



Draft Annual Plan 2011/2012

SUMMARY BOOKLET

Stratford District Council has produced its draft 2011/2012 Annual Plan and would like your input. The details and full plan are available on-line on our website www.stratford.govt.nz or by contacting Council. Council will be holding public meetings to discuss this plan. This is your chance to comment upon our plans for the next 12 months - please take it.

From the Mayor...



The economic recession that New Zealand has endured over the last few years continues to influence the general well being of our community. In the second half of last year some indicators suggested we were on the improve, but of late, we are being warned of a "double dip" recession. That tells us it would be prudent for Council to maintain our cautious approach during 2011.

We need to be very mindful in these tough economic times of the pressure our community has been under with the cost of living increases, social pressures and employment issues. We believe the cautious approach shown last year remains appropriate at this time.

With the combination of important law changes late last year, we have been challenged as a Council, to think hard about the services provided and the value they produce. This year, councillors more than ever, have factored into their thinking the affordability, sustainability and necessity of some services provided in the past. These have been rigorously debated and the decisions made have been included within the plan.

Significant savings have been made, particularly in the road maintenance contract, that have allowed Council to present an Annual Plan this year that has a rating increase of only 0.09%, while at the same time not significantly altering service levels. Of note, the seal extension programme remains at 5km for the forthcoming year.

Council accepts there is a fine balance between what we must deliver, what we would like to deliver and what we can afford. Through the community submission process our people will be able to tell us whether we have the mix about right this year.

The 2011/2012 year largely continues to be a period of consolidation and delivering existing services in the most efficient manner. We will also progress our new water treatment plant and reservoir project that has been planned for some time. This is a large expenditure but essential project that will ensure Stratford is well positioned to progress and meet our future needs, in this core service.

Last year the local body elections were held and resulted in three new Councillors being elected. I welcome their fresh input, along with the experienced Councillors, to formulate an Annual Plan that provides for both progress and a minimal rate increase.

My thanks on behalf of Council are extended to all elected members, management, staff and all those who contributed towards the compilation and adoption of this year's Annual Plan.

Neil Volzke, JP
DISTRICT MAYOR



What Council does...

- Aerodrome
- Building Issues and Consents
- Bylaws
- Cemetery Enquiries
- Centennial Restrooms
- Civil Defence Emergencies
- Community Archives
- Community Funding
- Consent Monitoring
- Council Farm
- Dog Complaints
- Dog and Animal Control
- Economic Development
- Environmental Health
- Fire permits
- Footpaths, Kerb and Channel
- Governance and Leadership
- Holiday Park
- Information Centre
- Library
- Liquor Licenses
- Noise Complaints
- Parking
- Parks and Gardens
- Pensioner Housing
- Policies
- Pool Fence Inspections
- Promotions
- Public Toilets
- Rates Enquiries
- Refuse and Recycling
- Resource Consents
- Road Closures
- Roading Issues
- Rural Fire
- School Holiday Programmes
- Sewerage
- Sports Fields
- Street Cleaning
- Stormwater
- Street Lighting
- TSB Pool Complex
- Walkways
- War Memorial Centre
- Water
- Water Toby Locations
- Youth Development

Message from the Acting CEO...



This Council has a long term strategic plan for its District, and is required to develop an annual financial plan aimed at working towards those long term objectives. This document is that plan in draft form ready for public consultation.

Annual plans need to recognise that circumstances do change and adapt accordingly. This Council adopted its last long term plan in another decade, a decade of change that has been acknowledged as one that will never occur again, certainly during our lifetimes.

Central government has recognised this change in the economy and introduced measures to curb public spending, provide tax cuts to individuals to allow them to better generate economic growth, focus on the productive sector that earns NZ revenue, and reduce the services sector that does not add to productivity.

Legislative changes now require each Council, like the rest of the private and public sector, to have a financial strategy to live within its means. The cost plus expenditure mentality of the last decade is no longer appropriate. Just as central government is in the process of trimming services to live within its means, so must Councils. Councils, like business, are being told to stick to their knitting.

