



**Napier City Council**

# **Annual Plan**

# **2005/06**

*Prepared in accordance with the  
requirements of the Local Government Act 2002*

*Adopted 22 June 2005*

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# EXPLAINING THE PLAN

This Annual Plan has been prepared in accordance with the Local Government Act 2002. Its purpose is to confirm and update the Long Term Council Community Plan (LTCCP) for the coming financial year and provide details of any significant changes to the LTCCP.

Information contained in the Plan includes:

- the annual budget and funding impact statement for 2005/06
- variations from the financial statements and funding impact statement included in the LTCCP related to 2005/06
- performance targets for Council Activities for 2005/06
- amendments to the LTCCP resulting from:
  - Changes to the Ten Year Capital Plan
  - Rating Review
- changes from the 2005/06 Draft Annual Plan

This Annual Plan must be read in conjunction with the 2004/05 to 2013/14 LTCCP which is available from Council and the Council Website [www.napier.govt.nz](http://www.napier.govt.nz).

# CONSULTATION PROCESS

The following consultation process was carried out for the Annual Plan:

- The Draft Annual Plan was adopted on Wednesday 13 April 2005 and was available to the public on Monday 18 April 2005
- A summary of the information contained in the Annual Plan was published as a special edition of "Proudly Napier" and distributed to households as an insert in the Napier Mail on 20 April 2005
- An invitation was extended to any groups of citizens or individual citizens who wish to meet with the members of Council to discuss issues contained in the Draft Annual Plan to arrange a meeting for discussions through the Mayor's Personal Assistant
- Submissions closed on Friday 20 May 2005
- Submissions were heard and considered at a Strategic Planning Committee Meeting on Tuesday 31 May and Wednesday 1 June 2005
- The Annual Plan was adopted on Wednesday 22 June 2005

# MAYOR AND COUNCILLORS

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# MESSAGE FROM THE MAYOR

## Our City - 2005/06

Napier people are proud of their city. This is reflected in responses from both surveys and visitors to our place. Clean, interesting, exciting and a great lifestyle are what Napier is about – add a community that cares and Napier rates as the number one city in which to live in New Zealand.

Our Annual Plan for this year builds on the ten year community plan (LTCCP) we presented in 2004. Our strong growth in the residential and commercial area needs to be balanced by attention to our environment and maintaining recreation spaces and our special Napier lifestyle.

The variations for 2005 reflect this:-

- \$400,000 for Botanical Garden improvement
- \$2 million towards a staged upgrade of Napier's CBD
- Comprehensive plan for long-term development of the Taradale commercial area
- \$80,000 to commemorate the 75th anniversary of the Hawke's Bay Earthquake
- Investigation of two priority roading projects
- Community development service contracts purchase agreements rises to \$2.50 per resident

Of interest is that new services only increase rates by 0.25% – the increase to 4.93% comes from additional cost to existing services including funding for resourcing:

- The Building Act and Health and Safety Act
- Resource Management Act amendment and Sale of Liquor Act
- Power and network increases
- Increases in the construction index (2.5% above CPI)

The Council has needed to be disciplined to maintain the status quo and provide amenity for the future in a growing city. In our Plan we have included our strategic direction and project priorities, some of which are funded this year. We've determined levels of service provided across the board will be reviewed with a view to rationalising those services which fall below priority levels.

There are two rating issues – firstly the revised uniform annual general charge which is set out in this Plan to enable all uniform annual charges (except for sewerage and water) to recover around 19% of total rates. This increase does not mean Council collects more rates, but rather the disparity between high value land owners and low value land owners will be checked. The Council notes that ratepayers on high value land will always be subsidising others – a uniform annual charge recovery of 19% gives a more equitable rating system for all. Secondly, a rates remission policy to provide transitional relief to tenants of multi-unit residential dwellings. In our consultation process, ongoing relief to non-profit, multi-unit residential properties was provided through extending the Community Services Property Grants criteria.

Thanks for all your interest and input – next year we will be reviewing the long-term ten year plan and involving you in a Mini Expo and Community Meetings to ensure we have all the information we need to move confidently towards 2016.

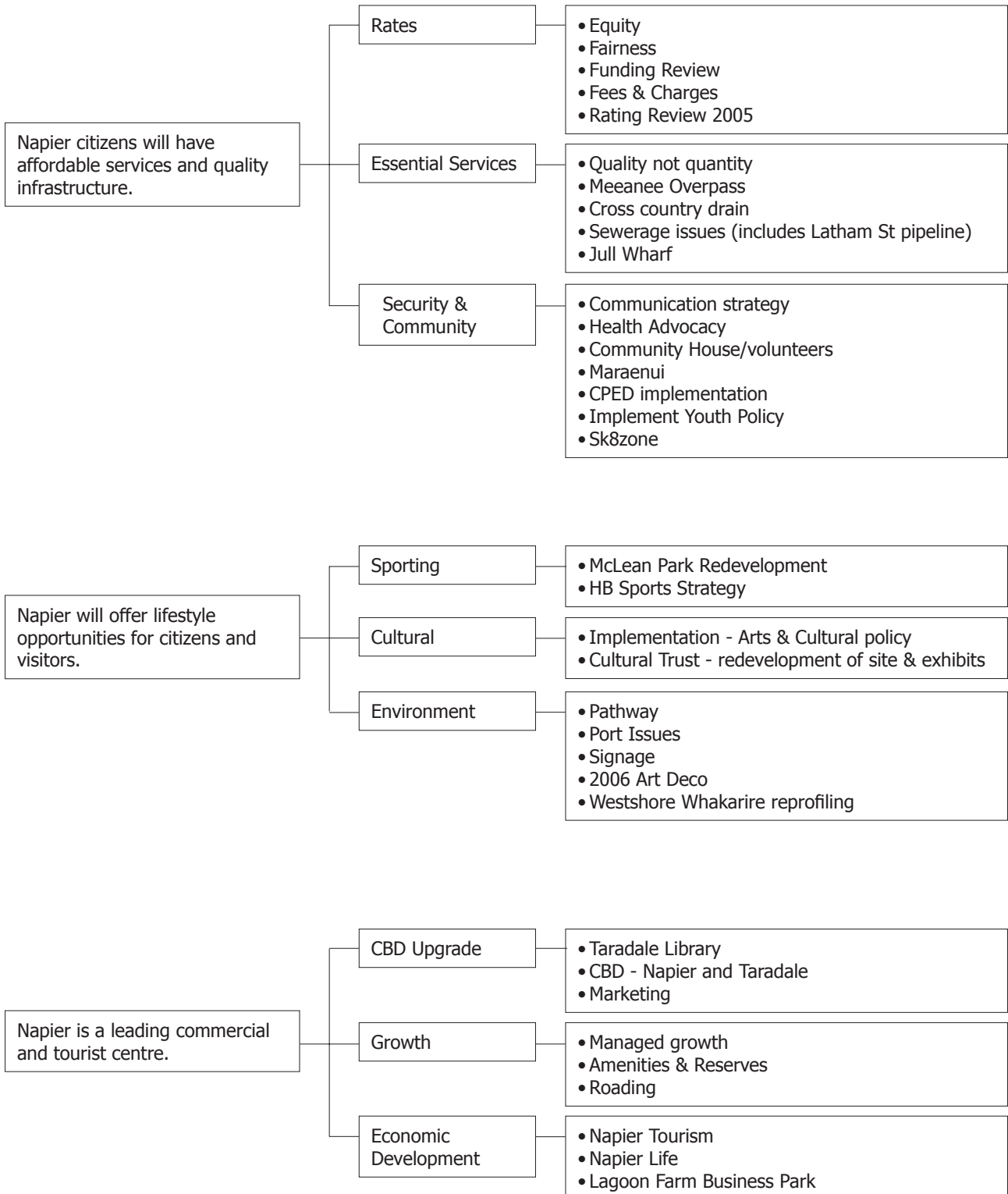


BARBARA ARNOTT  
MAYOR



# PRIORITIES AND ISSUES

Following the election of the new Council in October 2004, a review of Council's overall strategic direction has been undertaken. The following table gives the outline of the Strategic Plan as at the review in December 2004.



## **Priority Projects**

The following projects have been identified as specific priorities for this term of Council. The capital items do not stand alone, but need to be read in conjunction with the ten year plan and with a considerable scale of projects that are already noted.

**Lagoon Farm Business Park:** A feasibility study has been commissioned for the possibilities of establishing a Business Park catering for Commercial, Light Industrial activities on Lagoon Farm.

**Taradale Rd Sewage Pump Station and Main:** A new pump station and main that will provide emergency backup if the principal pump station (Latham St) and/or its associated pump main fail. This station also will cater for growth in the western City. Funding for the project is included in the Ten Year Capital Plan with design work commencing in 2005/06.

**CBD Development:** This will be staged because of funding issues. This year, Council has indicated that it will draw down \$2 million to be funded from loans to be used on part of the upgrade.

**Westshore / Whakarire Reprofiting and Landscaping:** A comprehensive report has been commissioned but not yet received by Council. Council expects to stage beach reprofiling and build some hard engineering at Whakarire Avenue. A realistic estimate of costs is at least \$2 million which is at present unfunded.

**Roading Issues:** Prebensen Drive four-laning, Hyderabad Road overpass and the Awatoto/Expressway link are priorities in the adopted Regional Traffic Study which will facilitate a roading network that will serve the city well for the next 20 plus years.

**Taradale Long Term Plan:** This project involves consultation with the community, Taradale Development Association, Friends of the Taradale Library and Taradale Retailers Association, with an outcome to present a ten year plan for the redevelopment of Taradale by December 2005.

**Bay View / Jervoistown and Meeanee:** Status quo in reference to wastewater, stormwater, sewerage and growth.

## **Other Issues**

### **Advanced Primary Sewage Treatment**

Due to a delay in the construction and commissioning of the sewage treatment plant, the full financial effect of this project has been pushed out to the 2006/07 and 2007/08 years.

The Advanced Sewage Treatment Levy was intended to cease from 30 June 2005, but a twelve month extension of the levy will now apply for 2005/06.

Only a part year operating cost has been provided for in 2005/06, with the full effect of operating and debt servicing costs now projected to impact in the 2006/07 and 2007/08 years.

The indicative percentage increase in total rates revenue for 2006/07 over 2005/06, due to sewage treatment, is estimated to be 4.7%.

### **75th Anniversary of the Earthquake**

Napier City Council is to provide a grant of \$80,000 for the celebrations to commemorate the 75th Anniversary of the Hawke's Bay Earthquake. The grant will be funded from the outturn surplus from the 2004/05 year.

### **Service Contracts and Purchase agreements**

The provision for the delivery of community development service contracts and purchase agreements has been increased to \$2.50 per resident, an increase of \$18,400 per annum.

### **Water and Sanitary Services Assessment**

Water and Sanitary Services Assessments (WSSA) have been carried out for the Napier District, including public consultation, and these were adopted by Council on 22 June 2005.

### **Review of Levels of Service**

A full review of the levels of service and the funding for services is now under way.

### **Industrial and Commercial Land**

Council is working to open more industrial and commercial land for development in this financial year.

# RATES INCREASE FOR 2005/06

The Annual Plan for 2005/06 provides for a total rate increase of 4.93% over the level of 2004/05. The table below details the increase.

	(\$000)	
Inflation adjustment to Capital Plan	233	0.69%
Ongoing Operating Costs associated with Capital Plan	69	0.21%
Loan Servicing Costs associated with Capital Plan	292	0.87%
Loan Servicing Costs on Existing Debt	-143	-0.42%
Funding for New Years Eve Event	30	0.09%
Building Act & Health & Safety Requirements	51	0.15%
RMA Monitoring & Sale of Liquor Act	62	0.18%
Power & Network Increases	440	1.31%
Inflation Adjustment - Road Maintenance	200	0.59%
Other Inflation and net changes	425	1.26%
<b>Total net additional funding required from rates</b>	<b>1,659</b>	<b>4.93%</b>

## CHANGES FROM THE 2005/06 DRAFT ANNUAL PLAN

<b>1 Rating Changes</b>	\$
<b>Savings:</b>	
Final allocation of overheads to non rate funded activities	- 19,500
<b>Sewerage Activity Expenditure:</b>	
Reduction in operating costs due to delay in Treatment Plant construction (funded from Sewerage UAC)	-150,000
<b>Refuse Activity Expenditure:</b>	
Increase in Landfill fees for rubbish bag collection (funded from Refuse UAC)	+ 131,000
Additional Litter Bin costs due to increase in Transfer Station charges	+ 24,000
<b>Reserves Asset Expenditure:</b>	
Increase due to higher Transfer Station charges	+12,000
<b>Total Rate Funded Changes:</b>	<u>- 2,500</u>

The 2005/06 Annual Plan, after the above adjustments, provides for a total rate increase of **4.93%** over the level of 2004/05

### 2 Non Rating Changes

#### Transfer Station & Composting Activity:

Increase in Landfill Fees expenditure	+445,000
Increase in Internal Revenue	-36,000
Increase in External Revenue (funded from the Transfer Station & Composting Special Fund)	-409,000

#### Road Asset:

Ahuriri Shopping Centre (Funded from a non rate funded loan)	+150,000
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#### Lagoon Farm Residential Subdivision: (refer page 55)

Capital development expenditure	+5,367,000
Income received (funded from the Lagoon Farm Residential Subdivision Special Fund)	-5,537,000



# LTCCP AMENDMENTS

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# AMENDMENTS TO THE 2004/05 – 2013/14 LTCCP

Council has adopted two amendments to its 2004/05 Long Term Council Community Plan:

- Ten Year Capital Plan
- Rating Policies

## 1. Ten Year Capital Plan

The full revised ten year forecast of Capital Expenditure is included below. Details of Capital Expenditure for each activity for the 2005/06 financial year is included in the Activity Group section.

Projects within the Capital Plan have been adjusted by inflation where appropriate and costings and timings have been reviewed. Significant changes from the Ten Year programme included in the 2004/05 LTCCP are:

- **Funding for Capital.** Council will defer the increase of 0.5% per annum for rates funded capital to commence in the 2006/07 year. The General Provision for Capital Items will be adjusted accordingly. This reduces the rating requirement for the Ten Year Capital Plan by \$169,000 per annum.

- **New Projects**

**Botanical Gardens Improvements** (\$400,000) The Capital Plan includes a long term project for the restoration of the Botanical Gardens commencing in the 2006/07 year. The restoration of some of the infrastructural assets within the gardens is of a more urgent nature and this work will be funded in 2005/06 by the funds remaining in the Reserve Subdivision of Land Account. Work will be carried out in order of priority on boundary fencing, stormwater drainage, pump reticulation, pathways and irrigation. This is in addition to the funding included in the 2004/05 LTCCP.

**Prebensen Drive Four Laning and Hyderabad Rd Overbridge** (\$6,300,000) Identified as a Council priority and investigations will commence in 2005/06. The project was recommended in the Hawke's Bay Regional Transportation Study and ranked in the first priority group as priority 1.

Prebensen Drive will be widened to full four lanes between the Expressway and Hyderabad Rd and an overbridge will be constructed over the Railway line and parts of Hyderabad Rd to remove the bottleneck effect.

**Awatoto to Expressway Link** (\$7,000,000) Identified as a Council priority. The project was recommended in the Hawke's Bay Regional Transportation Study and ranked in the first priority group.

A new road link will be created between the coastal route at Awatoto and the Expressway. There are several options for the alignment of this new link so the 2005/06 budget will be used to undertake a full scheme assessment and analysis of the options and determine which route should be designated.

**CBD Development** (\$2,000,000) The \$7.165 million programme to upgrade Napier's CBD was identified in the LTCCP but funding was not included in the plan. Council has identified this work as a priority and will fund an initial \$2 million by rate funded loan in 2005/06. Priorities in this important programme have not yet been designated.

**Kennedy Park Minor Capital** (\$95,000 pa) The general provision for minor capital was not included in the LTCCP as Kennedy Park was not transferred across from the LATE until after the plan was adopted.

**Animal Shelter** (\$150,000) A secure animal shelter and associated facilities is to be built to replace the existing dilapidated structures.

**Ahuriri Shopping Centre Upgrade** (\$150,000) This additional funding for the project represents the property owners contribution which will be loan funded and serviced by a targeted rate commencing in the 2006/07 year. Council's share of the funding, approximately \$416,460, is included in the roading bulk funded budget.

- **Changes to Existing Projects**

**Taradale Library Extension** (\$1,745,000) Detailed costings show the required budget will be \$1,017,000 higher than the funding included in the LTCCP. For reasons of affordability the funding will now be rate funded loan. This project is subject to a review of the provision of Library Services currently being carried out.

**Develop Carpark - Napier Senior Citizens Site** (\$400,000) The timing is moved out two years to fit in with the development of the HB Regional Council site. Costs now include the full development of a carpark, not just demolition.

**Civic Building and Library Air Conditioning** (\$100,000 pa) The funding has been extended for an additional two years to include the Library.

**Urban Development - Cross Country Drain and Pumping Station** (\$11,997,000) Detailed costs have now been supplied by consultants and there is a significant increase over the original estimates.

**Taradale Rd Pump Wastewater Station and Main** (\$4,429,000) and **Riverbend Rd Wastewater Trunk Main** (\$486,000) The estimates for these projects have been revised due to significant increases in pipe cost.

