

Your city needs you!

Tauranga City is facing a major problem...

Over the next ten years, according to the Council's draft Ten Year Plan, the funding for the activities, projects and services that the Council provides, will get harder to find.

In simple terms, over the next ten years, there is more work to be done than money to pay for it.

This is not a problem that can be blamed mainly on 'the recession' - like the housing crisis, 'cut backs' in spending and increasing unemployment.

This is a problem of the Council's inability to fund its programme of work (essentials not luxuries) using the same funding tools it does now.

You can help the Mayor and councillors by reading about the funding problem facing them and giving them feedback on the ways they might address it. Also you can give them feedback on projects, activities and services you want them to focus on (or not) for the next ten years.

Please read on...

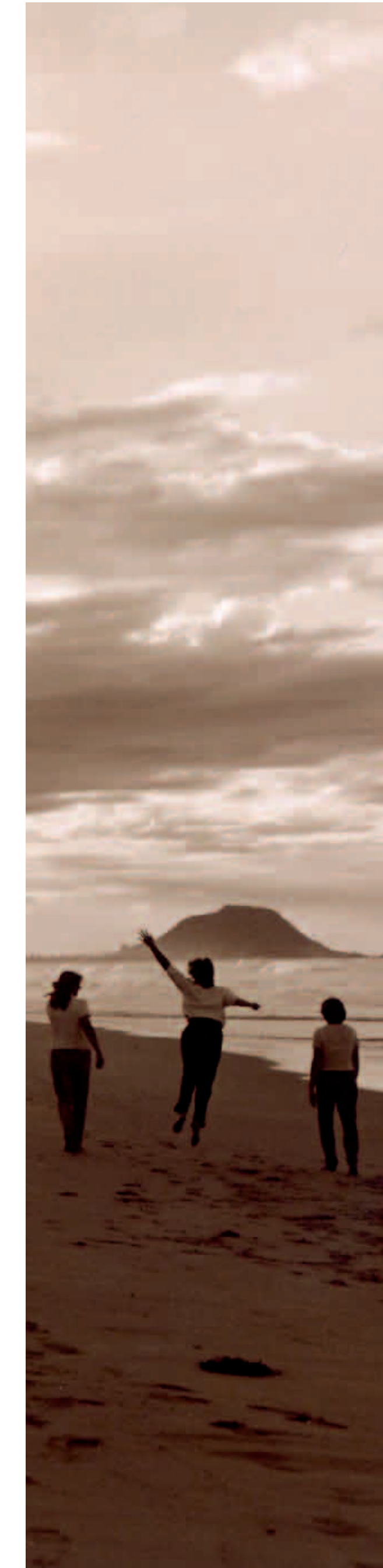


Tauranga City



Summary: Tauranga City Council's Draft Ten Year Plan 2009-2019 (aka Long Term Council Community Plan)

Left to right; Rick Curach, Catherine Stewart, Hayden Evans, Wayne Moultrie, Bill Faulkner, Mayor Stuart Crosby, David Stewart, Mike Baker, Greg Brownless, Bill Grainger and Murray Guy



What is the Ten Year Plan?

The Ten Year Plan is like a contract that the Council makes with you, the residents and ratepayers of Tauranga. And like a contract it specifies all the things that are agreed, understood and promised over the next ten years. In this case it runs from July 2009 to June 2019.

Every single item in the Ten Year Plan will ultimately affect you or your household (even if you do not pay rates directly to us - you are still paying for Council services through rents, user fees and other contributions) if you live, work or play in Tauranga.

What is the major funding problem facing Tauranga City?

In a nutshell - there is more work planned to be done (over the next ten years) than money to pay for it.

The Council can balance the books and fund capital expenditure until part-way through year three. What they can't do is make the books balance for the rest of the ten years.

This means the draft Ten Year Plan, their contract with you, is saying they/we are not financially sustainable. Audit NZ have confirmed this (see quotes on page 3).

A key reason for this dilemma, is a wish to keep rates and user fees and charges as low as possible. [Note: more reasons for the funding problems are explained in the pages that follow.]

The rates are still higher than the Mayor and councillors would like to be presenting to you and many activities, projects and services are being proposed to be cut or reduced already (see page 15). They really do want your feedback to assist them to make the decisions they need to. Hence this Summary is coming to you for your consideration and feedback. And if you want to know more or have your say then see the box on page 3 and read page 16.

This Summary is in four parts:

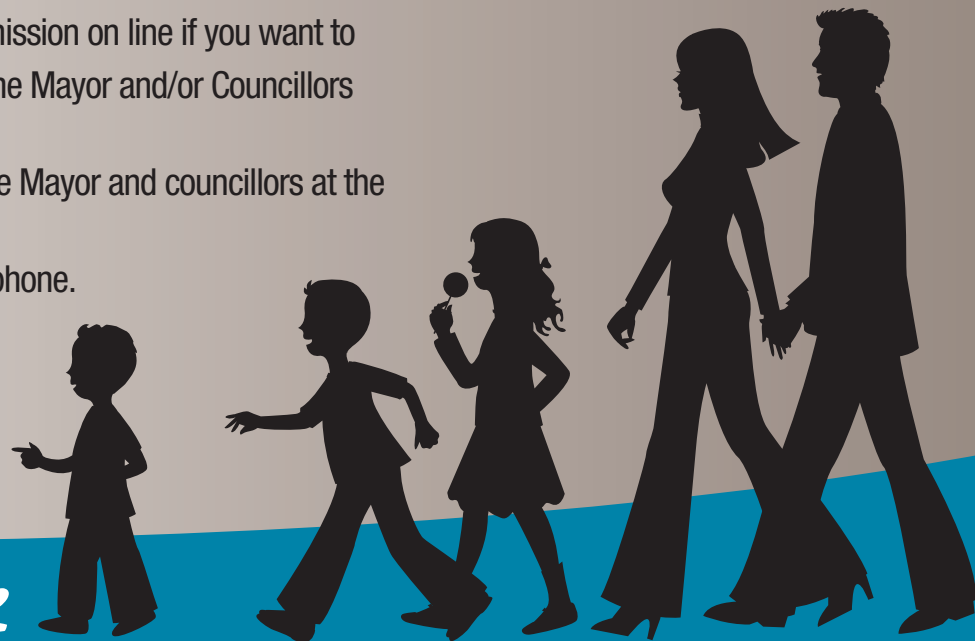
- background information and funding issues
- projects, activities and service proposals the Mayor and councillors would like specific feedback on
- summary of financial information
- submission form.

What can you do?

You are invited to read this summary of the issues and options facing the Council and to either...

- make a submission on the form attached at the back
- call the Council and get a disc of the full draft Plan sent to you
- go to our website and review the full draft Plan – and make a submission on line if you want to
- go to one of the community open days listed on page 16 and ask the Mayor and/or Councillors and staff questions and/or provide your feedback to them directly
- make a submission and speak about your submission in front of the Mayor and councillors at the special Ten Year Plan meetings on 11-14 May
- call our customer service centre and make a submission over the phone.

The key thing is, if you want to have your say and provide some ideas to the Mayor and councillors about what you think should be decided or supported, then PLEASE do so.



www.tauranga.govt.nz

Background Information and Funding Issues

The Ten Year Plan is like a contract between the Council and you – the people of Tauranga.

The Ten Year Plan outlines the:

- projects
- activities
- services

we will undertake for you over the next ten

years. And it provides an estimate of the costs to undertake these.

