



YOUR NELSON *Your Say*

An even better place to live
PLANNING NELSON'S FUTURE



INSIDE >

**KEY ISSUES WHERE WE
NEED YOUR FEEDBACK**

**HOW YOUR RATES
DOLLAR IS SPENT**

**COUNCIL'S
FINANCIAL STRATEGY**



FOREWORD FROM THE MAYOR



Council's Consultation Document for Nelson's Long Term Plan 2015–2025 sets out Nelson City Council's plans for the city's future. It summarises the principles and key issues that have influenced our decision making. The key projects from Council's draft 10 year plan are described. We need your feedback to understand if we have it right.

We are indeed fortunate to live in an attractive, growing region that people are proud to call home. Our beautiful environment and creative spirit keeps us here, and continually attract new residents and visitors. We want to know how, together, we can chart the course to making this an even better city.



Nelson is the main urban centre at the heart of Te Tau Ihu (Top of the South) but with our current population and despite strong population growth we are a long way from being a major centre. Our Achilles' heel is that 50,000 Nelsonians have the aspirations of a city of 200,000 people.

I am not surprised that the number of projects we would like exceeds our ability to pay. I'd like them too. But we must balance the investment needed to make Nelson an even better place with affordability for ratepayers. Our first review of the 10 year forecast rates increases and debt projections told us we had to cut our cloth a little differently. We've asked our partner agencies to reduce their funding needs also.

This Plan outlines significant investment in core infrastructure. That's important to all of us. We propose an extra \$30 million for stormwater and flood protection. We can't stop the extreme weather events hitting us – but we can be better prepared. We're spending \$9.2 million on wastewater pump stations at Corder and Neale Parks to keep the network in good shape. There's also \$5.6 million on footpaths – an investment you've already told us matters to you.

As a unitary authority, Nelson has a wider range of functions than most councils. In the Plan, our regional council functions get a much higher priority with the introduction of our environmental programme, Nelson Nature. The review of our Nelson Plan and its resource management functions provides an opportunity to look for a more integrated approach to how our city develops. This will include reviewing how our central business district works. We will look for opportunities to encourage more business and residential activity there.

Meanwhile, the reassessment of our economic development services (including tourism, marketing and events) brings the opportunity for integrated delivery out of a single agency. We know from looking at Auckland Tourism Events and Economic Development (ATEED) that there are more benefits from integration than

there are in separation. Growing our economy is a critical success factor for Nelson. I am committed to leading a business-friendly Council that is an enabler, cutting red-tape and supporting local business.

One way Council already helps our entrepreneurs is by facilitating links to important trading partners. This year, after a Council-led business delegation to China is completed, we'll be initiating China Week, when we can all share in this flourishing relationship. Look out for an exciting week celebrating our growing cultural, business and tourism links with that vast economy.

“ We are indeed fortunate to live in an attractive, growing region that people are proud to call home. Our beautiful environment and creative spirit keeps us here, and continually attracts new residents and visitors

” Partnerships help stretch resources further. For that reason, they are a cornerstone of this Plan. The contribution of willing partners in funding, or time, or other support for projects, makes it possible for Council to justify committing your hard-earned rates dollars.

Last year, the Nelson Gigatown campaign demonstrated we have some really innovative thinkers who are passionate about our future. As Mayor, I am keen for Council to partner with these people over the long term via a Mayoral Taskforce on City Futures. This group will look to identify opportunities for enhancing the city's economic and social vibrancy. They will meet quarterly, with their work informing future Annual Plans, Long Term Plans and Council work programmes.

Such fresh approaches will be key in achieving what we want for our city.

As we have put the Plan together, we have also recognised there are gaps. I had hoped the review of Council's property holdings that was commissioned last year would have informed this Plan. That work is taking longer than expected but it is important to get it right. We will give effect to any priorities through future Annual Plans.

