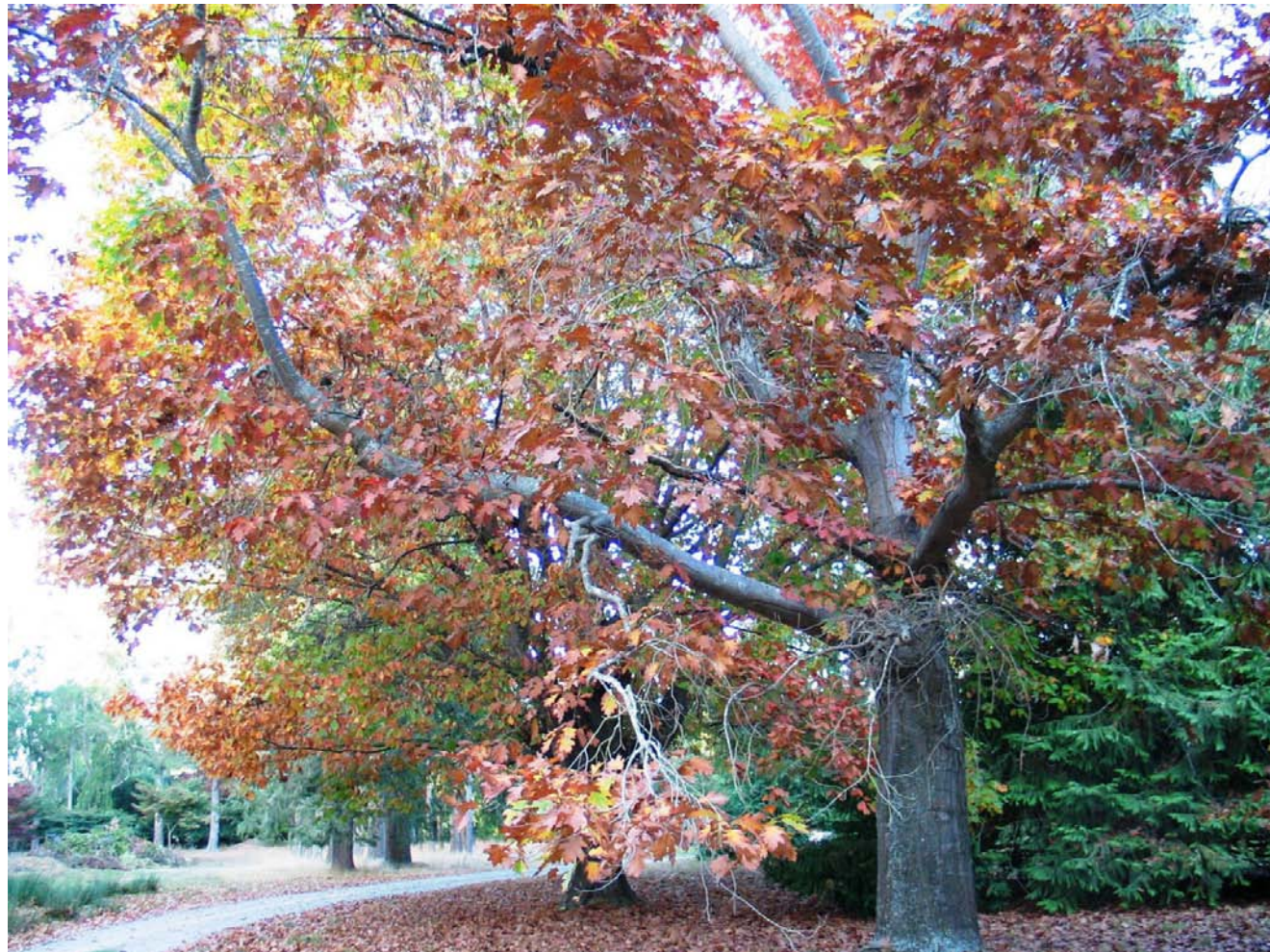


Waimate 2020

Waimate District Council Long Term Council Community Plan 2006 - 2016 - Volume 4

**Final Version
18th July 2006**



Waimate 2020



Waimate District Council Long Term Council Community Plan Volume 4

**Final Long Term Council Community Plan
for the Ten Year Period Beginning
1 July 2006**

Final Version - 18th July, 2006
Published on 18th July 2006 by the Waimate District Council,
P O Box 122, Waimate, New Zealand
Tel: 64-3-689-8079. Fax: 64-3-689-8075

