

Notice is hereby given that an ordinary Meeting of the Council will be held on:

Date: Thursday 6 April 2017
Time: 9.30am
Meeting Room: Council Chamber
Venue: Municipal Building, Garden Place, Hamilton

Council

OPEN ATTACHMENTS

ATTACHMENTS UNDER SEPARATE COVER

ITEM	TABLE OF CONTENTS	PAGE
10.	Approval of Draft 2017/18 Annual Plan Consultation Document	
1.	DOCUMENT A: Consultation Document including CBD parking options	3
2.	DOCUMENT B: Consultation Document excluding CBD parking options	7

Document A

HAMILTON CITY COUNCIL'S 2017/18 ANNUAL PLAN

Help guide our direction
for the next year

Consultation Document

We are currently seeking feedback on our proposed 2017/18 Annual Plan, which sets out the Council's draft budget for July 2017 to June 2018.

In 2015 the Council produced a 10-Year Plan, which outlines our priorities and plans for the next decade. It also includes detailed budgets for the first three years of the plan.

The 2017/18 Annual Plan presents the budget for the third year of the 2015-25 10-Year Plan, updated for any changes.

The main proposal we want feedback on is providing two hours of free on-street parking in the CBD, paid for by targeted rates.

Consultation on the proposed 2017/18 Annual Plan is open from Friday 7 April to Sunday 7 May 2017.

The big decisions around our future spending and revenue will be made as part of our next 10-Year Plan (2018-28), which is reviewed every three years. We will be working on the 2018-28 10-Year Plan throughout 2017 and there will be opportunities for public input.



How to have your say

Here's how you can provide your feedback:

Written submission

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Verbal submission at the hearings

You are also welcome to speak at a Council hearing on **18 May 2017**. This means you will present a summary of your feedback in person to the Mayor and Councillors.

To register to make a verbal submission tick the box on the submission form or contact us on **07 838 6699**.



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Te kaunihera o Kirikiriroa

OUR FINANCIAL STRATEGY

Our 2015-25 10-Year Plan includes a financial strategy around rates increases, balancing the books and debt. The financial strategy:

- holds total rates rises at 3.8 per cent for existing ratepayers each year for 10 years
- balances the books from 2016 onwards
- reduces our debt-to-revenue ratio to 200 per cent or below by 2020. In other words, this caps debt at \$2 for every \$1 collected in rates and user charges.

The proposed 2017/18 Annual Plan incorporates changes to the 10-Year Plan made in 2016/17, as well as the changes put forward for 2017/18. These changes mean there are some shifts in the figures for 2017/18. We keep within the financial strategy for balancing the books and debt, but there is a proposed change to the rates increase due to a parking proposal.

The Annual Plan only covers one year, but it is important we consider the impact of any annual changes on the long-term financial outlook. In outlining what is proposed for 2017/18, we have also shown the effect on rates, balancing the books and debt for future years.

The Council will review its financial strategy during 2017, in the lead up to developing the 2018-28 10-Year Plan. This is when future spending and revenue considerations will be made, and we will consult with the community at that time.

More information

Rates

To find out what your proposed rates are for 2017/18, you can look them up using our online rates calculator hamilton.govt.nz/myproperty

2017/18 Budget

A summary of the budget changes is available on our website hamilton.govt.nz/annualplan

Fees and Charges

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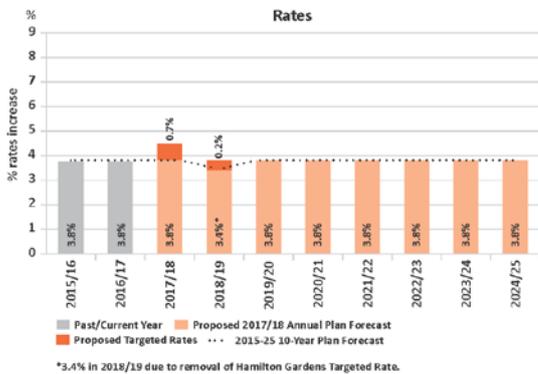
RATES

	What's in the 2015-25 10-Year Plan for 2017/18	What we're proposing for 2017/18
Rates increase for existing ratepayers	3.8%	3.8%
Targeted rates to fund parking proposal	0%	0.7%
Total rates increase for existing ratepayers	3.8%	4.5%

Explanation:

In the 2015-25 10-Year Plan, we renewed our financial strategy to hold rates rises at 3.8 per cent per year for 10 years. The Council debated a potential 12 per cent rates rise to address future funding gaps. But the decision was made to stick with the planned 3.8 per cent for 2017/18, plus the addition of targeted rates to fund parking changes. This takes the proposed total rates increase for existing ratepayers to 4.5 per cent for 2017/18.

