

**Mayor and Councillors
COUNCIL**

5 JUNE 2014

Meeting Status: **Public**

Purpose of Report: For Decision

CONSIDERATION OF SUBMISSIONS TO THE DRAFT 2014/15 ANNUAL PLAN

PURPOSE OF REPORT

- 1 This report seeks Council decisions on submissions, and whether there should be any changes to the Draft 2014/15 Annual Plan (Draft Annual Plan). Draft responses to submitters and recommendations on key issues have been prepared for consideration.

SIGNIFICANCE OF DECISION

- 2 This report does not trigger the Council's Significance Policy.

BACKGROUND

- 3 The Draft Annual Plan was adopted on 20 March 2014 and released for public consultation on 26 March 2014. The deadline for receiving submissions was 5.00pm, 28 April 2014.
- 4 The Council resolved at its meeting on 23 January 2014 to consult the community on the issue of fluoridation of the Paraparaumu, Waikanae and Raumati water supply. This was carried out via the Draft Annual Plan Special Consultative Procedure.
- 5 The Local Government Act 2002 requires that the Council produce a summary document of the Draft Annual Plan and this was published on the Council website on 26 March 2014 and in the Kapiti Observer on 27 March 2014. In accordance with the Council resolution on fluoridation the Capital and Coast District Health Board and Fluoride Action Network (NZ) were offered the opportunity to provide a statement that reflected their opinion about fluoride for inclusion in the Summary Document.
- 6 A total of 746 submissions were received on the Draft Annual Plan in various formats during the period of public consultation.
- 7 A copy of each submission to the Draft Annual Plan has been circulated to the Mayor, Councillors, Community Board Chairs and Maori Representatives. Each item raised by a submitter has been summarised, given an ID number, and then categorised within the Council's submission database against each Activity in the Draft Annual Plan.
- 8 The Council met on 20, 21 and 22 May 2014 to hear submitters who wished to speak to their submission. Over a hundred submitters spoke to their submissions over the three days of hearings. A dedicated day to hear submissions on fluoride was set down for 21 May.

CONSIDERATIONS

Issues

Water Fluoridation

- 9 Public health and the provision of safe drinking water are of significant importance to the community. Introducing or modifying current practices with regard to the water supply needs to be viewed as a decision that should only be made once sufficient and informed information on the issue has been put before the Council and the community.
- 10 Fluoride is currently added to the public water supplies of Paraparaumu, Waikanae and Raumati, but not Ōtaki or Paekākāriki.
- 11 The Council resolved at its meeting on 23 January 2014 to:
 - consult on the continued fluoridation of the Waikanae, Paraparaumu and Raumati water supplies via the Draft Annual Plan consultation process;
 - draw attention to fluoridation as a specific issue Council is consulting on through emphasis in the Draft Annual Plan and associated consultation documentation;
 - notify the Ministry of Health and the Fluoride Action Network (NZ) of the intent to consult and facilitate community access to information via links from the Council's website; and
 - seek statements from the Ministry of Health and the Fluoride Action Network (NZ) for use in the consultative process.
- 12 Also in its earlier resolution (6 June 2013), Council resolved to submit the fluoridation issue to Local Government New Zealand (LGNZ) through the remit process to ask LGNZ to approach Central Government. The Council expects that this will be debated at the LGNZ conference in July 2014.
- 13 During the Council's Draft Annual Plan consultation process emphasis has been given to fluoridation as a specific issue. Special attention has been drawn to fluoridation in public notices as a specific topic. The submission forms for the draft 2014/15 AP included a section on fluoridation that stated: *Fluoride: Tell us what you think. Do you think we should keep adding Fluoride to the drinking water in Waikanae, Paraparaumu and Raumati? (Yes/No).*
- 14 Including fluoridation as a specific issue in the Draft Annual Plan consultation as opposed to running a separate and/or parallel process has provided administrative efficiencies in the management, analysis and reporting on submissions made on fluoridation.
- 15 The Draft Annual Plan hearings process was organised to ensure that particular time was allocated to both supporters and opponents of fluoridation so that all parties had adequate and equal time and opportunity to present their information. Accordingly, 21 May was set aside as a dedicated hearing day to hear submissions on fluoride including those from the Capital and Coast District Health Board and the Fluoride Action Network. Submissions by individuals on fluoridation were also heard during the other two days of the Draft Annual Plan hearings.

- 16 The summary of submissions on fluoridation received as part of the Draft Annual Plan submission process is contained in Appendix 1 to SP-14-1214. There were 628 submissions on Fluoride: 366 for and 262 against. Pro forma submissions from both sides of the fluoridation debate were among the fluoridation submissions received. The Council's draft response to fluoridation submissions is:
- Option A: The Council has decided to continue to add fluoride at 0.7mg/L to the Waikanae, Paraparaumu and Raumati water supply.
 - Option B: The Council has decided to stop fluoridating the Waikanae, Paraparaumu and Raumati water supply.