This Volume and Volume 3 have the detailed financial management information about the operation of the Council over the next ten years including the impact on rates of implementing the Council's proposed plans. Actual results achieved for the period covered by the Plan are likely to vary from the information presented and the variations may be material. Hence the reader must be aware that the Plan is designed for the purpose described in the Plan, (i.e. a Statement of Proposal that is renewed every three years) and the information may not be used for purposes other than that described.

A Guide to the 5 Volumes of the Plan

Waimate 2020

Finding your way through the complete Plan

The complete Plan consists of 5 Volumes plus a very brief Summary.

Each Volume deals with different parts of the Plan and this is a guide to where to find the information you seek.

There are other documents that the Council uses to support this Plan such as Asset Management Plans for the main services such as Water Supplies, and Roading works, and a number of other Policy Documents.

Volume 1

Volume 1 provides a full overview of the contents of the LTCCP.

The main part of the document describes how the Council works and the way in which it is structured along with information on how the interests of residents are protected.

The way the Council involves the Community in its decision-making and the methods used for accessing “the voice of the community” are fully covered.

The last part describes how the Council will show its success in achieving the Community’s expectations of its performance.

The Main Contents of each Volume

Volume 1	_____
Volume 2	_____
Volume 3	_____
Volume 4	_____
Volume 5	_____



Waimate 2020

Volume 2

This Volume outlines the Community's vision for its future and the Outcomes it is looking for as the District develops.

The Purpose and the role of the Council in achieving the Outcomes is defined and a set of Strategic Objectives are described from which the varied everyday responsibilities of the Council can be determined.

These are translated into everyday tasks which are described along with Projects the Council may undertake to support the Community Outcomes.

Council's normal partners in its operations are described and the role of the Council and these other partners are shown for all Projects and Tasks.

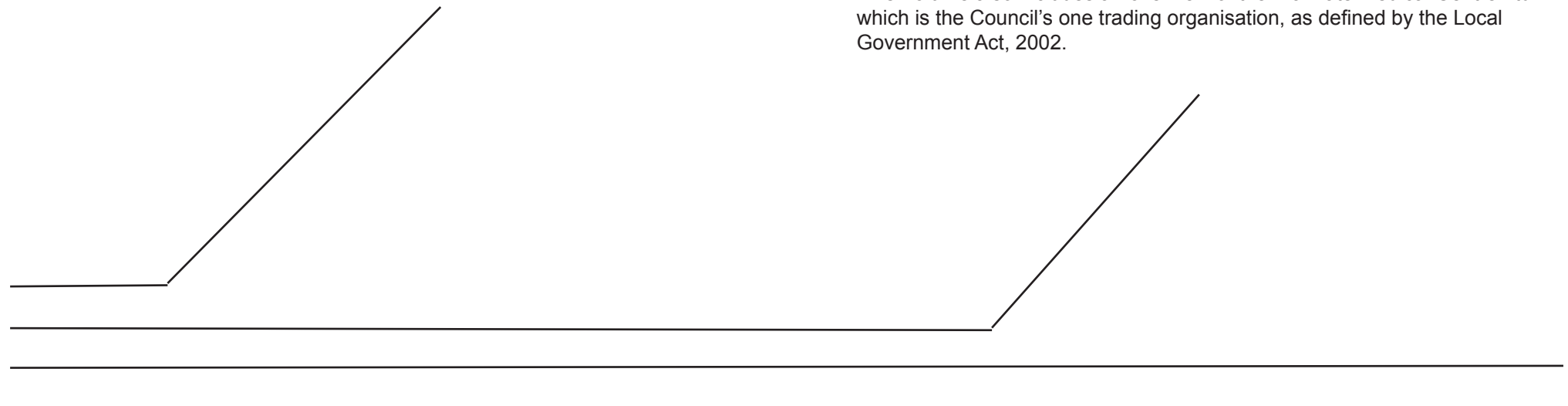
Volume 3

Volume 3 consists mainly of Activity Management Plans. Each activity that the Council performs is described, outlining what it is that the Council does, why it should do it, and what it will do to make this activity continue to support the Community Outcomes.

