

Rating Impact of Chief Executive's Submission

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Rates as per Draft Long Term Plan		48,528	51,881	55,504	59,062	63,053	67,469	70,913	75,051	78,697	82,710	87,232	91,505	96,689	102,107	107,889	114,188	120,313	126,112	132,085	
Description	Type	Capital Component																			
Capital Carry Overs/Reforecast Changes	One off	-160	-61	-56	-53	-51	-52	-154	-153	-154	-150	-145	-143	-139	-134	-124	-114	-112	-106	-105	
Rates Surplus from 2011/12 Fin Yr (375k spread over 1 year to offset District Plan Expenditure)	One off	-313	-62	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Additional Resources regarding Expressway Project	One off	250	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Additional Resources regarding District Plan	One off	140	196	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Library RFID - Change in Lease Requirements	Ongoing	-26	-73	-65	-71	-70	-72	-75	-77	-80	-83	-86	-89	-92	-95	-98	-102	-105	-108	-113	
Library RFID - Regarding Design Library Space	Ongoing	230	7	39	38	40	51	49	48	52	51	50	49	48	47	39	31	29	29	29	
Additional Capital for Strategic Land Purchase	Ongoing	1,000	40	109	106	103	97	94	91	89	85	82	79	76	72	69	66	63	59	56	
Increase in Creative NZ Grant (Council Contribution)	Ongoing	10	11	11	11	12	12	12	13	13	14	14	15	15	16	16	17	18	18	19	
Increase in Postal Charges (NZ Post)	Ongoing	10	11	11	11	12	12	12	13	13	14	14	15	15	16	16	17	18	18	19	
Additional Communication Resource (Fixed Term Contract)	One off	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Waikanae Recycling Centre Opening Hours	Ongoing	15	16	17	17	18	19	20	21	22	23	24	26	27	28	30	31	33	34	36	
Cemetery Berm Costs (all Rate Funded)	Ongoing	14	14	15	15	16	17	17	18	18	19	19	20	21	21	22	23	24	24	25	
Regional Governance Fund	One off	80	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Iwi Liasion	Ongoing	7	7	7	8	8	8	8	9	9	9	9	10	10	10	11	11	11	12	12	
Reduction in 2012/13 Interest Rate	Ongoing	-124	-208	-199	-190	-185	-180	-169	-162	-153	-147	-139	-134	-126	-120	-117	-108	-102	-97	-89	
Total Rates		1,244	0	0	-115	-108	-89	-89	-186	-179	-171	-165	-158	-152	-145	-139	-136	-128	-123	-117	-111
Amended Proposed Rates		48,528	51,881	55,389	58,954	62,964	67,380	70,727	74,872	78,526	82,545	87,074	91,353	96,544	101,968	107,753	114,060	120,190	125,995	131,974	
Rates as per Draft Long Term Plan (%)		6.5%	6.5%	6.5%	5.8%	6.1%	6.2%	4.2%	4.8%	3.9%	4.1%	4.5%	3.9%	4.7%	4.6%	4.7%	4.8%	4.4%	3.8%	3.7%	
Rates Impact (%)		0.00%	0.00%	-0.22%	-0.19%	-0.15%	-0.14%	-0.28%	-0.25%	-0.23%	-0.21%	-0.19%	-0.17%	-0.16%	-0.14%	-0.13%	-0.12%	-0.11%	-0.10%	-0.09%	
Amended Proposed Rates (%)		6.5%	6.5%	6.3%	5.6%	5.9%	6.1%	3.9%	4.5%	3.7%	3.9%	4.3%	3.7%	4.5%	4.5%	4.6%	4.7%	4.3%	3.7%	3.6%	

Please Note: The rates figure includes a reduction for the estimated growth of 0.3% for the district.

Year 20
\$000

138,574

-100

0

0

0

-117

28

53

19

19

0

38

26

0

12

-81

-103

138,471

%

3.9%

-0.08%

3.8%

Carry Over Summary

GL Code	Description	Additional Carry Over Requests per CE Submission
Capital Carry Overs		
Community Facilities		
01225	Furniture & Fitting	15,000
01255	Museum - Roof	19,893
Total Community Facilities		34,893
Development Management		
13170	Strategic Land Purchases	524,000
Total Development Management		524,000
Governance and Tāngata Whenua		
0064F	Replacement Payroll Project	32,000
01976	Broadband Project	105,600
Total Governance and Tāngata Whenua		137,600
Libraries, Arts and Museums		
13451	Public Art Acquisition Districtwide	48,280
Total Libraries, Arts and Museums		48,280
Parks and Reserves		
12186	Marine Gardens Upgrade	200,000
12187	Marine Gardens Path Upgrade	45,000
12379	Ōtaki Beach Playground	60,000
12382	Ōtaki Main Street - Upgrade Library Park	79,542
12383	Ōtaki Main Street - Upgrade Memorial Park	132,869
Total Parks and Reserves		517,411
Water Management		
484E1	Water Supply Project	185,000
Total Water Management		185,000
Stormwater Management		
18412	Waikakariki Gravel Extraction	325,000
Total Stormwater Management		325,000
Total Capital Carry Overs to 2012/13		1,772,184

Completion date

Mar 2013
Jun 2013

Jun 2013

Oct 2012
Sep 2012

Jun 2013

Oct 2012
Mar 2013
Mar 2013
Sep 2012
Sep 2012

Jun 2014

Jun 2013

LAPP Fund

<u>Option 1</u>	
Same cover as 2011/12	
Reinsurance Cover	\$100 million
Deductible	\$5 million
Total LAPP Contributions 2012/13	\$19.8 million
Kāpiti Coast District Council LAPP Contribution	\$427,800
Kāpiti Coast District Council Liability Exposure (for one major claim)	Nil
Kāpiti Coast District Council Liability Exposure for two major claims	Nil