**Bay View - Develop Sewerage System - Stages 2 & 3** (\$4,606,000) Council resolved not to proceed with Stages 2 and 3 of the Bay View Sewerage System at this time and only review extending the scheme as opportunities arise or circumstances change. The funding has been deleted from the 2005/06 Annual Plan.

- **Changes to the Items Not Included in the Ten Year Capital Plan** (Items that Council has identified to be carried out but there is no identified funding)

**Local Area Traffic Management General City Areas** (\$2,680,000) Deleted from the list as Council no longer intends to proceed with this project unless safety issues become paramount. Some works will be carried out as an integral part of other projects.

**Redevelop Jull Wharf** (\$1,800,000) Deleted from the list as a more modest redevelopment of Jull Wharf is being undertaken in 2005/06, at an estimated cost of \$557,000 funded from the Harbour Board Land Account.

**Construction and Refurbishment of Information Kiosks** (\$408,000) Deleted from the list as the project is no longer a priority for Council.

## Ten Year Capital Plan

Prior to 05/06		05/06	06/07	07/08	08/09	09/10	10/11 (\$000)	11/12	12/13	13/14	14/15	Project Total	Funding
<b>Growth Items</b>													
<b>Community Services and Facilities</b>													
N/A	Library Bookstock	423	442	462	481	500	508	508	508	508	508	4,848	Rates
		48	48	48	48	48	48	48	48	48	48	480	Fin Cont
		471	490	510	529	548	556	556	556	556	556	5,328	
-	Extend Taradale Library	194	776	775	-	-	-	-	-	-	-	1,745	Loan - Growth
187	Urban Growth Stage 2 -	-	-	-	52	-	304	386	-	-	-	929	Loan - Growth
134	Sportsgrounds	-	-	-	28	-	165	208	-	-	-	535	Fin Cont
321		-	-	-	80	-	469	594	-	-	-	1,464	
-	Park Island - Bond Field Extension	-	-	77	-	1,258	-	-	-	-	-	1,335	Loan - Growth
		-	-	41	-	679	-	-	-	-	-	720	Fin Cont
		-	-	118	-	1,937	-	-	-	-	-	2,055	
-	Installation of Automatic Irrigation Systems - Sportsgrounds	88	91	83	83	83	83	83	83	-	-	677	Rates
		47	49	44	44	44	44	44	44	-	-	360	Fin Cont
		135	140	127	127	127	127	127	127	-	-	1,037	
102	Passive Recreation Reserves	-	-	215	215	286	-	59	-	-	-	877	Fin Cont
N/A	Playground Equipment	-	-	-	-	38	-	-	-	38	-	76	Rates
<b>Roading</b>													
8,210	Urban Growth - Prebensen Drive	500	-	-	-	-	-	-	-	-	-	8,710	Fin Cont
N/A	Transportation Proposals	273	273	273	273	273	1,652	1,652	1,652	1,652	1,652	9,625	Fin Cont
<b>Water and Wastewater Services</b>													
3,848	Cross Country Drain and Pumping Station	3,861	1,254	-	-	-	-	-	-	-	-	8,963	Loan Rates
1,064		1,544	426	-	-	-	-	-	-	-	-	3,034	Fin Cont
4,912		5,405	1,680	-	-	-	-	-	-	-	-	11,997	
119	Saltwater Creek Bank Stormwater Improvements	150	-	-	-	-	-	-	-	-	-	269	Rates
34		151	-	-	-	-	-	-	-	-	-	185	Fin Cont
153		301	-	-	-	-	-	-	-	-	-	454	
-	Upgrade Stormwater Taipo Stream	-	-	-	84	250	-	-	-	-	-	334	Rates
		-	-	-	94	-	-	-	-	-	-	94	Fin Cont
		-	-	-	178	250	-	-	-	-	-	428	

AMENDMENTS TO THE LTCCD ...

Prior to 05/06	05/06	06/07	07/08	08/09	09/10	10/11 (sooo)	11/12	12/13	13/14	14/15	Project Total	Funding
- Upgrade Stormwater Bay View	105	-	-	-	25	388	107	-	-	-	625	Rates
- Plantation Stormwater Drain Widening	-	-	-	-	-	83	-	-	-	-	83	Rates
	-	-	-	-	-	63	-	-	-	-	63	Fin Cont
	-	-	-	-	-	146	-	-	-	-	146	
- Lagoon Farm Concrete Stormwater Channel	-	-	-	-	-	-	297	-	-	-	297	Fin Cont
N/A Upgrading Stormwater Catchments	545	562	538	515	493	466	466	466	466	466	4,983	Rates
	115	115	115	115	115	115	115	115	115	115	1,150	Fin Cont
	660	677	653	630	608	581	581	581	581	581	6,133	
50 Western Sewage Pumping Main	22	-	583	-	-	-	-	-	-	-	655	Fin Cont
12 Taradale Rd Sewage Pump Station 39 and Main	12	-	252	232	1,888	-	-	-	-	-	2,396	Loan - Rates
	39	-	759	1,196	-	-	-	-	-	-	2,033	Fin Cont
51	51	-	1,011	1,428	1,888	-	-	-	-	-	4,429	
- Riverbend Rd Sewage Trunk Main	-	-	-	-	-	-	486	-	-	-	486	Rates
- Sludge Stabilisation	-	2,197	-	-	-	-	-	-	-	-	2,197	Loan - Rates
350 New Reservoir Taradale	-	-	-	-	803	-	-	-	-	-	1,153	Fin Cont
- New Reservoir - Bay View	58	-	-	-	-	-	-	-	-	-	58	Rates
	114	-	-	-	-	-	-	-	-	-	114	Fin Cont
	172	-	-	-	-	-	-	-	-	-	172	
- Awatoto Water Trunk Main	-	84	-	-	1,715	-	-	-	-	-	1,799	Fin Cont
- New Well - Awatoto	-	-	-	267	-	-	-	-	-	-	267	Fin Cont
- Water Main - Tennyson St / Milton Rd Link	-	-	-	67	-	-	-	-	-	-	67	Rates
- Upgrade Water Supply Control System	-	-	-	109	-	-	-	-	-	-	109	Rates

**Infrastructural Asset Renewal**

N/A Sportsgrounds	78	99	119	140	160	181	201	222	242	242	1,684	Rates
N/A Passive Recreation Facilities	137	167	198	229	260	291	321	352	383	383	2,721	Rates
N/A Cemeteries	30	35	40	45	50	55	61	66	71	71	524	Rates
N/A Public Toilets	56	67	77	87	98	108	118	128	139	139	1,017	Rates
N/A Roading	3,123	3,123	3,123	3,123	3,123	3,123	3,123	3,123	3,123	3,123	31,230	Rates
N/A Stormwater	236	262	288	312	337	362	362	362	362	362	3,245	Rates
N/A Wastewater	721	716	716	716	716	716	716	716	716	716	7,165	Rates
N/A Wastewater Pumping Equipment	170	170	170	170	170	170	170	170	170	170	1,700	Rates
N/A Wastewater Treatment Plant	-	51	77	77	103	103	128	128	154	154	975	Rates
N/A Milliscreen Replacement Programme	170	188	188	188	188	188	188	188	188	188	1,862	Rates
N/A Water Pump Stations	52	58	63	68	70	70	70	70	70	70	661	Rates
N/A Water Meters	16	16	16	16	16	16	16	16	16	16	160	Rates
N/A Water Pipes	449	449	449	449	449	449	449	449	449	449	4,490	Rates
N/A Capital Upgrade associated with Water Pipe I.A.R.	90	90	90	90	90	90	90	90	90	90	900	Rates

AMENDMENTS TO THE LTCCD ...

Prior to 05/06		05/06	06/07	07/08	08/09	09/10	10/11 (\$000)	11/12	12/13	13/14	14/15	Project Total	Funding
<b>Bulk Funded Items</b>													
<b>Community Services and Facilities</b>													
N/A	Tree Planting Programme	52	52	52	52	52	52	52	52	52	52	520	Rates
N/A	Botanical Gardens Restoration	-	21	41	62	82	103	103	103	103	103	721	Rates
N/A	Par 2 Golf Minor Capital Provision	5	5	5	5	5	5	5	5	5	5	50	Rates *
N/A	Retirement and Rental Flats Minor Capital Projects	100	100	100	100	100	100	100	100	100	100	1,000	Rates *
N/A	War Memorial Centre Minor Capital Provision	15	15	15	15	15	15	15	15	15	15	150	Rates
N/A	Municipal Theatre Minor Capital Provision	24	24	24	24	24	24	24	24	24	24	240	Rates
N/A	Marineland Minor Capital Provision	3	3	3	3	3	3	3	3	3	3	30	Rates *
N/A	Aquarium Minor Capital Provision	12	12	12	12	12	12	12	12	12	12	120	Rates *
N/A	Aquarium Capital Provision	27	27	27	27	27	27	27	27	27	27	270	Rates *
N/A	Napier i-Site Minor Capital Provision	5	5	5	5	5	5	5	5	5	5	50	Rates
N/A	Kennedy Park Minor Capital Provision	95	95	95	95	95	95	95	95	95	95	950	Rates *
N/A	Toilet Replacement Programme	27	-	27	27	-	27	27	-	27	27	189	Rates
<b>Roading</b>													
N/A	Roading Capital Projects (Bulk Funded)	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	1,369	13,690	Rates
<b>Water and Wastewater Services</b>													
N/A	Georges Drive Stormwater Drain	10	10	10	10	10	10	10	10	10	10	100	Rates
<b>General Provisions</b>													
N/A	Minor New and Replacement Capital Items	61	61	61	61	61	61	61	61	61	61	610	Rates
-	New Capital Item Provision	-	-	115	7	403	332	235	435	1,065	1,311	3,903	Rates
N/A	PC and Printer Replacement	59	59	59	59	59	59	59	59	59	59	590	Rates
N/A	Software Replacement and Upgrades	42	42	42	42	42	42	42	42	42	42	420	Rates
N/A	Corporate I.T. Network	12	12	12	12	12	12	12	12	12	12	120	Rates

Note (\*): Expenditure for Tourism Services and Retirement and Rental Housing activities are offset by revenue.

Prior to 05/06	05/06	06/07	07/08	08/09	09/10	10/11 (\$000)	11/12	12/13	13/14	14/15	Project Total	Funding
<b>Rates Funded and Rate Funded Loan Items</b>												
<b>Community Services and Facilities</b>												
-	Redesign Library Asset Team Work Area (Health & Safety)	15	-	-	-	-	-	-	-	-	15	Rates
110	McLean Park - New Lighting Towers	-	-	40	179	-	-	-	-	-	329	Rates
8	Artificial Cricket Pitches	-	8	-	-	-	-	-	-	-	16	Rates
-	Tareha Sportsground - Construct Shower/Change Facilities	-	-	95	-	-	-	-	-	-	95	Rates
-	Onekawa Aquatic Centre Enclosure Building	-	-	-	-	-	53	575	-	-	628	Rates
-	Onekawa Aquatic Centre - Redevelop Reception & Office	-	25	-	-	-	-	-	-	-	25	Rates
34	Eskdale Cemetery Development	32	-	-	-	-	-	-	-	-	66	Rates
-	Replacement Civic Building Emergency Generator	-	50	-	-	-	-	-	-	-	50	Rates
<b>Environment and Regulatory Controls</b>												
-	GIS - Electronic Document Management System for Property Information	-	20	130	50	-	-	-	-	-	200	Rates
<b>Property Assets</b>												
400	Civic Building and Library Air Conditioning	100	100	100	100	-	-	-	-	-	800	Rates
<b>Roading</b>												
139	Meeanee Road Widening	-	161	-	-	-	-	-	-	-	300	Rates
-	Puketitiri Rd Reconstruction	75	225	-	-	-	-	-	-	-	300	Rates
-	Stock Effluent Dump Site Bay View	12	-	-	-	-	-	-	-	-	12	Rates
		12	-	-	-	-	-	-	-	-	12	Subsidy
		24	-	-	-	-	-	-	-	-	24	
-	Awatoto to Expressway Link	94	-	-	-	-	-	-	-	-	94	Rates
		-	-	-	-	141	141	1,457	1,457	-	3,196	Loan Rates
		106	-	-	-	159	159	1,643	1,643	-	3,710	Subsidy
		200	-	-	-	300	300	3,100	3,100	-	7,000	
-	Prebensen Drive Four Laning and Hyderabad Rd Overbridge	118	164	235	2,444	-	-	-	-	-	2,961	Loan Rates
		132	186	265	2,756	-	-	-	-	-	3,339	Subsidy
		250	350	500	5,200	-	-	-	-	-	6,300	
-	CBD Development	2,000	-	-	-	-	-	-	-	-	2,000	Loan Rates
<b>Water and Wastewater Services</b>												
-	Extend Stormwater Outfalls - Marine Parade	-	-	-	-	39	-	-	39	-	78	Rates
<b>General Provisions</b>												
-	Reporting for LTCCP	15	-	-	-	-	-	-	-	-	15	Rates
-	Electronic Document Management	-	40	160	100	-	-	-	-	-	300	Rates

AMENDMENTS TO THE LTCCP ...

Prior to 05/06		05/06	06/07	07/08	08/09	09/10	10/11 (\$000)	11/12	12/13	13/14	14/15	Project Total	Funding
<b>Other Funded Items</b>													
<b>Community Services and Facilities</b>													
10	Verna Corbett Bequest	10	10	-	-	-	-	-	-	-	-	30	Bequest Fund
-	Botanical Gardens Improvements	400	-	-	-	-	-	-	-	-	-	400	RSDL
-	Animal Shelter	150	-	-	-	-	-	-	-	-	-	150	Loan non rate
N/A	Parking Equipment Replacement	100	100	100	100	100	100	100	100	100	100	1,000	Pk Equip
N/A	Minor Capital Items - Parking Services	20	20	20	20	20	20	20	20	20	20	200	Parking A/c
-	Develop Carpark Napier Senior Citizens Site	-	-	400	-	-	-	-	-	-	-	400	Pk Cont
-	Develop Carpark 184 Dickens St	45	-	-	-	-	-	-	-	-	-	45	Parking A/c
-	Develop Carpark Closed Part of Vautier St	-	-	780	-	-	-	-	-	-	-	780	Parking A/c
-	Additional CBD Parking	-	1,000	-	-	-	-	-	-	-	-	1,000	Parking A/c
250	New Offstreet Carpark - Taradale	-	1,000	-	-	-	-	-	-	-	-	1,250	Tdle Pk Cont
<b>Property Assets</b>													
-	Redevelopment of Cultural Trust Buildings	2,000	2,000	1,000	-	-	-	-	-	-	-	5,000	Loan Rates
<b>Roading</b>													
500	Foodstuffs Pak 'n Save Development	500	-	-	-	-	-	-	-	-	-	1,000	Cap Cont
-	Ahuriri Shopping Centre Upgrade (additional funding - see page 10)	150	-	-	-	-	-	-	-	-	-	150	Loan Sp Fnd
<b>Solid Waste</b>													
1,682	Omarunui Regional Landfill Site Development	668	550	113	194	125	100	100	-	-	-	3,532	Loan Sp Fnd
<b>Plant and Vehicle</b>													
N/A	Replacement of Mobile Plant and Vehicle	634	639	760	470	565	655	768	762	360	360	5,973	Spec Fnd
<b>Vested Assets</b>													
N/A	Roading	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	10,500	Vested Ast
N/A	Stormwater	332	332	332	332	332	332	332	332	332	332	3,320	Vested Ast
N/A	Wastewater	395	395	395	395	395	395	395	395	395	395	3,950	Vested Ast
N/A	Water Supply	162	162	162	162	162	162	162	162	162	162	1,620	Vested Ast

**AMENDMENTS TO THE LTCCD ...**

Prior to 05/06		05/06	06/07	07/08	08/09	09/10 (\$000)	10/11	11/12	12/13	13/14	14/15	Project Total
<b>Funding of Ten Year Capital</b>												
822	Rates	8,958	9,127	9,296	9,465	9,634	9,803	9,972	10,141	10,310	10,479	<b>98,007</b>
-	Less Loans - Rate Funded	360	360	360	360	360	360	360	360	360	360	<b>3,600</b>
822		8,598	8,767	8,936	9,105	9,274	9,443	9,612	9,781	9,950	10,119	<b>94,407</b>
4,258	Loans - Rates	8,351	5,975	1,847	3,036	2,248	501	501	1,817	1,817	360	<b>30,711</b>
187	Loans - Growth	194	776	852	52	1,258	304	386	-	-	-	<b>4,009</b>
1,682	Loans - Non Rate	968	550	113	194	125	100	100	-	-	-	<b>3,832</b>
9,573	Financial Contributions	2,853	995	2,078	2,280	3,963	2,087	2,423	1,859	1,815	1,815	<b>31,741</b>
500	Capital Contributions	500	-	-	-	-	-	-	-	-	-	<b>1,000</b>
-	Reserve Subdivision of Land A/C	400	-	-	-	-	-	-	-	-	-	<b>400</b>
-	Lagoon Farm Residential Subdivision Special Fund		-	-	-	-	-	-	-	-	-	
-	Parking Account	65	1,020	800	20	20	20	20	20	20	20	<b>2,025</b>
-	Parking Contributions Account	-	-	400	-	-	-	-	-	-	-	<b>400</b>
250	Taradale Parking Contributions Account	-	1,000	-	-	-	-	-	-	-	-	<b>1,250</b>
-	Parking Equipment Reserve	100	100	100	100	100	100	100	100	100	100	<b>1,000</b>
-	Plant Purchase & Renewals Account	634	639	760	470	565	655	768	762	360	360	<b>5,973</b>
-	TNZ Subsidy	250	186	265	2,756	-	159	159	1,643	1,643	-	<b>7,061</b>
10	Bequest Fund	10	10	-	-	-	-	-	-	-	-	<b>30</b>
-	Vested Assets	1,939	1,939	1,939	1,939	1,939	1,939	1,939	1,939	1,939	1,939	<b>19,390</b>
<b>17,282</b>	<b>TOTAL</b>	<b>24,862</b>	<b>21,957</b>	<b>18,090</b>	<b>19,952</b>	<b>19,492</b>	<b>15,308</b>	<b>16,008</b>	<b>17,921</b>	<b>17,644</b>	<b>14,713</b>	<b>203,229</b>