The draft Plan is built from two things:

- those things that are **essential and necessary** for the future success of the City's growth and development (this is most of the costs)
- those things that you have told us would make the City a better place to live in.

This Summary contains...

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Quotes from the Audit NZ report to Tauranga City Council:

"the community faces a fundamental issue regarding the City Council's ability to fund its forecast expenditure needs over the long term"

"in our opinion the Ten Year Plan is not financially prudent"

"the City Council has decided that reducing forecast expenditure to within prudent borrowing levels would not be delivering responsible outcomes to the community"

"the Council has identified three broad options to address this financial sustainability issue: further reduce the capital expenditure programme, increase the revenue base to fund and/or retire debt, reduce the operating levels of service".

How do we build the Ten Year Plan?

From strategies and plans that the community and the Council have already agreed to, the staff prepare long lists of all the *activities, projects and services* that will deliver on those strategies and plans.

Examples of the sorts of strategies and plans already agreed to are:

- SmartGrowth
- Greerton Neighbourhood Plan
- Community Facilities Strategy
- Transportation Plan
- Waste Management Plan
- Reserves Management Plan
- City Centre Strategy
- asset management plans.

Then timing and costings are added in to the list of actions that need to be taken or **activities, projects and services** being proposed.

The Mayor and councillors review these lists and decide what will stay in and what will go. Very often they are unable to cut one part of a project or activity out without it affecting another project or activity. Or sometimes they want to change the timing of a project or activity but the project is not as flexible as they would like. This exercise can take weeks and months eg this one began in July 2008.

Throughout the process the Mayor and councillors are given full information regarding:

- the costs of projects, activities and services
- the funding opportunities for projects, activities and services
- the timing implications of projects, activities and services
- the constraints and opportunities for all projects, activities and services.

If the Mayor and councillors can't all agree on what should stay in or come out then a vote is taken. The majority decision is then what goes out for public consultation in the draft Ten Year Plan.

Why doesn't the Council have enough money over the next ten years?

How does the Council find itself in the position of not being financially sustainable?

The reasons are many and complex...but are summarised below.

They include a mixture of the following and can be different over different years of the Plan.

Reasons for funding challenge...

- **Existing growth** - Tauranga has grown very fast and we are already behind on the infrastructure the City needs.
- **Future growth** - Tauranga elected members have a duty to plan responsibly for the people they already know are coming (SmartGrowth).
- **Reduced growth** - in the short term growth is slowing down. This means significantly reduced money coming in to pay for the infrastructure already being built to cater for existing and future growth (significant reductions meaning 'in the tens of millions of dollars' bracket).
- **Stormwater** - the slips and floods of May 2005 are still costing millions in repairs and for future protection.
- **Debt** - The Council borrows to build infrastructure today and spreads the cost of paying for it over future ratepayers/residents rather than making today's ratepayers and residents pay for all of it. But as with all borrowing (like a mortgage) there will be limits as to what you can repay – even over a long time. Our Council is one of the most indebted councils in the country - this is mainly because of the speed of our growth. If you want more information on this refer to our website.
- **Level of debt** – so the higher the level of debt, the more risk to the lender and therefore the higher the interest rate (simplistic but this is how it works). The higher the interest rate the more that is required to be repaid.

- **Income** - the Council has very few ways it can get cash to pay for operational expenditure. Rates make up 59% of our income (for operational expenditure) and user fees and charges (including water by meter) - 40% (see table page 5).
- **Low rates** - Tauranga City has one of the lowest levels of rating in the country and it is the second to bottom when compared to the 12 largest cities in New Zealand. The Council, on your behalf, is choosing to keep these as low as possible. (see table on next page)
- **Lower rates than planned** - in the previous Ten Year Plan there were higher rates rises planned but not implemented at the levels proposed.
- **User fees and charges** - it is difficult to compare apples with apples when talking about councils but again Tauranga generally has a lower rate of 'user-pays' when compared to other cities - this is another income opportunity the Council chooses to keep pretty much as it is.
- **'Essentials not luxuries'** – there is a perception that Council has been wasting ratepayers' money on 'nice to haves' and not 'essentials'. This leads to over-simplification when considering a possible solution. It is a fact that almost all of the rate increases over the past, and for the future, relate to core infrastructure of transportation, water, wastewater and stormwater.

For more detailed information on this issue you are invited to read the section in the full document headed "Financial Sustainability" or go to our website and type 'funding' in the search box.

Note: the Council's credit rating is currently "A" - which is very good (for keeping the costs of borrowing low). If we do not maintain this credit rating then the cost of borrowing goes up.



How the Council funded its activities last year...

Income for operating expenditure	2008/9 Budget
Rates	
General Rates	47%
Wastewater and water Uniform Annual Charge	11%
Water UAC	1%
Other	
Water by Meter	11%
User Fees & Charges	26%
Grants & Subsidies	3%
Other	1%
Income for capital expenditure	2008/9 Budget
Development Contributions	23%
Sale of Assets	4%
Loans Raised	67%
Grants & Subsidies	6%

According to the Rating Enquiry Report released in 2008 Tauranga City was noted as having the second lowest level of rates for any of the 12 cities in New Zealand - despite our huge growth issues – coming second only to Christchurch.

Note: the independent rates enquiry was set up by the previous Government to clarify perceived excesses in the amounts councils were rating property owners.

So what is the problem?

Tauranga City Council is a multi-billion dollar enterprise.

And, like every enterprise, large or small, the Council must balance its books.

And, because it is an enterprise that is governed **by and for the people of Tauranga**, it must balance its books over a long time frame.

And it must **prove** that it is financially sustainable – **as well as** delivering on the business it is set up to do.

The development of this draft Ten Year Plan (after costings have been shaved and revised, project timings adjusted, organisational and external savings made, and some 'nice to have' expenditure removed) demonstrates that, **from part way through the third year, our approach is not financially sustainable.**

To address this problem the Council could do any, or each of, of the following:

1. reduce projects, activities and services (ie cut costs)
2. increase rates or user fees and charges (ie increase income)
3. alter the proportion of one form of income against another (ie have a different funding mix - some up and some down).

The Mayor and councillors have worked very hard already on number 1 and have decided at this time not to adopt 2 and 3 as their preferred options. Therefore they seek your feedback on what they should do that is in the best long term interests of Tauranga.

The Mayor and councillors want your feedback on this very important issue – and suggestions about what they should do with it. Please see the first section on the submission form headed: 'financial sustainability'.

Residential rate comparison including water and wastewater UAC 2006/7

Auckland City	\$2,039	North Shore City	\$1,824
Manukau City	\$1,588	Waitakere City	\$1,405
Wellington City	\$1,429	Tauranga City	\$1,303
Christchurch City	\$1,254	Source: 'Rating Enquiry Report'	

Rates

- how does the Council decide the amount to rate?

Rates will make up 62%, on average, of the Council's income over the next ten years. (Since user fees and charges, and other forms of income, are largely staying the same over ten years... the proportion of income needed from rates will therefore need to increase.)

The Council sets the rates by reviewing the agreed list of all the projects to be achieved, activities to be undertaken, and services to be purchased in the next ten years.

Then the Council works out how much income

it can get from other sources (see table on page 5). Then what is left becomes the rating revenue requirement.

The rating revenue requirement is broken into two parts:

- the UAGC (Uniform Annual General Charge) which is 30% of the total divided equally over all properties
- the general rate – divided based on property valuations (which are worked out independently of the Council).

The proposed amount that the 'general rate' and UAGC will contribute to the Council's activities and service provision is shown in the table below.