As Acting CEO, I am required to present a proposed Annual Plan for consideration by the elected Council that continues to provide for a sustainable organisation, meets the long term objectives for the community and is financially prudent.

Elected members have carefully considered and debated the draft Annual Plan, made decisions on various proposals, and approved a plan that balances the need for restraint versus the need to ensure the community thrives.

The proposed Plan being presented to you proposes a 0.09% increase in total rating income. The major decrease is in the tax on property values, rather than the fixed rating charges, and therefore delivers the major benefit to the rural productive sector that pays over 70% of those rates.

All of the proposals in this proposed Plan will have an impact on someone or something. However, not considering change because it's unpopular is not a defensible position.

Now that elected members have made decisions on the proposed Plan, the community has the opportunity to have its say. So, if you agree or disagree on a decision, please say so. However, remember the old rule, if you want something, be prepared to pay for it.

Mike Avery
Acting Chief Executive

Upcoming public meetings...

- Thursday March 17, 7.30pm at War Memorial Centre.
- Tuesday April 12, 4.00pm at the Whangamomona Hall.

The proposed changes are:

Percy Thomson Trust

When this Trust was established in 2001, Council set a policy that supports this activity and would be no more than 1% of rates. That equates to \$88,000. This Plan proposes to increase the annual grant to the Trust from \$25,800 to \$50,000.

Central Taranaki Safe Community Trust

This Trust provides activities related to the safety of the community. These include neighbourhood watch programmes, community patrols and manning the security cameras. This plan proposes to increase the grant to the Trust from \$10,000 to \$15,000.

Community Grants Fund

This fund provides an opportunity for community groups to receive funding towards a worthwhile project. Council believes that being able to provide a small amount of funding to these groups is worthwhile, but proposes to reduce the amount available from \$18,000 to \$15,000 per annum. Sport Taranaki Trust will cease to receive a separate grant of \$7,500 per annum, and will be eligible to apply to the community fund. This provides a nett saving of \$10,500.

School Holiday Programme

In recent years Council has become a deliverer, via contract, of school holiday programmes. The cost of this contract has grown, mainly due to the health, safety and welfare requirements of supervising young children. There are now other providers of programmes within the District. Therefore, Council proposes to stop its own programme, saving \$25,000, but provide advertising support to the other programmes to the value of \$5,000. This provides a net saving of \$20,000.

Community Events

Council organises various events throughout the year to foster community spirit and pride. These include some music related events in the park, celebration of various days for children, families and older people, and attending the A&P Show. It is proposed to reduce the provision for events from \$45,000 to \$20,000, saving \$25,000.

Kerb and Channel and Footpaths

Council has a long standing policy of extending footpaths (220m) and kerb and channel (500m) throughout the urban area on both sides of the road. The time has come to review this policy in light of recent residential developments. Therefore, it is proposed to put this work programme on hold, saving \$142,900. The policy will be reviewed next year as part of the development of the next Long Term Plan.



Proposed changes continued:

Seal Extension

This proposed Plan includes 5km of seal extension at a cost of \$676,000 per annum. Over the next five years the sealing programme will work on the following roads: Makuri, Mangaehu, Kohuratahi, Whitianga and Junction.

Removing the 5km of seal extension would lower overall rating income by an additional 4%, with the biggest savings being to the higher capital value rural properties. Balanced against the savings is the likely need to work on these roads to provide for potential forest harvesting in the next 20 years.

The question, mainly to the rural community, who pay 70% of the roading rate: are they prepared to pay the cost of providing this seal extension in the rural areas? Previous consultation processes have said yes. It is noted that 83% of roading expenditure is in the rural area of the District.