<u>Option 2 - LAPP Trustees approved this as the final option 28/5/12</u>	
Higher Deductible – Mutual Self Insurance	
Reinsurance Cover	\$100 million
Deductible	\$50 million
Total LAPP Contributions 2012/13	\$9 million
Kāpiti Coast District Council LAPP Contribution	\$196,000
Kāpiti Coast District Council Liability Exposure (for one major claim)	Year 1 – 4.7 times annual contribution \$940,000
Kāpiti Coast District Council Liability Exposure (for one major claim)	After year 9 (no major claims in 9 years) Nil
Kāpiti Coast District Council Liability Exposure for two major claims	Year 1 \$2,040,000 After Year 9 \$1,100,000 After Year 18 Nil

LAPP Fund - Proposed accumulation of LAPP Funds (\$9m annual contributions) and Local Authorities' exposure to major claims								
Year	Balance Brought Forward	Members' Contributions	Cost of Reinsurance*	Other Expenses	End of Year Balance	Max LA exposure for each major claim	Max LA exposure call for one major claim	Max LA exposure for two major claims
						(\$50m - Balance of Funds)	No. of times Annual Contributions	No. of times Annual Contributions
						\$m	\$m	\$m
1	2.5	9	3	0.6	7.9	42.1	4.7	10.2
2	7.9	9	3	0.6	13.3	36.7	4.1	9.6
3	13.3	9	3	0.6	18.7	31.3	3.5	9.0
4	18.7	9	3	0.6	24.1	25.9	2.9	8.4
5	24.1	9	3	0.6	29.5	20.5	2.3	7.8
6	29.5	9	3	0.6	34.9	15.1	1.7	7.2
7	34.9	9	3	0.6	40.3	9.7	1.1	6.6
8	40.3	9	3	0.6	45.7	4.3	0.5	6.0
9	45.7	9	3	0.6	51.1	0.0	0.0	5.5

Contingency Funds LTP 2012

	2011/12				
	\$000's				
Contingency Fund Balance 30/4/11	1,818				
Less Write-Off Provision – Accumulated unpaid penalties	-300				
Contingency Fund - Balance 19/5/11	1,518				
Plus Leaky Home Contingency Fund	368				
Total Contingency Funds	1,886				
	YTD	Forecast			
	2011/12	2011/12	2012/13	2013/14	2014/15
Opening Balance	1,886	1,886	1,740	875	443
Revenue					
Rates Penalties	489	584	550	525	550
Sub Total	2,375	2,470	2,290	1,400	993
Expenditure					
Provision for Penalty Write Off	0	50	55	57	60
Insurance Premium Increases	367	400	300	200	100
Offset Rates Increase	0	0	300	300	0
KCRTT - Pavilion Grant 2012/13 yr (interest free loan for 12 months)	0	0	60	0	0
Additional Rates Remission Provision for Financial Hardship	0	0	0	25	50
Other Contingency Expenditure	128	128	100	75	50
Leaky Home Provision/Liability Claims	152	152	600	300	300
Project Expenditure/Provisions	647	730	1,415	957	560
Projected Closing Balance	1,728	1,740	875	443	433

Leaky Home Claims provision

*Allows for a worst case exposure to current known claims plus new claims totalling \$1.2m over the next three years.

Part 9 Policy for Rates Relief for Residential Rating Units Containing Two Separately Habitable Units

Objectives of the Policy

Section One To enable Council to provide for relief for ratepayers who own a residential rating unit containing two habitable units. Where the second unit is either a consented family flat or has a floor area of 50 square metres or less, and the habitable unit is used only to accommodate non-paying guests and family.

Section Two To enable Council to provide for relief for ratepayers who own a residential rating unit containing two habitable units, where the second unit is only rented out for less than one month each year.

Community Outcomes that this Policy relates to are:

- Outcome 7: the District has a strong, healthy, safe and involved community.

Policy Conditions and Criteria

Section One Conditions and Criteria

- 1.1 On written application of a ratepayer annually, and provided that;
 - (a) their rating unit contains two habitable units; where the second unit has a floor area of 50 square metres or less; and
 - (b) the second unit is used only for family and friends of the occupants of the first unit on a non-paying basis; and
 - (c) the application is accompanied by a Statutory Declaration of Intent made by the ratepayer that declares that condition will be complied with in the ensuing year.
- 1.2 Council may remit a second targeted rate for water supply, wastewater disposal rate set on a separately occupied portion of the Rating Unit.
- 1.3 If a rating unit contains more than two habitable units used by non-paying guests and family, only one is entitled to remission.

Section Two Conditions and Criteria

- 2.1 On written application of a ratepayer annually, and provided that;
 - a) their rating unit contains two habitable units; where the second unit has a floor area of 50 square metres or less; and
 - b) their rating unit contains two habitable units; where the second unit is only rented out for less than one month each year;
 - c) the application is accompanied by a Statutory Declaration of Intent made by the ratepayer that declares that the condition will be complied with in the ensuing year.

- 2.2 Council may remit a second targeted rate for water supply, wastewater disposal and any other targeted rate set on a separately occupied portion of the Rating Unit.
- 2.3 If a rating unit contains more than two habitable units used by non-paying guests and family, only one is entitled to remission.

Process for both Sections

The application for remission must be made to the Council prior to commencement of the rating year (1 July). Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

Decisions for remission of rates for rating units consisting of two separately habitable units will be delegated to the Group Manager, Finance. The administration of this Policy may then be sub-delegated to a Council Officer as appropriate.