Have Your Say

Annual Plan Update

2020 - 2021

MARLBOROUGH DISTRICT COUNCIL

Message from the Mayor

I'd like to talk to you about Council's 2020 - 21 draft Annual Plan.

In what seems like an age ago, Councillors considered the draft budgets prepared by staff which resulted in a proposed rates increase of 4.86%. Since that time COVID-19 has hit.

No one could have anticipated the disruption to our community it has already caused. Council has recognised the potential impact. As a result it is proposing that this year's rates increase will be less than 2.2% (the increase in the Local Government Cost Index). While it is disappointing that we won't be able to continue with some of the new initiatives originally proposed, especially in the Community Facilities activity area, the greater interests of the Community must take priority.

We can continue with our capital expenditure programme. The majority of this is focused on core infrastructure, roads, water, sewer and stormwater. These projects must continue so we can meet the demands for growth and increased Government requirements for our Community post COVID-19. It will also provide a much needed boost to our economy with only a limited impact on rates.

One new initiative that has been developed since the outbreak of COVID-19 is to establish budgets totalling $1.2M to ensure the continued viability of our essential community organisations and community facilities providers. Funds for this initiative will be from the Emergency Events Reserve and have no impact on rates.

Please read this, ask questions and have your say.
We're all in this together

John Leggett
Mayor

What does it mean for Levels of Service?

As a Council we have looked to maintain and where possible improve existing levels of service.

That was our original plan for 2020-21. In that plan we would continue with the improved levels of service contained in the 2018-28 Long Term Plan particularly in the areas of Environmental Management, Environmental Protection, Solid Waste Management, Water Supplies and Biosecurity. In addition to these items in the February 2020 Budget Meeting further improvements to levels of service were proposed and agreed, mainly in the Community Facilities and Kerbside Recycling for Renwick areas.

While these lifts to levels of service were seen as highly important to meeting the needs and aspirations of the Marlborough community and central government requirements, COVID-19 has generated an even higher requirement, i.e. to reduce the rating impact on Marlborough ratepayers.

As a result, Council has decided that this year's rates increase will be less than 2.2%, the movement of the Local Government Cost Index. The follow on impact of that decision is:

Core services, Roading, Water, Sewerage and Stormwater will be maintained. Ratepayers should not see any decrease in levels of service for these services. In fact you may even notice some improvements as capital improvement projects are completed.

Some of the lifts in levels of service signalled in the Long Term Plan will be deferred as will some of the Community Facilities improvements and Kerbside Recycling for Renwick.

Other services may also be affected to a lesser extent, but it is too early in the process to identify these with certainty.

The key message is that the forecast rates increase will be less than 2.2% while still maintaining core services.

What does this mean for your rates?

The 2020-21 rates increase will be less than 2.2% (excluding the expected increase in the voluntary Energy Efficiency Targeted Rate).

This is a significant reduction on the increases forecast in the 2018-28 LTP and 2019-20 Annual Plan for a 2020-21 rates increase of 5.92% and 6.68% respectively. For an average property a 2.2% increase equates to approximately $1.10 per week. Council hopes to reduce that figure further.

How much our activities cost per household per day on average

$1.18 Roads and Footpaths

$1.11 Community Facilities

83cents Sewerage

89cents Water Supply

44cents Flood Protection

82cents Environmental Management

Indicative 2020-21 Operating Expenditure - $M

What does this mean for our Capital Expenditure?

As signalled in the LTP, Council has a significant capital expenditure programme that has effectively doubled the level of capital expenditure that occurred in 2016 and prior years.

To keep the economy moving and prepare us for the other side of COVID-19 we must keep our Capital Expenditure and Small Township Programmes going. With many capital projects costing well in excess of $1M and having a long life it is vital that they are planned, designed and built to a very high standard. Due to the size and scale of these projects, they can have a significant impact on the community. This can result in delays in individual projects whether it is from land acquisition, community engagement, resource consenting, consulting engineer availability or contractor pricing.