Key Matters or Themes

- 17 The following table outlines the key matters or themes (other than the fluoridation issue) that the Council has either sought input from the community on through the Draft Annual Plan process or which have emerged through the submissions to the Draft Annual Plan.

Activity	Theme
Development Management/Planning	The Town Centres and Connectors Project
Governance and Tāngata Whenua	Managing Debt
Governance and Tāngata Whenua	Managing Rates and Affordability
Water Management/Water Supply	Water Management
Social Well Being/Youth	Youth Centre
Community Facilities/Swimming Pools	Hydroslide
Community Facilities/Swimming Pools	Raumati Pool Redevelopment
Parks/Facilities	Te Atiawa Courts
Community Facilities/Swimming Pools	Pool Fees and Charges
Parks/Facilities	Ōtaki Basketball Court

- 18 The following sections discuss each of the key matters and themes in more detail.

The Town Centres and Connectors Project

- 19 A focus for Council in 2014/15 will be continuing work on the concepts for Kāpiti Road, Waikanae and Paraparaumu Town Centres, and the revitalisation of the parts of State Highway One that will become local roads after completion of the Expressway. These complex design processes include managing partnerships and communication with the private sector and public agencies, together with a comprehensive public engagement to refine current concepts and build on previous work.
- 20 A number of submissions on town centres asked for upgrades to Raumati village. The Town Centres transformation project will initially focus on Waikanae and Paraparaumu concepts and implementation as part of the 2015 Long Term Plan process. However, the other town centres will be covered in the longer term and community input will be considered as part of that project.

Managing Debt

- 21 In regards to the 2013/14 capital programme, the work programme was reduced by almost \$10 million. There will also be a detailed prioritisation process undertaken during the 2015 Long Term Plan to ensure that planned and new projects meet the needs of the community and are affordable in the long term.
- 22 To maintain debt at manageable levels and minimise risk, the Council has set key limits on borrowing. Council's current projected level of debt at 30 June 2015 in the Draft Annual Plan is \$144 million. This is a reduction from the projected level of debt as at 30 June 2015 in the 2012 Long Term Plan of \$156 million.
- 23 The Council's Debt Management Strategy is to manage the level of debt well within its key financial limits and ratios and to reduce debt over time through aggressive debt repayment programmes and through to fully funding the depreciation on its assets. The debt repayment programmed had planned to commence with a repayment (beyond the standard repayment of debt) of \$850,000 in the 2016/17 year but has now been augmented with the proposed addition of a further \$150,000 repayment in this years' Draft Annual Plan.
- 24 In the long term the Council is also seeking to fully fund its depreciation by the end of 2032.
- 25 The current Debt Management Strategy places the Council in a strong financial position at the end of 20 years. It also provides future Councils with the capacity to invest in new infrastructure not currently identified without increasing rates above the key limits the Council has set.
- 26 As part of the Draft Annual Plan consultation process the Council asked the community what they thought about having an additional repayment of \$150,000 for 2014/15 beyond the standard repayment of debt. There were 11 submissions that commented on managing debt. The key issues raised through submissions were that the standard level of debt repayments was all that was required while others agreed that the Council should be repaying debt as much as possible. Other concerns included that the Council debt levels were too high and that additional debt repayments meant higher rates.

Managing Rates and Affordability

- 27 This Council was elected in October 2013 and in line with meeting the new local government purpose statement the Council's focus and priorities for 2014/15 are on consolidation, repaying debt and keeping rates down.
- 28 This has meant a slowing down and reduction in capital works and making savings in operational expenditure; while being careful to ensure this does not adversely affect the services the Council delivers.
- 29 The Council is committed to managing rates increases to ensure they are sustainable over the long-term. Over the 20 year Long Term Plan period, Council has indicated in the 2012 Long Term Plan an average annual rate increase of 4.9% including inflation.
- 30 The Council's proposed average rates increase of 4.95% for 2014/15 in the Draft Annual Plan, as against 6.8% identified in the 2012 Long Term Plan, has been achieved without an adverse impact on agreed service levels, and reflects the balance for the Council between keeping rates down, and managing debt levels.