Also, each activity has identified Service Levels which describe what the Community expects in how the service is provided. For example: it may define opening hours for a building or response times for repair work.

Financial information on expenditure and income is shown for each activity along with an indication of the proportion of Council's overall operating and capital expenditure which relates to each activity.

This Volume also includes an overview of the Waimate Medical Centre Ltd which is the Council's one trading organisation, as defined by the Local Government Act, 2002.



Volume 4

Volume 4 contains financial statements that describe the situation of the Council as a whole rather than separately by Activity as included in Volume 3.

It also includes some of the Council's Policy documents as required by the Local Government Act, 2002. These describe how the Council sets its rates and where funding will come from for its activities. They also cover the way in which finances will be managed, including investments and borrowing, and the situations where rates may be remitted or reduced.

Other Policies cover development contributions, and how the 'significance' of decisions is determined.

Other sections describe the schedule of Fees and Charges for all Council activities and how the Council will approach consultation with Maori.

Volume 5

Volume 5 contains two key technical documents. The first is an assessment of the District's current and future needs for Water and Waste Water services which includes the Timaru Assessment Report for the Downlands Water Supply Scheme.

The second is a plan for managing Solid Waste Collection and Disposal.

These are technical documents that the Council has been required to generate by the Local Government Act, 2002.

Contents of Volume 4	
Table of contents	xi
Financial overview for 2006-2016	1
Introduction	1
List of Included Financial Statements	1
Key Uncertainties	2
Significant Forecasting Assumptions	6
Projected Statement of Financial Performance	13
Projected Statement of Financial Position	14
Statement of Movement in Equity	16
Statement of Cash Flow	17
Activity Summaries	18
Funding Impact Statement	19
Council Policies	23
Introduction	23
List of Included Policies	23
Statement of Accounting Policies	25
Significance Policy	39
Purpose	41
Scope	41
Responsibility	41
Definitions	41
Decision Making Procedure	42
Documentation Procedure	45
Thresholds and criteria for significance	46
Special or arbitrary criteria	47
Over-riding the special consultative process requirement	48

Appendix 1 - Strategic Assets	48
Revenue and Financing Policy	51
Purpose	53
Background	53
Revenue and Funding Policy	53
The procedures behind the Funding Policy	61
Rates Schedule for 2006/07	65
District Rates	67
Funding Summary	70
Liability Management Policy	75
Purpose	77
Scope	77
Responsibility	77
Glossary of Terms	77
Description/Method	78
Appendix 1 - Approved Borrowing Instrument	82
Investment Policy	85
Purpose	87
Scope	87
Responsibility	87
Glossary of Terms	87
Policies	88
Procedures	91
Appendix 1 - Counterparty Exposure Limits	92
Development and Financial Contributions Policy	95
Purpose	97
Background	97

Waimate 2020

Scope	97
Responsibility	97
Policies	97
Overview of Financial, open space and esplanade provisions	98
Partnerships with the Private Sector Policy	101
Purpose	103
Scope	103
Responsibility	103
Description/Method	103
Rates on Maori Freehold Land Policy	105
Purpose	107
Scope	107
Responsibility	107
Description/Method	107
Rates Remission Policy	109
Purpose	111
Scope	111
Responsibility	111
Specific Policies	111
Appendix 1 - Halls and Community Centres Qualifying for Rates Remissions	114
Rates Postponement Policy	117
Purpose	119
Scope	119
Responsibility	119
Policies	119
Statement on Involvement of Maori	120
Schedule of Fees and Charges	122

Significant Changes from Draft to Final Long-Term Council Community Plan

Statement of Financial Performance 2006/07

Changes from the Draft LTCCP to the Final LTCCP arise from the following factors:

Council Decisions affecting Targeted Rates

- Subsequent to the publication of the Council's draft LTCCP, significant new financial information came to hand in relation to Council's Rural Water Schemes. Following discussions with the Rural Water Scheme Committees, Council have made revisions and refinements to the Financial Statements for Rural Water Scheme Activities, which best reflect the current position of Council's Rural Water Schemes, provide that costs of necessary capital upgrades in relation to new Drinking Water Standards can be depreciated over an appropriate future period to reduce the cost burden to users each year, and contain adjustments to the targeted rates that fund Rural Water Schemes, amounting to an increase in targeted rates of \$21,000.