**Summary of Changes to Rates Funded Level**

	05/06	06/07	07/08	08/09	09/10 (\$000)	10/11	11/12	12/13	13/14	14/15
Level approved in 2004/05	8,622	8,622	8,622	8,622	8,622	8,622	8,622	8,622	8,622	8,622
Plus inflation 2.7%	233	233	233	233	233	233	233	233	233	233
	8,855	8,855	8,855	8,855	8,855	8,855	8,855	8,855	8,855	8,855
Accumulative Growth .5% of Rates p.a. - 04/05 Rating Level	-	169	338	507	676	845	1,014	1,183	1,352	1,521
	8,855	9,024	9,193	9,362	9,531	9,700	9,869	10,038	10,207	10,376
Transfers to/from operating										
- Roading	132	132	132	132	132	132	132	132	132	132
- Library Bookstock	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)
- Software Replacements/upgrades	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)	(16)
<b>NEW RATES FUNDING LEVEL</b>	<b>8,958</b>	<b>9,127</b>	<b>9,296</b>	<b>9,465</b>	<b>9,634</b>	<b>9,803</b>	<b>9,972</b>	<b>10,141</b>	<b>10,310</b>	<b>10,479</b>



## 2. Council Policies

Council is amending, subject to consultation, two of its policies with effect from 1 July 2005. The policies being amended are:-

- 1 Revenue & Financing Policy - section 2 Rating Policy
- 2 Rates Remission Policy - section 5 Remission of Uniform Annual General Charges in Multi-Unit Residential Dwellings

Details of the amendments to these two policies follow.

### 1 Revenue & Financing Policy - section 2 Rating Policy

#### 1.1 Uniform Annual General Charge

Following a recent review, Council will increase the Uniform Annual General Charge to a level that enables all Uniform Annual Charges, excluding Water Supply & Sewage Disposal, to recover about 20% of total rates. The current policy provides for a recovery of about 15%.

This policy change will increase the Uniform Annual General Charge from \$132 in 2004/05 to \$242 in 2005/06. Excluding any other changes to rates and the budgeted rates increase of 4.93%, the indicative impact of the increase in the Uniform Annual General Charge on the main property categories is outlined in the following tables.

##### a. Single Unit Residential Properties

Land Value	\$20,000	\$40,000	\$59,000 (average)	\$80,000	\$100,000	\$200,000
Change in rates \$ pa	75	34	- 4	- 47	- 88	- 292
% increase/-decrease	9.4	3.2	- 0.3	- 3.0	- 4.7	- 9.2

##### b. Commercial/Industrial Properties

Land Value	\$50,000	\$100,000	\$200,000	\$400,000	\$750,000
Change in rates \$ pa	24	- 68	- 252	- 620	- 1,265
% increase/-decrease	0.9	- 1.4	- 2.7	- 3.5	- 3.9

##### c. Rural Properties

Land Value	\$100,000	\$200,000	\$300,000	\$600,000
Change in rates \$ pa	50	- 10	- 70	- 250
% increase/-decrease	6.3	- 0.7	- 3.4	- 6.4

##### d. Bay View Properties (not connected to NCC sewerage system)

Land Value	\$25,000	\$40,000	\$72,200 (average)	\$100,000	\$200,000
Change in rates \$ pa	73	50	2	- 39	- 189
% increase/-decrease	14.9	8.2	0.2	- 3.5	- 9.7

#### 1.2 Advanced Sewage Treatment Levy

Due to a delay to the construction of the Advanced Wastewater Treatment Plant, Council will continue the Advanced Sewage Treatment Levy for 2005/06. This levy was due to cease with effect from 30 June 2005 when the plant was due to be commissioned.

The extension of the Advanced Sewage Treatment Levy will have no significant impact, as an offsetting increase in the operating costs of the Advanced Wastewater Treatment Plant will not now occur in 2005/06.

## **2 Rates Remission Policy - section 5 Remission of Uniform Annual General Charges on Multi-Unit Residential Dwellings**

The existing remission of Uniform Annual General Charges on Multi-Unit Residential Dwellings beyond the first separately used or inhabited part of a rating unit, which has applied for 2003/04 & 2004/05, has been reviewed. Submissions from the public two years ago indicated strongly that rate payers needed time for phasing out of remissions. Council held this for two years and will phase it out evenly over five years. The revised rates remission policy is as follows:

### **Objective**

To provide transitional relief to tenants of multi-unit residential dwellings from the full impact of applying a Uniform Annual General Charge to each separately used or inhabited part of a rating unit with effect from 1 July 2005.

### **Conditions and Criteria**

A multi-unit residential dwelling is defined as a rating unit with more than one separately used or inhabited unit identified by Quotable Value NZ in the District Valuation Roll.

As rating units basically apply to separate certificates of title, multi-unit dwellings with separate cross leases are rated as single unit dwellings and are not covered by this policy.

Remission of Uniform Annual General Charges applies to all multi-unit residential dwellings.

The ratepayer will be liable for at least 1 full Uniform Annual General Charge for each separate rating unit.

Remissions will apply for the next four rating years - 2005/06 to 2008/09. Each separately used or inhabited unit in excess of one will receive a remission of 80% of the UAGC in 2005/06, 60% in 2006/07, 40% in 2007/08 and 20% in 2008/09. No remission will apply from 2009/10.

Remission will be made automatically for all properties identified by Council staff as being eligible for remission under this part of the policy. Ratepayers who consider themselves eligible for remission under this part of the policy, but who do not receive any remission with effect from 2005/06, may make application in writing to the Corporate Services Manager. All applications will be considered, and where eligible, remission will be backdated to the beginning of the rating year in which the application has been received.

All remissions under this part of the policy will be approved by the Corporate Services Manager.

# **FINANCIAL INFORMATION**

# STATEMENT OF ACCOUNTING POLICIES

## Reporting Entity

The Annual Plan has been prepared under the Local Government Act 2002 and Section 31 of the Transit NZ Act 1989 using generally accepted accounting principles considered appropriate by the Institute of Chartered Accountants of New Zealand.

The financial statements comprise the following activity groups:

- Community Services and Facilities
- Tourism and City Business Development
- Environment and Regulatory Controls
- Governance and Community Leadership
- Roothing
- Solid Waste
- Water and Wastewater
- Property Assets

## Measurement Base

The measurement base adopted is that of historical cost modified by revaluation of certain assets. Reliance is placed on the fact that sufficient funds are available or will be received to maintain current operations at their current level. Accrual accounting is used to measure costs of services provided and recognise revenues.

## Specific Accounting Policies

### 1. Revenues

Revenue is recognised when the services are provided.

Rates and levies are recognised when struck.

Interest earnings on general and loan funds are recognised on an accrual basis.

Transfund roading subsidies are recognised as revenue upon entitlement which is when conditions pertaining to eligible expenditure have been fulfilled.

### 2. Expenses

Expenses are recognised at the time the service is provided or the expenditure incurred. Where appropriate Salaries, Wages and Holiday Pay have been accrued.

### 3. Accounts Receivable

Accounts Receivable are stated at net realisable value after provision for doubtful debts where appropriate.

### 4. Investments

Investments are shown at the lower of cost and market value.

### 5. Cash Flow Statement

The following definitions have been used for the preparation of the Statement of Cash Flows:

- Cash: Coins, notes, demand deposits, or highly liquid investments, for which there is a recognised ready market and which are unconditionally convertible to coins and notes at the Council's option within no more than two working days. Council regards these as part of its day to-day cash management.
- Operating Activities: Transaction and other events that are not investing or financial activities.
- Investing Activities: Activities relating to the acquisition, holding and disposal of fixed assets and of investments, such as securities, not falling within the definition of cash.
- Financial Activities: Activities which result in changes in the size and composition of the capital structure of the Council, both equity and debt not falling within the definition of cash.

### 6. Inventory

Inventories are valued at the lower of cost and net realisable value. Cost is established using the weighted average cost method.

Livestock is valued at net current value.

## STATEMENT OF ACCOUNTING POLICIES ...

### 7. Expenditure Categories

Splitting expenditure on infrastructure assets into maintenance, renewals and capital enhancements is essential if the decline in service potential is to be correctly recognised.

- Maintenance Expenditure: Maintenance expenditure comprises day-to-day (planned and unplanned) routine expenses, which have no effect on the decline in service potential.
- Renewal Expenditure: Renewal expenditure comprises works which upgrade and enhance a significant component of the asset, restoring it to its original size, capacity and condition.
- Capital Expenditure: Capital expenditure comprises purchases or construction of new assets or of improvements to the asset beyond its original design capacity/estimated life.

### 8. Valuation of Fixed Assets

The estimated value of Fixed Assets is based on the following:

Description	Method of Valuation
Land Buildings	Valued by independent registered valuer M. Penrose, ANZIV, SNZPI, AAMINZ of Telfer Young (HB) Ltd as at 30 June 2002 using fair value.
Infrastructural Assets	Valued by independent registered valuer M. Penrose, ANZIV, SNZPI, AAMINZ of Telfer Young (HB) Ltd as at 30 June 2002 using depreciated replacement cost method.
Restricted Assets	Valued by independent registered valuer M. Penrose, ANZIV, SNZPI, AAMINZ of Telfer Young (HB) Ltd as at 30 June 2002 using depreciated replacement cost method.
Library Books	Valued internally by library staff on an annual basis using depreciated replacement cost method.
Fixed Plant & Equipment	Valued in 1994 using market value. Additions are at cost
Office Equipment Furniture & Fittings Omarunui Landfill Mobile Plant Motor Vehicles	Cost price less depreciation.

NOTE: Additions to all classes of asset from date of valuation to 30 June 2004 are recorded at cost less depreciation. Additions from 1 July 2004 are based on estimated cost as per the capital budget. An estimate of depreciation has been made, with the exception of Land which is not depreciated.

### 9. Depreciation

Depreciation of fixed assets other than land is calculated on a straight line basis at rates that will write off the cost or valuation, less estimated residual value, over their expected useful economic lives.

The following rates have been applied:

Buildings and Structural Improvements	2 to 10%
Fixed Plant and Equipment	5 to 20%
Mobile Plant and Equipment	5 to 50%
Motor Vehicles	10 to 33.33%
Furniture and Fittings	4 to 20%
Office Equipment	8 to 66.67%
Library Bookstock	2 to 33.33%

Depreciation of infrastructural and restricted assets is calculated on a straight line basis at rates that will write off their cost or valuation over their expected useful economic lives as per Asset Management Plans.

## STATEMENT OF ACCOUNTING POLICIES ...

The expected lives of major classes of infrastructural and restricted assets are as follows:

Roading	- Metal pavements	70 years
	- Surfacing	14 years
	- Concrete Pavers	70 years
	- Footpaths and walkways	20 - 80 years
	- Drainage	14 - 80 years
	- Bridges and structures	20 - 100 years
	- Road Lighting	4 - 50 years
	- Traffic Services and Safety	10 - 25 years
Water	- Reticulation	60 - 100 years
	- Reservoirs	100 years
	- Pump Stations	10 - 60 years
Stormwater	- Reticulation	80 years
	- Pump Stations	15 - 60 years
Sewerage	- Reticulation	80 years
	- Pump Stations	15 - 60 years
	- Milliscreen	10 - 80 years
	- Outfall	94 years
Grandstands, Community and Sports Halls		50 years
Sportsgrounds, Parks and Reserves Improvements		10 - 50 years
Buildings on Reserves		10 - 50 years
Pools		10 - 50 years
Inner Harbour		20 - 50 years

### 10. Overhead Allocation

With the exception of asset register items, the cost of all service and technical support units of the Council, and loan interest, have been reallocated in full to significant activities, either as recharges on a usage basis, or as overheads, using the step method of cost apportionment.

### 11. Goods and Services Tax

With the exception of the Housing Business Unit, all expenditures and revenues are reflected in the financial statements net of GST. Assets and liabilities are exclusive of GST except for Accounts Payable and Accounts Receivable which are GST inclusive. The GST asset or liability is reflected in the Statement of Financial Position.

### 12. Employee Entitlements

Provision is made in respect of the Council's liability for annual leave, long service leave and retirement gratuities. The liability for long service leave and retirement gratuities has been measured on an actuarial basis.

### 13. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset are transferred to council, are classified as finance leases. The leased assets are depreciated over the period the entity is expected to benefit from their use.

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the leases item, are charged as expenses in the period in which they are incurred.

### 14. Financial Instruments

The Napier City Council is party to financial instrument arrangements as part of its normal operations. These financial instruments include Cash and Bank Accounts, Investments, Accounts Receivable, Loans received and Accounts Payable.

Revenues and expenses in relation to all financial instruments are recognised in the overall Statement of Financial Performance. All financial instruments are recognised in the Statement of Financial Position as the Napier City Council has not entered into any off balance sheet instruments. The fair value of all financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

## Prospective Financial Information Notes

The forecast financial statements have been prepared in accordance with the Local Government Act 2002 and may not be appropriate for other purposes.

This Annual Plan is presented as a forecast as distinct from a projection.

As a forecast it has been prepared on the basis of assumptions as to future events that Council reasonably expects to occur associated with the actions Council reasonably expects to take as at the date that the information was prepared. The actual results achieved for the periods covered are likely to vary from the information presented and the variations may be material.

A forecast as mentioned above is based on assumptions which Council reasonably expects to occur while a projection is based on one or more hypothetical but realistic assumptions.

1. In general the date of adoption of the underlying assumptions is 1 December 2004, although information has been updated to include known events and decisions occurring up to the time of presentation.
2. General Operating Expenditure and Revenue is where appropriate based on actual past financial results.
3. It is not intended to update the prospective financial information subsequent to presentation of the adopted Annual Plan.

## Financial Reporting Standards

The forecast financial information has been prepared in accordance with the Council's current accounting policies. The Council is aware that it may have to alter some of its accounting policies in the future as a result of the Accounting Standards Review Board's decision to adopt International Financial Reporting Standards as the basis for new New Zealand financial reporting standards, for periods commencing 1 January 2007. However, the forecast financial information presented does not take account of the potential impact on the Council of the new New Zealand financial reporting as this impact is not yet known.

## Changes in Accounting Policies

There have been no changes in accounting policies. The policies have been applied on a basis consistent with prior years.

## Significant Forecasting Assumptions

### a. Specific Assumptions

#### i. Loans

- Loan interest at 7% on new loans (new loans to be uplifted in the second half of the year).
- Actual interest on loans funded from special funds is allocated direct to the activity to which the loan relates.
- Interest on Aquarium loans allocated to Aquarium activity.
- All other loan interest is allocated as a "capital charge" to activities based on book value of assets. To establish book value the following assumptions apply.
  - a) Support units have been excluded.
  - b) Assets funded from finance leases have been excluded.
  - c) Excludes activities funded from non rating sources – Parking, Transfer Station, Farm, Plant & Vehicle.
  - d) Book values for Omarunui and the Aquarium have been excluded.

#### ii. Depreciation

- Depreciation is based on the assumed useful lives of assets, except for new capital which is based on 1.5% for 6 months in year of purchase.
- Depreciation is calculated on book values projected at 30 June 2005 (base level) plus new capital.
- No changes to asset valuations arising from future revaluations have been provided for.

#### iii. Other Matters

- Generally expenditure and revenue budgets are prepared on the basis of costs, prices, and fees & charges existing at 1 December 2004.
- Annual accumulating growth in the rating base of \$110,000 pa has been provided to reflect growth in the number of rateable properties. This growth has been transferred to the Subdivision and Urban Growth fund, to be used to meet the cost of servicing new loans raised to provide additional infrastructural assets resulting from urban growth, and to meet the cost of discounting financial contributions.
- From the Subdivision and Urban Growth Fund, a transfer back to General Rates has been provided at \$260,000 for 2005/06.

## **STATEMENT OF ACCOUNTING POLICIES ...**

### **b. Uncertainty involved in the assumptions**

Except as indicated in this section, the financial summaries include all known commitments.

- i. Interest rates on borrowed funds are largely influenced by factors external to New Zealand's environment. A 1% increase in interest rates would increase total rate funded interest costs by about \$450,000 pa. The impact of this level of increase in interest costs on rates is 1.3% pa. However, such an increase will not impact in full immediately as the fixed term nature of current loans and the average spread of maturity over several years would effectively reduce the risk exposure in the short term.

