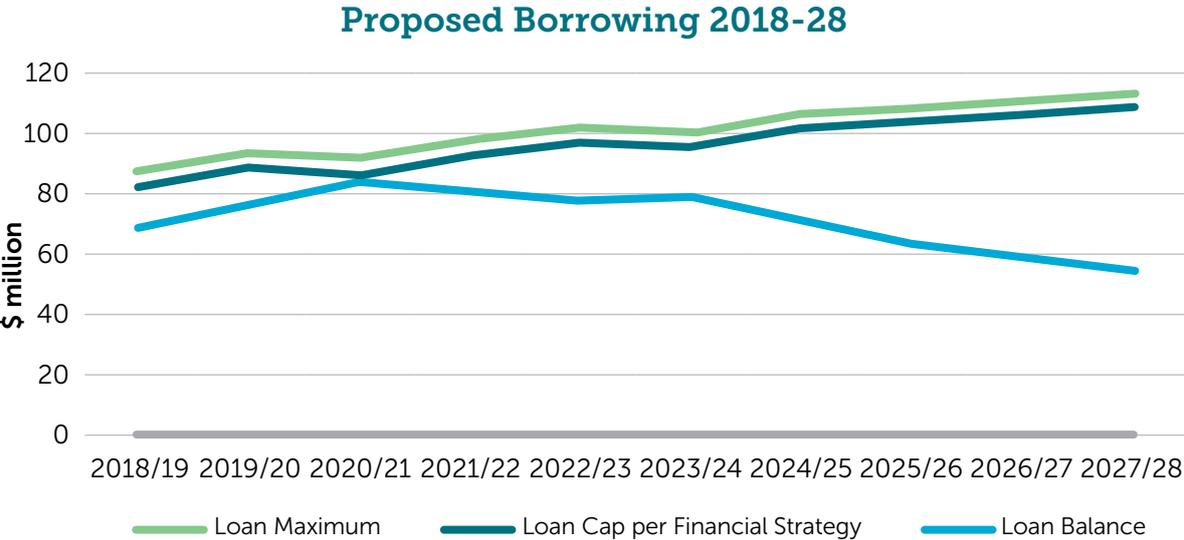
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every person in our community is a vital ingredient in this plan

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The chart below shows Council’s proposed debt over the next 10 years, together with the maximum planned debt allowed according to the Financial Strategy. During the 10 years of the Long Term Plan, Council comes within \$2.5million to the cap in 2020/21 as it funds significant capital expenditure to enable growth and new compliance requirements. In 2021/22 the reduction of capital expenditure and loan repayments have enabled debt levels to stabilise. The debt cap is a maximum limit and Council is not planning on operating near the limit in the long term.



Infrastructure investment

Council owns assets with a depreciated replacement cost (book value) of \$670 million, including roads, water and wastewater treatment plants, parks, halls and buildings. The costs of maintaining assets and providing current levels of service is a major driver behind rates increases. Investment in “Three Waters” (drinking water, stormwater and waste water) asset renewal is currently set at a level lower than recommended by Asset Management Plans due to Council’s debt cap constraints and is a short-term cost-saving initiative. In subsequent Long Term Plans, Council will make up for reduced spending in 2018–28 as debt limits allow from 2028/29 onwards. Reduced renewal investment increases the risk of network failure and may potentially lead to higher maintenance costs. Assets that do fail will require emergency repair works and may require unplanned funding.

Rates affordability

Council carefully considers the affordability of the proposed rate requirements both for the Council and ratepayers. When setting rates Council considers:

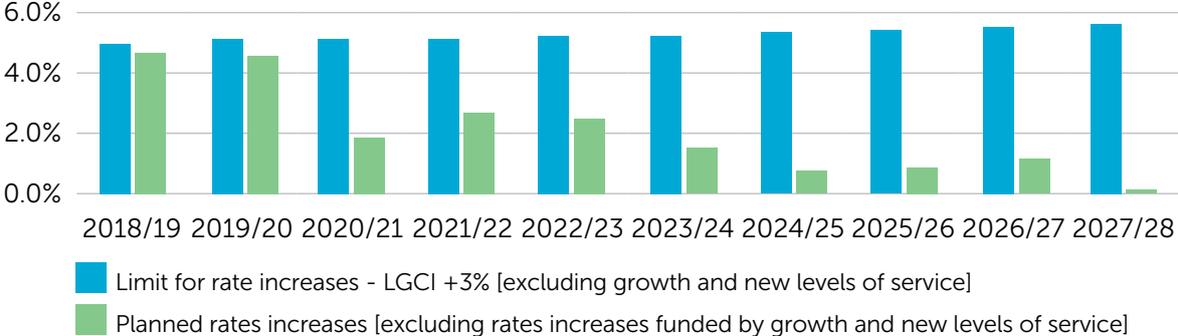
- the levels of service provided
- intergenerational issues
- other sources of funds
- debt levels
- legislative requirements
- external factors e.g. interest, inflation and changes to external funding
- what our ratepayers can afford.

To provide certainty to the community, Council sets a rates increase limit. Proposed rates increases for the next ten years have been limited to the Local Government Cost Index (LGCI) plus three per cent, excluding growth and new levels of service. This is one per cent lower than the previous Financial Strategy in 2015. As noted, the LGCI measures the year-on-year price change of goods and services typically used by local authorities.

Rates increases

The graph below shows projected total rates increases against set limits over the ten years 2018-28. The most significant rise is forecast in 2018/19 at 4.7 per cent with the lowest in 2027/28 at 0.1 per cent. Over the next ten years, the average total rates increase per annum is 2.1 per cent. Smaller increases beyond 2021/22 are likely to rise when reviewed as part of the three-yearly Long Term Plan process.

Rates Limits and Planned Increases 2018-28

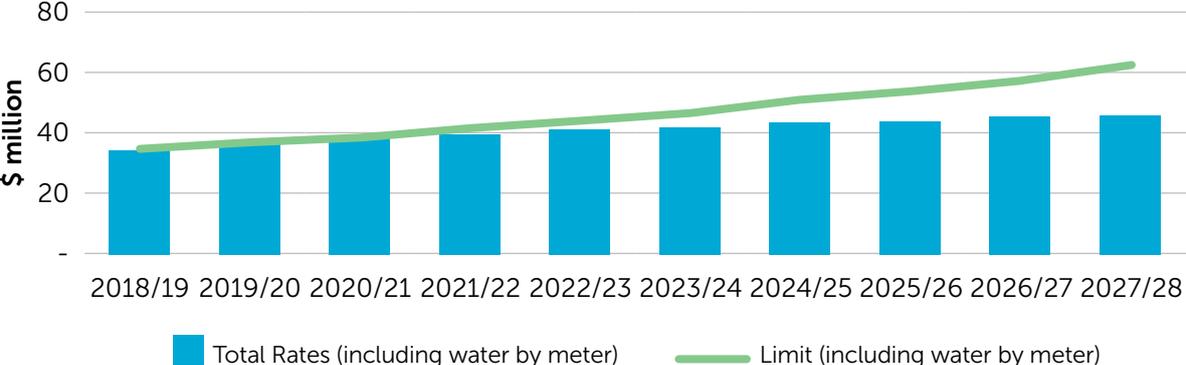


Rates limits

The graph below shows the rates revenue and rates limits for the next 10 years. Rates income limits include the upper limit of rates increases plus rates generated from new levels of service, plus forecast growth in households, plus rates generated by water by meter. Water users include extraordinary users as defined in Council’s Water Supply Bylaw 2015 and ratepayers who opt for volumetric charging.

Total rates commence at \$34.5 million for the 2018/19 year and increases to \$45.7 million over the next 10 years.