- 31 The majority of submissions on managing rates asked the Council to keep rates increase to no higher than the level of inflation or CPI. Other issues raised included the ratepayers' ability to pay, the need for a business/commercial differential rating; and that the average rate increase was deceptive as in some cases ward rate increases were higher.
- 32 The theme of Affordability has emerged through the submissions, as it has in previous Annual and Long Term Plans. Submitters have commented on pressures on household expenditure and in particular in low income and/or superannuitants' households.
- 33 As part of the 2015 Long Term Plan the Council will assess the affordability impacts of potential rates increases on Kāpiti Coast households that are experiencing significant levels of hardship and disadvantage. It will identify the District's most deprived communities and vulnerable populations, before taking an in-depth look at potential rates impacts by applying a methodology aimed to examine affordability impacts on vulnerable populations over the next five years.
- 34 In the 2012 Long Term Plan a Rates Remission Policy for financial hardship was adopted. This provides the framework for partial remittance of rates to ratepayers who need financial assistance on the basis of financial hardship. This funding is for vulnerable households, and the initial assistance was for property owners with low incomes. The amount of \$125,000 is provided as rebates for property owners.
- 35 In 2013/14 the fund was increased by \$25,000 to cover financial hardship resulting from ratepayers fixing water leaks on private property. In 2014/15 a further \$50,000 has been provided to cover financial hardship resulting from the change to metered water use. This will be primarily focused on assistance to large households, to provide partial remission where their water bills are causing financial hardship.

Water Management

- 36 The majority of the submitters on this topic requested that the Council build a dam and objected to water meters and volumetric charging.
- 37 The Council plans to implement charging for water, as of 1 July 2014, with the introduction of fixed and volumetric rates. The proposed fixed charge is \$188.50 and the volumetric rate \$0.95 per 1M3 (1,000 litres).
- 38 On 28 November 2013 the Council approved the continuation of the current water supply project that was approved by the Council in the previous triennium. This included the river recharge scheme in three stages over the next 50 years, implementation of the new charging regime based on the volume of water people use; and proceeding to the option of a storage dam as required at some future date.
- 39 The water conservation focus for 2014/15 is on supporting consumer water use reduction and targeting water loss reduction.

Youth Centre

- 40 The Council proposed through the Draft Annual Plan to establish a Youth Centre in the Paraparaumu area in 2015. Over a 100 submissions were received on the Youth Centre. They were largely a bulk pro-forma set. The majority of the submissions on the Youth Centre were supportive of establishing a Youth Centre. However, some asked the Council to either complete the Youth Centre earlier than currently planned or to not go ahead with the Centre.

Hydroslide

- 41 The Council's focus on consolidation, repaying debt and keeping rates down mean a slowing down and reduction in capital works and making savings in operational expenditure. As part of the reduction in capital works, Councillors had asked that a second hydroslide for Coastlands Aquatic Centre be deferred to 2016/17. Three submissions were received on the hydroslide as part of the Draft Annual Plan process. Two considered that the Council should not proceed with a second hydroslide while one suggested it should be installed in 2014 as the funding for the hydroslide was included in the 2013/14 Annual Plan Budget.

Raumati Pool redevelopment

- 42 The Council has proposed in the Draft Annual Plan deferring the planned Raumati Pool refurbishment. One submission suggested demolishing the building and using the area for recreation and parking. Two submissions suggested using the space as a skating rink while another suggested the Council develop an alternative plan, in consultation with the community on its future use. Council staff have indicated that they intend to work with the Raumati-Paraparaumu Community Board to develop a strategy for further consultation with the community on possible recreation uses for the Raumati Pool building.

Te Atiawa Tennis and Netball Courts

- 43 Submissions on the Te Atiawa Tennis and Netball Courts expressed concern that the courts were cracked, uneven and unsafe. The main issues raised included that the courts were deteriorating to the point where players were tripping and slipping; and that if the courts were not repaired then tournaments could not be played there.
- 44 Detailed investigations are now being undertaken to establish whether the current condition of the Courts pose a safety issue and what the short and long term options could be to remedy the sub base issues which seem to be the cause of the cracking. The investigations are expected to be completed by the end of June. Council staff will then present a report to Council detailing the findings, including the scope and estimated cost of repairs, for their decision.

Pool fees and charges

- 45 29 submissions were received on the Council's proposed changes to pool fees and charges. The majority of submissions objected to the proposed \$1 per swimmer in addition to lane hire for all swim clubs that use the three Council Pools; and considered that the proposed \$1 per swimmer was unreasonable, unfair and a barrier to learn to swim activities.
- 46 Other issues raised included increased fees for retirees and lane and full venue hire rates.
- 47 The pool charges have not changed since 2012. The proposed increases to pools fees and charges are a reflection of the increased costs for the delivery of aquatic facilities
- 48 Council staff have developed a number of draft options and responses to the submissions on pool fees and charges. These are outlined for consideration in category One in Appendix 2 to SP-14-1214.

