

4 April 2013

Glenn Leach  
District Mayor  
Thames-Coromandel District Council

Dear Mayor Glenn,

Please find attached a staff submission to the draft 2013/2014 Annual Plan for consideration alongside other submissions.

Staff are proposing 20 submission points for consideration by Council. These points have been highlighted as staff have continued to work on various projects following the release of the draft Annual Plan on 20<sup>th</sup> of February.

These submissions have been proposed to ensure that the final 2013/2014 Annual Plan is as accurate as possible at the time of writing.

Yours sincerely,

David Hammond  
Chief Executive  
Thames-Coromandel District Council

Comment relates to	Change requested	Reason for change	Requested by
<b>District Transportation, Pg. 28 and 61</b>	That the Council increases the 2013/14 budget from \$0 to \$60,000 to allow completion of flood modelling and geotechnical investigation and business case for Dalmeny Corner.	To enable a preferred option to be identified and allow an informed decision to be made regarding project progression (i.e. whether to proceed and if so the scope and timing of works that will provide best value for money). The intention of the business case is to provide an acceptable level of confidence for both TCDC and NZTA around value for money and return on investment from the project for both Council and NZTA (as a funding partner of this project).	<b>Matt Busch</b>
<b>Community Development - Economic Development Activity</b>	That the Council provides for \$345,000 for the Visitor Information Centres (a reduction of \$8,467)	The Visitor Information centres service level agreements have been endorsed at council 3 <sup>rd</sup> of April Meeting and this submission reflects this decision.	<b>Ben Day</b>
<b>Schedule of Fees and Charges - Pg. 26</b>	That the Council include Liquor Charges set by Central Government.	Liquor charges were not included in the draft schedule of fees and charges. This is to provide an initial signal changes to the sale of liquor Act which are due to change post 18 December 2013.	<b>Marion Smith</b>
<b>Schedule of Fees and Charges pg. 19 Community Halls, Pg. 27 Parks and Reserves</b>	That the Council agree on completion of the Mercury Bay multi-sports complex new fees and charges associated with the use of this facility will be introduced. At the time of preparing this draft Annual Plan these are yet to be determined. The fee structure will be guided by the schedule of fees and charges for Community Centres and hall, as well as Parks and Reserves.	Maintenance and running costs for the Mercury Bay Multi Sport Park are still being investigated.	<b>Cathy Klouwens</b>
<b>District Transportation - Manaia Road Causeway Improvements Project pg 61.</b>	That the Council decreases the 2013/2014 budget from \$1,202,750 to \$90,000 to allow completion for the investigation, design and resource consent project components in 2013/2014, with the budget balance (\$1,112,750) transferred to 2014/2015 for completion of the physical works project phase.	To ensure alignment of the timing between TCDC's Grahams Creek causeway bridge improvement project and WRC floodway improvement project, which is now programmed for completion during 2014/2015 as signalled in the WRC draft 2013/2014 Annual plan. The effective mitigation of flood risk upstream of the Grahams Creek causeway bridge is dependent on completion of these two complementary projects.	<b>Matt Busch</b>
<b>Community Leadership - Capital Expenditure Property Plan and Equipment Projects - Thames County Building Pg 145</b>	That the Council approves an amount of \$94,000 to be carried forward from the 2012/2013 financial year to the 2013/14 financial year to install a Type 4 automatic fire alarm system in the Thames County Building	An amount of \$139,145.00 has been provided on the 2012/13 capex budget for "Thames County Building Upgrades". Part of the project aims to upgrade the building to install a compliant Type 4 automatic fire alarm system to link the building to the Fire Service and which will meet BWOFF(Building Warrant of Fitness) requirements.  The Type 4 fire alarm project is at risk of being delayed. New building plans had to be commissioned as the old 'as built' plans were inadequate for the required fire engineer's report. That report is being awaited to be followed by a building consent application, alarm specifications, RFP's and tendering process. Within the remaining time-frame it is highly unlikely that any potential tenderer will be able to be on site and complete the work by 30 June 2013 and it is therefore suggested that an amount of \$94,000 be carried over to the 2013/14 financial year to install a Type 4 automatic fire alarm system.	<b>Chris Williams</b>