The proposed overall rate revenue requirement is shown below

Year	Rate requirement before inflation (\$millions)	Rate requirement after inflation (\$millions)
2008/09	\$72.3	\$72.3
2009/10	\$78.9	\$78.9
2010/11	\$85.5	\$88.0
2011/12	\$89.3	\$94.4
2012/13	\$96.4	\$104.5
2013/14	\$102.0	\$113.7
2014/15	\$107.5	\$123.0
2015/16	\$110.6	\$130.2
2016/17	\$117.2	\$142.0
2017/18	\$117.2	\$145.9
2018/19	\$118.6	\$151.9

The average household rates for the same period would be:

Year	Average rates (before inflation)	Average rates (after inflation)
2008/09	\$1,325	\$1,325
2009/10	\$1,428	\$1,428
2010/11	\$1,532	\$1,576
2011/12	\$1,569	\$1,659
2012/13	\$1,644	\$1,783
2013/14	\$1,689	\$1,883
2014/15	\$1,728	\$1,977
2015/16	\$1,726	\$2,032
2016/17	\$1,785	\$2,163
2017/18	\$1,750	\$2,178
2018/19	\$1,737	\$2,225

Note: the proposed increase to Council's total rating requirement from July 2009 to June 2010 is 9.1%. Once growth is factored in the rating requirement reduces to 8.1%. While the impact of this will be different for all properties, for the average residential property the increased rating requirement means an extra \$75 on the general rate (including the uniform annual general charge and GST). In addition water and wastewater charges are also proposed to be increased in 2009/10 and beyond.



%TOTAL REVENUE	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Rate and UAGC	46%	46%	48%	50%	51%	52%	51%	52%	49%	49%
Water and waste water charge	12%	12%	11%	12%	12%	12%	13%	13%	13%	13%
Total Rates	58%	58%	59%	62%	63%	64%	64%	65%	62%	62%
Other Revenue	42%	42%	41%	38%	37%	36%	36%	35%	38%	38%
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Note to the table of rates – one of the things the Mayor and councillors have requested is to ask the staff at the Council to find additional ways of reducing internal expenditure by an additional \$2.5 million (from an overall operational budget of \$84.6m) on top of the \$3 million already shaved since the process of reducing expenditure began in October.

Development Contributions

Development contributions will vary between 7% and 22% of the Council's total income over the next ten years.

Development contributions is money paid to the Council by developers or builders who are creating the new subdivisions or housing for people to live in.

One of the main ways that councils like ours pay for growth is through Development Contributions. In Tauranga City they are split between SIFs

(Subdivision Impact Fees) and BIFs (Building Impact Fees).

This Council firmly believes, as have previous councils before it, that 'growth should pay for growth'. This means that people causing the need for new infrastructure and putting pressure on existing infrastructure – developers and residents moving into new developments now and into the future – should ultimately be paying for it.

In simple terms the Council takes out a loan to pay for the infrastructure needed for growth and

the developers drip feed payment to the Council (to fund the infrastructure) as the development occurs. This contribution is calculated by dividing the total expected cost of providing the infrastructure by the total amount of growth expected.

The slow down in growth (estimated at 1% per year for the next three years as opposed to 2.5% in previous years) means less income can be obtained from Development Contributions.

This is one key area where the recession is directly affecting the Council balance sheet.

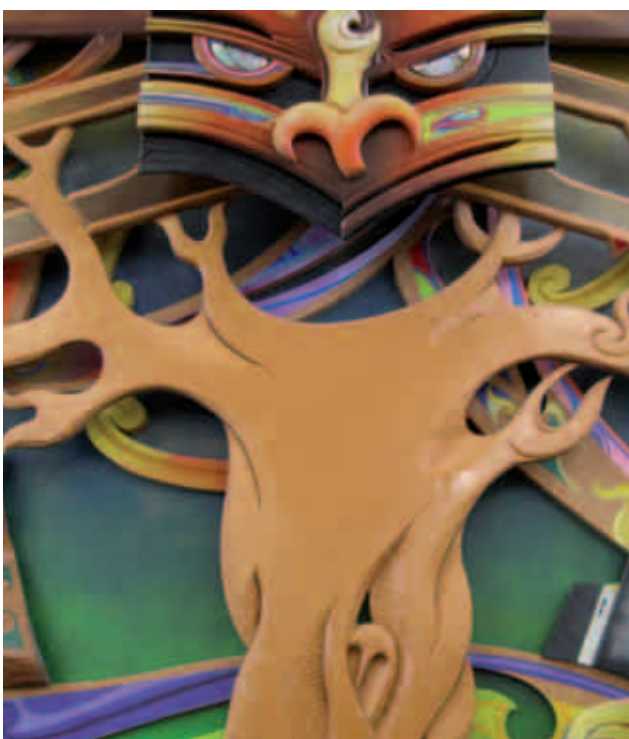
Table showing the percentage of income estimated from Development Contributions

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Development Contributions (millions)	\$11	\$12	\$30	\$50	\$50	\$50	\$55	\$56	\$56	\$56
Total Revenue (millions)	\$159	\$168	\$191	\$226	\$237	\$236	\$254	\$254	\$263	\$268
% Percentage	7%	7%	16%	22%	21%	21%	22%	22%	21%	21%

Major Projects

During the development of the draft Plan the Mayor and councillors identified a number of issues that they definitely want to have your feedback on to help them make decisions. What follows is a list of the ones that are of most significance but is by no means a complete list.

A full list of **major** projects for the next ten years is on page 10 of this document, you are welcome to provide feedback on any of these.



Greerton Library and Community Centre

The Council were proposing an extension of the Greerton Library and construction of a community centre adjacent. This was included in the 2008/09 Annual Plan. The cost of this (including the purchase of land for \$1.73 million) was anticipated to be \$11.35 million to be split over 2009 and 2010.

The Greerton Neighbourhood Plan adopted in 2006 recognised the need for a facility of this

kind in the Greerton suburb. The Community Facilities Strategy adopted in 2008 also promoted this project.

The project had preliminary designs drafted. Consultation with affected parties on the resource consent, and engagement with the wider community, was undertaken throughout the second half of 2008.

As a result of community feedback the Mayor and councillors decided to look at the options for the Greerton Hall and Library again. Four options were considered by the Council and then a fifth one was added. The options are outlined below and it is the fifth one that the Council is proposing.

Option 1 – Build new library and a community centre (as per the 2008/09 Annual Plan)

This option met the level of service agreed to under the Community Facilities Strategy and would:

- create a new library of 950 m2
- create a community centre of 484 m2
- have three meeting rooms
- create new public toilets
- leave the Council to assess the future of the existing Greerton Hall once the project was completed.

Total investment:

Capital - \$8,131,720

Opex - \$1,299,400 per year

Downsides to this option were existing Greerton Hall users' concerns about the future of the Hall, a potential shift for Plunket, finding a short term alternative for the library services while construction was undertaken and higher operational costs over the long term.

Option 2 – Expand existing Greerton Library

This option would:

- extend the existing library to a total space of 970 m2
- create a meeting room of 100 m2
- retain the Greerton Hall.

Total investment:

Capital - \$5,550,900

Opex - \$1,055,300 per year

This option came from a Councillor's Notice of Motion recommending a way forward that would cost ratepayers less and still keep the Greerton Hall in use.

Downsides to this option are that it does not meet the agreed outcomes of the Community Facilities Strategy sufficiently well, it has limited provision for flexible spaces, that the existing public toilets remain a visible feature of the building and that it would be likely not to meet long term community needs.