Council Decisions affecting General Rates

- Following Council's Public Consultation process, a proposal in Council's draft LTCCP to cut the budget for Council's Promotions Department and Information Centre was not supported. \$51,000 has been reinstated to Council's budget for Community Support, but Council have also resolved to make \$10,000 cuts in the administrative and marketing functions of Promotions.
- Council have resolved cuts relating to minor maintenance works in its roading budget, amounting to a reduction of \$84,000 in rates required to support roading maintenance. Because Council's roading expenditure has flow-on effects in relation to the Road Subsidy received from Land Transport NZ, and also to the amount of roading capital expenditure in the form of renewals, further impacts of the cut in roading maintenance expenditure are recognised as follows:

Reduced Rates input to roading maintenance	\$84,000
Gives rise to reduction in the subsidy received.	\$87,000
Total	\$171,000
Cuts in roading work arising from the funding reduction	
Roading maintenance reduced	\$39,000
Roading capital/renewals reduced	\$132,000
Total	\$171,000

- Additional cost cutting and revenue generating adjustments to budget have been resolved by Council. The summary below incorporates these adjustments, along with the Promotions and roading impacts to show the total effect on Council's general rate requirement.

Promotions budget re-instated	(\$51,000)
Promotions administration cut	\$10,000
Roading expenditure reduction	\$84,000
Community property anticipated revenue	\$25,000
Economic Development grant ceased	\$10,000
Community representation expenditure was cut by reducing subscriptions, advertising and conference expenditure.	\$39,000
District Planning recruitment costs were reduced	\$17,000
Health Inspection and Pest Management were reduced	\$15,000
The total effect of these changes on Council's general rate take is a reduction of	\$149,000

STATEMENT OF FINANCIAL PERFORMANCE

ACTIVITY : Consolidated Totals	Final Total	Draft Total	Changes
	Budget 2006/07 \$000s	Budget 2006/07 \$000s	
Revenue			
Targeted Rates	1,884	1,863	24
Transfund Subsidy	1,626	1,713	(67)
Revenue from Activities	1,620	1,602	(18)
Other Revenue	964	948	16
Total Revenue	6,094	6,126	(32)
Expenditure			
Expenditure on Activities	6,302	6,360	59
Depreciation	2,487	2,524	37
Taxation	370	370	0
Total Expenditure	9,159	9,254	96
NET COST OF SERVICE	3,065	3,128	64
Funded by:			
General Rates	3,392	3,540	(149)
Net surplus (deficit)	327	412	(85)

Statement of Financial Position 2006/07

- Council's Draft LTCCP contained a proposal to sell the Council property at 84 Queen Street (Dawson's Building). Following public consultation, the proposal to sell the building was not confirmed. Council's Statement of Financial Position has been updated to reflect the financial impacts of retaining this building.

- Council's non-current assets have been reduced by the following factors: Decrease in roading renewals (as detailed on previous page) \$132,000; Increase in rural water schemes assets (resulting from application of reduced depreciation charges as discussed on previous page (\$38,000)) leaving a total reduction of \$94,000.
- Council's non-current liabilities have been adjusted to reflect corrected property valuation information that has only recently come to hand.

STATEMENT OF FINANCIAL POSITION

	Final Total	Draft Total	Changes
Overall	\$000s	\$000s	
Current Assets	587	587	
Current Liabilities	(700)	(700)	
Non-Current Assets	232,155	232,249	94
Non-Current Liabilities	(5,996)	(5,938)	58
Net Assets	226,046	226,046	152
Equity	226,046	226,046	152

Financial Projections for 2006-16

Financial impacts of the adjustments to the Statements of Financial Performance and Position have been reflected in Council's forward budgets for the next ten years.

In all the explanations for changes to the Statement of Financial Performance (on previous page) only cuts to the Roothing and Community Representation Activities were not continued after the first year.

Reductions in targeted rates collected for Rural Water Schemes and for Urban Sewerage have given rise to increases in Council's borrowing by way of term loan, over our ten year period from current levels of \$6 million to \$7.6 million.