Total Rates and Rates Limit 2018-28



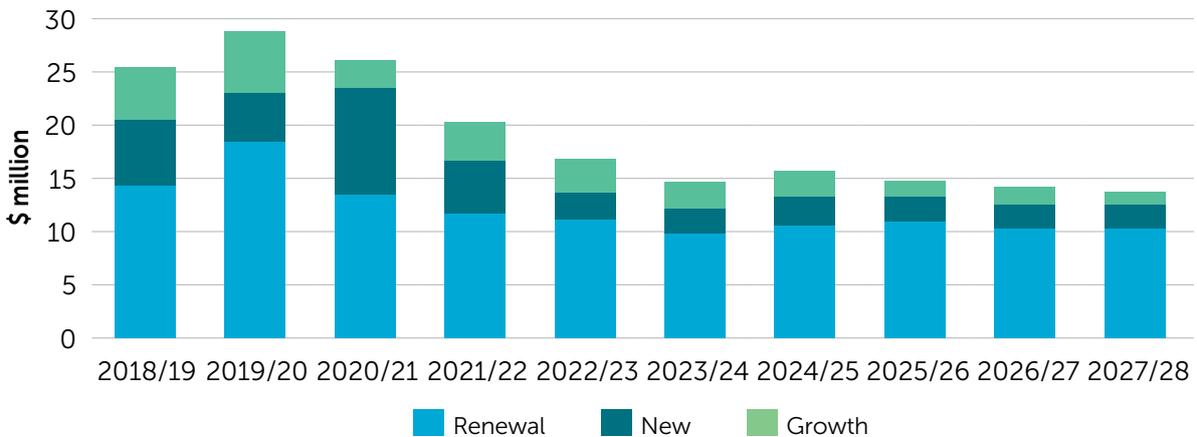
Proposed capital expenditure

The graph below shows the amount of capital expenditure budgeted to maintain existing levels of service and meet any additional demand on Council infrastructure.

Roading expenditure is a significant component of capital expenditure. In 2018/19 Council plans to spend \$8 million (or 32%) of total capital expenditure on the roading network. This figure fluctuates over the 2018–28 period. The spikes in this expenditure over the 10 years reflect significant projects such as the Mangaweka Bridge replacement in 2019/20.

Work is planned to extend our services to cater for the expansion of the Feilding township. Council believes the resources made available in the Long Term Plan give us the ability to meet levels of service requirements.

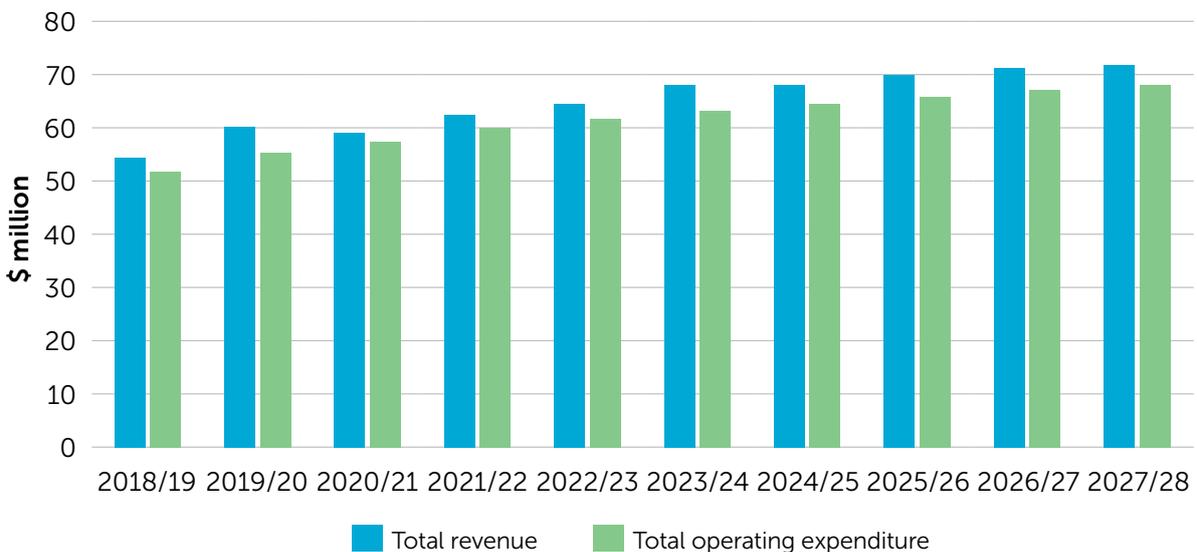
Proposed Capital Expenditure 2018-28



Balanced budget

Council is required to balance its budget by ensuring that operating expenses are covered by operating revenue. The graph below shows a balanced budget for the term of the Long Term Plan.