### **c. Significant Assets**

The assumed useful lives are outlined in the accounting policies. For information concerning sources of funds for the funding of the replacement of significant assets, refer to the funding and financing policies outlined in the Council's LTCCP.



# FORECAST STATEMENT OF FINANCIAL PERFORMANCE

## for the Year Ended 30 June 2006

	Notes	Budget 2005/06 (\$000)	Budget 2004/05 (\$000)
<b>REVENUE</b>			
Revenue from Activities	1 & 2	25,391	18,276
Rates Revenue	3	35,654	33,878
Miscellaneous Income	4	6,294	5,829
<b>Total Operating Revenue</b>		<b>67,339</b>	<b>57,983</b>
<b>EXPENDITURE</b>			
Expenditure from Activities	1	54,292	50,608
Other Expenditure	5	823	806
<b>Total Operating Expenditure</b>		<b>55,115</b>	<b>51,414</b>
<b>NET SURPLUS/(DEFICIT)</b>	7	<b>12,224</b>	<b>6,569</b>

# FORECAST STATEMENT OF MOVEMENTS IN EQUITY

## for the Year Ended 30 June 2006

	Budget 2005/06 (\$000)	Revised 2004/05 (\$000)
Equity at the start of the period	655,063	648,494
Net surplus for the period	12,224	6,569
Total recognised revenues and expenses for the period	12,224	6,569
<b>Equity at the end of the period</b>	<b>667,287</b>	<b>655,063</b>

# FORECAST STATEMENT OF FINANCIAL POSITION

for the Year Ended 30 June 2006

	30 June 2006 (\$000)	Revised 1 July 2005 (\$000)
<b>PUBLIC EQUITY</b>		
Accumulated Balance	357,765	345,541
Restricted Reserves	7,337	7,337
Asset Revaluation Reserve	302,185	302,185
<b>TOTAL PUBLIC EQUITY</b>	<b><u>667,287</u></b>	<b><u>655,063</u></b>
Represented By:		
<b>ASSETS</b>		
<b>Current Assets</b>		
Inventories	478	478
Accounts Receivable	4,757	4,757
Cash & Bank Deposits	8,333	6,164
	<u>13,568</u>	<u>11,399</u>
<b>Non-Current Assets</b>		
Long Term Investments	4,187	4,039
Investment in Airport Authority	1,163	1,163
Property, Plant and Equipment	722,454	695,101
	<u>727,804</u>	<u>700,303</u>
<b>TOTAL ASSETS</b>	<b><u>741,372</u></b>	<b><u>711,702</u></b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Current Portion of Public Debt	6,346	6,027
Lease Liabilities	102	122
Employee Entitlements	1,807	1,807
Accounts Payable & Accruals	6,436	6,436
Deposit Accounts	505	505
	<u>15,196</u>	<u>14,897</u>
<b>Long Term Liabilities</b>		
Term Portion of Public Debt	56,686	39,453
Lease Liabilities	406	492
Provision for Landfill Aftercare	244	244
Employee Entitlements	1,553	1,553
	<u>58,889</u>	<u>41,742</u>
<b>TOTAL LIABILITIES</b>	<b><u>74,085</u></b>	<b><u>56,639</u></b>
<b>NET ASSETS</b>	<b><u>667,287</u></b>	<b><u>655,063</u></b>

# FORECAST STATEMENT OF CASH FLOWS

for the Year Ended 30 June 2006

	Note	Budget 2005/06 (\$000)	Budget 2004/05 (\$000)
<b>Cash Flows from Operating Activities</b>			
Cash is provided from:			
Non Targeted and Targeted Rates		35,654	33,878
Other Receipts		28,824	21,510
Interest Received		922	656
		<u>65,400</u>	<u>56,044</u>
Cash Is Disbursed to:			
Payments to Suppliers and Employees		(39,854)	(37,246)
Interest Paid on Borrowings		(3,610)	(3,325)
		<u>(43,464)</u>	<u>(40,571)</u>
<b>Net Cash Flows from Operating Activities</b>	<b>8</b>	<b><u>21,936</u></b>	<b><u>15,473</u></b>
<b>Cash Flows from Investing Activities</b>			
Cash is provided from:			
Sale of Property Plant and Equipment		1,225	-
Proceeds from Withdrawals of Investments		1,366	1,216
		<u>2,591</u>	<u>1,216</u>
Cash is Disbursed to:			
Purchase of Property Plant and Equipment		(38,140)	(36,224)
Purchase of Investments		(1,513)	(1,690)
		<u>(39,653)</u>	<u>(37,914)</u>
<b>Net Cash Flows from Investing Activities</b>		<b><u>(37,062)</u></b>	<b><u>(36,698)</u></b>
<b>Cash Flows from Financing Activities</b>			
Cash is provided from:			
Proceeds of Long Term Borrowing		19,363	12,839
		<u>19,363</u>	<u>12,839</u>
Cash is Disbursed to:			
Repayments of Long Term Debt		(2,067)	(1,576)
		<u>(2,067)</u>	<u>(1,576)</u>
<b>Net Cash Flows from Financing Activities</b>		<b><u>17,296</u></b>	<b><u>11,263</u></b>
<b>Net Increase/(Decrease) in Cash Held</b>		<b>2,170</b>	<b>(9,962)</b>
Add Opening Cash Brought Forward		6,163	14,930
<b>CLOSING CASH CARRIED FORWARD</b>		<b><u>8,333</u></b>	<b><u>4,968</u></b>
<b>TOTAL CASH RESOURCES CONSIST OF:</b>			
On Call Bank Deposits & Cash on Hand		8,333	4,968
		<b><u>8,333</u></b>	<b><u>4,968</u></b>

# NOTES TO THE FORECAST FINANCIAL STATEMENTS

	Budget 2005/06 (\$000)	Budget 2004/05 (\$000)
<b>1. Summary of Costs of Services</b>		
<b>Budgeted Revenue from Group Activities</b>		
Community Services & Facilities	5,037	4,880
Tourism & City Business Development	4,805	4,616
Environmental & Regulatory Controls	2,759	2,687
Roading	2,747	2,304
Solid Waste	1,811	1,304
Water & Wastewater Services	795	794
Property Assets	7,437	1,691
<b>Total Revenue from Group Activities</b>	<b>25,391</b>	<b>18,276</b>
<b>Budgeted Expenditure from Group Activities</b>		
Community Services & Facilities	16,810	15,976
Tourism & City Business Development	6,320	6,178
Environmental & Regulatory Controls	4,312	4,118
Governance & Community Leadership	1,749	1,737
Roading	11,281	9,923
Solid Waste	3,469	2,809
Water & Wastewater Services	9,687	9,266
Property Assets	664	601
<b>Total Expenditure from Group Activities</b>	<b>54,292</b>	<b>50,608</b>
<b>2. Summary of Income Allocated to Group Activity by Type</b>		
User Charges	14,524	13,686
Subsidies and Grants	2,832	2,475
Other Income	8,035	2,115
<b>Total</b>	<b>25,391</b>	<b>18,276</b>
<b>3. Rates Revenue</b>		
Non Targeted Rates	26,422	25,035
Targeted Rates		
Sewerage (UAC)	4,142	4,136
Water Supply (UAC)	2,212	2,014
Fire Protection Rate	396	366
Refuse Collection & Disposal (UAC)	930	773
Kerbside Recycling (UAC)	272	272
Advanced Sewage Treatment (UAC)	958	958
Bay View Sewerage Connection Rate (UAC)	14	12
Marewa Suburban Beautification Rate	-	4
Onekawa Suburban Beautification Rate	18	18
Car Parking Rate	149	149
CBD Promotion Rate	111	111
Taradale Promotion Rate	30	30
<b>Total Targeted Rates</b>	<b>9,232</b>	<b>8,843</b>
<b>Total Rates Revenue</b>	<b>35,654</b>	<b>33,878</b>

	Budget 2005/06 (\$000)	Budget 2004/05 (\$000)
<b>4. Miscellaneous Income</b>		
Interest Received on Surplus Funds	450	240
Petroleum Tax	405	395
Vested Assets	1,939	1,939
Revenue from Support Units Charging	372	363
Income direct to Special Funds:		
Interest earned on Advanced Wastewater Fund	213	164
Additional rates on NZ Railway Land (General Reserve No 1)	148	131
Interest earned on Plant Purchase & Renewal Account	20	20
Income to Capital Contributions Account	500	500
Income from Financial Contributions (Financial Contributions Special Fund)	1,867	1,497
Revenue to Bay View Sewerage Fund	141	347
Interest on Sinking Fund Investments	239	233
<b>Total Miscellaneous Income</b>	<b>6,294</b>	<b>5,829</b>
<b>5. Other Expenditure</b>		
Personnel Contingency	200	200
Provision for Bad Debts	15	15
Rates Remissions	348	340
Expenditure from Support Units Charging	372	363
Plant & Vehicle Interest on Capital Offset (transferred to Special Fund)	(112)	(112)
<b>Total</b>	<b>823</b>	<b>806</b>
<b>6. Loan Interest</b>		
Expenditure from activities includes loan interest as follows:		
Loan Interest - Rating	3,055	2,815
Loan Interest - Growth	170	165
	3,225	2,980
Loan Interest - Non Rating	385	345
<b>Total</b>	<b>3,610</b>	<b>3,325</b>
<b>7. Net Surplus</b>		
<p>The Forecast Statement of Financial Performance includes revenue collected to fund expenditure not included in this Statement, particularly debt repayments. It also includes revenue from various sources that is credited to special funds for future capital expenditure purposes, particularly financial contributions and revenue that is not represented by corresponding expenditure within the same financial year. As a result, a net surplus shows in this statement.</p> <p>Revenue to special funds will differ from year to year resulting in changes to the budgeted net surplus.</p>		
<b>8. Reconciliation of Net Surplus to Net Inflows from Operating Activities</b>		
Surplus from Operations	12,224	6,569
Add Non Cash Items:		
Vested Assets	(1,939)	(1,939)
Provision for Depreciation	11,651	10,843
	<b>21,936</b>	<b>15,473</b>

**9. Harbour Board Endowment Land**

Pursuant to the Hawke's Bay Endowment Land Empowering Act 2002, this plan provides for the following qualifying expenditure to be funded from the endowment land income in 2005/06, \$486,900 derived from leasehold properties and \$29,000 from Lagoon Farm:

	<b>Budget 2005/06 (\$000)</b>
Inner Harbour Costs	84,200
Westshore Beach Renourishment	60,000
Foreshore Reserves	371,700
	<hr/> <b>515,900</b> <hr/>

# VARIATIONS FROM THE LONG TERM COUNCIL COMMUNITY PLAN (LTCCP)

	Annual Plan 2005/06 (\$000)	LTCCP 2005/06 (\$000)	Difference (\$000)	
Rates Revenue	35,654	36,276	(622)	(1)
Net Surplus	12,224	5,475	6,749	(2)
Working Capital	(1,628)	(6,271)	4,643	
Public Debt	63,032	60,602	2,430	
Total Assets	741,372	729,275	12,097	(3)
% Rates Revenue to Total Revenue	52.95%	59.16%	-6.21%	
Public Debt as a percentage of Total Assets	8.50%	8.31%	0.19%	
Proportion of Rates Revenue applied to service debt (%)	13.12%	14.39%	-1.27%	
Rates increase on 2004/05	4.93%	7.50%	-2.57%	

- (1) The reduction from the level of Rates Revenue projected in the LTCCP for 2005/06 is due mainly to a delay in the construction and commissioning of the Advanced Primary Sewage Treatment Plant. Additional other offsetting expenditure is also budgeted as follows:

	(\$000)
Funding for New Years Eve Event	30
Building Act and Health & Safety Requirements	51
RMA Monitoring and Sale of Liquor Act	62
Power and Network Increases	440
Inflation and net operating changes	361
	<hr/>
	944
Sewage Treatment Delay (net effect)	(1,566)
	<hr/>
	(622)
	<hr/>

- (2) The additional net surplus is mainly due to the projected gain on sale of land from the Lagoon Farm Residential Subdivision, and additional interest income.
- (3) The additional Total Assets reflect the changes to the Ten Year Capital Plan as indicated in the LTCCP Amendments section of this Annual Plan. In addition, the decision to bring forward the construction of the Prebensen Drive extension and development costs relating to the Lagoon Farm Residential Development are reflected in the increase.

# FUNDING IMPACT STATEMENT

The following Funding Impact Statement is provided in accordance with Section 95 and Schedule 10 of the Local Government Act 2002 (The Act).

## A. FINANCIAL OVERVIEW

Summary of Revenue and Financing Mechanisms	Annual Plan	Per LTCCP	
	2005/06 \$000	2005/06 \$000	2004/05 \$000
<b>OPERATING REVENUE</b>			
<b>Non Targeted Rates</b>	26,422	25,530	25,035
<b>Targeted Rates</b>			
Fire Protection Rate	396	371	366
Water Supply (UAC)	2,212	2,048	2,014
Refuse Collection & Disposal (UAC)	930	910	773
Kerbside Recycling (UAC)	272	272	272
Sewerage (UAC)	4,142	6,825	4,136
Advanced Sewage Treatment (UAC)	958	-	958
Bay View Sewerage Connection Rate (UAC)	14	12	12
Car Parking Rate	149	149	149
Marewa Suburban Beautification Rate	-	-	4
Onekawa Suburban Beautification Rate	18	18	18
CBD Promotion Rate	111	111	111
Taradale Promotion Rate	30	30	30
	<b>9,232</b>	<b>10,746</b>	<b>8,843</b>
<b>Total Rates</b>	<b>35,654</b>	<b>36,276</b>	<b>33,878</b>
User Charges	14,524	14,610	13,686
Financial Contributions	1,867	1,742	1,498
Subsidies and Grants	2,832	2,520	2,475
Other Income	12,462	6,173	6,446
	31,685	25,045	24,105
<b>Total Operating Revenue</b>	<b>67,339</b>	<b>61,321</b>	<b>57,983</b>
<b>Less Operating Expenditure</b>	55,115	55,846	51,414
<b>Operating Surplus/(Deficit)</b>	<b>12,224</b>	<b>5,475</b>	<b>6,569</b>
<b>Plus Other Funding</b>			
Borrowing	9,513	6,529	12,839
<b>Net Funding</b>	<b>21,737</b>	<b>12,004</b>	<b>19,408</b>

## B. DEPARTURES FROM LTCCP

The following are noted as departures from the funding impact statement for 2005/06 as included in the Long-Term Council Community Plan (LTCCP).

### 1 Sewerage UAC

A full year's operating costs for the advanced treatment plant were projected in the LTCCP for 2005/06. With the delay in commissioning the plant, only a part year cost has been provided in the annual plan for 2005/06. This has resulted in a significant reduction from the level of sewerage (UAC) revenue as projected in the LTCCP for 2005/06.

### 2 Advanced Sewage Treatment Levy

The levy was intended to cease from 30 June 2005 to coincide with the commissioning of the treatment plant.

The levy has been extended for 2005/06 due to a delay in the construction and commissioning of the plant.



## FUNDING IMPACT STATEMENT ...

### 3 Other Income

Other Income is above the projected LTCCP level mainly due to the projected gain on sale of land from the Lagoon Farm residential subdivision, and additional interest income on short-term investments and the advanced wastewater fund.

### 4 Borrowing

Projected borrowing for 2005/06 is \$2.984 million above the level projected in the LTCCP.

The following loan funded projects are among the changes to the ten year capital plan affecting 2005/06.

Project	Additional Borrowing
CBD Development	2,000,000
Cross Country Drain	360,000
Taradale Library Extension	194,000
Ahuriri Shopping Centre	150,000
Animal Complex Shelter	150,000
Prebensen Drive Four Laning	118,000
Taradale Road Sewage Pump Station	12,000
	<u>2,984,000</u>

Comments on each of these capital projects are contained within the section of the plan headed "Amendments to the 2004/05-2013/14 LTCCP".

## C. RATING

The following describes in full the rating system to apply from 1 July 2005:

### 1 General Rate

- Based on land value of all rating units.
- Differentially applied. The differentials are set to enable:
  - a) 63% of the total general rate together with the Uniform Annual General Charge to be collected from residential properties and 37% from non-residential properties. This allocation has been determined by considering and assessing the benefits from each of the non-targeted rate funded activities to residential and non residential properties respectively.
  - b) The recovery of the assessed actual costs of services supplied to all former Hawke's Bay County properties, excluding those in the Bay View Differential Rating Area.
  - c) The standardising of the rate for rural properties which were part of NCC prior to 1 November 1989 with those rural properties formerly part of Hawke's Bay County prior to 1 November 1989, plus an allowance for the cost of servicing loans authorised by NCC prior to 1 November 1989.
  - d) The standardising of the rate for properties in the Bay View Differential Rating Area with those residential properties in Napier City, but:
    - i. excluding the costs of servicing loans authorised by Napier City prior to 1 November 1989; and
    - ii. adjusted to reflect assessed actual cost of services supplied to Bay View for roading, stormwater, parks and reserves and horticulture activities; and
    - iii. to phase the increase resulting from the revised rating level evenly over 5 years commencing in 2003/04.
  - e) The application of the same rate for miscellaneous non residential properties as for residential properties.