Similarly, some of the estimates in the Plan are just that: estimates. The preparation of a business case for each major project is a new step in our process, and there has not been time to move all projects through this process in preparation of this Plan. Council will consider each business case as it comes to hand and before any major projects are approved.

This Plan makes provision for a number of initiatives in Stoke, the most exciting of which may be the construction of a community facility at Greenmeadows. Stoke is the fastest growing area in Nelson, and I am pleased Council has

allocated funds for this facility, along with proposing an extension to the Stoke library and a youth park.

Whatever the projects and plans Nelson City makes, we have to take the broader regional view. The divisions between Nelson City and Tasman District Councils only make sense on paper, and not to our people who move across that 'dividing line' every day. To create the future both Nelson and Tasman needs, we must think, work and plan as one region. That connected approach will evolve further over the life of this Plan.

Right now we need to focus on delivering the programme of work that improves Nelson, but I believe that council amalgamation is a given at some future time. I suggest that 2017/18 would be the right time to consider amalgamation again – it is important that we hear from you on this issue.

I'd like to end by thanking you for taking the time to read about our city's Plan and

for any feedback you may give. This Plan will only come to life if it truly reflects the wishes of its community.

“

Kaua e rangiruatia te hāpai
o te hoe; e kore tō tātou
waka e ū ki uta

Do not lift the paddle out
of unison or our canoe will
never reach the shore

.....”

Rachel Reese
Mayor of Nelson

KEY ISSUES WHERE WE NEED YOUR FEEDBACK

Nelson is blessed with a wonderful climate, an enviable location, a positive economic outlook, a foundation of good local facilities and a growing population. It's a city that lots of people want to visit or settle in.

The following are the significant issues Council is proposing to tackle over the next 10 years where we want your feedback. They cover decisions that are likely to cost the most, be of most interest to the community, or have the most impact.

For full information on these projects, please view the Consultation Document available at the Customer Service Centre, at Nelson Public Libraries and online at nelson.govt.nz, search phrase = long term plan.

1. FINANCIAL REALITY

- Rates/Debt

2. CITY INFRASTRUCTURE

- Stormwater and Flood Protection
- Upgrade of Neale and Corder Park Pump Stations
- Maitai pipeline
- Footpaths

3. DEVELOPING THE CITY

- Connections
- Housing
- Stoke and Greenmeadows
- Rutherford Park Development
- Marina

4. PARTNERSHIPS

- Nelson Nature
- Gondola
- Community Assistance
- Nelson School of Music
- Nelson Arts Festival
- Public and Community Art
- Light Nelson

5. STRONG ECONOMY

- Business Friendly Council
- Lions Tour
- Economic Development Services
- Central Business District Enhancement
- Waimea Community Dam

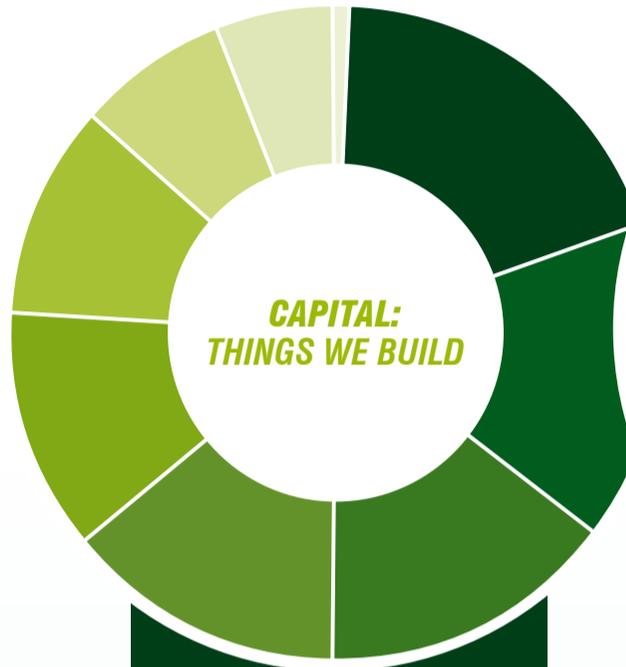


COUNCIL'S FINANCES

BALANCING THE BUDGET

The following charts show what we propose to spend over the 10 years of the Plan across Council activities. Council's budget is made up of rates, loans and income from fees and charges.