Ōtaki Beach Basketball Court

- 49 10 submissions were received for a basketball court at Ōtaki Beach. The comments were largely the same and considered that the Council should consider putting in a basketball court and hoops at Ōtaki Beach for local residents as there was nothing currently like it at the beach and it would provide a summer holiday season activity.
- 50 The Ōtaki Community Board is interested in further developing the Ōtaki Beach front area by providing additional attractions for local residents and visitors.
- 51 Council staff will investigate whether a basketball court at the Tasman Road Reserve can be funded out of the Ōtaki Reserves Fund in the 2014/15 financial year, using the Reserves Fund process for establishing priority projects and consulting on them. If the basketball court cannot be funded out of the Ōtaki Reserves Fund then this item will be included in the 2015 Long Term Plan considerations.

Submissions that have a Financial Implication or Request Funds

- 52 There are a number of submissions that have a financial implication. These are a mix of submissions that have been classified into three categories as follows:
- Category One: New Funding Requests;
 - Category Two: Other Requests (already funded or able to be funded from within the Existing/Proposed Annual Plan Budget); and
 - Category Three: Other Requests (that staff recommend costing/ reporting back as part of the 2015 Long Term Plan Process).
- 53 Each of the submissions that fall into categories One and Two are commented on in Appendix 2 to SP-14-1214. After considering each submission the Council will need to consider whether or not it will approve or decline the requests. Category Three requests are noted within the summary spreadsheet in Appendix 2 to SP-14-1214.
- 54 There was a wide range of submissions on other matters relating to the Draft Annual Plan, apart from the key themes and matters outlined above. Appendix 3 to SP-14-1214 provides draft responses to the issues raised in each summarised submission.
- 55 The issues are presented in Activity groupings and the Council is asked to consider and approve/amend the draft responses to the submitter. Where relevant, the text in the Final Annual Plan will be changed in accordance with the Council's decisions about how particular issues are addressed and commented on in the Final responses.

Financial Considerations

- 56 The financial impact of submissions is detailed in Appendix 2 to SP-14-1214- Summary of Submitters Funding requests.

Legal Considerations

- 57 The Draft Annual Plan meets the requirements of the Local Government Act 2002. Staff liaised with Council Auditors, Ernst & Young during this process in terms of compliance as required by the Local Government Act 2002.

Delegation

- 58 Only the Council has the authority to make these decisions.

Consultation

- 59 The consultation associated with adopting the Draft Annual Plan was undertaken over the period 26 March to 28 April 2014. The Draft Annual Plan was delivered to Community Boards, Maori representation and key agencies that have usually received Council's draft corporate planning documents and was available from the Council on request and via the website. In addition, a summary document of the Draft Annual Plan appeared in the Kapiti Observer on Monday 27 March 2014.
- 60 In addition to their involvement in the workshop process to develop the Draft Annual Plan, the Local Government Act 2002 requires that Community Boards give formal consideration as to whether they wish to make a submission. The Community Boards have provided submissions to the Draft Annual Plan.

Policy Implications

- 61 There may be policy implications arising from the decisions made in relation to the submissions.
- 62 In considering the draft response to submissions the Elected Members should keep in mind that Annual Plans only allow Councils to make minor adjustments and adjust expenditure on an annual basis during the three year cycle. This applies to this Annual Plan being year three of the 2012 Long Term Plan.

Tāngata Whenua Considerations

- 63 Implicit in the delivery of the proposed 2014/15 work programme is the need to work with all three Iwi. Te Whakaminenga o Kāpiti contributed their thoughts (both in Māori and English) on the general future of the Kāpiti Coast to the 2012 Long Term Plan – pages 8-12 of Part One. A submission was lodged by members of the ART Confederation (TE Āti AwaNgāti Raukawa and Ngāti Toa Rangatira) during the consultation period.

Publicity Considerations

- 64 A public notice appeared in the Kapiti Observer on Thursday 26 March 2014 advising that the Draft Annual Plan Summary Document, as required under section 89 of the Local Government Act 2002, had been published in the same edition of that newspaper.
- 65 The outcomes of the Council's deliberations will be communicated to submitters and the wider community, and published as the 2014/15 Annual Plan.

RECOMMENDATIONS

- 66 That the Council approve Option A: The Council resolves to continue to add fluoride at 0.7mg/L to the Waikanae, Paraparaumu and Raumati water supply.
Or
That the Council approves Option B: The Council resolves to cease fluoridating the Waikanae, Paraparaumu and Raumati water supply.
- 67 That the Council consider each item submitted in Appendix 2 to SP-14-1214 and either approve or amend the funding recommendation.
- 68 That the Council consider each summarised item in Appendix 3 to SP-14-1214 and either approve or amend the draft responses provided.

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Approved for submission by:



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ATTACHMENTS:

- Appendix 1: Summary of Submitters on Fluoride
- Appendix 2: Summary of Submitters Funding Requests
- Appendix 3: Draft Responses in Relation to Other Matters Raised by Submitters.