Differentials	Group/Code	2005/06	2004/05
<b>City Residential</b>	<b>1</b>	100%	100%
<b>Commercial and Industrial</b>	<b>2</b>	374%	330%
<b>Miscellaneous</b>	<b>3</b>	100%	100%
<b>Ex-City Rural</b>	<b>4</b>	61.7%	57.9%
<b>Other Rural</b>			
Rural (Under 1500m <sup>2</sup> )	5.1.2	63.2%	77.4%
Other Rural	5.1.1	50.0%	47.6%
<b>Bay View</b>	<b>6</b>	63.4%	63.6%

[Rural (under 1500m<sup>2</sup>) relates to rural properties for which special rateable values for existing use applied under Section

26 of the Rating Valuations Act 1998, prior to 1 July 2003]

- The general rate together, with the Uniform Annual General Charge, recovers the balance of the rating requirement not recovered from the targeted rates outlined below. This relates to activities where the direct user benefit is recovered by way of separate fees and charges, and where all or the remainder of the activity benefits ratepayers indirectly or the community as a whole, and also where Council has determined that some direct user benefit should be met by the community as a whole in line with particular activity funding policies.

## **2 Uniform Annual General Charge**

Council introduced a Uniform Annual General Charge of \$130 from 1 July 2003, with increases beyond 2003/04 held to the rate of the CPI until the level of recovery of Uniform Annual Charges to total rates was next reviewed.

The Uniform Annual General Charge was initially set at a level to enable the total amount of Uniform Annual Charges, excluding those related to Water Supply and Sewerage Disposal and Treatment, to recover about 15% of total rates.

The level of recovery has been reviewed during 2004/05 and the charge has been increased to \$242 for 2005/06. This equates to about 20% of total rates being recovered on a Uniform basis, excluding Water and Sewerage charges.

The charge is applied to each separately used or inhabited part of a rating unit.

Uniform Annual General Charges in excess of the first such charge were remitted for each multi-unit residential dwelling (under Council's policy for the remission of UAGCs on multi-unit residential dwellings) for 2003/04 and 2004/05.

Following a review of UAGC remissions for Multi-Unit Residential Dwellings, this remission is being phased out over 5 years commencing from 2005/06. For 2005/06, a remission of 80% on all units beyond the first unit will apply on multi-unit residential dwellings.

The Uniform Annual General Charge, together with General Rates, recovers the balance of the rating requirement not recovered from the targeted rates.

## **3 Water Rates (apply to both the City and Bay View water supply systems)**

### **a) Fire Protection Rate**

- A targeted rate based on Capital Value of properties connected to the systems.
- Differentially applied, in recognition that the carrying capacity of water required in the reticulation system to protect commercial and industrial properties is greater than that required for residential properties.

Differentials:

Central Business District and Fringe Area	400%
Suburban Shopping Centres, & Hotels & Motels and Industrial properties outside of the CBD	200%
Other properties connected to the water supply systems	100%

- This rate recovers 13.24% of the net costs of the water supply systems before the deduction of water by meter income.
- 50% of the base rate applies for each property not connected but located within 100 metres of the systems.

### **b) Uniform Annual Charge**

- A targeted rate set on a uniform basis, applied to each separately used or inhabited part of a rating unit connected to the systems.
- This charge recovers the balance of the total net cost of the water supply systems.
- 50% of the charge applies for each rating unit not connected but located within 100 metres of the systems.
- The charge for Bay View properties is adjusted downwards to exclude any loan servicing costs of any water supply loans authorised by Napier City Council prior to 1 November 1989.

## **4 Refuse Collection and Disposal Uniform Annual Charge**

- A targeted rate set on a uniform basis, applied to each separately used or inhabited part of a rating unit for which a rubbish collection service is available.
- For units for which 2 or 3 rubbish collection services per week are available, the charge is 2 or 3 times the weekly charge respectively.
- This charge recovers the net cost of the Refuse Activity, excluding costs related to litter control and the kerbside recycling collection service.
- The charge for properties that were part of the Hawke's Bay County Council prior to 1 November 1989 is adjusted downwards to exclude any loan servicing costs of any refuse loans authorised by Napier City Council prior to 1 November 1989.

## 5 Kerbside Recycling Uniform Annual Charge

- A targeted rate set on a uniform basis, applied to each separately used or inhabited part of a rating unit for which the Kerbside recycling collection service is available.
- The charge recovers the full cost of the kerbside recycling collection service.

## 6 Sewerage Uniform Annual Charge

- A targeted rate set on a uniform basis, applied to each separately used or inhabited part of a rating unit connected to the City Sewerage System.
- 50% of the charge applies to each rating unit (excluding Bay View properties) not connected but located within 30 metres of the system.
- For Bay View properties located within the Stage 1 Urban Drainage Area, 50% of the charge is being phased in evenly over a 5 year period commencing from 2004/05 for each rating unit not connected but located within 30 metres of the system. As 2005/06 represents year 2 of the 5 year period, 20% of the charge will apply to these properties.
- This rate recovers the net cost of the Wastewater Management Activity.

## 7 Advanced Sewage Treatment Levy

- A targeted rate set on a uniform basis, applied to each separately used or inhabited part of a rating unit connected to the City Sewerage System.
- 50% of the charge applies to each rating unit (excluding Bay View properties) not connected but located within 30 metres of the system.
- For Bay View properties located within the Stage 1 Urban Drainage Area, 20% of the charge applies to each rating unit not connected but located within 30 metres of the system.
- Except for the industries' share of the project cost which will be funded by loan, raised at the time of construction, and recovered from wet industries through trade waste charges, the levy will contribute to the capital cost of the treatment plant.

The levy was originally to cease from 1 July 2005 but, given the delay in commissioning the plant, a twelve month extension of the levy will apply until 30 June 2006.

## 8 Bay View Sewerage Connection Rate

The Bay View Sewerage Scheme involves reticulation and pipeline connection to the City Sewerage System. Property owners may elect to connect either under a lump sum payment option, or by way of a Targeted Rate payable over 20 years.

- A targeted rate set on a uniform basis, applied to each separately used or inhabited part of a rating unit connected to the Bay View Sewerage Scheme, where the lump sum payment option was not elected.
- The rate applies from 1 July following the date of connection for a maximum period of 20 years, or until such time as a lump sum payment for the cost of connection is made.
- The category of rateable land for setting the targeted rate is defined as the provision of a service to those properties connected to the Sewerage System, but have not paid the lump sum connection fee.
- The liability for the targeted rate is calculated as a fixed amount per separately used or inhabited part of a rating unit based on the provision of a service by the Council, including any conditions that apply to the provision of the service.
- The rate is used to recover loan servicing costs required to finance the cost of connection to the Bay View Sewerage Scheme for properties connecting under the Targeted Rate payment option.

## 9 Off Street Carparking Rates

- Targeted rates based on land value. The following rates apply:

### a) CBD Offstreet Carparking Rate

- Differentially applied.
- Relates to all properties in the Central Business District only (except for vacant properties, not contiguous with other separately rateable commercial properties occupied by the same ratepayer, which are used solely as a carpark) and reflects the parking dispensation status of those properties.

Differentials:

Properties with full parking dispensation	100%
Properties with half parking dispensation	50%
Properties with no parking dispensation	NIL

- The rate is used to provide additional offstreet carparking in the Central Business District.

## FUNDING IMPACT STATEMENT ...

### b) Taradale Offstreet Carparking Rate

- Uniformly applied.
- Relates to properties in the Taradale Suburban Commercial area only.
- The rate is used to provide additional offstreet carparking in the Taradale Suburban Commercial area.

### c) Suburban Shopping Centre Offstreet Carparking Rate

- Uniformly applied.
- Relates to properties in suburban shopping centres and to commercial properties located in residential areas which are served by Council supplied offstreet parking.
- The rate is used to provide additional offstreet parking at each of these areas served by Council supplied offstreet parking, and to maintain the existing offstreet parking areas.

## 10 Onekawa Suburban Beautification Rate

- Targeted rate based on land value.
- Uniformly applied.
- Applies to commercial rating units located at the Onekawa Shopping Centre.
- The rate is used to recover loan servicing costs on loans raised to meet the Onekawa Commercial ratepayers share of beautification carried out at the Onekawa Shopping Centre in 1998.

## 11 CBD Promotion Levy

- Targeted rate based on land value.
- Uniformly applied.
- Applies to each commercial and industrial rating unit situated within the area bounded by the Marine Parade / Tennyson Street intersection, along Tennyson Street to Herschell Street to Browning Street to Cathedral Lane to the Cathedral Lane / Tennyson Street intersection, then west along Tennyson Street to the intersection with Milton Road and including properties on the northern side of Tennyson Street, then along Clive Square West to Dickens Street, then from Dickens Street to Dalton Street and including properties on the southern side of Dickens Street, from Dalton Street to Station Street, Station Street to Hastings Street, Hastings Street to Faulknor Lane, Faulknor Lane to Marine Parade, and north along Marine Parade to the intersection with Tennyson Street.
- This rate recovers 70% of the cost of the promotional activities run by Napier Inner City Marketing. The remaining 30% is met from non-targeted rates to reflect the wider community benefit of promoting the CBD to realise its full economic potential.

## 12 Taradale Promotion Levy

- Targeted rate based on land value.
- Uniformly applied.
- Applies to all rating units in the Taradale Suburban Commercial area.
- This rate recovers the full cost of the Taradale Shopping Centre Association's promotional activities.

## 13 Water by Meter Charges

- Targeted rate based on actual water use after the first 300m<sup>3</sup> per annum
- Applies to all non-domestic water supplies in the Napier Water Supply Area, and domestic supplies outside the Napier Water Supply Area.

## D. DESCRIPTION OF DIFFERENTIAL CATEGORIES

### GROUP 1: City Residential Properties

Every separately assessed property used exclusively as a home or residence of one or more households, and also including all vacant utilisable residential land, but excluding properties classified under Diff Groups 5 and 6, formerly within Hawke's Bay County but which became part of Napier City with effect from 1 November 1989 following Local Government Reform.

#### Code

- 1.1.1 Improved residential properties – single unit
- 1.1.2 Improved residential properties – multi unit
- 1.2.1 Vacant utilisable residential land

**GROUP 2: Commercial and Industrial Properties**

Every separately assessed commercial and industrial property in accordance with the subgroups listed below, but excluding properties classified under Diff Groups 5 and 6, formerly within the Hawke's Bay County but which became part of Napier City with effect from 1 November 1989 following Local Government Reform.

**Sub Group 2.1: Central Business District**

Every separately assessed commercial and industrial property situated within the area bounded by the base of the Hill, from Marine Parade to Milton Road, south along Clive Square East and south along Munroe Street to Edwardes Street south along Hastings Street, west along Sale Street, and north along Marine Parade.

**Code**

**2.1.1 Properties receiving 100% Parking Dispensation**

Every separately assessed commercial property in the commercial retail zone bounded by the corner of Clive Square East and Emerson Street, south to Dickens Street excluding Lot 1 DP 18592 then along Dickens Street east at the rear of the sites on the southern side including Pt Lot 14 DP 2015, then south at Dalton Street, then east along Station Street, excluding the corner site on Station Street (being Lot 1 DP 11954) across to Albion Street to the Marine Parade, then north along Marine Parade to Emerson Street, then north along the rear of Pt Town Sec 173, Lot 1 DP 4833, Pt Town Sec 173, then east to include the site on the corner of Tennyson Street and Herschell Street being Pt Town Sec 172 as well as the site opposite being Lot 1 DP 19183, then continuing north along the rear of properties that front Hastings Street across Browning Street to include the property on the corner of Browning Street and Shakespeare Road, then across Shakespeare Road to include the corner of the property on the western corner of Shakespeare Road and Browning Street, then south down Hastings Street excluding the Cathedral along the rear of properties down Hastings Street, then west along the rear of the properties fronting Tennyson Street to Dalton Street then across Tennyson Street south to include the property on the corner of Tennyson Street and Dalton Street (Public Trust), and Pt Town Sec 162, Pt Town Sec 162, Lot 2 DP 6176 west along the rear of properties fronting Emerson Street to Clive Square East.

**2.1.2 Properties Receiving 50% Parking Dispensation**

Every separately assessed commercial property in part of the Commercial Fringe Retail Zone bounded by the corner of Dickens and Munroe Streets, south down Munroe Street, east along Edwardes Street, south along Hastings Street, east along Sale Street, north along Marine Parade, west along Albion Street, south west along the rear of the property on the corner of Station Street, and Hastings Street, excluding the next three sites fronting Station Street to the corner at Dalton Street, north along Dalton Street, then west along the rear of the properties fronting Station Street including Pt Lot 1 DP 2029.

**2.1.3 Properties Receiving 0% Parking Dispensation**

Every separately assessed commercial and industrial property situated within Sub Group 1, excluding the properties in differential codes 2.1.1 and 2.1.2 above.

**Sub Group 2.2: Central Business District Fringe Area**

Every separately assessed commercial and industrial property situated within the area bounded by the base of the Hill, from Marine Parade to Faraday Street, south along Faraday Street to Thackeray Street, east along Thackeray Street to Wellesley Road, south along Wellesley Road to Sale Street and east along Sale Street to the Marine Parade, excluding the properties included in Sub Group 2.1 above, and also every separately assessed industrial property fronting the remainder of Owen Street and Faulknor Street and every separately assessed industrial property positioned immediately south of Sale Street and fronting Wellesley Road.

**Code**

- 2.2.1 Improved fringe commercial
- 2.2.2 Unimproved fringe commercial
- 2.2.3 Improved fringe industrial
- 2.2.4 Unimproved fringe industrial

**Sub Group 2.3: Taradale**

Every separately assessed commercial property situated in the suburban shopping centre of Taradale which is zoned for commercial purposes.

**Code**

- 2.3.1 Taradale suburban commercial properties south of Puketapu Road
- 2.3.2 Taradale suburban commercial – others not covered in 2.3.1 or 2.3.3
- 2.3.3 Taradale suburban commercial – properties owned by JH McDonald Holdings Ltd

**Sub Group 2.4: Other Suburban Shopping Centres**

Every separately assessed commercial property situated in the following suburban shopping centres in Napier, which centres are zoned Commercial A, Special Commercial or Industrial.

## **FUNDING IMPACT STATEMENT ...**

Greenmeadows, Trinity Crescent, Pirimai Plaza, Onekawa, Maraenui, Marewa, Wycliffe Street, League Park, Balmoral, Port Ahuriri, Westshore, Tamatea and Marewa (Latham Street).

### **Code**

- 2.4.1 Suburban commercial – privately owned
- 2.4.2 Suburban commercial – no off street carparking provided
- 2.4.3 Suburban commercial – served by Council supplied off-street carparking except Marewa Shopping Centre and Onekawa Shopping Centre
- 2.4.4 Suburban commercial – Marewa Shopping Centre
- 2.4.5 Suburban commercial – Onekawa Shopping Centre

### **Sub Group 2.5: Commercial Properties in Residential Areas**

All other commercial properties, including retail shops, professional offices, doctors surgeries, dental surgeries, veterinary clinics, garages, service stations and the like, not included in Sub Groups 2.1, 2.2, 2.3 and 2.4.

### **Code**

- 2.5.1 Shops and commercial properties in residential areas – other than in 2.5.2
- 2.5.2 Shops and commercial properties in residential areas – served by Council supplied off-street carparking.

### **Sub Group 2.6: Industrial – Outer City Areas**

Properties used for industrial purposes and not included in Sub Groups 2.1 and 2.2.

### **Code**

- 2.6.1 Improved outer industrial
- 2.6.2 Unimproved outer industrial

### **Sub Group 2.7: Hotels and Motels – Outer City Areas**

Motels and hotels situated in residential and industrially zoned areas and not included in Sub Groups 2.1 and 2.2.

### **Code**

- 2.7.1 Hotels and motels in residential and industrially zoned areas

## **GROUP 3: Miscellaneous Properties**

Every separately assessed property in accordance with the sub groups listed below used exclusively for the purposes indicated but excluding properties classified under Diff Groups 5 and 6, formerly within the Hawke's Bay County but which became part of Napier City with effect from 1 November 1989 following Local Government Reform.

### **Sub Group 3.1: Vacant Substandard Sections**

Every separately assessed vacant residential property which, because of its zone or location, cannot be utilised for residential purposes.