- Utilities (stormwater, flood protection, wastewater, water supply);
- Transport;
- Environment (eg consents, solid waste, emergency management);
- Social (eg museum, heritage, libraries, festivals);
- Parks (eg mountain bike trails, Trafalgar Centre, golf course);
- Economic (eg tourism, job growth);
- Corporate (eg elections, administration, properties).



TRANSPORT	\$73M
WATER SUPPLY	\$60M
PARKS	\$57M
WASTEWATER	\$53M
STORMWATER	\$46M
FLOOD PROTECTION	\$40M
SOCIAL	\$29M
CORPORATE	\$22M
ENVIRONMENT	\$3M
ECONOMIC	\$0M



ENVIRONMENT	\$219M
TRANSPORT	\$185M
CORPORATE	\$171M
PARKS	\$166M
SOCIAL	\$155M
WATER SUPPLY	\$135M
WASTEWATER	\$126M
STORMWATER	\$51M
FLOOD PROTECTION	\$20M
ECONOMIC	\$15M



HOW YOUR RATES DOLLAR IS SPENT

- Parks and Active Recreation: 18c
- Water Supply: 17c
- Social: 16c
- Transport: 14c
- Wastewater: 11c
- Environment: 10c
- Stormwater: 7c
- Flood protection: 3c
- Economic: 2c
- Corporate: 2c