Fees and Charges

The majority of fees and charges have been adjusted for the

rate of inflation. More significant increases are proposed in health registration fees and cemetery fees. An additional charge for the Stratford Swimming Club use of the pool on Wednesday evenings at the heavily subsidised rate of \$1.00 per swimmer is included. This charge is an addition to the annual lease rental of the swimming clubrooms.

Who Pays

The matter of who pays for what services is determined by the Revenue and Financing Policy. This policy is reviewed every three years as part of the development of the Long Term Plan. This will occur during the 2011/12 year. Therefore, this draft Annual Plan contains no changes to the structure of the rating system.



Statement of Proposal

The Statement of Proposal is prepared in accordance with Section 83 of the Local Government Act 2002.

The Stratford District Council proposes to adopt an Annual Plan for the period 1 July 2011 to 30 June 2012 pursuant to Section 95 of the Local Government Act 2002.

In adopting the Annual Plan the Stratford District Council will be adopting the:

- Funding Impact Statement that meets Clause 13 of Schedule 10;

- Fees and Charges for 2011/2012.

In addition, in adopting the Annual Plan the Stratford District Council will be adopting a resolution under Section 23(1) of the Local Government (Rating) Act 2002 to set the rates as specified in the Funding Impact Statement included in the Annual Plan, and authorised penalties on unpaid rates under Section 57 of the same Act.

Summary of Information

The major matters that are contained within the Annual Plan are:

- To describe the annual budget and funding impact statement for the year to which the annual plan relates; and
- To describe any variation from the financial statements and funding impact statement included in the local authority's Long Term Council Community Plan in respect of the year; and
- To support the Long Term Council Community Plan in providing integrated decision making and co-ordination of the resources of the local authority; and
- To contribute to the accountability of the local authority to the community; and
- To provide opportunities for participation by the public in decision-making processes relating to the costs and funding of activities to be undertaken by the local authority.

A copy of the draft Annual Plan may be inspected at the offices of the Stratford District Council, Miranda Street, Stratford; and the Stratford Public Library, Prospero Place, Stratford and the website: www.stratford.govt.nz.

A copy of the draft Annual Plan can be obtained by writing to

the Stratford District Council, P O Box 320, Stratford 4352; or contacting the Council on (06) 765 6099.

The draft Annual Plan document will be available from Wednesday 9 March 2011 and submissions will be accepted until 4.00 pm Thursday 21 April 2011 at the offices of the Stratford District Council, Miranda Street, Stratford.

An opportunity for consultation through a public meeting is being held on Thursday 17 March 2011 in Stratford at 7.30 pm at the War Memorial Centre and on Tuesday 12 April 2011 at 4.00pm at the Whangamomona Hall.

Council welcomes upon request other consultation meetings with local groups and organisations between the dates of 14 March 2011 and 21 April 2011.

Consideration of submissions and opportunities to be heard on a submission will be on Thursday 5 May 2011, commencing at 10.00 am.

The final Annual Plan is proposed to be adopted on Tuesday 14 June 2011.

Financial Variations

This Plan is built around a continuation of the activities within the LTCCP. These are built around the premise of ensuring retention of the core services and facilities of Council and the Stratford District, and maintenance of existing levels of service.

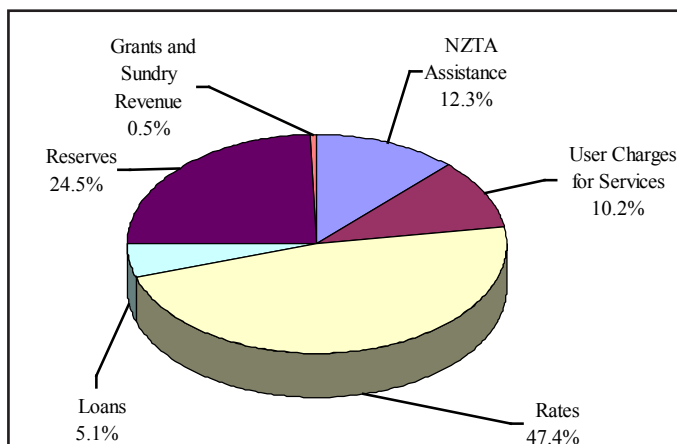
The LTCCP signalled rating revenue for 2011/12 of \$9,503,000. The figure in this Plan is \$642,800 lower at \$8,860,200.