To mitigate the effects of one project being delayed for any reason, Council always has a suite of projects under development so that should a delay occur on one project another project can be worked on. For 2020-21 Council has agreed to finance just over $60M of Capital expenditure and similar amounts over the next three years. This expenditure is primarily focused on core infrastructure, i.e. roading, sewerage, water to meet community expectations, national standards and growth. In addition, Council will fund the development of the Flaxbourne Irrigation Scheme (paid for by users, not general ratepayers) and the Blenheim Library/Art Gallery.

Please see the table below for details of Council's major construction activities for the 2021-2024 period.

CAPITAL PROJECTS EXPENDITURE	2021-2024 CAPITAL ($M)
Library / Art Gallery	20.7
Reserves – including completion of Sports house, A&P Park and artificial turf	8.4
Roading Renewals and Minor Improvements – including sealed road resurfacing, seal widening, intersection improvements, bridge renewals, jetty replacement	33.3
Flood Protection – including stopbanks and drains improvements	16.4
Riverlands Sewer Treatment Plant	23.4
Picton Sewerage – including pipeline(Waikawa), pump station and treatment plant upgrades	14.0
Havelock Sewerage – Treatment Plant	7.4
Blenheim Sewerage – including pipeline and pump station upgrades	42.9
Blenheim Stormwater – including Redwood Street - Muller Road and Murphys Creek	11.0
Havelock Water – treatment plant and reservoir	6.4
Picton Water – including Essons Treatment Plant, Speeds pipeline and metering	10.3
Renwick Water – treatment plant	8.9
Riverlands Water – treatment plant	7.1
Solid Waste – additional stages for the Blue Gums landfill	12.6
Flaxbourne Irrigation Scheme	14.2

Picton Ferry Terminal Redevelopment

You may have heard of KiwiRail's plans for new, larger ferries and the need to redevelop their ferry terminal and rail facilities in Picton.

Port Marlborough NZ Ltd (PMNZ) is engaging in commercial discussions with KiwiRail and public consultation on the conceptual look and feel of the project is already underway.

Some provision for the redevelopment has been included in our long-term planning. However, given the likely significance of the project to PMNZ, and in turn Council as ultimate shareholder, a separate formal consultation on this major investment will be undertaken later in the year.

Summary

I believe that Council has taken a balanced approach. We have:

- **Maintained core services;**
- **Recognised the impacts on the Community of COVID-19 by agreeing to reduce rates increases to below 2.2%**
- **Established a budget $1.2M to assist community facility providers and groups adversely affected by COVID-19;**
- **Continued to invest for the future by maintaining our capital expenditure programme – there will be a future post COVID-19.**

Now we need you to tell us whether the Draft 2020-21 Annual Plan reflects your wishes and priorities.
I look forward to receiving your comments.

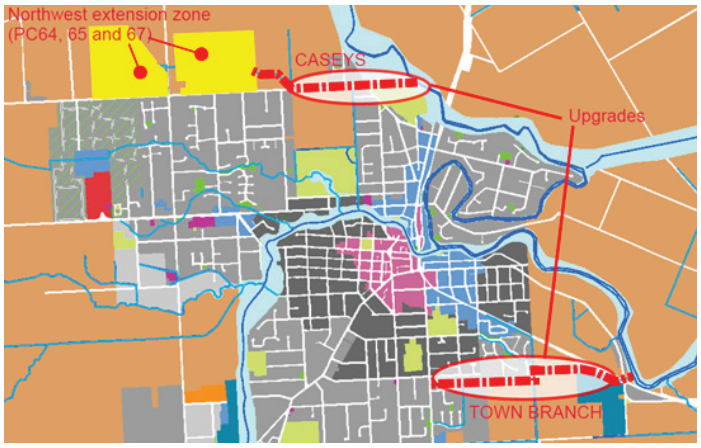
Development Contributions for Blenheim's - Town Branch Drain and Caseys Creek

Background

The Development Contributions Policy was last reviewed in 2018. Modelling of Blenheim storm water capital expenditure assessed the Development Contributions for Blenheim storm water at $3,515 per developed lot (Storm water upgrade levy).