FINANCIAL STRATEGY

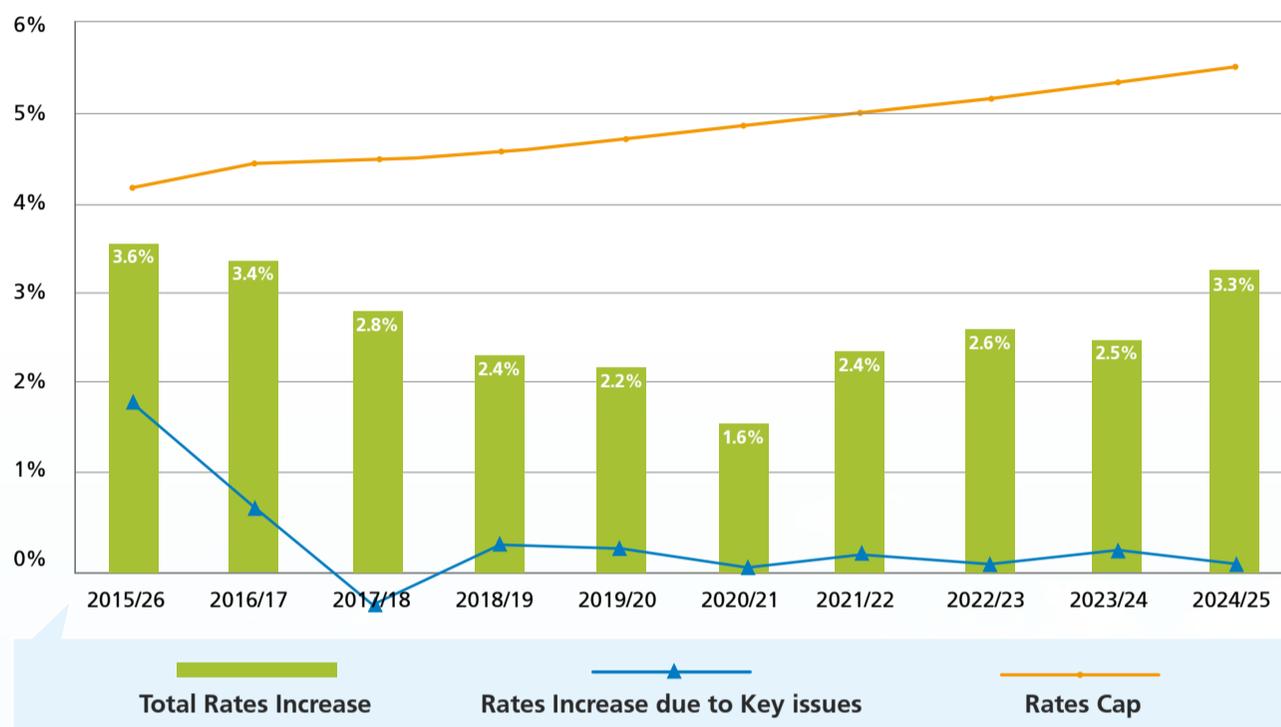


Our Long Term Plan includes a detailed financial strategy which describes how we plan to sustainably finance our services and activities over the next ten years.

To develop this we have considered the likely future demand for services, what that will cost, the ability and willingness of ratepayers to pay for services and fairness in allocating rates. Council has set itself a cap on rates rises each year of no more than 2% plus the local government cost index and growth.

The following graph shows proposed rates increases against the cap.

ANNUAL RATES INCREASE VERSUS RATES CAP



We fund our work programme through a mix of rates and debt. At June 2014, our net debt was \$71.8 million. Initial budget discussions showed levels of debt that Council considered unaffordable and as a result significant reductions were made across the 10 year period.

However, much of the increase in debt is to provide for critical infrastructure and our growing region. Critically important to Council has been staying well under the debt/revenue ratio limit. This is a useful measure comparing how much debt we have to the amount of income Council is receiving each year – our limit is set at 150%.

Capital expenditure is the driver of increases in borrowings, however Council takes on more debt only when other sources of funds are not available.

Council funds capital expenditure in the following priority order:

1. Financial contributions and development contributions, if a growth project;
2. Grants and subsidies, for example from the New Zealand Transport Agency, Tasman District Council and community groups;
3. Cash surpluses after meeting the costs of renewals spending, which arise from Council's funding of depreciation;
4. Loans.

ANNUAL DEBT VERSUS DATA CAP (000S)





FINANCIAL STRATEGY CONTINUED

Council must, under the Local Government Act 2002, manage its revenues, expenses and assets, liabilities, investments and general financial dealings prudently. It must manage in a manner that sustainably promotes the community's current and future interests.

The Financial Strategy demonstrates how Council will:

- Provide for growth in its region and manage changes in land use;
- Ensure that the level of rates and borrowing are financially sustainable and are kept within pre-set limits;
- Be accountable for maintaining the assets that it owns on behalf of the community;
- Fund network infrastructure and maintain levels of service;
- Obtain pre-set returns on financial investments and equity securities;
- Give securities on borrowing.

In preparing the Long Term Plan and this Financial Strategy, Council considered the balance of:

- Service levels, the costs of these services and the money required to achieve those levels of service;
- Priorities for expenditure across all activities;
- How to minimise rates and charges across the full 10 year period of this Long Term Plan while achieving the targeted levels of service;
- The level of debt that current and future ratepayers would need to fund;
- The level of growth that is expected in the next twenty years and beyond.

Overall, Council considers that it is financially sustainable and able to provide important services to residents, businesses and visitors.

The full Financial Strategy is available at nelson.govt.nz, search phrase = financial strategy.

CHANGES TO FUNDING SYSTEM AND ARRANGEMENTS



Stormwater and flood protection rate: It is proposed to split the Stormwater and Flood Protection Rate into two components: 50% a fixed charge of \$144.60 per rating unit and 50% a variable charge based on the capital value of the rating unit. The rationale for this is the higher the capital value of the rating unit, the more there is to protect, and hence the ratepayer should pay a higher proportion of the rate. One of the consequences of this proposal would be that utilities such as power companies, commercial properties and Council itself, would pay a much higher proportion of this rate than previously. The commercial differential has been increased in response to this.