A simple comparison table between what the LTCCP said for 2011/12 and what this Annual Plan says is: (figures in \$1,000's)

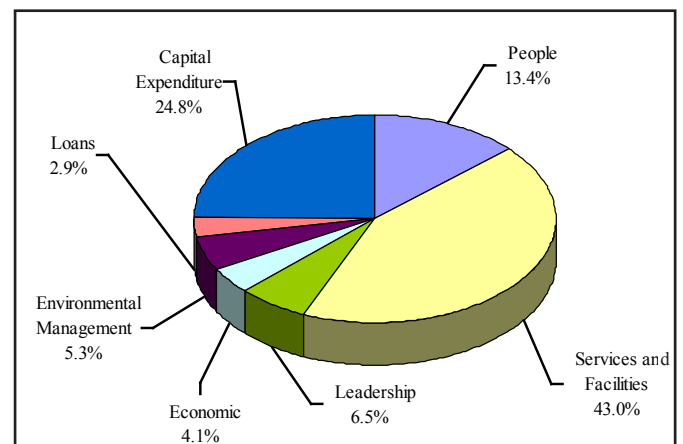
RATE	LTCCP	ANNUAL PLAN
Total Rates (GST exclusive)	\$9,503	\$8,860
UAGC	\$1,738	\$1,732
Roading	\$3,447	\$3,016
Water	\$ 877	\$ 898
Refuse	\$ 618	\$ 603
Sewerage	\$ 432	\$ 413
General	\$2,391	\$2,198
% Income from Rates	49.70%	47.43%



Where the money comes from...



Where the money goes to...



Income:

NZTA Assistance	12.3%	\$2,297,600
User Charges for Services	10.2%	\$1,913,600
Rates	47.4%	\$8,860,200
Loans	5.1%	\$950,000
Reserves	24.5%	\$4,574,500
Grants and Sundry Revenue	0.5%	\$84,300

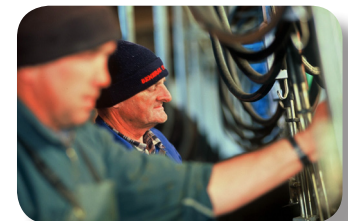
Expenditure:

People	13.4%	\$2,499,200
Services and Facilities	43.0%	\$8,027,800
Leadership	6.5%	\$1,210,900
Economic	4.1%	\$770,000
Environmental Management	5.3%	\$984,200
Loans	2.9%	\$542,300
Capital Expenditure	24.9%	\$4,645,800