At the time Council maintained the development contribution levy at $757 per lot. Council was still finalizing a significant review of its storm water systems and gaining an understanding of the expenditure which should be attributable to growth. As a result, Council was reluctant to alter the charge significantly until this work was completed.

In addition to the Upgrade Levy highlighted above Council introduced a North West Extension Zone Levy. The Zone Levy is an additional levy that is applied on all properties in the zone to ensure that efficient development occurs across multiple owners and that costs are fairly and equitably spread amongst all the landowners. This zone levy included a provision for upgrading Caseys Creek to meet storm water demands from the developed zone. This amounted to $6,040 per lot within the zone of the total zone levy of $27,000 per lot.



Proposal

Council proposes to include the Town Branch Drain upgrade costs associated with growth, as an additional input into the Storm Water Development Contributions calculation model.

Council also proposes to remove the Caseys Creek upgrade works from the Northwest Extension Zone Levy and include this as a further addition to the Storm Water Development Contribution calculation model. This is to provide consistency with the similar Town Branch Drain works.

Encouraging Growth

Development Contributions are determined by modelling the expected growth rates, capital expenditure attributed to growth, finance requirements and income to determine an appropriate development contribution that will see developers meet the cost of infrastructure needed to service development. The Blenheim Storm water levy calculated from the model was $6,850. Council has had a history of discounting upgrade levies to encourage growth. The existing discount rates for Water and Sewerage were analyzed, and a discount of 38% was applied to the $6,850 to achieve the discounted contribution of $4,247.

What does this mean?

For those who wish to develop land within Blenheim, the Blenheim Storm water Development Contribution will increase from $757 per lot to a discounted $4,247 per lot (plus GST).

The Northwest extension zone (PC64, 65 and 67) will reduce from $27,045 per lot to $21,005 per lot (plus GST) to reflect Caseys Creek capital works being recovered in the upgrade levy across Blenheim. For those who wish to develop land within the North West extension zone (PC64, 65 and 67), the reduced Northwest extension zone levy will apply in addition to the Blenheim Storm water Development Contribution.

What's the alternative?

Recover costs associated with growth and development from the rates.

Changes to Kerbside Recycling Collection – inclusion of Renwick

Council is proposing to expand kerbside recycling collection to include Renwick. Currently Council provides this service to the residents of Blenheim and Picton at an annual cost of $46. The inclusion of Renwick will lead to a revised annual charge of $54 per entitled property in Blenheim, Picton and Renwick. The expanded kerbside recycling service, if approved may commence as early as July 2021.

Renwick residents would receive one council recycling crate per entitled property and these crates would be emptied on a Wednesday. The inclusion of Renwick in the kerbside recycling service would also result in collections being undertaken on public holidays other than Christmas Day, ANZAC Day and Good Friday. Kerbside refuse collection is not being considered for Renwick at this time.

Have your say

Although we're not putting forward any significant new proposals this year, we'd like to hear from you about what we're doing.

Also, what would you like Council to consider as it finalises its Annual Plan later this year?

Submissions need to be with us by 4 May. Councillors will formally consider all submissions and feedback received.

You can fill out an online submission form at:
www.marlborough.govt.nz under **Have Your Say**.

Or write to us at:
Annual Plan Feedback,
Marlborough District Council,
15 Seymour St, PO Box 443, Blenheim,
or email annualplan@marlborough.govt.nz

If you would like to speak to Councillors let us know this along with your submission, by 4 May. The means by which you do this will depend on how long the COVID-19 lock down continues.

Link to supporting documentation http://bit.ly/MDCAgenda27Feb20

28 February	2 April	3 April	4 May	2-4 June	8 June	25 June	1 July
Council considers 2020 - 21 Annual Plan Budget	2019-20 Annual Plan Consultation Document adopted for consultation	Annual Plan Submissions open	Annual Plan Submissions close	Annual Plan Submissions Hearings	Council considers Annual Plan Submissions	Annual Plan adopted and rates set for 2020 - 21 rating year	New rates effective from 1 July 2020