For the average residential property, this will mean an extra \$95 in rates next year.



Read about the parking proposal on the back page



BALANCING THE BOOKS

	What's in the 2015-25 10-Year Plan for 2017/18	What we're proposing for 2017/18
Balancing the books (Council measure)	\$2m surplus	Break even
Balanced budget (government measure)	\$10m deficit	\$13m deficit

Explanation:

Our 2015-25 10-Year Plan forecast a \$2m operating surplus for 2017/18. Changes to our proposed operating budget mean we are now forecasting to break even. The main reasons for this shift are:

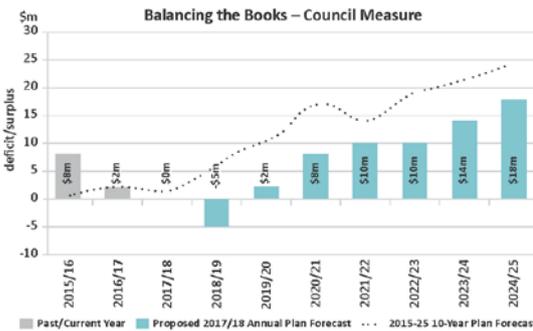
- changes in our assumptions relating to interest costs, inflation and revenue
- significant increases in depreciation costs
- additional staff costs
- increased costs in other areas such as Civil Defence, seismic and building condition assessments and information technology licences.

The Government uses a different balancing the books measure to Hamilton City Council. The Government's measure is called "balanced budget" and it:

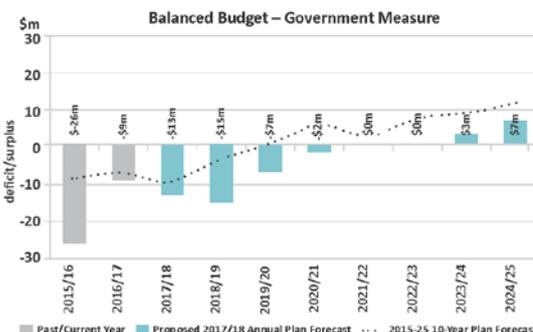
- excludes revenue from development and financial contributions
- includes all capital subsidies
- includes gains and losses from disposals of assets, investment property and associates
- includes gains and losses from investment property revaluations.

Using the Government's measure, we expect to go from a \$10m deficit to a \$13m deficit in 2017/18.

Future impact:



Based on our proposed 2017/18 Annual Plan, we won't achieve our balancing the books target in 2018/19. This will need to be considered next year in the 2018-28 10-Year Plan.



Based on our proposed 2017/18 Annual Plan, using the Government's measure, we won't balance the books until 2022/23.

DEBT

	What's in the 2015-25 10-Year Plan for 2017/18	What we're proposing for 2017/18
Total overall debt	\$435m	\$441m
Debt-to-revenue ratio	203%	207%

Explanation:

Our 2015-25 10-Year Plan forecast the Council's debt would be \$435m in 2017/18 and a debt-to-revenue ratio of 203 per cent. Changes to our proposed Capital budget mean that we are now forecasting to have \$441m of debt in 2017/18 and a debt to revenue ratio of 207 per cent.

The main reason for the increase in debt is we have brought forward a number of projects planned for future years. In the proposed 2017/18 Annual Plan, this includes:

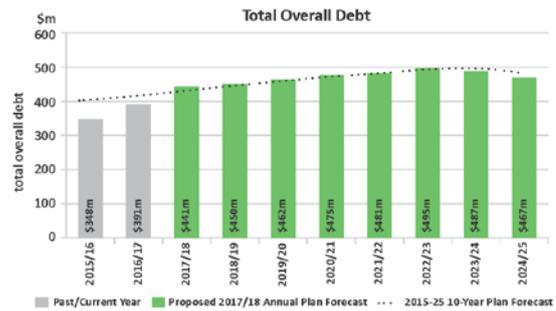
- advancing strategic water supply infrastructure in Rotokauri
- advancing construction of Rototuna Sports Park
- advancing development of toilets, lights and CCTV at Te Huia Destination Playground.