Total Revenue and Operating Expenditure 2018-28



Infrastructure Strategy Summary

Future investment over 30 years

The Infrastructure Strategy covers roading, water supply, wastewater and stormwater assets owned and maintained by Council. It sets out the key issues that Council is forecasting over the next 30 years, the options for dealing with those issues, the cost and implications of those options and Council's preferred option for addressing each issue.

Our goal for the Strategy is ***"to provide the Manawatū community with resilient infrastructure in a cost-effective way, meeting both current needs and future growth and demand."***

Infrastructure decision-making requires a balance between facilitating growth and meeting community expectations and agreed levels of service within debt limits and at a rate that the community can afford.

Our District's population is projected to grow by an average of one per cent per annum for the next 30 years. Our population is forecast to total 40,324 people by 2048. Council is providing for growth by investing in new infrastructure within the Precinct 4 Pharazyn Street residential growth area in Feilding and is consulting on options for the Turners Road extension to facilitate industrial growth and development in Feilding.

Our population is also ageing, with the proportion of residents aged 65 years or older forecast to increase from 18 per cent of the total population in 2018, to 28 per cent by 2048. Council is conscious of the need to provide affordable services, particularly for those on fixed incomes.

Overall, Council is looking to maintain current levels of service. An exception to this is Council's recommendation to increase stormwater levels of service in some of the villages in the District. This is one of the key issues we are consulting on through this draft Long Term Plan.

Typically, Council follows good asset management practices, renewing assets before they fail. However, for the 2018-28 period Council has had to reduce the water and wastewater renewals programmes to ensure that projected expenditure remains under the Council's debt cap. The decision to move from a proactive to reactive renewals programme means that Council will carry a higher risk of network failure and therefore potentially face higher maintenance costs and network disruptions. Council will continue to actively manage its renewals programme in subsequent Long Term Plans to make up for reduced spending in 2018-28 as debt limits allow from 2028/29 onwards. If a failure occurs requiring maintenance Council could potentially fund this from the additional capacity built up in the reserves funds.

Timeline of Significant Projects for the next 30 years

2018 to 2023	Wastewater Centralisation	\$8,942,800
2018 to 2028	Feilding Water Strategy	\$6,465,280
2018/19 to 2027/28*	Precinct 4 Pharazyn Street - Growth Works	\$21,278,563
2018 to 2020	Mangaweka Bridge	\$5,038,430
2018 to 2020	Turners Road Extension	\$1,297,900
2018 to 2028	District-wide Stormwater	\$5,683,500
2023 to 2025	Re-consenting of the Feilding Wastewater Treatment Plant Resource Consent	\$1,622,143**
2038 to 2048	Stormwater Growth Works in Precincts 1, 2, 3, 5, 6 and 7	\$23,392,025
2038 to 2048	Water Supply Growth Works in Precincts 1, 2, 3, 5, 6 and 7	\$11,696,013
2038 to 2048	Wastewater Growth Works in Precincts 1, 2, 3, 5, 6 and 7	\$11,696,013
2028 to 2038	Water and Wastewater Renewals Expenditure	\$10 million to \$20 million***
2027 to 2048	Replacement of 20 bridges and structures	\$31,923,790
2032/33	Vehicle bridge across the Makino Stream to connect Port Street East and West	\$4,263,426
2036/37	Pedestrian/cycle bridge across the Makino Stream to connect Roots Street East and West	\$2,417,954
2040/41	Vehicle bridge across the Makino Stream to connect proposed Road 2 East and West	\$5,485,254