### **Code**

- 3.1.1 Vacant sub-standard sections

### **Sub Group 3.2: Other Miscellaneous Rateable Properties**

Every separately assessed rateable property used exclusively for the following purposes:

### **Code**

- 3.2.1 Lodge Rooms, Halls and the like in residential areas
- 3.2.2 Land occupied and/or used for Churches and Private Schools
- 3.2.3 Homes for the Elderly, Private Hospitals, etc
- 3.2.4 Public Schools, Kindergartens and Playcentres
- 3.2.5 Miscellaneous Crown properties
- 3.2.6 Public Utilities (not NCC)
- 3.2.7 Pensioner Flats and Housing for the aged
- 3.2.8 Sports Clubs previously eligible for rates remission under Section 179 of the Rating Powers Act 1988
- 3.2.9 Non profit making organisations excluding sports clubs, previously eligible for rates remission under Section 179 of the Rating Powers Act 1988
- 3.3.8 Council properties (other than leased)

**Sub Group 3.3: Miscellaneous Non-Rateable Properties**

Every separately non-rateable property used exclusively for the following purposes:

**Code**

- 3.3.1 Land occupied and/or used for Churches and Private Schools
- 3.3.2 Homes for the Elderly, Private Hospitals, etc
- 3.3.3 Public Schools, Kindergartens and Playcentres
- 3.3.4 Miscellaneous Crown properties
- 3.3.5 Public Utilities (not NCC)
- 3.3.6 Sports clubs and other non profit making organisations previously eligible for rates remission under Section 179 of the Rating Powers Act 1988
- 3.3.7 Council Properties (used for purposes outlined in sub section 4 of part 1 of schedule 1 - Local Government (Rating) Act 2002)

**GROUP 4: Ex-City Rural Areas**

Every separately assessed rural property, which is situated in an area not provided with normal city services, and which is not capable of development because of the lack of city services, but excluding all properties formally within the Hawke's Bay County but which became part of Napier City with effect from 1 November 1989 following Local Government Reform.

**Code**

- 4.1.1 Ex City Rural Properties

**GROUP 5: Other Rural Areas**

Every separately assessed property, formerly within the Hawke's Bay County, but which became part of Napier City with effect from 1 November 1989 following Local Government Reform, except for those properties included in Group 6, or any subdivided property since reclassified to other Differential Groups.

**Code**

- 5.1.1 Other rural properties (Not included under 5.1.2)
- 5.1.2 Other rural properties (Under 1500m<sup>2</sup>) for which Special Rateable Values (SRV) for 'Existing use' applied under Section 26 of the Rating Valuations Act 1998, prior to 1 July 2003.

**GROUP 6: Bay View Differential Rating Area**

Every separately assessed property falling within the Bay View Differential Rating Area as defined in the following three schedules:

**Schedule 1**

All of those properties in the Bay View Township contained in the area west of State Highway 2, Main North Road, and on the north side of and fronting onto Hill Road from Terrace Road up to and including number 36 Hill Road to and along the rear boundaries of 25 Hill Road and the Bay View Hotel to Petane Road and along the rear boundary of number 23 Petane Road and adjacent properties to 38 Grey Street and including 6 Sheehan Street then along the south eastern side of Sheehan Street and the eastern side of Buchanan Street to and along the northern side of Villers Street to Grey Street then 40.23m along the south western boundary of Lot 2 DP 17781 and then easterly along the alignments of the rear boundaries of numbers 3 and 1 Villers Street to State Highway 2, Main North Road.

**Schedule 2**

All of those properties contained in the area north of 66 Ferguson Street south on the eastern side of State Highway 2, Main North Road, up to number 500 Main North Road and across the State Highway and along the rear boundaries of numbers 511 to 535 Main North Road then back across the State Highway to Rogers Road and along the eastern side of the Petane Stream continuing along the rear boundaries of numbers 15 to 31 Rogers Road and along Rogers Road to and along the rear boundary of numbers 65 to 103 Rogers Road in the north and then to Rogers Road and southerly along its eastern side to number 72 Rogers Road then along the rear boundaries of numbers 72 to 22 Rogers Road then easterly across the Railway line to and along the northern boundary of Pt Lot 1 DP 7911 to the coast then southerly along the coastal boundary to 66 Ferguson Street south.

**Schedule 3**

All of those properties in the vicinity of Le Quesne Road contained in the area north of Franklin Road including numbers 49 to 57 Franklin Road and those properties east of the Railway line up to Thurley Place then northerly along the alignment of the rear boundaries of the properties extending from 15 Thurley Place up to 86 Le Quesne Road including the access legs

## FUNDING IMPACT STATEMENT ...

to Pt Lot 5 and Pt Lot 7 DP 11888, then easterly across the boundaries of 86 and 87 Le Quesne Road then southerly along the eastern side of Le Quesne Road to Franklin Road.

### Code

- 6.1.1 Bay View residential properties
- 6.1.2 Bay View non residential properties

## E. INDICATIVE RATES

Rates and Charges (incl. GST)		2005/06	2004/05 Actual
General Rate	(cents per \$ LV)		
Diff 1	City Residential	1.1665	1.2937
Diff 2	Commercial and Industrial	4.3627	4.2692
Diff 3	Miscellaneous	1.1665	1.2937
Diff 4	Ex-City Rural	0.7197	0.7491
Diff 5	Rural (Under 1500m <sup>2</sup> )	0.7372	1.0013
	Other Rural	0.5832	0.6158
Diff 6	Bay View	0.7396	0.8228
Uniform Annual General Charge (UAGC)		\$242	\$132
<b>Targeted Rates</b>			
Fire Protection Rate	(cents per \$ CV)		
Diff 1, 2.5, 3, 4, 5, 6		0.0082	0.0077
Diff 2.1 & 2.2		0.0328	0.0308
Diff 2.3, 2.4, 2.6, 2.7		0.0164	0.0154
Water Supply Uniform Annual Charge - City		\$106	\$98
Water Supply Uniform Annual Charge - Bay View		\$102	\$94
Refuse Collection & Disposal Uniform Annual Charge			
	1 collection per week	\$42	\$35
	2 collections per week	\$84	\$70
	3 collections per week	\$126	\$105
Kerbside Recycling Uniform Annual Charge		\$15	\$15
Sewerage Uniform Annual Charge		\$203	\$206
Advanced Sewage Treatment Levy (UAC)		\$48	\$48
Bay View Sewerage Connection Rate (UAC)		\$921	\$921
Off Street Car Parking Rate (cents per \$ LV)			
	Diff 2.1.1	0.3358	0.3348
	Diff 2.1.2	0.1679	0.1674
	Diff 2.3.2, 2.4.3, 2.4.4, 2.4.5, 2.5.2	0.2498	0.2501
Suburban Beautification Rate - Marewa (cents per \$ LV)		0	0.2010
Suburban Beautification Rate - Onekawa (cents per \$ LV)		2.8625	2.8625
Promotion Rate - CBD (cents per \$ LV)		0.3644	0.3634
Promotion Rate - Taradale (cents per \$ LV)		0.2564	0.2564
Water By Meter Charges			
	Non-Domestic Supplies (\$/m <sup>3</sup> )	0.3050	0.2970
	Metered domestic supplies outside Napier Water Supply Area (\$/m <sup>3</sup> )	0.5650	0.55

*The above rates and charges are provisional only and are subject to Council setting and assessing its rates during July 2005.*



**F. OTHER RATING ISSUES**

**1. Instalment Rating**

Rates for 2005/06 are set and assessed effective from Instalment 1 and are due and payable in four equal instalments as follows:

- First Instalment            due 24 August 2005
- Second Instalment        due 23 November 2005
- Third Instalment           due 22 February 2006
- Fourth Instalment        due 24 May 2006

**2. Penalties**

In accordance with sections 57 and 58 of the Local Government (Rating) Act 2002 a penalty of 10 per cent is added to each instalment or part thereof which is unpaid 2 full working days after the due date for payment. Previous years rates which remain unpaid will have a further 10 per cent added 2 full working days after the due date for instalments one and three.

**G. FEES AND CHARGES**

Council applies a range of fees and charges to fully or partially recover the costs of various activities. Many of the fees and charges are set to achieve levels of recovery of private benefits as indicated in the Revenue & Financing Policy.

The level of fees and charges are reviewed annually and a schedule of Council fees and charges is prepared as a separate document.

The schedule is available upon request from the Council office.

# ACTIVITY GROUPS

# GOVERNANCE AND COMMUNITY LEADERSHIP

## Scope

The Governance Group comprises the following activity:

### Governance

- Meeting Cycle 6 weeks
- Standing and Specialist Committees 6
- Elections Last Held 9 October 2004

Through Governance Council provides a democratic and consultative system for decision making. The Council consisting of a Mayor and twelve Councillors is elected three yearly. Through its structure of Committees, Sub-Committees, Working Parties and Forums Council carries out the requirements of the Local Government Act and other related legislation.

## Performance Targets for 2005/06

Category	Performance Measures	2005/06 Targets
<b>Governance</b>		
Economic	1. Number of meetings of Council and Standing Committees	8 meeting cycles
	2. % resident satisfaction for "Sufficiency of the Information Supplied" in the NRB Public Opinion Survey	60%

## Financial Summary

Budget 04/05 (\$000)	Activity	05/06 (\$000)				Income	Net Cost of Service
		Operating	Interest	Depn	Total		
1,737	Governance	1,749	-	-	1,749	-	1,749
<b>1,737</b>	<b>Total Net Operating</b>	<b>1,749</b>	<b>-</b>	<b>-</b>	<b>1,749</b>	<b>-</b>	<b>1,749</b>
-	<b>Capital Expenditure [1]</b>						-
<b>1,737</b>	<b>Funding Required</b>						<b>1,749</b>
	<b>Funded By</b>						
1,737	Non Targeted Rates						1,749
<b>1,737</b>	<b>Total</b>						<b>1,749</b>

### [1] Capital Expenditure

There is no planned Capital Expenditure for Governance in the Ten Year Capital Plan.

# COMMUNITY SERVICES & FACILITIES

## Scope

The Community Services and Facilities Group comprises;

### Library Services

- 2 Libraries – Napier and Taradale

Services provide recreational, educational, historical, genealogical, cultural and current affairs material together with on-line facilities, reading and outreach programmes.

### Cultural Services

Arts, cultural and museum facilities are provided by the Hawke's Bay Cultural Trust.

### Sportsgrounds

- 13 sports parks
- Major facilities - McLean Park Complex, Park Island, Nelson Park and Tareha Reserve

Sportsgrounds are provided throughout the City to cater for a range of recreational and sporting needs.

### Onekawa Aquatic Centre

- 2 outdoor pools
- 5 indoor pools, 2 spa pools
- 2 hydrosides

A comprehensive facility providing sporting, education and recreation aquatic activities together with a range of non aquatic outdoor activities.

### Marine Parade Pool Complex

- 4 heated outdoor pools
- 5 spa pools

A complex with a range of heated salt water pools and spas managed under contract.

### Passive Recreation Facilities

- 34 neighbourhood parks, 41 greenbelt reserves, 22km walkways, 21 playgrounds, 7 foreshore reserves and 6 public gardens.

A range of passive recreation facilities providing an open space network and formal gardens of a high standard throughout the City.

### Par 2 Golf Courses

Two 18 hole miniature golf courses providing entertainment for all ages. Situated next to the Napier i-SITE Visitor Centre on Marine Parade.

### Inner Harbour

- 85 berths

A recreational area of wharves and catwalks providing berthage for commercial and recreational fishing vessels.

### Retirement and Rental Housing

- 303 retirement flats
- 70 rental flats

Flats are provided for people with special housing needs with the emphasis on providing for the welfare of the tenants.

### Halls

- 8 facilities available for hireage, 1 for lease

Council provides a range of facilities encouraging use at affordable prices.

## **COMMUNITY SERVICES & FACILITIES ...**

### **War Memorial Conference Centre**

A multi-functional facility located on the beach front along Marine Parade, consisting of a ballroom, an exhibition hall, a gallery and breakout rooms. This venue is highly suitable for conferences, exhibitions, weddings and other functions.

### **Municipal Theatre**

A building with Art Deco heritage, providing modern theatre facilities for performing arts, exhibitions and other functions. The auditorium has a seating capacity of 977, and a Ticketek Agency is situated in the front foyer.

### **Burial and Cremation Services**

- 6 cemeteries

Comprehensive areas for burials and ash scattering and the recently restored historic cemeteries. Records are available for genealogical enquiries.

### **Public Toilets**

- 40 toilet blocks (124 pans)

Toilet blocks are provided throughout the City with the emphasis on high cleaning standards and mitigation of graffiti.

### **Community Development**

Support and encouragement of voluntary and community based organisations to address social issues. Napier Safer Community Council supports community solutions to reduce crime and antisocial behaviour.

### **Community Safety**

- Inner City Patrol at least five nights per week

The Safety Watch programme acts as extra eyes and ears for the Police.

### **Emergency Management Facilitation Services**

- 1 Civil Defence Emergency Management Operations Centre
- 9 Civil Defence Centres

Facilitating improved community resilience to disaster, through a comprehensive and integrated emergency management structure combining council staff, volunteers and other organisations and agencies.

## Performance Targets for 2005/06

Category	Performance Measures	2005/06 Targets
<b>Library Services</b>		
Economic	1. Number of Library visitors	400,000
	2. % of population with Library membership (open to all residents of the city and ratepayers)	55%
	3. Number of transactions with the public per annum (includes issues, inquiries, reservations and interloans)	820,000
Social and Cultural	4. Number of resource items per capita provided for use by the community to the national public library standard.	three

### Cultural Services

The HB Cultural Trust is a Council Controlled organization and reports to the public on its performance independent to Council.

### Sportsgrounds

Economic	1. Annual number of international and national/inter-regional events	4 international and 50 inter-regional
Social and Cultural	2. % residents satisfied with 'Parks and Sportsfields' in NRB opinion survey	90%
Environmental	3. Amount of sportsground area per person	31.29m <sup>2</sup>

### Onekawa Aquatic Centre

Social and Cultural	1. Provide a range of programmes for fitness, skills and education to individuals, groups and schools	8 programmes
	2. Achieve annual target of 280,000 users	280,000 users
Environmental	3. Adhere to NZ Water treatment Standards 5826;2000	At least 85% of the water test results comply with NZ Standards

### Marine Parade Pool

The complex includes heated salt water pools and spas and is managed under contract.

### Passive Recreation Facilities

Economic	1. Number of annuals propagated and planted annually throughout the city	180,000
Social and Cultural	2. Amount of recreational land per residential lot	75m <sup>2</sup>
Environmental	3. % residents satisfied with "public gardens and street beds" in NRB opinion survey	90%

### Par 2 Golf Courses

Economic	1. Maintain admission numbers	41,000
Social and Cultural	2. Maintain customer satisfaction ratings	85%

## COMMUNITY SERVICES & FACILITIES ...

Category	Performance Measures	2005/06 Targets
<b>Inner Harbour</b>		
Economic	1. Occupancy rates for permanent berths	70%
Environmental	2. Complete maintenance and dredging in the Inner Harbour in accordance with the maintenance programme and within budget	\$95,000
<b>Retirement and Rental Housing</b>		
Economic	1. Maintain occupancy level of 96.5%	96.5%
	2. Maintain total rental arrears at a level below \$2,500 (0.16% of rentals)	Arrears below 0.16% of rentals
Environmental	3. Inspect all rental units annually with the focus to ensure tenants comply with conditions of the tenancy agreement and to identify required maintenance	All units inspected
<b>Halls</b>		
Economic	1. Total hours hired: - Greenmeadows East Hall - Memorial Square Hall - Library Seminar Room	1,250 1,600 700
Social and Cultural	2. Percent of customer satisfaction in the annual customer survey for Council halls that the service provided meets acceptable standards and the users are satisfied with the services provided	80%
<b>War Memorial Centre</b>		
Economic	1. Provide facilities and associated services for community and commercial hires	345 hires
Social and Cultural	2. Maintain the eternal flame memorial	365 days
	3. Maintain Customer Satisfaction Ratings	90%
<b>Municipal Theatre</b>		
Economic	1. Provide services for community and commercial hires	115 hires
	2. Provide services for other hires e.g. conferences, cocktail functions	25 hires
	3. Provide ticket sales to local and national events	74,000
Social and Cultural	4. Improve Customer Satisfaction Levels	85%

### Burial and Cremation Services

As the subject of death and burials is a sensitive issue, it is not appropriate to survey users directly or to predict the number of burials for the year. The number of burials and ash interments for the year is recorded and will be reported in the Annual Report.