Additional funding of \$1.25m is also proposed in 2017/18 to initiate River Plan projects. The projects being considered are:

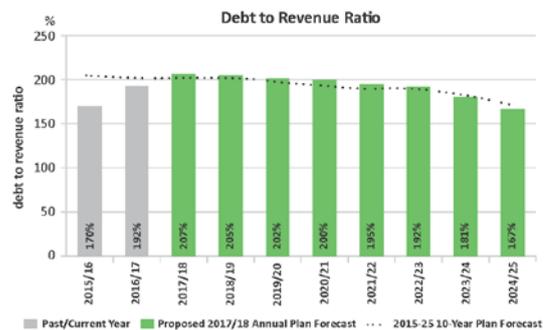
- Ferrybank Reserve enhancements
- Pukete Garden Bridge
- river path wayfinding and interpretive signage.

More information about these projects is available at hamilton.govt.nz/riverplan

Future impact:



Based on our proposed 2017/18 Annual Plan, total debt is forecast to be above what we said in the 2015-25 10-Year Plan until 2022/23. After that, it is forecast to reduce to less than originally planned.



Based on our proposed 2017/18 Annual Plan, our debt-to-revenue ratio would be 202 per cent in 2019/20. This is higher than our financial strategy target of 200 per cent by 2019/20. This will need to be considered next year in the 2018-28 10-Year Plan.

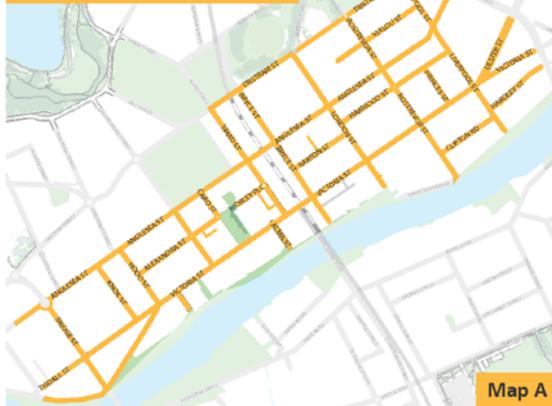
STATEMENT OF PROPOSAL: FREE TWO-HOUR ON-STREET PARKING IN THE CENTRAL BUSINESS DISTRICT (CBD)



OPTION 1 – THE PROPOSAL (FREE TWO HOUR ON-STREET PARKING)

The Council is proposing on-street car parking be free for a maximum of two hours between 8.00am and 8.00pm in both the Central Business District (CBD) blue and yellow parking zones, Monday to Saturday.

Proposed Free Parking Zone



Why is the proposal being put forward?

The Central City Transformation Plan identified the development of new parking options as a key project to encourage more people to spend more time in the central city. Improving access and reducing perceived cost barriers to on-street parking will attract short-term visitors and shoppers to CBD businesses. Off-street parking is available for commuters and long-stay shoppers.

In November 2016, after consultation with central city businesses, the Council introduced a change to on-street metered parking, making it free before 9am and after 3pm. The Council is now proposing to offer free parking in the CBD to a maximum of two hours between 8.00am and 8.00pm, Monday to Saturday.

What will this mean?

Within the CBD map area (Map A) you can currently park in an on-street metered park and pay for two hours. At the end of the two hours you can move to another metered park but you will pay for an additional two hours.

Under this proposal, within the CBD map area (Map A) you can park in an on-street carpark for up to two hours free. If you move to another on-street parking spot it counts as part of your two hours. If you want park for longer than two hours, you will need to use off-street parking (parking building).

How will we fund the proposal?

Parking meter charges generate \$1.45m revenue which is used to fund transport projects like the Ring Road and roading upgrades throughout the city. The introduction of free two hour parking will mean the parking meter revenue is lost and transport activity projects will need to be funded by rates.

The Council proposes the funding is shared across the CBD business ratepayers and all ratepayers.

The CBD businesses will receive a direct benefit from free two hour on-street parking so it is proposed CBD business properties should pay for 10 per cent of the funding needed. A new Central Business targeted rate will be applied to the CBD businesses.

The remaining 90 per cent of the funding will be spread across the rest of the city's ratepayers through an increase in the current Access Hamilton targeted rate.

What would it mean for rates?

The rate increase will be phased in over two years, commencing from October 2017.

The total funding sought is \$1.45m (\$1,667,500 including GST) per year. This will be funded by an increase in the Access Hamilton targeted rate and the new Central City targeted rate. The amount equates to a total rate increase of 0.7 per cent in Year 1 and 0.2 per cent in Year 2.

The indicative rates impact of this proposal for 2017/18 is:

Including GST	CBD business*	Average property**
Targeted Rate	\$62	\$0
Additional Access Hamilton Rate	\$42	\$20
Total	\$104	\$20

The indicative full-year rates impact of this proposal from 2018/19 onwards is:

Including GST	CBD business*	Average property**
Targeted Rate	\$83	\$0
Additional Access Hamilton Rate	\$56	\$26
Total	\$139	\$26

*Separately used or inhabited parts (SUIP).