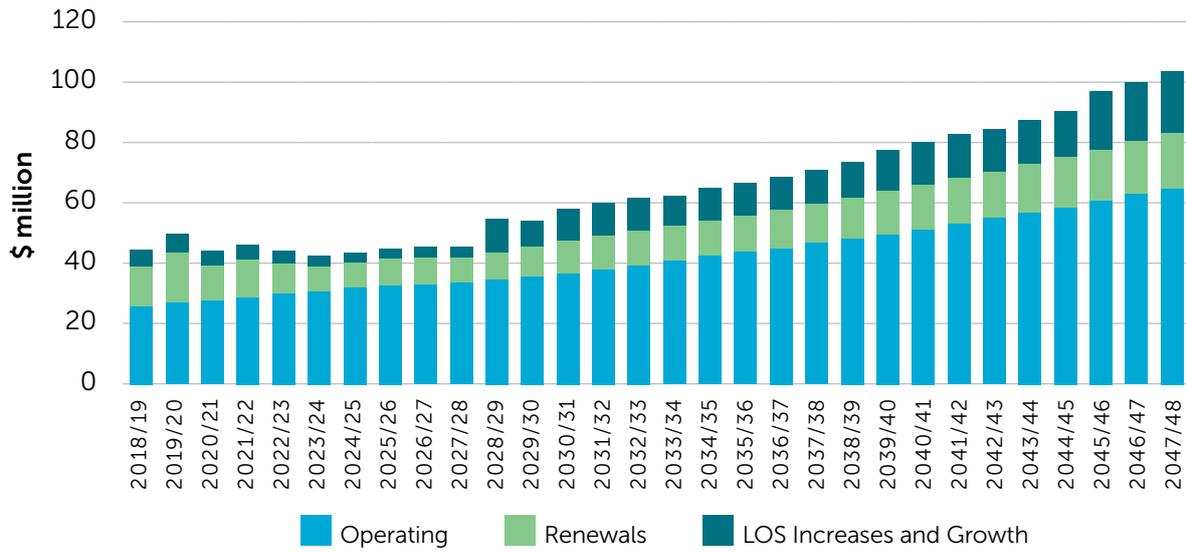
*The Infrastructure Strategy also includes an indicative budget for growth works in Growth Precinct 4 beyond year 2028.

**This budget is only for the renewal of the consent. It does not include any additional expenditure that may be required to satisfy new requirements of the resource consent.

***This renewals expenditure is not currently included in the 30 year budget but may be added to subsequent Long Term Plans depending on need and financial capacity within debt limits.

Based on the most likely scenario as set out in the Infrastructure Strategy, the following graph is the forecast capital and operating expenditure for roading and 3-Waters. Projects are categorised into purpose of expenditure based on the majority of expenditure, with individual projects not split between renewal and levels of service increases/growth.

Annual Operating and Capital Expenditure Roading and 3 Waters 2018-48



The Infrastructure Strategy can be viewed in full at www.haveyoursay.kiwi.nz

Andrew Quarrie

Why is the LTP important to me?

It is a means to stay committed and in touch with the wishes and desires of the ratepayers.

Why is Community input important?

Sets the direction and issues the community wishes to focus on into the future.



Other consultation – out now!

Revenue and Financing Policy

Council is required to identify how it will fund the range of services it provides. The policy has been reviewed and is now open for public consultation. This information is included in the Revenue and Financing Policy. To view the policy visit www.haveyoursay.kiwi.nz

Development Contributions Policy

When new land is developed, the developer is charged a contribution fee toward the costs of infrastructure such as water and sewerage pipes, and facilities such as parks and reserves. The policy guiding how these fees are calculated and the projects the fees will be allocated to has been reviewed and is currently out for public consultation. Consultation on this policy closes on May 3. Please go to www.haveyour say.kiwi.nz for copies of the draft policy and further information on how to have your say.

Fees and Charges

There are legal requirements for Council to consult on some of the fees and charges that customers pay for services. We are currently consulting on District Planning Fees and Food Act Fees. While these fees are not part of the 2018-28 Long Term Plan they are being consulted on at the same time. For more information visit www.haveyour say.kiwi.nz

Steve Bielski

Why is the LTP important to me?

Extremely important to have a LTP, of where we are heading, what are the costs involved in implementing the plans of all that council is responsible for.

Costing the projects, what will be the rate rise % be for each year so it's important to have a detailed plan to keep all the maintenance, and future development of growth in our sights.

Why is Community input important?

Our District is made up of many communities which their uniqueness make up a very vibrant Manawatu. It's very important that we continue to get input and an excellent working relationship alongside them. To work with them on their community plans to see the fulfilment of the plans over the years that has been started or about to start.

“

to see the fulfilment of the plans over the years

”



Future consultation - other opportunities to have your say!

