

LONG TERM PLAN 2018 - 2028



Making tomorrow great, today

What is the best way to pay for stormwater improvements?

How do we fund the \$5.6 million required to complete necessary improvements to the stormwater systems in our District. Stormwater systems protect our communities by carrying away excess water from roads and other surfaces (such as carparks), reducing the likelihood of homes flooding during heavy rainfall. Currently, Council only rates for existing stormwater systems in Feilding, Rongotea and Sanson.

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.

To fund these improvements, Council is proposing changing the stormwater funding arrangement, from a targeted rate to a harmonised targeted rate.

Option One - 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 and only the rates collected for that scheme are spent on that scheme.

For smaller settlements with few residents contributing to the costs of the scheme, the significant cost of improvements may be unaffordable for small communities.

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. For others, particularly ratepayers living in smaller settlements, rates may increase significantly.

Option two - Harmonised Targeted Rate

Under this funding arrangement, the targeted rate still applies, so residents that benefit from the service pay for the service.

However, costs are not scheme-specific with the total cost of all services 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.

This option will increase the amount of funding for stormwater, and harmonising the cost of improvements will provide a better stormwater management system for everyone at a more affordable rate.

Preferred Option

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

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.

How will this affect my rates?

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.

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

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