## COMMUNITY SERVICES & FACILITIES ...

Category	Performance Measures	2005/06 Targets
<b>Public Toilets</b>		
Environmental	1. % residents satisfied with "Public Toilets" in NRB opinion survey	80%
	2. % daily inspection and cleaning of all public toilets	100%
<b>Community Development, Community Grants and Napier Safer Community Council</b>		
Social and Cultural	1. Community Services Grants allocated by the designated process and time frame	Completion by end of September
	2. Community Services Property Grants allocated by the designated process and time frame	Completion by end of October
	3. Percent of Community Development Funding distributed to support community development initiatives	100%
	4. Percent of Service Agreements and Purchase Contracts meeting reporting requirements	90%
	5. Number of Napier Community Network meetings coordinated each year	6
	6. Number of Napier Youth Forum meetings coordinated each year	4
	7. Number of community organisations receiving information mailouts four times per year	90
	8. Support community based crime prevention strategies in line with Central Governments 7 crime reduction strategies	3
	9. Six Monthly reports of the Safer Community Council activities submitted to and adopted by the Napier City Council	2
<b>Community Safety (Safety Watch)</b>		
Environmental	1. Security Patrols operate in the inner city at least 5 days a week	90%
	2. Total number of events recorded by the inner city security patrols declines each year	2% less than previous year
	3. Recorded crime in the CBD does not increase	Less than 5% increase
<b>Emergency Management (Civil Defence)</b>		
Economic	1. Number of on going advertising campaigns and test of the public alerting sirens conducted per year	2 major activities
Social and Cultural	2. Number of training sessions to promote better community resilience and understanding of procedures to respond to events	Conduct one training activity each month
Environmental	3. Number of volunteers and representatives of appropriate agencies available to staff the Civil Defence Emergency Management Operations Centre and Community Civil Defence Centres	200 persons appointed to Civil Defence positions



## Financial Summary

Budget 04/05 (\$000)	Activity	05/06 (\$000)				Income [1]	Net Cost of Service
		Operational Costs					
		Operating	Interest	Depn	Total		
2,175	Library Services	2,072	18	281	2,371	161	2,210
722	Cultural Services	730	-	-	730	-	730
2,178	Sportsgrounds	1,904	148	504	2,556	271	2,285
904	Onekawa Aquatic Centre	1,433	20	175	1,628	606	1,022
110	Marine Parade Pool Complex	17	19	128	164	50	114
2,332	Passive Recreation Facilities	2,194	157	214	2,565	86	2,479
(51)	Par 2 Golf Courses	208	1	15	224	283	(59)
172	Inner Harbour	218	24	75	317	134	183
(294)	Retirement and Rental Housing	999	88	347	1,434	1,631	(197)
213	Halls	199	10	35	244	31	213
264	War Memorial Centre	1,178	15	101	1,294	1,009	285
393	Municipal Theatre	561	29	193	783	459	324
240	Burial and Cremation Services	392	10	26	428	183	245
486	Public Toilets	478	8	35	521	10	511
724	Community Development	955	-	2	957	111	846
304	Community Safety	331	2	8	341	-	341
224	Emergency Management	217	1	35	253	12	241
<b>11,096</b>	<b>Total Net Operating</b>	<b>14,086</b>	<b>550</b>	<b>2,174</b>	<b>16,810</b>	<b>5,037</b>	<b>11,773</b>
1,723	Capital Expenditure [2]						1,781
<b>12,819</b>	<b>Funding Required</b>						<b>13,554</b>
	<b>Funded By</b>						
10,031	Non Targeted Rates						10,490
102	Loans						194
2,004	Special Funds						2,198
682	Depreciation (non funded)						672
<b>12,819</b>	<b>Total</b>						<b>13,554</b>

### [1] Summary of Income

User Charges	4,531
Subsidies and Grants	66
Other Income	440
<b>Total Income</b>	<b>5,037</b>

**COMMUNITY SERVICES & FACILITIES ...****[2] Capital Expenditure**

		<b>05/06</b>
		<b>(\$000)</b>
<b>Library Services</b>		
New Capital	Library Bookstock	471
	Extend Taradale Library	194
	Redesign of Library Asset Team Work Area for Health and Safety requirements	15
	Verna Corbett Bequest	10
<b>Sportsgrounds</b>		
New Capital	Installation of Automatic Irrigation Systems	135
Renewals		78
<b>Passive Recreation Facilities</b>		
New Capital	Tree Planting Programme	52
	Botanical Gardens Improvements	400
Renewals		137
<b>Par 2 Golf Courses</b>		
New Capital	Minor Capital Provision	5
<b>Retirement and Rental Housing</b>		
New Capital	Minor Capital Projects	100
<b>War Memorial Centre</b>		
New Capital	Minor Capital Provision	15
<b>Municipal Theatre</b>		
New Capital	Minor Capital Provision	24
<b>Burial and Cremation Services</b>		
New Capital	Eskdale Cemetery Development	32
Renewals		30
<b>Public Toilets</b>		
New Capital	Toilet Replacement Programme	27
Renewals		56
<b>Total</b>		<b>1,781</b>

# ENVIRONMENTAL AND REGULATORY CONTROLS

## Scope

The Environmental and Regulatory Controls Group comprises;

### City Development Planning

City Development Planning plans and manages the development of the natural and built environment of Napier in a sustainable manner, ensuring the quality and quantity of the City's resources are maintained and enhanced.

### Regulatory Consents

Council ensures that development of the City is within the Resource Management Act and the policies of the District Plan through Regulatory Consents. Resource Consents, Project Information Memorandum and Land Information Memorandum are processed and an environmental programme to gauge the effectiveness of Council's environmental management policies is carried out.

### Building Consents

The Council ensures that building development within the City is in accordance with the Building Act through the process of the Building Consents. Warrants of Fitness are processed to ensure compliance of existing registered buildings.

### Environmental Health Services

Council deals with the environmental problems of pollution to air, water and land including noise, smoke, smell and refuse through its Environmental Health Services. Licences are processed for food premises, hairdressers, matters relating to the Sale of Liquor Act and other environmental and health related activities. Investigations and advice is given for other nuisances such as vermin, pests and fire hazards.

### Animal Control

Animal Control ensures that all animals within the City are under proper control. Dogs are the primary animal and these must all be registered. Emphasis is placed on responsible dog ownership, education and classification of dogs and owners in line with the provisions of the Dog Control Act.

### Parking Services

- CBD Public Parking Spaces 3,159
- Taradale Public Parking Spaces 685

Parking areas are provided in the Central Business District and Taradale Shopping Centre as well as the smaller commercial areas of the City with long and short term spaces providing parking to meet reasonable public expectations. In addition to fees from parking meters, car park ticket machines and leased spaces, parking is funded through a levy on rates on commercial and retail properties in Napier and Taradale and other smaller suburban shopping and commercial areas. Monitoring and enforcement of parking bylaws ensures equitable use.

## Performance Targets for 2005/06

Category	Performance Measures	2005/06 Targets
<b>City Development Planning</b>		
Economic	1. Strong thriving economy	Establish zoning patterns that provide for a range of development options with a minimum of regulation
	2. Transport Infrastructure and Services	Ensure that new roading and infrastructure are included with the District Plan as and when required
Social and Cultural	3. Communities that value culture and heritage	Review the Heritage Section of the Plan to ensure greater recognition is given to the Heritage values of the city as required by recent amendment for the RMA
	4. Regional leadership and sense of belonging	All Plan changes are publicly notified and allow for community participation
	5. Recreational Facilities	Ensure appropriate zoning is in place to protect and facilitate the long term development of recreational facilities
Environmental	6. State of the Environment report for Napier City	Positive outcomes for Napier indicated by the state of the environment report
	7. Monitoring of Performance of the District Plan	Reduction in the number of resource consent applications
	8. Number of resource consent applications	Settling of appeals on the proposed new Napier District Plan
	9. Consistency with other regional/territorial plans	Reduction in the number of cross jurisdiction boundary disputes
	10. Community and User satisfaction levels for City Development Planning	Improved levels of community and user satisfaction with City Development Planning
	11. Environment that is appreciated, protected and sustained	Ensure appropriate Plan provisions avoid, remedy and mitigate the adverse effects of land use activities while providing opportunities for people to better their social and economic wellbeing

### Regulatory Consents

Economic	1. Timing of monitoring of resource consents to be within specified time frames	100% within the specified time frames
	2. % residents satisfied with "Town Planning" in the NRB Public Opinion Survey	above level of peer group
Environmental	3. Time for processing of Non-notified resource and sub-division consent applications	20 working days
	4. Time for processing Land Information Memorandums	10 working days

## ENVIRONMENTAL AND REGULATORY CONTROLS ...

Category	Performance Measures	2005/06 Targets
<b>Building Consents</b>		
Economic	1. Processing time for complying building consents in accordance with the statutory requirements	20 working days
Social and Cultural	2. Communities that value and promote their unique culture and heritage	Where possible, within the legislative framework, openly consider alternative building solutions for heritage structures
Environmental	3. Audit of the building warrants of fitness registered from owners of buildings, subject to code of compliance schedule	20% of all buildings
<b>Environmental Health Services</b>		
Social and Cultural	1. Time taken to inspect and issue licences to complying registered premises from receipt of application	One month
	2. % residents satisfied with "Noise Control" in the NRB Public Opinion Survey	75%
Environmental	3. Number of visits to licensed and registered premises (in terms of meeting objective) a. Liquor licences (200 approx) and Food Premise (250 approx) b. Registered Premises: hairdressers, industrial, tattooists etc (250 approx)	a. twice a year b. once a year
	4. Monitor the reticulated water supply in accordance with National Drinking Water Standards	600 (min requirement 384)
<b>Animal Control</b>		
Economic	1. Promotion of the Dog Owner Licence Scheme	60 new owners
	2. Spaying and neutering of dogs	300
	3. Selling of unclaimed impounded dogs	65
Social and Cultural	4. % resident satisfaction for Dog Control in the NRB public opinion survey	60%
	5. Provision of an education programme for children	visit 6 schools (20 talks)
	6. Time taken to action complaints (estimated 1,800 complaints per year)	100% by end following working day
Environmental	7. Promotion of the 'Pooper Scooper' scheme: a. Number of free bags issued b. Advertising campaign	20,000 free bags 6 newspaper ads 6,000 registration forms
<b>Parking Services</b>		
Economic	1. % resident satisfaction for "Parking in City Centre" in the NRB Public Opinion Survey	60%
	2. % resident satisfaction for "Parking in the Suburbs" in the NRB Public Opinion Survey	75%
Social and Cultural	3. CBD and Taradale Shopping Centre off street parking areas occupancy rates	between 50% and 80%
	4. CBD and Taradale Shopping Centre on street parking areas occupancy rates	between 50% and 80%

## Financial Summary

Budget 04/05 (\$000)	Activity	05/06 (\$000)				Income [1] of Service	Net Cost
		Operating	Interest	Depn	Total		
653	City Development Planning	556	1	73	630	5	625
527	Regulatory Consents	765	-	1	766	185	581
353	Building Consents	880	1	13	894	546	348
319	Environmental Health Services	432	-	2	434	144	290
163	Animal Control	475	6	4	485	314	171
(583)	Parking Services	964	33	106	1,103	1,565	(462)
<b>1,431</b>	<b>Total Net Operating</b>	<b>4,072</b>	<b>41</b>	<b>199</b>	<b>4,312</b>	<b>2,759</b>	<b>1,553</b>
570	<b>Capital Expenditure [2]</b>						315
<b>2,001</b>	<b>Funding Required</b>						<b>1,868</b>
	<b>Funded By</b>						
1,997	Non Targeted Rates						1,940
-	Loans						150
(117)	Special Funds						(333)
121	Depreciation (non funded)						111
<b>2,001</b>	<b>Total</b>						<b>1,868</b>

## [1] Summary of Income

User Charges	2,750
Other Income	9
<b>Total Income</b>	<b>2,759</b>

## [2] Capital Expenditure

		05/06 (\$000)
<b>Animal Control</b>		
New Capital	Animal Shelter	150
<b>Parking Services</b>		
New Capital	Parking Equipment Replacement	100
	Minor Capital Items - Parking Services	20
	Develop Carpark 184 Dickens St	45
<b>Total</b>		<b>315</b>

# PROPERTY ASSETS

## Scope

The Property Assets Group comprises:

### Lagoon Farm

The 475 hectare Lagoon Farm is situated south of the Hawke's Bay Airport. It is run as a commercial enterprise. The Lagoon Farm is managed in accordance with Council's policies. Specifically the terms of reference are that the farm is managed as a successful business.

### Property Holdings

- Leasehold Properties (31.03.05):
  - Commercial 84
  - Residential 81

This business unit is responsible for the management of leases and licences which have been established for Parks, Reserves, Commercial, Industrial and Residential properties. The major portion of leases are perpetually renewable. It is also responsible for the management, including maintenance and renewal, of all Council buildings not specifically allocated to other activities.

## Performance Targets for 2005/06

Category	Performance Measures	2005/06 Targets
<b>Lagoon Farm</b>		
Performance measures not set as this activity is not providing a public service.		
<b>Property Holdings</b>		
Economic	1. Management of leases and licences: All leases to be renewed within the statutory time frame as specified in the individual registered lease documents	100% renewed
	2. Building Asset Management: Maintain full occupancy of Council owned commercial buildings subject to availability of lettable space and market demand and conditions.	100% occupancy
Social and Cultural	3. Management of leases and licences: Facilitate the freeholding of leasehold properties in accordance with Council's freeholding policy	All freeholding requests handled in accordance with the Council policy
Environmental	4. Building Asset Management: Ensure all buildings are maintained to a satisfactory level and comply with the Building Act and Health and Safety Act	100% compliance

### Lagoon Farm Residential Development

In 2000 Council released its proposed District Plan which included the rezoning of about 110ha of Lagoon Farm for residential development, with 20-30ha of that being for future sportsgrounds. Midway through 2004 the rezoning cleared the last of the legal processes. Subsequently to land being rezoned, the Works Asset Department applied for a resource consent to subdivide off 211 residential lots. This resource consent was approved in 9 stages. Council will undertake the role of Developer, develop the land as residential lots and sell such on the open market.

Detailed engineering design has been completed for Stage 1 which comprises 67 lots. Once engineering approval has been obtained, work on the various utility services will commence in earnest. It is hoped to have the 67 Stage 1 lots on the market in May, with the objective of having titles issues before Christmas. An estimate of the development expenditure to be incurred in 2005/06 has been included in this Annual Plan. Implications beyond 2005/06 will be reflected in the 2006/2016 LTCCP.

## Financial Summary

Budget 04/05 (\$000)	Activity	05/06 (\$000)				Income [1]	Net Cost of Service
		Operating	Interest	Depn	Total		
6	Lagoon Farm	296	-	14	310	325	(15)
-	Lagoon Farm Residential Development	-	-	-	-	5,537	(5,537)
(1,096)	Property Holdings	(48)	149	253	354	1,575	(1,221)
<b>(1,090)</b>	<b>Total Net Operating</b>	<b>248</b>	<b>149</b>	<b>267</b>	<b>664</b>	<b>7,437</b>	<b>(6,773)</b>
100	<b>Capital Expenditure [2]</b>						7,467
<b>(990)</b>	<b>Funding Required</b>						<b>694</b>
	<b>Funded By</b>						
(741)	Non Targeted Rates Loans						(737) 2,000
(310)	Special Funds						(661)
61	Depreciation (non funded)						92
<b>(990)</b>	<b>Total</b>						<b>694</b>

### [1] Summary of Income

User Charges	1,603
Other Income	5,834
<b>Total Income</b>	<b>7,437</b>

### [2] Capital Expenditure

		05/06 (\$000)
<b>Property Holdings</b>		
New Capital	Civic Building and Library Air Conditioning	100
	Redevelopment of Cultural Trust Buildings	2,000
<b>Lagoon Farm Residential Development</b>		
Capital Work in Progress	Lagoon Farm Residential Development Costs	5,367
<b>Total</b>		<b>7,467</b>



# ROADING

## Scope

The Roading Group comprises;

### Roading



The city's roading system provides accessibility to Napier citizens and visitors within a safe, clean and aesthetic environment. The services cover the provision and maintenance of the physical components; roads, footpaths, bridges and other structures (e.g. street furniture), lighting, drainage, traffic services and safety (e.g. traffic lights, signage) and street gardens, as well as the planning and management to ensure the system is clean, safe and able to cope with future needs.

## Performance Targets for 2005/06

Category	Performance Measures	2005/06 Targets
<b>Roading</b>		
Economic	1. % Residents satisfied (very satisfied and fairly satisfied) with "footpaths" in the NRB Public Opinion Survey	80%
	2. % Resident satisfied (very satisfied and fairly satisfied) with 'roads' in the NRB Public Opinion Survey	80%
Environmental	3. A continuing reduction in the number of injury crashes occurring in the city and in accident contributing behaviour	less than 150
	4. Average roughness of sealed urban roads	less than 150 (NAASRA counts)
	5. Value of deferred capital works at end of year	\$38 million

## Financial Summary

Budget 04/05 (\$000)	Activity	05/06 (\$000)				Income [1]	Net Cost of Service
		Operating	Interest	Depn	Total		
7,619	Roading	5,352	1,720	4,208	11,281	2,747	8,534
<b>7,619</b>	<b>Total Net Operating</b>	<b>5,352</b>	<b>1,720</b>	<b>4,208</b>	<b>11,281</b>	<b>2,747</b>	<b>8,534</b>
11,676	<b>Capital Expenditure [2]</b>						9,514
<b>19,295</b>	<b>Funding Required</b>						<b>18,048</b>
	<b>Funded By</b>						
6,284	Non Targeted Rates						7,400
410	Loans						2,268
10,358	Special Funds						6,086
1,050	Vested Assets						1,050
1.193	Depreciation (non funded)						1,244
<b>19,295</b>	<b>Total</b>						<b>18,048</b>

### [1] Summary of Income

User Charges	15
Subsidies and Grants	2,699
Other Income	33
<b>Total Income</b>	<b>2,747</b>

### [2] Capital Expenditure

		05/06 (\$000)
<b>Roading</b>		
New Capital	Urban Growth - Prebensen Drive	500
	Foodstuffs Development	500
	Transportation Proposals	273
	Roading Capital Projects (Bulk Funded)	1,369
	Stock Effluent Dump Site Bay View	24
	Puketitiri Rd Reconstruction	75
	CBD Development	2,000
	Prebensen Drive Four Laning and Hyderabad Rd Overbridge	250
	Awatoto to Expressway Link	200
	Ahuriri Shopping Centre Upgrade	150
Renewals		3,123
Vested Assets		1,050
<b>Total</b>		<b>9,514</b>

# SOLID WASTE

## Scope

The Solid Waste Group comprises;

### Refuse Management

- Domestic Collection - Residential Properties weekly  
Refuse disposed each year 7,200 tonnes
- Recycling Residential Properties once per fortnight
- Domestic Collection - Commercial Areas  
Suburban shops twice per week  
Central Business District four times per week
- Litter Collection  
Litter Bins throughout City emptied daily

Council provides a domestic refuse collection service of domestic material for both residential and commercial properties within the City. Litter bins and drums are placed throughout the City and emptied on a daily basis. A kerbside recycling service for residential properties is provided via contractors.