<p><b>Solid Waste Activity Group, Pg. 113</b></p>	<p>That the Council amend the operating budget for the Whangamata Landfill Capping Project by Increasing the 2013/2014 budget by \$463,125 into the 2013/2014 financial year to be funded from district retained earnings.</p>	<p>The current budget is based on the engineer's estimates (from 2008). The 2012/2013 budget is \$478,125. There is follow on budget for the 2013/2014 year of \$164,775 which relates to the second part of the project, the construction of a wetland filter. \$2,849.76 has already been allocated from the current financial year leaving a total Ten Year Plan project budget of \$640,050.24 A review of the engineers estimate (from 2008) has been completed and reveals the following impacts on budgets and a likely way forward to progress the works.</p> <ol style="list-style-type: none"> <li>1. The estimate has been adjusted up by 10% from 2008-2013.</li> <li>2. TCDC will take on the physical works supervision to remain within budget.</li> <li>3. A winter working consent will be required from WRC to get the project under way this financial year.</li> </ol> <p>It is unlikely that too much work will be done this financial year with the bulk of the work in financial year 2013/2014. Given that the award for the contract is likely to be late in the current financial year, the entire project will likely now proceed as one job rather than a staged project. TCDC budgets will need to be adjusted to reflect that the bulk of the work will be carried in the next financial year. As \$478,1250 has effectively been rated for in the 2012/2013 financial year, it is proposed that the deferred portion of the planned 2012/2013 spend being \$378,125 is funded from District retained earnings in 2013/2014 rather than rating for it a second time in 2013/2014.</p>	<p><b>Craig Goodwin, John Whittle</b></p>
<p><b>Solid Waste Activity Group, Pg. 113</b></p>	<p>That the Council defer capital budget relating to the proposed Mercury Bay South Transfer Station of \$50,103 and \$24,272 from the 2012/13 financial year to the 2013/14 financial year.</p> <p>And, that the Council defer Capital budget relating to the proposed Mercury Bay South Transfer Station of \$590,119.00 from the 2013/14 financial year to the 2014/15 financial year.</p>	<p>The current Solid Waste Services Operations Contract is to come to an end 30th June 2012. The Thames Coromandel District Council is currently in a Joint Solid Waste Services Procurement process along with Hauraki and Matamata Piako Districts to establish a new Solid Waste Services Contract to takes its place. The outcome of this process may have an impact on the way the proposed Mercury Bay South Transfer Station project develops.</p> <p>The initial planning work and business case was programmed to be completed this year. Staff have deferred that planning until the resolution of the Joint Solid Waste Services procurement process has been reached.</p> <p>It was felt it would be prudent to ascertain how a new operations contract might function and what implications this might have on Mercury Bay South area before spending ratepayer money on developing a project that might well turn out to be outdated in a very short time frame.</p> <p>Hand in hand with deferring the planning and lead in works from 2012/13 to 2013/14 year the proposed physical works are also deferred from the 2013/14 year to 2014/15 year.</p> <p>The aim is to ensure that this project develops in line with a best fit solution to meet the needs of the Mercury Bay South area.</p>	<p><b>Craig Goodwin, John Whittle</b></p>
<p><b>Emergency Management Planning Activity, p. 52</b></p>	<p>That the Council approve the carry forward to 2013/14 of the 2012/13 Emergency Warning System capital expenditure funding of \$51,949.</p>	<p>The capital expenditure budget was provided in support of tsunami warning systems in the Mercury Bay area. The Whitianga Tsunami Working Party has been working with the Mercury Bay Community Board and the local communities to develop a tsunami strategy and implementation programme. Work is progressing on an options paper for appropriate warning systems, including public education, signage and sirens, but this work will not be at a stage where the budget will be used during the 2012/13 financial year. The funding was provided by way of UAGC in the 2012/13 financial year. No funds will be expended in the 2012/13 year and the November 2012 and March 2013 budget revisions have been adjusted accordingly.</p>	<p><b>Pam Howat</b></p>