Option 3 – Build new Greerton Library only

This option would:

- address existing building limitations creating a new library of 950 m2

- add a meeting room of 50 m2
- retain the Greerton Hall
- create new public toilets.

Total investment:

Capital - \$6,108,100

Opex - \$1,123,700

The downsides to this option are that it does not meet the needs for flexibility for community spaces (as outlined in the Community Facilities Strategy), has poor connections with the village square and is likely to require future additional investment in a community facility.



Option 4 – Build new library and community centre in 2 stages

This option would enable a new library to go ahead, future proofed for the addition of a community centre at a later date.

Stage one would see the construction of a new library of 950 m2 and new public toilets.

Stage two would see the addition of a new community centre of 484 m2 when required. The future of the Greerton Hall would be decided once the new community centre was up and running.

Investment would be:

Stage one – capital - \$5,939,900

Stage one – opex - \$1,093,400

Stage two – unknown until designs are completed for community centre.

The main downside for this option is the delay satisfying the demand for community spaces. In addition there is the unknown cost and the appearance of an unfinished building for some time. This option did not satisfy Greerton Hall users that their facility would be retained.

Option 5 – Defer Greerton Library and Community Centre project and refurbish the existing library

This option was asked for by the Council as a low-cost interim proposal.

It would see the proposed new library and community centre put off for at least another three years and a refurbishment of the existing facility be undertaken to eliminate the leaks, replace the carpet, upgrade fixtures and fittings and to increase the public space by approximately 90 m2 with some creative carpentry. This option would see the council holding a working bee and sausage sizzle to fund raise.

The investment for this would be: capital - \$236,000 for one year.

The Greerton Hall would remain in use as it is now.

The main downside to this option is that the Council would not be providing its current committed level of service to the community (please see section titled 'Library – Levels of Service' where this is explained in more detail) and your feedback is needed on that issue as well as this one. Plus the Council would also not be meeting the commitments it has made in the Greerton Neighbourhood Plan and Community Facilities Strategy.

Option 5 is the Council's preferred option.

Stormwater Projects

In May 2005 Tauranga experienced a rogue weather event that left parts of the City devastated by flooding and slips. A contributing factor to this devastation was an historical under-investment in stormwater infrastructure - along with the unique and localised effect of the storm event. (Note: in the areas of the City where new stormwater infrastructure had been developed the flooding, while still extensive, did not cause the damage that was evident in older areas of the City.)

Subsequently the Council embarked on a series of projects designed firstly to repair the damage caused by the flooding and slips (\$18 million) and secondly to bring forward localised stormwater infrastructure projects to ensure improved city-wide protection in the event of other heavy rainfall events.

Between 2006 and this year the Council completed \$53 million worth of stormwater and rehabilitation projects. There is still \$179 million worth of projects to 'catch up' and complete the programme of works recommended for an 'adequate' stormwater system for Tauranga.

The Mayor and councillors considered four options for this activity area and are seeking your feedback on their recommended proposal which is Option 4.

A maximum amount of activity was proposed to be completed in ten years at an estimated cost of \$108 million. This amount is loan funded so any savings from this amount will have a direct rate impact.

Option 1: Spend \$108 million over the next ten years (and take a further seven years to complete the balance of \$71 million)

Option 2: Spend \$93 million over the next ten years (and take a further nine years to complete the balance of \$86 million)

Option 3: Spend \$68 million over the next ten years (and take a further 16 years to complete the balance of \$111 million)

Option 4: Spend \$50 million over the next ten years (and take a further 30 years to complete the balance of \$129 million).

The Mayor and councillors would like your feedback on option four as their preferred option. Obviously this is an area that impacts residents and businesses, at times, in very significant ways. Your consideration and thoughts on this will add greatly to the Council's deliberations on this very important and very significant area of Council expenditure.



Hot Pools Redevelopment

This is a project to redevelop the existing Mount Hot Pools by developing a Wellness Centre and a Cultural Heritage Centre. The Wellness Centre will provide a range of massage and beauty therapy services and hot pool soak experiences. Additional water areas include a therapy pool and children's splash pool, refurbishing the male change rooms and building additional female, family and disabled change rooms and retrofitting pools for disabled access. The project is intended to provide a sustainable and enhanced destination experience for visitors and locals alike.

This project was first outlined in the Council's 06/16 Ten Year Plan and was anticipated to cost around \$9m. It is anticipated that the costs of the redevelopment will be met from user fees and charges coming from both an increase in patronage, as well as additional revenue from the Wellness Centre. Entry fees for use of the hot pools, by locals, will not increase as a result of this proposal (except to account for inflation - CPI).

There are four options under consideration.

Option One: Two storey development with upstairs Wellness Centre, ground floor Cultural Heritage Centre, new pools and refurbishment works at a total estimated capital cost of \$9.9 million.

Option Two: single storey development with ground floor Wellness Centre, new pools and refurbishment works but without a Cultural Heritage Centre at a total estimated capital cost of \$7.4 million

Option Three: minimum upgrade development with refurbishment works as per options one and two, new female change, therapy pool, small splash pool, new spa, plant room, new entry, food/beverage with massage retrofit at a total estimated capital cost of \$4.2 million.

Option Four: refurbishment only with refurbishment works as identified in options one and two plus female change, first aid and staff area refurbishment to meet basic facility requirements and private pool/massage retrofit to basic

standard at a total estimated capital cost of \$1.3 million.

The basic refurbishment of the existing facility (estimated at \$700,000) is included in each of the four options.

An assessment of the business plans for each option was provided to Council to consider on 29 January 2009 which showed:

- Both Options one and two could comply with the key criteria of meeting depreciation and debt servicing costs while still returning current facility operating surpluses and having capacity to provide further surpluses for funding future programmes and facility improvements – ie there would be no additional impact on the rating requirement.
- Options three and four can only service their depreciation and debt servicing costs from existing facility surpluses thus requiring increased ratepayer funding to operate the network.

For the draft Ten Year Plan the Council has adopted the following resolution:

“proceed with option one on the basis that external funding for the Cultural Heritage Centre is sourced externally to Council. Should this not be achieved by 30/06/09 then option two (single storey option) be approved to proceed”

Further community engagement on designs will be undertaken once a decision is made on which of options one or two is being proceeded with.

There is material available with more information on this from www.mthotpools.co.nz or by visiting the Hot Pools.

Your feedback on the Council's proposal is welcome.

May St Reserve

The future of the May St Reserve at Mount Maunganui has four detailed options. If you would like details on these please call our staff and they will send you the consultation material. It is already being posted to people in the immediate neighbourhood.