Sample Rates for 2011/2012

The examples below indicate a rating breakdown for five properties

	What you paid this year \$	2011/12 per LTCCP \$	What you will pay next year \$
Residential - Capital Value	\$216,000	\$216,000	\$216,000
Uniform Annual General Charge	449.00	475.00	462.00
Refuse	273.00	295.00	289.00
Water Supply	354.00	372.00	371.00
Wastewater	173.00	197.00	186.00
Roading Rate	283.82	320.11	273.87
General Rate	204.50	222.05	199.64
Total Rates (excl TRC)	1,739.32	1,881.16	1,781.50
Movement \$			42.18
Movement %			2.43%
Residential - Capital Value	\$276,000	\$276,000	\$276,000
Uniform Annual General Charge	449.00	475.00	462.00
Refuse	273.00	295.00	289.00
Water Supply	354.00	372.00	371.00
Wastewater	173.00	197.00	186.00
Roading Rate	362.66	409.03	349.94
General Rate	263.86	283.73	255.09
Total Rates (excl TRC)	1,875.52	2,031.76	1,913.03
Movement \$			37.51
Movement %			2.00%
Rural Lifestyle -Capital Value	\$975,000	\$975,000	\$975,000
Uniform Annual General Charge	449.00	475.00	462.00
Roading Rate	1281.15	1444.95	1,236.20
General Rate	932.10	1002.30	901.14
Total Rates (excl TRC)	2,662.25	2,922.25	2,599.34
Movement \$			-62.91
Movement %			-2.36%
Rural Farm -Capital Value	\$5,100,000	\$5,100,000	\$5,100,000
Uniform Annual General Charge	449.00	475.00	462.00
Roading Rate	6701.40	7558.20	6,466.29
General Rate	4875.60	5242.80	4,713.63
Total Rates (excl TRC)	12,026.00	13,276.00	11,641.92
Movement \$			-384.08
Movement %			-3.19%
Commercial -Capital Value	\$170,400	\$170,400	\$170,400
Uniform Annual General Charge	449.00	475.00	462.00
Water Supply	354.00	372.00	371.00
Wastewater	173.00	197.00	186.00
Roading Rate	223.91	252.53	216.05
General Rate	162.90	175.17	157.49
Total Rates (excl TRC)	1,362.81	1,471.70	1,392.54
Movement \$			29.73
Movement %			2.18%



Prospective Capital Expenditure

	2011/12 2009 LTCCP \$000	2011/12 Annual Plan \$000	Variance \$000
Roading			
Capital Expenditure	855.7	676.3	179.4
Renewal Expenditure	2,938.3	2,476.4	461.9
Stormwater			
Capital Expenditure	44.7	44.7	0.0
Renewal Expenditure	31.4	32.4	(1.0)
Water Supply			
Capital Expenditure	22.6	227.6	(205.0)
Renewal Expenditure	164.5	158.6	5.9
Refuse Disposal			
Renewal Expenditure	10.6	0.0	10.6
Wastewater			
Capital Expenditure	11.4	387.8	(376.4)
Renewal Expenditure	34.2	136.6	(102.4)
Parks & Reserves			
Capital Expenditure	25.3	24.3	1.0
Renewal Expenditure	27.4	26.3	1.1
Property			
Capital Expenditure	0.0	0.0	0.0
Renewal Expenditure	194.9	186.7	8.2
Administration			
Renewal Expenditure	280.0	268.2	11.8
TOTAL PROJECTS (excl GST)	4,640.8	4,645.8	(5.0)
FUNDING			
Loans	542.1	950.0	(407.9)
Reserves	3,565.0	3,352.4	212.6
Rates	533.7	343.4	190.3
TOTAL (excl GST)	4,640.8	4,645.8	(5.0)

Prospective Statement of Comprehensive Income

	2011/12 2009 LTCCP \$000	2011/12 Annual Plan \$000	Variance \$000
Income			
Rates Revenue	9,503.0	8,860.2	642.8
User Charges Fpr Services	1,881.6	1,913.6	(32.0)
NZTA Financial Assistance	2,757.5	2,297.6	459.9
Interest Received	237.5	234.1	3.4
Sundry Revenue	146.1	84.3	61.8
Total Income	14,525.8	13,389.8	1,135.9
Expenditure			
Employee Benefit Expenses	2,360.7	2,455.0	(94.3)
Other Direct Operating Costs	7,209.1	6,811.1	398.0
Finance Costs	371.8	339.3	32.5
Depreciation	3,948.1	3,886.8	61.3
Total Operating Expenditure	13,889.7	13,492.1	397.6
NET SURPLUS/(DEFICIT)	636.1	(102.3)	(738.4)
OTHER COMPREHENSIVE INCOME			
Gains/(Loss) on property revaluation	2,431.2	2,348.9	(82.3)
Total Other Comprehensive Income	2,431.2	2,348.9	(82.3)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	3,067.3	2,246.6	(820.7)