<b>Fees and Charges - Thames Halls - Page 21</b>	<p>That the Council insert the following text at the end of the table:DefinitionsCommercial Hire: by a business, company, or organisation, or individual whose primary purpose is to generate profit and they hire the hall for that purpose.Private Hire: by an individual or collection of individuals where the event is not open to the public and is not a recognised community organisation.Community Hire: by an organisation or individual who provides an educational, social or economic community benefit that is able to be demonstrated.Hirers shall be charged at the highest rate they meet the definition of week-long rates (for community groups only)</p> <ul style="list-style-type: none"> <li>• Conference \$700</li> <li>• Auditorium \$1,000</li> <li>• Whole complex\$1,500</li> </ul>	<p>The text was omitted in error.</p>	<b>Greg Hampton Doherty</b>
<b>Information Technology Capital Expenditure - Computer Software p. 44</b>	<p>That the Council increase the 2013/14 Information Technology Capital Expenditure - Computer Software budget by \$120,000 by carrying forward \$120,000 from the 2012/13 Information Technology Capital Expenditure - Computer Software budget. Capital expenditure for the Strategic Planning Activity is funded from borrowing, asset sales, UAGC and depreciation.</p>	<p>This budget is targeted for Council's Electronic Document Management System (ECM) licensing commitments, which fall due when Council upgrades to version 4.03. This upgrade was planned for the 2012/13 financial year but, because the vendor's release of the software has been delayed, Council will not be able to progress the project within the 2012/13 financial year. The software upgrade is now programmed for general release in July 2013 with Council implementing the upgrade in August 2013.</p>	<b>Pam Howat</b>
<b>Other</b>	<p>That the Council use, if available, updated information on the forecast Interest Rate for 2013/2014 to inform the financial information contained in the financial budgets.</p>	<p>Preparation of the Prospective Financial Statements are governed by NZ IAS42 which requires that Council use the best information that could reasonably be expected to be available at the time the statements are prepared. The allocation of interest costs will impact on the rates for District ratepayers in 2013-2014.</p>	<b>Steve Baker</b>
<b>Finance - Whole Document - Use of the most up to date financial in the Annual Plan</b>	<p>That the Council updates the financial information to reflect opening balances and revised estimates as a result of the March 2013 current year budget revisions.</p>	<p>Since the draft Annual Plan budgets were compiled, management will have undertaken a further review of the current 2012/2013 financial year budgets which may result in some projects being carried forward into the next financial year. Unless this information is updated there is a danger of double counting projects. In addition the review affects such items as the opening balance of financial reserves upon which the Annual Plan is anchored.</p> <p>Financial Reporting Standard Number 42 deals with information and format of Prospective Financial Statements. This standard requires the Council to use the best information that could reasonably be expected to be available at the time the statements are prepared.</p>	<b>Steve Baker</b>

<b>Finance - Whole Document</b>	That the Council use, if available, current year valuations for Land and Buildings, Wastewater, Water, Storm water, Solid Waste, Parks and Reserves Improvements and Harbours.	Preparation of the Prospective Financial Statements are governed by NZ IAS42 which requires that Council use the best information that could reasonably be expected to be available at the time the statements are prepared. At the time the draft Annual Plan was put together, these valuations were not available. Finance have been working with our valuation service providers with the intention that most if not all of these valuations will be available in time for inclusion in the final document.	<b>Steve Baker</b>
<b>Finance - Whole Document</b>	That the Council updates the property information used to calculate individual rates to the latest information available.	Between drafting the budget information for the draft Annual Plan and the final version to be adopted by Council, the rating information database will have been updated with new properties as a result of subdivision and new values applied to these properties. Also, additional improvements to properties will have been valued and applied to the property information. By using these latest additions, the rates burden is spread over a larger number of properties and brings a slight reduction in the average increase per property. Financial Reporting Standard Number 42 deals with information and format of Prospective Financial Statements. This standard requires Council to use the best information that could reasonably be expected to be available at the time the standards are prepared.	<b>Steve Baker</b>
<b>Finance - Fees and Charges - Page 32</b>	That the Council include the extraordinary water usage fee for users of metered water in excess of 50,000 cubic meters per annum at \$0.95 per cubic meter (including GST).	This reduced fee has been charged in previous year but was inadvertently left out of the schedule of fees & charges by mistake.	<b>Steve Baker</b>
<b>Planning for the Future - Capital Expenditure Property Plant and Equipment Projects - Furniture and Fittings Page 147</b>	That the Council approves an amount of \$100,000 to be carried forward from the 2012/2013 financial year to the 2013/14 financial year to replace furniture and fittings assets originally scheduled for replacement during 2012/2013.(Code 277.43101.1106)	Included in the 2012/13 capex furniture and fittings budget is provision for the replacement of assets that are nearing the end of their useful life. The staged replacement of the Thames Administration Building central air-conditioning (\$70,000) and the replacement of carpets (\$30,000) in that building have been included in the current financial year and their useful life can be extended to 2013/2014.(Code 277.43101.1106)  No additional funding is required.  No rating implication as funding is from Depreciation Reserves.	<b>Pam Howat</b>
<b>Planning for the Future - Capital Expenditure Property, Plant and Equipment Projects- Plant and Vehicles Page 147</b>	That the Council approves an amount of \$264,000 to be carried forward from the 2012/2013 financial year to the 2013/2014 financial year to replace those vehicles scheduled to be replaced during 2012/2013 which have not yet reached the required replacement mileage.(Code 277.43108.1105 Plant and Vehicles)	The Vehicle Policy determines the replacement cycle of vehicles and budgets are compiled based on those replacement cycles. In practice some vehicles do not reach the expected minimum replacement mileage within a particular year with the consequence that the funding approved for such replacements have to be carried forward to future years until replacement triggers are met.  No additional funding required.  No rating implication as funding is from Depreciation Reserves.	<b>Pam Howat</b>