Summary of major projects 2009-2019

TRANSPORTATION	23.1%
Construct Te Okuroa Drive Wairakei	\$35,200,000
Reconstruction of Tara Road	\$12,400,000
Sandhurst Drive / State Highway 2 intersection	\$17,700,000
Extension of Sandhurst Drive	\$5,200,000
Reconstruction of Domain Road	\$7,900,000
New roads & associated infrastructure in Tauriko Business Park	\$18,500,000
Upgrade Belk Road and intersection with State Highway 2	\$9,200,000
City-wide land purchases for road widening	\$5,000,000
Extension of Route K to Pyes Pa Road	\$12,000,000
City-wide cycle lanes	\$4,100,000
Purchase car parks in Strand City development	\$3,600,000
Minor safety works (roading)	\$9,000,000
Road pavement rehabilitations	\$22,700,000
Road resealing	\$29,900,000
	\$192,400,000
Other Transportation projects	\$79,000,000
TOTAL TRANSPORTATION	\$271,400,000

WASTEWATER	22.3%
Southern Pipeline	\$90,300,000
Upgrades to the Te Maunga wastewater treatment plant	\$54,400,000
Increasing the capacity of the wastewater ocean outfall	\$14,400,000
Upgrading Chapel Street wastewater treatment plant	\$10,100,000
New wastewater pumping stations to service Wairakei	\$26,100,000
Upgrading wastewater pump stations	\$14,300,000
Duplication of sewer mains	\$10,200,000
Wastewater reticulation renewals	\$19,000,000
Wastewater treatment plant renewals	\$4,100,000
Wastewater pumping station renewals	\$4,200,000
Remove sludge from Te Maunga wastewater ponds	\$5,000,000
	\$252,100,000
Other Wastewater projects	\$10,300,000
TOTAL WASTEWATER	\$262,400,000

WATER SUPPLY	15.5%
Waiari water treatment plant	\$67,600,000
Reservoir construction	\$14,800,000
New water reticulation for Wairakei	\$9,900,000
New watermains in Papamoa	\$21,800,000
Water reticulation for Tauriko Business Estate	\$3,700,000
Other new watermains across the City	\$11,500,000
Install pre-treatment processes at Oropi water treatment plant	\$3,700,000
Water pipe renewals	\$22,000,000
Water meter renewals	\$5,600,000
Replace membrane modules at water treatment plant	\$8,200,000
	\$168,800,000
Other Water Supply projects	\$13,400,000
TOTAL WATER SUPPLY	\$182,200,000

STORMWATER	10.4%
Infrastructure (including land purchases) in Wairakei	\$30,800,000
Infrastructure (including land purchases) in Papamoa	\$10,000,000
Infrastructure for Tauriko Business Estate	\$6,000,000
Stormwater recovery programme	\$50,000,000
Mangatawa stormwater drain upgrade	\$8,400,000
	\$105,200,000
Other Stormwater projects	\$17,100,000
TOTAL STORMWATER	\$122,300,000

OPEN SPACE	9.0%
Purchase of land for neighbourhood reserves	\$18,500,000
Purchase of land for active reserves	\$12,900,000
Development of Parau Farms as an active reserve	\$17,700,000
Development of TECT All Terrain Park	\$3,500,000
Development of the Kopurererua Valley	\$4,200,000
Renewal of infrastructure assets in parks and reserves	\$13,600,000
	\$70,400,000
Other Open Space projects	\$35,600,000
TOTAL OPEN SPACE	\$106,000,000

INDOOR SPACE, LIBRARIES AND STRATEGIC PROPERTY	13.4%
Community centre - Wairakei	\$3,500,000
Community centre - Lakes / Pyes Pa	\$3,500,000
Indoor sports and exhibition centre	\$33,800,000
Mount Greens Sports purchase and development	\$10,300,000
Greerton library extension and community centre	\$8,900,000
New neighbourhood library	\$7,600,000
Library stock purchases	\$20,200,000
Strategic land purchases	\$32,500,000
	\$120,300,000
Other Indoor Space, Libraries and Strategic Property projects	\$36,700,000
TOTAL INDOOR SPACE, LIBRARIES AND STRATEGIC PROPERTY	\$157,000,000

ALL OTHER ACTIVITIES	6.3%
Mount Hot Pools upgrade	\$9,300,000
Redevelopment of the Strand and waterfront	\$19,900,000
Vehicle fleet replacements	\$3,600,000
Computer and printer replacements	\$4,800,000
	\$37,600,000
All other activity projects	\$35,900,000
TOTAL FOR ALL OTHER ACTIVITIES	\$73,500,000

TOTAL FOR TCC BEFORE VESTED ASSETS	\$1,174,800,000
Vested assets	
Transportation	\$86,300,000
Wastewater	\$15,300,000
Water Supply	\$9,700,000
Stormwater	\$32,100,000
Open Space	\$12,900,000
TOTAL CAPEX OVER THE 10 YEARS	\$1,331,100,000

User Fees

User fees (including water by meter charges), on average, will make up 32% of the Council's income to fund operating expenditure over the next ten years.

Increasing user fees would be one way of reducing the rates revenue requirement.

A major review of user fees and charges was undertaken in 2008 with every household having the opportunity to have their say on what the Council should do. The Council received feedback from over 1000 people and organisations on the user fees and they came up with the following proposals which they are seeking your feedback on.

Overall the Mayor and councillors propose no major changes to existing user fees and charges (except for dog control) and put their proposals to you here for your feedback. You are now invited to respond to their recommendations by making a submission – see section on the submission form headed “User Fees and Charges”.

Note: the draft Ten Year Plan budgets have been drafted using the **proposed option** (which may include the status quo). Any changes as a result of consultation and adopted by the Council will be reflected in the final budgets. Any changes to user fees and charges (from the status quo) would be implemented from July 2009 at the earliest.

Dogs

Currently licensed dog owners pay for the costs of dog control. However not all the benefits and costs of the dog control activity are exclusive to dog owners. The Council suggests that the wider community benefits by having dog control services (eg by having a system of



‘dog registration’ and by being protected from wandering dogs) and therefore recommends that 20% of the total costs be spread across all ratepayers.

The current rates contribution to this activity is zero.

Options are:

1. Licence fees pay for all costs of dog control
2. Licence fees pay for all costs of dog control attributable to licensed dogs and general ratepayers pay all costs of dog control attributable to unlicensed dogs (approx 20% of total costs).

Option 1 is the status quo. Option 2 would add \$3 to the average annual rates bill and dog licences would drop by \$19 per annum and is the preferred option of the Council from July this year.

Boat ramps

The use of boat ramps in Tauranga is currently free to users. The cost of developing and maintaining them is covered by ‘marine related

revenue’ so no rate revenue pays for them. (Marine related revenue is from lease income we received from marine assets eg wharves and land).

The current rates contribution to this activity is zero.

Options are:

1. All costs continue to be covered by other activities in the Marine Facilities activity and potentially by rates if these other revenue sources are not sufficient
2. Boat ramp costs recovered by direct charges to users of the boat ramps (or users of adjacent parking facilities). This option would recover 50% to 100% of boat ramp costs of approximately \$100,000 per year. Collection and enforcement processes would need to be instituted.

Option 1 is the status quo and the Council's proposal for 2009 onwards.



Art Gallery

Eighty per cent of the Art Gallery's operational funding is paid for via rates. The other 20% is through donations, gifting/endowments, government grants/contracts and commercial activities.

The current rates contribution to this activity is \$817,948.

Options are:

1. The Art Gallery continue to be required to raise 20% of its operational funding from non-rate sources.
2. Council to reduce ratepayer contribution for operational costs eg by introducing door charges for all or some [specified] users or reducing the levels of service.

Option 1 is the 2008/09 status quo and Council's proposal for 2009 onwards.

Baycourt

Baycourt is funded 50/50 by users and ratepayers. A discount system of user fees operates for non-profit and youth based activities but the commercial rate is comparable with other similar venues.

The current rates contribution to this activity is \$1,541,174.

Options are:

1. Funding provided approximately 50/50 from users and ratepayers
2. Increase the ratepayer contribution (to more than 50%)
3. Decrease the ratepayer contribution (to some figure between zero and 50%).

Option 1 is the status quo and the Council's proposal for 2009 onwards.