Prospective Total Funding Requirements

	2011/12 2009 LTCCP \$000	2011/12 Annual Plan \$000	Variance \$000
OPERATING EXPENDITURE			
People	2,610.3	2,499.2	111.1
Services and Facilities	8,165.8	8,027.8	138.0
Leadership	1,258.5	1,210.9	47.6
Economic	868.3	770.0	98.3
Environmental Management	986.7	984.2	2.5
SUB-TOTAL OPERATING EXPENDITURE	13,889.7	13,492.1	397.5
OTHER EXPENDITURE			
Public Debt Loan Repayment	245.0	218.2	26.8
Other Loan Repayments	10.1	10.1	0.0
Provision for Landfill Aftercare	25.5	24.5	1.0
Loan Repayment Reserve	308.1	289.5	18.6
Capital Expenditure	4,640.8	4,645.8	(5.0)
SUB-TOTAL OTHER EXPENDITURE	5,229.5	5,188.1	41.3
TOTAL EXPENDITURE	19,119.2	18,680.2	438.8
LESS FUNDING			
User Charges for Services	1,881.6	1,913.6	32.0
Land Transport NZ Subsidies	2,757.5	2,297.6	(459.9)
Interest Received	237.5	234.1	(3.4)
Sundry Revenue	146.1	84.3	(61.8)
Interest Transferred to Reserves	(175.9)	(173.3)	2.6
Transfer from Loan Repayment Reserve	245.0	218.2	(26.8)
Operational Transfers To/From Reserves	19.8	13.2	(6.6)
Transfer to Roding Reserve	(649.5)	(113.3)	536.2
Depreciation Funded from Reserves	1,046.9	1,043.3	(3.6)
Loan Receipts (Capital)	542.1	950.0	407.9
Transfers from Reserves (Capital)	3,565.0	3,352.4	(212.6)
TOTAL FUNDING	9,616.2	9,820.1	204.0
TOTAL REVENUE REQUIRED	9,503.0	8,860.1	642.8

Prospective Statement of Financial Position as at 30 June 2012

	2011/12 2009 LTCCP \$000	2011/12 Annual Plan \$000	Variance \$000
Current Assets			
Cash and Cash Equivalents	8,317.7	7,887.8	(429.9)
Debtors and Other Receivables	1,032.6	1,016.3	(16.3)
Total Current Assets	9,350.3	8,904.1	(446.2)
Non-Current Assets			
Investment in Other Financial Assets	724.8	724.8	0.0
Property, Plant & Equipment	284,132.6	282,833.5	(1,299.1)
Total Non-Current Assets	284,857.4	283,558.3	(1,299.1)
TOTAL ASSETS	294,207.7	292,462.4	(1,745.3)
Current Liabilities			
Creditors and Other Payables	847.6	806.8	(40.8)
Provision for Landfill Aftercare	0.0	24.5	24.5
Employee Benefit Liabilities	111.5	111.5	0.0
Borrowings	245.0	218.2	(26.8)
Total Current Liabilities	1,204.1	1,161.0	(43.1)
Non-Current Liabilities			
Borrowings	5,654.9	5,447.7	(207.2)
Other Loans	19.2	23.0	3.8
Provision for Landfill Aftercare	91.4	168.5	77.1
Employee Benefit Liabilities	199.2	199.2	0.0
Total Non-Current Liabilities	5,964.7	5,838.4	(126.3)
Equity			
Retained Earnings	169,780.5	168,901.7	(878.8)
Asset Renewal Reserve	1,162.5	758.0	(404.5)
Contingency Reserve	504.5	504.5	0.0
Other Council Created Reserves	1,209.1	1,202.4	(6.7)
Restricted Reserves	593.8	605.1	11.3
Targeted Rate Reserves	1,073.0	858.0	(215.0)
Asset Revaluation Reserves	112,715.5	112,633.2	(82.3)
Total Equity	287,039.0	285,463.0	(1,575.9)
TOTAL LIABILITIES & EQUITY	294,207.7	292,462.4	(1,745.3)