<p><b>Financial statements - Capital Expenditure by area - Street light Replacement budgets for each ward.</b></p>	<p>That the Council decide to increase the street light renewal budgets in order to continue the current level of street light replacements using LED lanterns.</p>	<p>Staff wrote a report to the 26 September 2012 Council meeting outlining the options for new street lighting technology which included using LED lanterns which have a significantly lower whole of life cost than the streetlight lantern types currently used on our network. The lower whole of life cost is due to approximately 50% less energy costs required to run a LED and also lower maintenance costs. Replacement with LED lanterns meets the requirements of Councils resolution below: <i>Requests that the Roading Manager ensures energy efficient low spillage lights are installed as existing streetlights become due for replacement and for new streetlight installations.</i></p> <p>The initial cost of LEDs lanterns are approximately 60% more than that of existing lantern types, therefore to continue the current street light replacement programme the street light replacement budgets will need to be increased as per figures below:</p> <ul style="list-style-type: none"> <li>• Thames, current TYP 2013/14 street light replacement budget: \$10,984</li> <li>• Thames recommended 2013/14 street light replacement budget \$18,800</li> <li>• Coro-Colville, current TYP 2013/14 street light replacement budget: \$3,748</li> <li>• Coro-Colville recommended 2013/14 street light replacement budget \$6,400</li> <li>• Mercury Bay, current TYP 2013/14 street light replacement budget: \$23,034</li> <li>• Mercury Bay recommended 2013/14 street light replacement budget \$39,300</li> <li>• Tairua-Pauanui, current TYP 2013/14 street light replacement budget: \$7,475</li> <li>• Tairua-Pauanui recommended 2013/14 street light replacement budget \$12,800</li> <li>• Whangamata, current TYP 2013/14 street light replacement budget: \$10,985</li> <li>• Whangamata recommended 2013/14 street light replacement budget \$18,800</li> </ul> <p>The other option is to complete street light replacements within the current budgets. This will mean that we will be replacing less street lights than we currently do resulting in a lower levels of service as lanterns fail and are not replaced. Staff therefore do not recommend this option. The budget estimate is based on our current replacement programme where lanterns are replaced on failure rather than when lighting levels fall below standard requirements. This approach results in extended life cycles and lower replacement costs. If we were replacing lanterns based on manufacturers requirements this would result in a further average increase of the street light replacement budgets of 48%.</p>	<p><b>Matt Busch</b></p>
<p><b>Harbour Facilities Fees &amp; Charges, Whangamata Area: Pg. 24</b></p>	<p>That the recreational boat launching/trailer parking annual permit fee for Whangamata be \$65 per annum (not \$70 as per the draft Annual Plan), and that the Recreational Boat Launching/Trailer Parking Daily Permit be \$6.00 (not \$8.00 as per the draft Annual Plan).</p>	<p>The Whangamata Community Board resolved that the fees as they were in 2011/2012 be reinstated. The fees were increased as part of the 2012-2022 Ten Year Plan. It is the Board's view that the increase was unnecessary in Whangamata.</p>	<p><b>Garry Towler</b></p>
<p><b>Parks and Reserves Activity - Whangamata 123 Waireka Place Right of Way</b></p>	<p>That a new project be included in the Annual Plan, against the Whangamata Parks and Reserves activity for establishing a right of way easement over 123 Waireka Place. The estimated cost of this project is to be \$15,000.</p>	<p>The purpose of the right of way is to enable continued access to Council's water treatment plant. Access presently if via a private road which cannot continue.</p>	<p><b>Garry Towler</b></p>
<p><b>Schedule of Fees and Charges</b> <b>Page: 19</b> <b>Community Centres and</b></p>	<p>That the Council agree on completion of the Mercury Bay multi-sport complex new fees and charges associated with use of this facility will be introduced. At the time of preparing this draft Annual Plan these are yet to be determined. The fee structure will be guided by the schedule of fees and charges for Community Centres and Halls and Parks and</p>	<p>Maintenance and running costs for the Mercury Bay Multi Sport Park are still being investigated.  Awaiting the outcome of the tender for the Parks Contract.</p>	<p><b>Sam Marshall</b></p>

Halls Page:27 Parks and Reserves	Reserves.		
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