Indoor sports

Indoor sports facilities in the City are currently funded, to a limited extent, via user fees. The new operational costs of the proposed new Sports and Exhibition Centre plus increasing costs in other venues around the City (and a consequent higher level of service) will require a significant jump in user fees from 2010. Therefore the Mayor and councillors support Option 1 should the new facility at Baypark open. The current rates contribution to this activity is \$1,917,127.

Options are:

1. [Should the Indoor Sports and Exhibition Centre open in 2010] increase user fees and charges across all facilities so that they

contribute approximately 18% to 20% of total revenue (facilities that are of lower quality would be charged at lower rates on a 'banded' scale)

2. More aggressively increase user fees and charges so that the overall rates contribution is reduced for indoor facilities
3. Reduce user fees and charges and increase ratepayer contributions to these facilities.

Option 1 is the status quo (conditional on the Council receiving external funding for the capital construction) and the Council's proposed approach from 2009 onwards.



Outdoor sport

There are many different types of outdoor sports surfaces. These surfaces range from rugby fields, tennis courts, cricket pitches and the beach. Sports with specialised surface needs are mostly funded by the sports groups that use them. But most costs, for other sports, are paid for via rates – approximately \$53 per year for the average ratepayer.

The current rates contribution to this activity is \$2,595,471.

Options are:

1. Make no charges for outdoor sport
2. Make no charges for "local level" outdoor sport, but recover additional costs from the relevant sport where facilities are at a regional or national standard. (In reality this would only affect cricket at Blake Park and the all-weather running track.)
3. Introduce charges for all organised sport on Council's sports fields.

Option 1 is the status quo. Option 2 is the Council's proposal for 2009 onwards.

Library

Currently libraries are funded 90% through rates. The other 10% is funded via rentals, overdue fines and sponsorship. The average rates contribution per household, per year, is \$124 (or \$6,772,029 in total).

Options are:

1. A range of user fees and charges (and other sources of income) contribute approximately 10% of the libraries' total revenue
2. Reduce user fees and charges and therefore increase the rates contribution
3. Increase user fees and charges to about 20% and therefore decrease the rates contribution. This could be introduced progressively by charging for adult fiction and more for CDs/DVDs, then for adult non-fiction, then the large print and talking books collection, then by removing exemptions for customer service card and Gold Card holders and then eventually charging for the children's collections.

Option 1 is the status quo and Council's proposal for 2009 onwards.

See also the section headed "Levels of Service – Libraries" (later in this chapter) for a discussion on options for the future regarding the service levels the libraries might provide.



Levels Of Service Issues



Reserves/ Open Space

The Council developed and adopted the Open Space Strategy in 2005. The aims were to provide for:

- more open spaces in response to growth
- good quality open spaces
- a range of open spaces providing a variety of experiences
- greater awareness and accessibility.

In 2003 a level of service for reserves was set at 3.45 ha of open space (this definition of 'open space' included neighbourhood, passive and active reserves only – not stormwater, coastal or harbour reserves) per 1000 people. This enabled the Council to plan the spaces required for new growth areas and to charge accurately the level of contribution required to fund these reserves from developers. The Open Space Strategy adopted this level of service as a starting point.

However the Council decided to review this level of service in 2008. The rationale for the review was that creating a level of service based solely on population might not be the most effective way to meet the overall aims of the Open Space Strategy. While the approach described above

is very useful in 'new' areas and in establishing what a developer should contribute it may not be flexible enough to meet community needs based on:

- quality
- accessibility
- diversity
- functionality.

Moving away from the current 3.45ha/1000 people could mean:

- shifting away from the requirement to purchase more reserve land for growth areas (this reduces cost)
- including a proportion of existing open spaces not already accounted for in the calculations which contribute to an overall sense of 'open space' in a given geographic area eg stormwater reserves and beaches.

Following feedback from the development community (who contribute some of the funds for open space development) who supported this kind of new approach, the Council agreed to seek wider community feedback, via the draft Ten Year Plan, on three options:

Option A – Adopt a new approach as described above

Option B – Continue with the existing level of service

Option C – Consider another approach (not yet decided).

The Mayor and councillors supported Option A which has certain standards that need to be met. Overall the Council would aim to achieve an average level of service of 4 ha/1000 people (excluding active reserves, golf courses, and sub regional parks) but allowing for more flexibility in defining what open space is and its accessibility, functionality and quality.

Subsequent to adopting this approach for consultation via the draft Ten Year Plan the Mayor and councillors have reviewed the proposed expenditure for new open space developments. As a result of this review they asked staff to come back to them with a plan that further reduced the level of expenditure for open spaces. Resulting changes reduced costs by a further \$23 million over the next ten years. These savings have now been incorporated into this draft.

Results of this proposal (and outlined in this draft Plan in the activity area headed 'Open Space') are:

- a significant reduction in capital expenditure for open space from 2009 to 2019
- a significant reduction in reserve development contributions
- not achieving the function nor quality standards adopted in the draft Policy in some areas
- a significant increase in capital expenditure from 2020 onwards
- a focus on 'making the most of what we have'.

The Mayor and councillors would like your feedback on the option they have agreed to as their preferred approach.





Libraries

Libraries provide access to knowledge, entertainment, education, recreation, cultural experiences, space, relaxation and community networking. Tauranga City libraries are being used by approximately 60% of residents (Key Research May 2008). The Tauranga City libraries have 56,000 members which is nearly 53% of the total population.

The current existing levels of service for the libraries is 42 m2 of gross floor space per 1000 people and 2.64 items of stock per resident. The long term target in the 2006/16 Ten Year Plan is 45 m2 per 1000 people and 2.35 items per person.

The Mayor and councillors would like your feedback on their preferred options for both these level of service issues.

In deferring the Greerton Library expansion for at least three years, the Mayor and councillors have adopted a long term target for library floor space of 41m2 per 1000 people. This is less than the current City-wide level of service. To meet this level of service, the Council would need to increase the size of the Greerton Library by 2014 and build a further neighbourhood library by June 2019.

The likely capital cost of this option is \$12 million.

Retaining the original target of 45m2 per 1000 people would have required extending the Greerton Library in the next year and building two further neighbourhood libraries during the next ten years – one by 2015 and one by 2019.

The capital cost of this option is estimated at \$17.7 million.

The Council's proposed approach is to reduce the target for library levels of service to 41m2 per 1000 people.

Stock

The long term target level of service for stock is 2.35 items per head of population. The current level of service is 2.64 items - see table below.

The Mayor and councillors have selected Option 1 as their preferred approach for incorporating into this draft.

Option 1: Retain the target at 2.35 items per head

Advantage:

- lowest cost

Disadvantages:

- increased turnover and reduced life expectancy of existing stock
- customer satisfaction drops.

Costs – in 2009 dollars, see below

Option 2: Raise the target to 2.7 items per head

Advantage:

- this will maintain the current actual level of service.

Disadvantage:

- still below the national average level of service.