**All other rateable properties.

Supporting Information

Supporting information for the proposal is found on hamilton.govt.nz/annualplan and includes:

- Council Report: Proposal for free two-hour on-street parking in the CBD
- Amended Revenue and Financing Policy
- Amended Funding Needs Analysis Policy
- Amended Rating Policy

OPTION 2 (STATUS QUO)

Council will continue to provide metered on-street parking in the blue and yellow parking zones in the CBD (Map B) with free parking provided in the blue zone before 9.00am and after 3.00pm, Monday to Saturday.

There is no impact on funding or rates.

Existing Parking Zones



Document B

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The 2017/18 Annual Plan presents the budget for the third year of the 2015-25 10-Year Plan, updated for any changes.

We are not proposing any major changes to the budget for 2017/18. The total rates increase is still set at 3.8% for existing ratepayers. But we want

to let you know what's planned and give you the opportunity to provide feedback.

Consultation on the proposed 2017/18 Annual Plan is from Friday 7 April to Sunday 7 May 2017.

To make an online submission go to hamilton.govt.nz/annualplan

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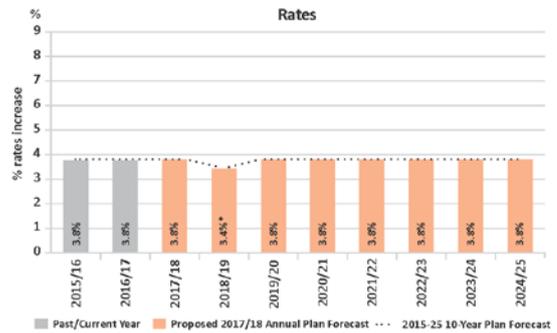
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For the average residential property, this will mean an extra \$80 in rates next year.



*3.4% in 2018/19 due to removal of Hamilton Gardens Targeted Rate.

More information

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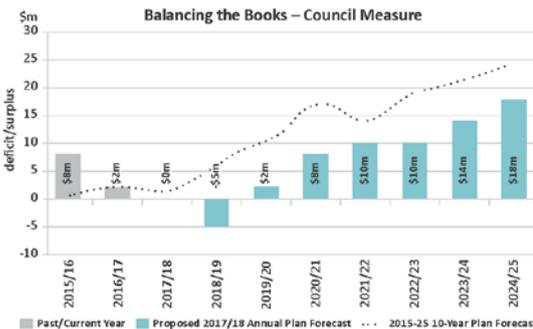
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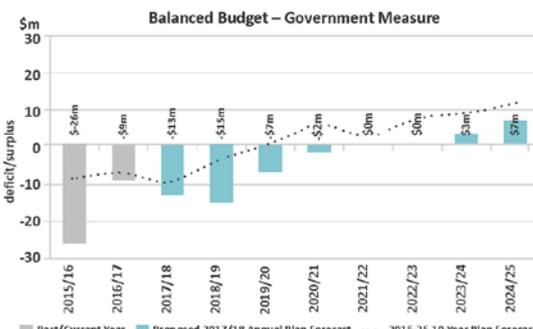
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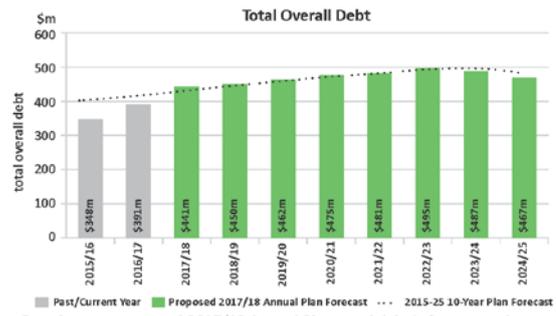
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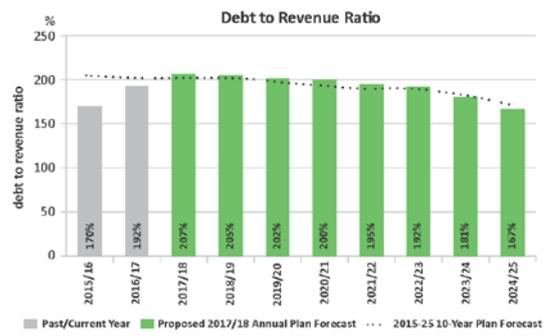
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