Commercial differential: 25% of the reduced revenue as a result of the provision of one hour of free parking in the central business district is proposed to be charged to the businesses that benefit through an adjustment to the inner city commercial differential rate. At the same time the cost of the NBus public transport subsidy is being removed as a charge against the commercial differential.

Rates due date: Rates instalments are currently due on the 27th day of August, November, February, and May (or the first business day after if this falls on a weekend or public holiday). In response to feedback from the community that the current due dates are confusing, Council is proposing to change the date that instalments are due in each of these instances to the 20th of the month. If the 20th of the month is a weekend or public holiday then the rates instalment would be due the next business day. This change is in line with generally accepted business practice and will result in a net financial benefit to Council as most companies require payment on the 20th of the month. Council will continue to ensure that it meets the legal requirement of delivering rates invoices to the ratepayer at least 14 days before the due date.

Water rates: The annual charge for a water connection is shown on the water invoice as a daily charge. Following legal advice, Council is moving this annual charge onto the rates assessment. You will see it on the quarterly rates invoices from 1 July 2015. This will be an increase of \$198 incl GST on your annual rates assessment. In turn, there will be a decrease on your water invoices. If you pay by direct debit we will be in touch in plenty of time so that you can see the effect of this movement on your regular payments.

Rating carry forward: Council has previously used any operating savings (rating carry forward) from the current year to offset the rates increase in the next year. Council considers it would be more financially prudent to use any savings over \$500,000 in that year to reduce council debt.

Water charges in Nelson South: There will be some changes to charging for residents in Nelson South near the boundary with Tasman District Council. In this area our neighbouring council has traditionally provided and charged for water. As a result of the imminent conclusion of a water supply agreement between the councils, Nelson City Council will now purchase water in bulk from Tasman District Council and then supply and charge Nelson residents in that area. Charging will be on the same basis as for all other Nelson residents and will result in a decrease for the affected residents.



SUBMISSIONS



**FIND YOUR
SUBMISSION
FORM ON
BACK PAGE**

We want to hear your feedback on this consultation document and encourage you to get involved. The public consultation runs from 26 March to midday 28 April 2015.

HOW TO MAKE A SUBMISSION

Submit in one of the following ways:



Fill in the form online at nelson.govt.nz



Email your submission to submissions@ncc.govt.nz



Drop your form to the Civic House Customer Service Centre, 110 Trafalgar Street, Nelson



Mail your form to: Freepost 76919, Consultation, Nelson City Council, PO Box 645, Nelson 7040

If you have questions about specific issues or how to get involved you can call Council on 03 546 0200 from 8.30am to 5.00pm weekdays and staff will assist. There are supporting documents available to provide additional information online at nelson.govt.nz and in hard copy at Nelson public libraries and the Council Customer Service Centre on the corner of Trafalgar and Halifax Streets.

SUBMISSION WRITING GUIDELINES

All submissions will be considered by the Mayor and Councillors before making a decision.

Anyone can make a submission. All submissions, including the names and contact details of submitters, are publicly available, as required by the Local Government Act 2002. Submissions will be used only for the purpose of this consultation process.

Early submissions are appreciated, to help submission processing.

Identify your submission

Please make sure you attach the cover sheet/submission form to any submission you make to assist in tracking submissions. Please number all the pages of your submission and put your name at the bottom of all the pages. This will help if any become detached from your cover sheet. If you choose not to use this cover sheet, please include your name, address and contact telephone number. This is so we can contact submitters who wish to speak at the hearings, and so we can reply to you with the result of Council's deliberations on submissions.

Make it readable

Type your submission if possible, or use black ink and write legibly on one side of paper only. This will ensure the photocopies we make of your submission will be easy to read.

Separate headings

Divide your submission into separate points if you want to comment on more than one part, to help Council understand your submission better. For each point, say specifically to which part(s) your submission relates. Say concisely what your concern is OR what you support. Tell us the reasons why you support or oppose this part, and say how you want the Council to respond to your submission.