Earthquake-prone buildings

The District has a number of earthquake-prone buildings that could pose a risk to public safety in the event of an earthquake. A new national system for managing earthquake-prone buildings in New Zealand came into effect on 1 July 2017. Council has established an Earthquake-prone Building Working Party to assist and support owners of earthquake-prone buildings. To date, meetings and discussions have been held with specialist architects and advisors about possible options. In September 2018, Council will undertake community consultation to identify vehicular and pedestrian thoroughfares with sufficient traffic to warrant prioritisation for the identification and remediation of earthquake prone buildings that either pose a risk to life safety, or are critical to recovery in an emergency. Dates and opportunities to have your say will be published on Council's website www.haveyoursay.kiwi.nz and in the *Feilding Herald*.

In the meantime, Council is also considering how it can best enable building owners to reinstate and seismically strengthen their building or redevelop their property, if necessary. The District Plan, which guides development and management of land and some buildings in the District, is being reviewed. In implementing the new national system, the general aim is to protect public safety and retain some heritage amenity. This is likely to be achieved through a balance of demolition and redevelopment and strengthening of iconic or high-value heritage buildings where appropriate. Further consultation on this topic and the District Plan provisions will occur in 2018/19.

Community Facilities Provision Plan

Council will develop a strategic plan to assess future needs, determine priorities and strategic direction for the provision of community facilities. In addition to work to scope the design for the Feilding Public Library redevelopment project, this plan covers the Little Theatre, Civic Centre, all rural halls, any Council property with a community function and community properties used by the community. Consultation will occur during 2019/20.

Community Development Strategy

Council will be developing a strategic framework for community social infrastructure and building community capacity. The aim of the strategy is to clarify Council's role and its priorities in this area. The development of the strategy is expected to take at least 12 months, with public consultation on a draft strategy scheduled for March/April 2019. The new strategy will come into effect from 1 July 2019.

Sports Facilities Provision Plan

The aim of this plan is to determine what sports facilities are required in the District now and in the future. The development of the plan is underway and consultation is scheduled for the 2018/19 year.

Representation Review

Every six years all Councils in New Zealand review their representation arrangements, to ensure fair and effective representation for individuals and communities. The review process is contained in the Local Electoral Act. The Manawatu District Council will be reviewing its representation during 2018, including the number of Councillors, whether they are elected from Wards or the District as a whole, and whether there should be community boards established. Public consultation on an initial proposal is scheduled for August/September, with a final proposal to be adopted by October 2018.

Easter Trading Policy

Council is planning to consult with the community on possible changes to the Easter Trading Policy. The consultation will occur in 2018.

Barbara Cameron

Why is the LTP important to me?

While it is a requirement under the Local Government Act, the plan ensures that, as councillors, we consider the current and future needs of communities - local infrastructure, public services and regulatory functions, that are cost-effective.

Why is Community input important?

A Councillor's role is to lead and represent, engage and encourage community participation in decision making while considering the needs of people currently living in this community and those who will live here in the future. We can only do that if we know what the community really thinks.

“

we consider the current and future needs of communities

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Auditor-General's report

Independent auditor's report on Manawatu District Council's Consultation Document for its proposed 2018-28 Long Term Plan

I am the Auditor-General's appointed auditor for the Manawatu District Council (the Council). Section 93C of the Local Government Act 2002 (the Act) requires an audit report on the Council's consultation document. We have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 29 March 2018.

Opinion

In my opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2018-28 long term plan, because it:
 - › fairly represents the matters proposed for inclusion in the long term plan; and
 - › identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long term plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the consultation document, as required by section 93C of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

Independence

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

Other than our work in carrying out all legally required external audits, and an assurance review of the Council's Debenture Trust Deed which is compatible with those requirements, we have no relationship or interest in the Council or its subsidiary.



Clint Ramoo

AUDIT NEW ZEALAND

On behalf of the Auditor-General, Wellington, New Zealand



HOW TO HAVE YOUR SAY

www.haveyoursay.kiwi.nz

What do you think
about our plans to make
tomorrow great, today?

SUBMISSIONS

**We welcome your feedback between
now and noon Thursday 3 May 2018.**

You can make your submission in a number
of different ways. Choose what suits you best.
All feedback helps the Council make informed
decisions on the Long Term Plan.

Final decisions will be published on the Council's
website after the final Long Term Plan 2018-28 is
adopted on 21 June 2018.