### Transfer Station and Composting

Council's Refuse Transfer Station at Redcliffe accepts most domestic, garden and building waste. The Composting and Recycling operation, commissioned in 1995, is part of Council policy of Waste Minimisation. The total operation is managed by Sub-Committee and operates as a business.

### Omarunui Regional Landfill

The Omarunui Landfill is the final disposal point for waste generated by the combined populations of Hastings District and Napier City. It is jointly owned by both the Hastings District and Napier City Council and is managed on a day to day basis by the Hastings District Council.

## Performance Targets for 2005/06

Category	Performance Measures	2005/06 Targets
<b>Refuse, Transfer Station and Composting</b>		
Economic	1. % Residents satisfied with 'Refuse Collection' in NRB opinion survey	90%
	2. % Residents satisfied with "control of litter, graffiti and vandalism" in the NRB opinion survey	75%
Environmental	3. Comply with all conditions of resource consents for closed landfills	100%
	4. Quantity of waste going to land fill	28,000 tonnes

## Financial Summary

Budget 04/05 (\$000)	Activity	05/06 (\$000)				Income [1]	Net Cost of Service
		Operating	Interest	Depn	Total		
1,158	Refuse	1,563	153	43	1,759	437	1,322
347	Transfer Station & Composting	1,638	32	40	1,710	1,374	336
<b>1,505</b>	<b>Total Net Operating</b>	<b>3,200</b>	<b>185</b>	<b>83</b>	<b>3,469</b>	<b>1,811</b>	<b>1,658</b>
967	<b>Capital Expenditure [2]</b>						668
<b>2,472</b>	<b>Funding Required</b>						<b>2,326</b>
	<b>Funded By</b>						
366	Non Targeted Rates						400
1,045	Targeted Rates [3]						1,202
967	Loans						668
53	Special Funds						16
41	Depreciation (non funded)						40
<b>2,472</b>	<b>Total</b>						<b>2,326</b>

### [1] Summary of Income

User Charges	1,339
Other Income	472
<b>Total Income</b>	<b>1,811</b>

### [2] Capital Expenditure

		05/06 (\$000)
<b>Refuse Management</b>		
New Capital	Omarunui Regional Landfill Site Development	668
<b>Total</b>		<b>668</b>

### [3] Targeted Rates

Refuse UAC	930
Recycling UAC	272
<b>Total</b>	<b>1,202</b>

# TOURISM AND CITY BUSINESS DEVELOPMENT

## Scope

The Tourism and City Business Development Group comprises;

### Business Facilitation

The Enterprise Unit facilitates and assists existing and new businesses in the City and Region to develop, expand and create employment. Council also assists with the economic development of the region via its grant to Hawke's Bay Inc. This is backed up by Council's Rates Relief Policy which provides rates remission or postponement to assist business developments in the City.

### Napier City Promotion

Council promotes Napier externally to attract further movements of population, business and visitors to the area. The "Time of Your Life" city marketing programme, an ongoing major media advertising programme, aims to inform New Zealand about Napier. Council also provides assistance for the marketing of the Central Business district.

### Tourism Facilitation

Council assists with the external marketing of Napier as a tourism destination through a grant to Hawke's Bay Inc. Art Deco is an important tourism feature of the City and Council assists the Art Deco Trust in its promotion of Art Deco in Napier by way of a grant.

### Marineland of NZ

New Zealand's only marine zoo houses dolphins, seals, sealions, otters, penguins and other birds. Marineland runs shows and tours daily and has bicycles and wet suits for hire. Education programmes and a penguin recovery workshop are available for schools and the public. Volunteers welcome.

### National Aquarium of NZ

Located on Marine Parade and houses sharks, stingray, hundreds of fish species, reptiles and the kiwi. There are shows and tours daily, a themed souvenir shop and a café. The aquarium hosts school groups, tour groups, birthday parties, sleepovers and has function facilities.

### Napier i-Site

Napier i-Site Visitor Centre is part of NZ's Visitor Information Network and offers information and booking services to both visitors and locals, including accommodation and travel; attractions and activities; itinerary planning and advice; gifts, souvenirs, stamps and phone cards; events and entertainment information; maps, guides and books.

### Kennedy Park

Set in spacious park-like surroundings, Kennedy Park offers a variety of accommodation types, including 90 rooms of various configurations and 165 powered and non-powered sites. The facilities include a children's playground, a pool, a restaurant and conference facilities.

**Note:** Conferences and Events HB is no longer operating.

**Performance Targets for 2005/06**

Category	Performance Measures	2005/06 Targets
<b>Business Facilitation</b>		
Economic	1. Number of Economic Monitoring Reports on the performance of the Napier and Hawke's Bay economies	4
	2. Number of downloads of the Economic Monitoring Reports from the Council Website	record number (new target)
Social and Cultural	3. New business programme - number of training and one to one facilitation services	100
	4. Existing business support - number of businesses assisted in Napier	50

**Tourism Facilitation**

There are no non financial performance measures.

**Napier City Promotion**

There are no non financial performance measures.

**Marineland of New Zealand**

Economic	1. Maintain attendance levels	68,000
Social and Cultural	2. Provide a range of visitor experience options	7
Environmental	3. Rehabilitation of animals/birds/mammals	30
	4. Provide environmental awareness through education program	4,500
	5. Provide work experience and skill enhancement for Volunteers	20

**National Aquarium of New Zealand**

Economic	1. Maintain attendance levels	114,000
	2. Maintain a register of friends of the Aquarium	500
	3. Build levels number of people attending functions and/or activities	1,200
Social and Cultural	4. Provide cultural exhibition(s)	1
	5. Provide a range of visitor experience options	9
Environmental	6. Provide environmentally themed exhibition(s)	1
	7. Provide educational awareness through education program	5,800
	8. Provide work experience and skill enhancement for Volunteers	15

**Napier i-Site**

Economic	1. Achieve growth in visitor numbers through the Centre	330,000
	2. Achieve new and renewed paid operator displays	300
Social and Cultural	3. Distribute information packs	4,500
Environmental	4. Provide advisory services to tertiary education	1

Category	Performance Measures	2005/06 Targets
<b>Kennedy Park</b>		
Economic	1. To achieve growth in room nights booked for tour groups, conference groups, school groups, sports teams and free independent travellers	35,350

**Financial Summary**

Budget 04/05 (\$000)	Activity	05/06 (\$000)				Income [1] of Service	Net Cost
		Operating	Interest	Depn	Total		
482	Business Facilitation	479	-	1	480	36	444
405	Napier City Promotion	405	-	-	405	-	405
269	Tourism Facilitation	269	-	-	269	-	269
144	Marineland of NZ	640	5	31	676	505	171
520	National Aquarium of NZ	1,476	159	308	1,943	1,452	491
249	Napier i-Site	726	3	25	754	490	264
(5)	Conferences & Events HB	-	-	-	-	-	-
(502)	Kennedy Park	1,634	17	143	1,794	2,322	(528)
<b>1,562</b>	<b>Total Net Operating</b>	<b>5,629</b>	<b>184</b>	<b>508</b>	<b>6,321</b>	<b>4,805</b>	<b>1,516</b>
<b>46</b>	<b>Capital Expenditure [2]</b>						<b>142</b>
<b>1,608</b>	<b>Funding Required</b>						<b>1,658</b>
	<b>Funded By</b>						
756	Non Targeted Rates						868
347	Special Funds						283
505	Depreciation (non funded)						507
<b>1,608</b>	<b>Total</b>						<b>1,658</b>

**[1] Summary of Income**

User Charges	3,496
Subsidies and Grants	67
Other Income	1,242
<b>Total Income</b>	<b>4,805</b>

**TOURISM AND CITY BUSINESS DEVELOPMENT ...****[2] Capital Expenditure**

		05/06 (\$000)
<b>Marineland</b>		
New Capital	Minor Capital Provision	3
<b>National Aquarium</b>		
New Capital	Minor Capital Provision	39
<b>Napier i-Site</b>		
New Capital	Minor Capital Provision	5
<b>Kennedy Park</b>		
New Capital	Minor Capital Provision	95
<b>Total</b>		<u>142</u>



# WATER AND WASTEWATER SERVICES

## Scope

The Water and Wastewater Services Group comprises;

### Stormwater Management

- Stormwater Mains 226 km
- Open Drains 58 km
- Pump Stations (NCC and HBRC managed) 11

Council provides and maintains a stormwater disposal system for the City with the aim to minimise the effects of flooding. The system consists of open drains, stormwater mains and pump stations with about three quarters of the City reliant on pumped systems for stormwater drainage.

### Wastewater Management

- Pump Stations 40
- Sewer Mains 327 km
- Milliscreen Plant 1 (Awatoto)
- Marine Outfall 1,600 m
- % of Napier's Population Served By Reticulation System 93%

Council provides a safe domestic and industrial sewage collection, screening and disposal system to maintain the community's health. The system services the main City area but does not include Meeanee, Jervoistown, residential Awatoto, most of the Bay View and Poraiti. Properties are currently connecting to Stage 1 of the Bay View system.

### Water Management

- Annual Water Consumption 10.8 million m<sup>3</sup>
- Number of Wells 10
- Ground Water Pump Stations 10
- Booster Pump Stations 8
- Reservoir Sites 8
- Storage Facilities 28 million litres
- Mains (40mm - 450 mm diameter) 409 km

Council provides a Water Supply system for the supply of potable water as well as for fire fighting purposes. Water is drawn from the Heretaunga Plains artesian aquifer and reticulated to the Napier urban area and to Bay View. The Heretaunga Plains aquifer is free from harmful contamination and no water treatment is required. Council has a programme in place to manage the usage of water, a precious natural resource, to minimise wastage and shortages.

## Performance Targets for 2005/06

Category	Performance Measures	2005/06 Targets
<b>Stormwater</b>		
Environmental	1. % residents satisfied with "Stormwater" in NRB opinion survey	85%
	2. Compliance with requirements of resource consents	100%
	3. % time total pumping capacity available	95%
<b>Wastewater</b>		
Environmental	1. % residents satisfied with "Wastewater" in NRB opinion survey	75%
	2. Compliance with Resource Consent Requirements for wastewater outfall	100%
	3. Number of reticulated properties that are unable to dispose of wastewater, due to stormwater infiltration, for longer than 6 hours	Zero
<b>Water</b>		
Economic	1. % of distribution mains ( $\geq 100$ mm diameter) cleaned	20%
Social and Cultural	2. % residents satisfied with 'Water Supply' in NRB opinion survey	90%
Environmental	3. Compliance with Resource Consent Requirements	100%
	4. Compliance with monitoring and bacteriological requirements of NZ Drinking Water Standards 2000	100%

## Financial Summary

Budget 04/05 (\$000)	Activity	05/06 (\$000)				Income [1]	Net Cost of Service
		Operational Costs			Total		
		Operating	Interest	Depn			
1,953	Stormwater	1,001	277	869	2,147	14	2,133
4,139	Wastewater	2,458	328	1,757	4,543	392	4,151
2,380	Water	1,952	176	869	2,997	389	2,608
<b>8,472</b>	<b>Total Net Operating</b>	<b>5,411</b>	<b>781</b>	<b>3,495</b>	<b>9,687</b>	<b>795</b>	<b>8,892</b>
21,852	<b>Capital Expenditure [2]</b>						9,519
<b>30,324</b>	<b>Funding Required</b>						<b>18,411</b>
	<b>Funded By</b>						
1,918	Non Targeted Rates						2,113
6,516	Targeted Rates [3]						6,750
11,000	Loans						3,873
10,001	Special Funds						4,786
889	Vested Assets						889
<b>30,324</b>	<b>Total</b>						<b>18,411</b>

### [1] Summary of Income

User Charges	791
Other Income	4
<b>Total Income</b>	<b>795</b>

### [2] Capital Expenditure

		05/06 (\$000)
<b>Stormwater</b>		
New Capital	Cross Country Drain & Pumping Station	5,405
	Saltwater Creek Bank Improvements	301
	Bay View Stormwater Upgrade	105
	Georges Drive Drain	10
	Upgrading Stormwater Catchments	660
Renewals		236
Vested Assets		332
<b>Wastewater</b>		
New Capital	Western Pumping Main	22
	Taradale Rd Pump Station and Main	51
Renewals	Pipes	721
	Pumping Equipment	170
	Milliscreen Replacement Programme	170
Vested Assets		395
<b>Water</b>		
New Capital	New Reservoir - Bay View	172
Renewals	Pump Stations	52
	Meters	16
	Pipes	449
	Capital Associated with I.A.R.	90
Vested Assets		162
<b>Total</b>		<b>9,519</b>

**WATER AND WASTEWATER SERVICES ...**

**[3] Targeted Rates**

Sewerage UAC	4,142
Water Supply UAC	2,212
Fire Protection Rate	396
<b>Total</b>	<b>6,750</b>

# SUPPORT SERVICES

Council has a number of Business Units of a corporate or support nature. These units provide the technical and support services necessary for the function of Council's activities and business units.

Costs of the support units are reallocated to activities either as overheads based on the support each activity receives, or recharged direct on a usage basis.

Support Units includes the Works Depot units which provide the support for the Utilities and Reserves divisions including a store and mechanical workshop. Design Services provides scientific and technical services to other Council departments ensuring the community receives engineering services of maximum quality and safety.

## Allocation of Costs:

The costs of the following support units are reallocated on an overhead basis:

04/05 (\$000)		05/06 (\$000)
501	Asset Administration	523
78	Cafeteria	61
490	Chief Executive	493
16	Cleaning Services	20
163	Community Development Administration	180
157	Corporate Services Management	177
843	Council	848
1,079	Finance	1,124
341	Human Resources	302
187	Information Services	195
364	Planning Support Services	401
68	Property Support	77
552	Secretarial Services	541
<b>4,839</b>	<b>TOTAL</b>	<b>4,942</b>

The costs of the following support units have been recharged direct to delivery business units on a usage basis:

04/05 (\$000)		05/06 (\$000)
564	Asset Information Technology	574
553	Corporate Information Technology	594
1,010	Design Services	1,022
561	Mechanical Services	614
3,799	Parks Operations	3,926
1,445	Plant and Vehicles	1,432
613	Services Administration	640
139	Stores	145
5,966	Utilities Operations	6,206
<b>14,650</b>	<b>TOTAL</b>	<b>13,985</b>

**SUPPORT SERVICES ...****[2] Capital Expenditure**

		<b>05/06 (\$000)</b>
<b>General Provision</b>		
New Capital	Minor New and Replacement Capital Items	61
<b>Plant and Vehicle</b>		
New Capital	Replacement of Mobile Plant and Vehicle	634
<b>Corporate I.T.</b>		
New Capital	PC and Printer Replacement	59
	Software Replacement and Upgrades	42
	Corporate I.T. Network	12
	Reporting for the LTCCP	15
<b>Total</b>		<hr/> <b>823</b> <hr/>

# Glossary of Terms

## Activities and Activity Groups

The main elements of the Council's services offered to the Napier community are divided into Activities. These Activities are described in the Activity Group section of the Plan - the scope of the activities undertaken, the performance measures and key targets and the financial budgets for the 2005/06 year.

For ease of readability in the financial summaries the Activities are combined into eight Groups.

## Allocation of Overheads

The Council's support units provide "internal" or "support" services to the service delivery business units. The costs of these internal services are allocated across the other business units either as "overheads" based on the support each output receives or recharged directly on a usage basis. This ensures that the true cost of providing specific services to the public is reflected in all budget figures.

## Financial Contributions

The share of the cost of new developments and subdivisions met by developers.

## Infrastructural Assets

Stationary systems forming a network and serving whole communities, where the system as a whole is intended to be maintained indefinitely at a particular level of service potential by the continuing replacement and refurbishment of its components. The network may include normally recognised ordinary assets as components. These include roads, water, sewerage and stormwater systems.

## Infrastructural Asset Renewal

A statutory requirement to provide for maintenance of infrastructural assets in serviceable condition in perpetuity. The amount required is calculated from asset management plans, and "smoothed" to provide a relatively even flow of funds from year to year.

## Levels of Service

A measure of the quality and quantity of services delivered. They are determined by customer expectations, legislative requirements and affordability.

## Targeted Rate

A rate set under section 16 or 19 of the Local Government (Rating) Act 2002 to fund a specific function or service provided. It may be charged as a fixed dollar amount per rating unit, a fixed charge per factor, such as property value, or a differential charge per factor.

## Non Targeted Rate

Rates other than targeted rates. These are general rates and Uniform Annual General Charges. These fund a wide range of activities that are considered to be of general benefit to the community.

## NRB Customer Satisfaction Survey (Communitrak™)

A wide ranging customer satisfaction survey prepared for the Napier City Council by the National Research Bureau Ltd. The survey is of public perceptions and interpretations of Council services and representation with comparisons to National and Peer Group averages.