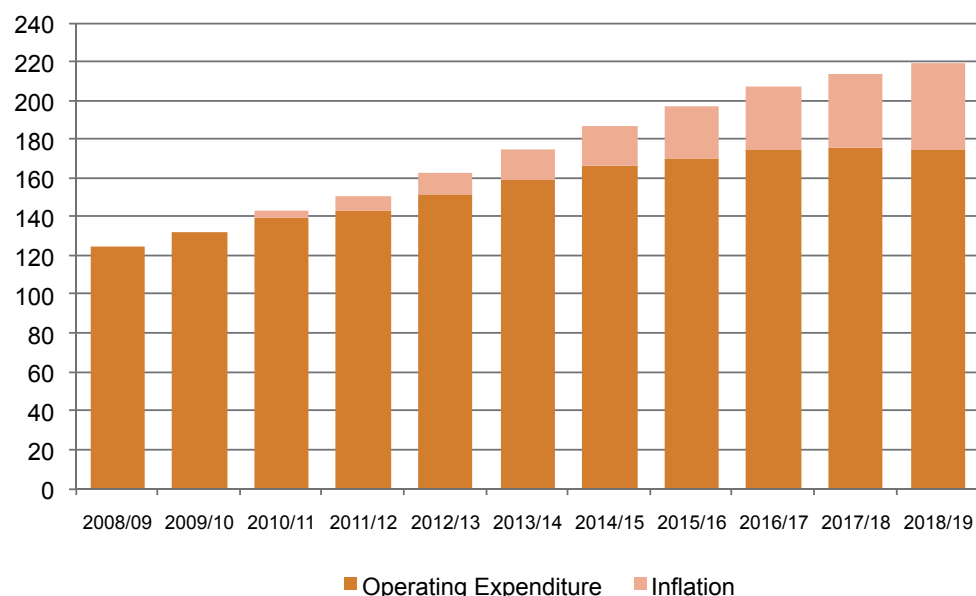


Summary in 2009 figures (000's)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Annual Budget at 2.35 items/capita	\$1844	\$1882	\$1920	\$1960	\$1998	\$2036	\$2074	\$2112	\$2150	\$2187
Annual Budget at 2.70 items/capita	\$2132	\$2176	\$2222	\$2267	\$2312	\$2357	\$2401	\$2445	\$2489	\$2533
Annual Budget at 3.00 items/capita	\$2379	\$2428	\$2479	\$2530	\$2581	\$2631	\$2681	\$2731	\$2781	\$2830

Summary of Financial Information 2009-2019

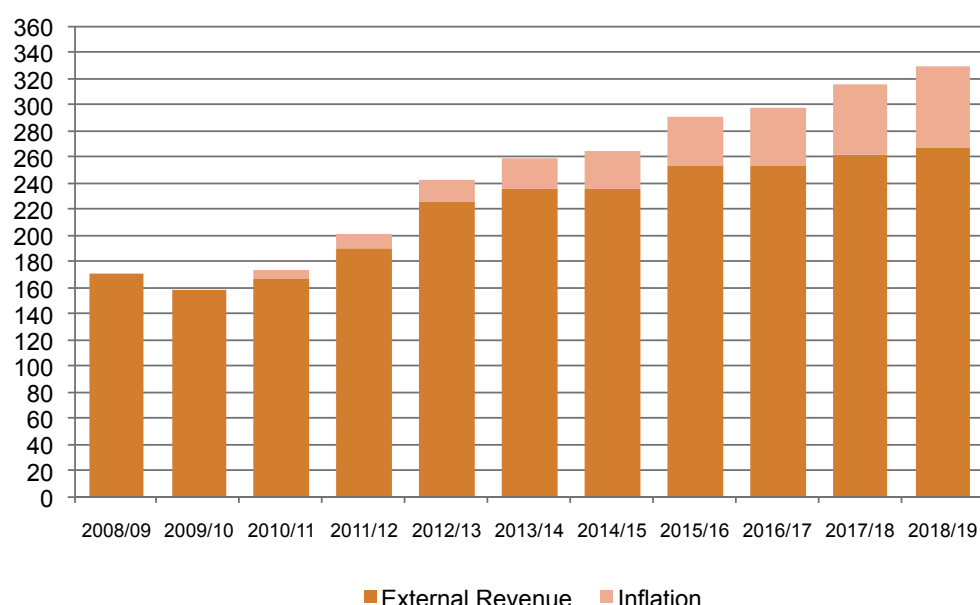
Total External Operating Expenditure (\$M)

This includes the costs of Council's activities, less internal eliminations.



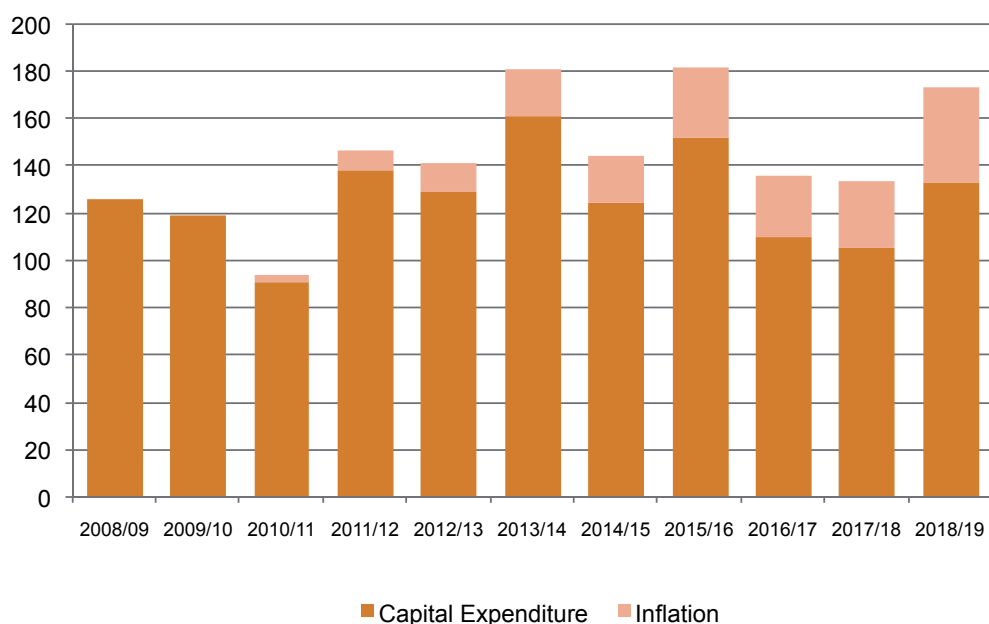
Total External Revenue (\$M)

This comprises of Fees and Charges, General Rates, Uniform Annual Charges, Water by Meter revenue, Vested Assets and Development Contributions but excludes internal eliminations and the Property, Plant and Equipment revaluations



Capital Expenditure (\$M)

This also includes Vested Assets and asset sales



Note that the 2010/11 total is net of \$54m anticipated on the transfer of Route K to the New Zealand Transport Agency

What's already been taken out...

To get to this point in the process the Mayor and councillors have had to remove a significant number of projects out of the draft. This has helped reduce the overall estimates. A sample of the projects taken out includes the following. You can access the full list by going to the Council's website and typing in 'projects removed' into the search box or by reviewing a copy of the full draft document in libraries and the Customer Service Center.

Note: these are only a sample.

- Upgrade Cambridge Road - \$250,000
- New car park buildings - northern CBD, \$15m and Durham St, \$12m
- Strand to Memorial Park walkway - \$10.5m
- Increasing street light upgrades - \$300,000
- Community facility noticeboards - \$3,000
- Arataki community centre - \$2.7m
- Wairoa River monitoring study \$5,000
- Pergola in Aspen Reserve - \$25,000
- Signage for Waikareao Estuary walkway - \$25,000
- Development of Mission Cemetery - \$16,000
- Staged development of Memorial Park - \$1.9m
- Improvements to Yatton Park - \$1.7m
- Development of Scantlebury St Esplanade - \$74,000, Eighteenth Ave Esplanade - \$426,000, Lagoon Place Reserve - \$751,000 and Waimapu St Esplanade - \$20,000, Gordon Spratt Reserve \$3.8m, Owens Park - \$99,000
- Simpson Reserve playground - \$515,000
- Public toilet at Whareroa boat ramp - \$25,000
- Construction of new six-lane boat ramp at Sulphur Point - \$1m
- Reclaimed water irrigation at airport - \$600,000
- Upgrade of numerous stormwater systems eg Sherwood/Vale, Beach Road, Bureta, Russell Place, Links Ave to Omanu, Arataki/Girven Road, Triton Ave
- New neighbourhood library - \$5.8m
- New book sorting machine - \$217,000
- City Centre Co-ordinator - \$900,000 (over ten years)
- Urban Design Strategy implementation - \$95,000
- Web-chat phone module installation - \$18,000
- Historic land use survey to identify potentially hazardous land - \$85,000.