Long Term Plan Submission Form

Closing date for submissions:

4pm Thursday 3 May, 2018

Email: submissions@mdc.govt.nz

Hearing dates: 14–16 May 2018

Postal:

Manawatū District Council
Freepost Authority No. 508 Feilding

Website: www.haveyoursay.kiwi.nz

Is your feedback on behalf of an organisation (if yes, this confirms you have authority to submit on the organisation's behalf)? Yes No

Organisation (if any):

Name or Contact Person:

Email or Postal Address:

Postcode

Do you want to make your submission in person? Yes No

Please note: as required by the Local Government Official Information and Meetings Act 1987, all submissions will be regarded as being publicly available, and may be made available on the Council's website. However, you may request your contact details (but not your name) be treated as confidential. If you want your contact details withheld, please let us know by ticking this box.

Please tick preferred dates and times.

<input type="checkbox"/> 14 May 8:30–11:30am	<input type="checkbox"/> 14 May 1:00–4:30pm	<input type="checkbox"/> 14 May 6:30–8:00pm
<input type="checkbox"/> 15 May 8:30–11:30am	<input type="checkbox"/> 15 May 1:00–4:30pm	
<input type="checkbox"/> 16 May 8:30–11:30am	<input type="checkbox"/> 16 May 1:00–4:30pm	

Key Issue Questions

ONE: Changes to the Rating System

What is the fairest way to distribute the cost of services?

- Our preferred option is to adjust the Rating Differentials as proposed in the tables on pages 9-11. The changes will be introduced from July 2018, with the exception of the rating differential for General Rates, which for Rural ratepayers, will be phased in over a three-year period.
- The other option is to adjust the rating differentials as proposed in the tables on pages 9-11 and introduce all changes from July 2018.

What do you think?

TWO: Protecting people and property from flooding

What is the best way to pay for stormwater improvements?

- Our preferred option is to introduce a harmonised targeted rate.
- The other option is to retain a targeted rate for each scheme.

What do you think?

What do you think about the other proposed policies and strategies included in the Long Term Plan? For example the Revenue and Financing Policy and Development Contributions Policy?

Apart from the Key Issues what other decision(s) would you like Council to make?

What questions would you like Council to answer?

Any other comments? If you want to just share information and do not require a specific response to your comment then please indicate this in your submission.

Supporting documents

If you have any additional information you wish to add to your submission, please attach it to your written submission, email submission sent to **submissions@mdc.govt.nz**, or your submission via the website **www.haveyoursay.kiwi.nz**

Some helpful hints about making submissions

Please clearly identify in your submission what question you would like Council to answer or what action you would like Council to take.

If you want to just share information and do not require a specific response then please indicate this in your submission.

Where Council has provided options please indicate which option you support.

Council welcomes submissions about other issues not presented in the Long Term Plan 2018-28.

Submissions come in different forms: written, spoken, drawn, filmed and from individuals, groups, businesses. All types of submissions are welcome. Council aims to make the process of making a submission as easy as possible. If you need some assistance making your submission please contact one of your friendly Elected Members. Contact details can be found at www.mdc.govt.nz

Frequently asked questions

Q Can I come and talk to Council about my submission?

A Yes! You are welcome to come to a meeting and present your submission in person. There are several options available over 3 days during May 14-16 including day and evening sessions.

Q What can I expect on the day I come to make my submission?

A A greeter will meet you and show you to the Council Chambers. You will be welcomed by the Mayor and then asked to present your submission. You will have 15 minutes to make your submission. The Councillors may ask you some questions to help understand your views. A decision will not be made on the day. This happens at a later stage.

Q How soon can I expect a response to my submission?

A An email will be sent to you following deliberations by 28 May. This will be followed by a letter sent to you following adoption of the plan by 13 July.

Q What form of response will I receive?

A You will receive an email and then a follow up letter notifying you of Council's decision. The email will be brief, and will include the official decision relating to your submission as recorded in council minutes. For example "Council has agreed to provide \$20,000 for the construction of a walkway at Mt Washington in 2018/19". A more detailed letter, signed by Her Worship the Mayor will follow.

Q Can I submit on other matters not included in the Long Term Plan 2018-28?

A Yes, you can. The most important thing is to clearly identify what action you would like Council to take about your submission.

WE LOOK FORWARD TO HEARING FROM YOU



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