Giving us your feedback...

Do you want to know more? Do you want to talk to an elected member or the staff?

The Mayor, councillors and staff have set up some community open days where you can come and have a chat about anything in the draft Plan. You can ask questions or make your views known – even handing in your submission form if you want to. Come at a time and to a location that suits you.

If you have a group that is meeting during the month from 23 March to 24 April then please let us know and we can send someone along to discuss the draft Plan with you.

NOTE:

This is only a summary of the Draft Ten Year Plan 2009-2019 for Tauranga City Council.

If you are interested in getting more information then please:

- contact our call centre – 577 7000 – and they can send you a fuller version or the relevant sections you require
- go to the Council's website and review the document on line: www.tauranga.govt.nz
- go to a Library or service centre and read the parts of the document that are of interest to you
- come to one of the open days and find out more detail
- contact an elected member.

Get your submissions into the Council by 5pm on Friday 24 April. The form is attached to this summary or you can download it off our website.

You can phone your submission in via the call centre or write to us on a separate piece of paper, please ensure it has your contact details.

If you can't make it to an open day then you can contact the Mayor and/or councillors directly:

Mayor Stuart Crosby Crosby@tauranga.govt.nz	542 0356
David Stewart (Deputy Mayor) davidstewart@actrix.co.nz	575 0751
Mike Baker mikebaker407@gmail.com	578 8408
Greg Brownless gregorynz@gmail.com	576 9282
Rick Curach pickrick@xnet.co.nz	575 8048
Hayden Evans Evans@ecesltd.co.nz	544 4418
Bill Faulkner wrf@clear.net.nz	576 6114
Bill Grainger jgrainger@xtra.co.nz	544 1417
Murray Guy murray.guy@xtra.co.nz	543 2778
Wayne Moultrie maltznz@yahoo.co.nz	572 1103
Catherine Stewart castewart@xtra.co.nz	576 5411

Council Community 'Open Days'

Draft Ten Year Plan (and District Plan Review)

Date	Time	Venue	Elected members present
Note: Mayor Stuart Crosby will be in attendance at all sessions			
Thursday 26 March	11am – 2pm 5.30 – 7.00pm	Bayfair	11 am – Mike Baker, Murray Guy, Catherine Stewart 5.30 – David Stewart, Rick Curach Both: Wayne Moultrie
Saturday 28 March	1pm – 5pm	Bayfair	David Stewart, Wayne Moultrie, Rick Curach
Monday 30 March	10am – 2pm 4 – 7.00pm	Old House of Travel - civic	Mike Baker – both Bill Grainger 12 - 2 pm Catherine Stewart – 4.30 onwards
Tuesday 31 March	10am – 2pm 4 – 7.00pm	Old House of Travel - civic	4pm – Mike Baker
Friday 3 April	1pm – 5pm	Greerton Hall	Catherine Stewart (1 – 4 pm), Bill Grainger and Murray Guy (1 – 3 pm)
Monday 6 April	1pm – 5pm	Papamoa Community Centre	David Stewart, Wayne Moultrie, Rick Curach
Wednesday 8 April	1pm – 5pm	Bethlehem Hall	Bill Faulkner, Mike Baker, Murray Guy (1 – 3 pm)
Thursday 16 April	1pm – 5pm	Welcome Bay Hall	3 – 5 pm Bill Grainger
Friday 17 April	1pm – 5pm	Bureta Park Motor Inn	Mike Baker, Bill Faulkner, Murray Guy (1 – 3 pm), Greg Brownless



Submission Number:

Tauranga City Council

Draft Long Term Council Community Plan (Ten Year Plan) 2009-2019

Submission Form



All submissions will be acknowledged in writing. All submissions will be made available to the Mayor and councillors who will consider the views and comments expressed when finalising the Ten Year Plan.

Please be aware when providing information that this submission form is part of a public consultation process. As such these documents are copied and placed in public areas for the public to access, e.g. the libraries.

You are welcome to speak to the Mayor and councillors at a meeting called Hearings to support your submission. Please let us know if you wish to do so and the day that would suit you best. We will then contact you with a time.

(please tick the following boxes that apply)

I wish to talk about my submission to the Mayor and councillors during the Ten Year Plan Hearings time:

Yes No

If yes, my preferred day/s would be:

Monday 11 May Tuesday 12 May Wednesday 13 May Thursday 14 May
 Day Day Evening Day Evening

Contact Details (please print clearly)

*Name: (who is the submission from?)

*Contact Person: (if the name above is an organisation)

*Postal Address:

*Daytime Telephone:

*Evening Telephone:

*Email Address:

Facsimile:

Signature:

* So we can contact you regarding your submission if needed.

My submission is:

Hint –We strongly recommend you read the Draft 2009-19 Ten Year Plan Summary and Major Focus section for information that will help you in making your submission.

Remember to read the “Tips on making an effective submission” before you start (Pg.18)

Please indicate your support (or otherwise) for the key projects and proposals in this Draft Plan and those that interest you. You do not have to fill in each one. Alternatively you are more than welcome to write your submission in more detail on a separate piece of paper and attach to this submission form.

Submissions close 5.00pm Friday, 24 April 2009

Some major items Council would be interested in receiving your views on:

Financial Sustainability

Council has major financial problems over the next 10 years. What do you think the Council should do about it?

A. Charge more. Would you be prepared to contribute more by increasing the Council’s revenue through rates and user fees and charges; **or**
 Please provide specific suggestions.

Yes No

B. Provide less facilities and services. Would you be prepared for Council to significantly reduce Levels of Service as a way of reducing expenditure?
 Please identify which levels of service you would support a reduction in.

Yes No

Greerton Library and Community Centre (RATES IMPACT)

Build new Greerton library and a community centre; **or**
 Expand existing Greerton library; **or**
 Build new Greerton library only; **or**
 Build new Greerton library and community centre in 2 stages; **or**
 Defer Greerton library and community centre project and refurbish existing library
 Other option? (let us know what it is)
 Comment:

Tick the option you support

Hot Pools Redevelopment (NO ANTICIPATED RATES IMPACT)

Two storey development including cultural heritage centre; **or**
 Single storey development without cultural heritage centre; **or**
 Minimum upgrade development; **or**
 Refurbishment only
 Other option? (let us know what it is)
 Comment:

Tick the option you support

Stormwater Upgrade Projects (RATES IMPACT)

Spend \$108 million over the next 10 years (with another 7 years to complete the balance); **or**
 Spend \$93 million over the next 10 years (with another 9 years to complete the balance); **or**
 Spend \$68 million over the next 10 years (with another 16 years to complete the balance); **or**
 Spend \$50 million over the next 10 years (with another 30 years to complete the balance)
 Other option? (let us know what it is)
 Comment:

Tick the option you support

Office Use Only

