Invercargill
CITY COUNCIL

Thursday, February 20, 2014

FOR IMMEDIATE RELEASE

ATTENTION: CHIEF REPORTERS
CIVIC REPORTERS

Council to consult on 0.43% projected rates increase

The Invercargill City Council has prepared draft budgets for public consultation that allow for a projected rates increase of 0.43%, Chairman of Finance and Policy Cr Neil Boniface said today.

In a report published in the Council's Finance and Policy Agenda today, Cr Boniface said that Council Officers prepared an initial set of draft budgets that were presented to Councillors in a budget workshop. This initial draft set of budgets proposed a total rates increase of 3.72%.

Cr Boniface said in preparing the new draft budgets for public consultation, Council required that the rates increase was sustainable to ensure that the services of Council continued with no decrease in service levels.

Following this workshop, Council has provided a direction to Officers to revisit the proposed budget increases. The resulting changes of this review – with no planned reduction in core services of Council – are:

Electricity Savings - $500,000 (savings)
The electricity contract for Council was renegotiated and confirmed at a lower rate.

Finance Savings - $265,000 (savings)
The budgeted costs for interest and insurance rates have been reviewed and are less than previously allowed. Extra external recoveries have been negotiated.

Bluff Pool - $50,000 (savings)
The Council has allowed for a grant of up to $180,000 for the Bluff Pool operations. The budgets indicate this entire amount is not required.

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Staff Training - $30,000 (savings)
The corporate staff training budget will be reduced and managed from existing budgets.

Solid Waste - $40,000 (savings)

A reduction in capital expenditure at the Transfer Station and reduction in the waste minimisation as this is now being done regionally via Wastenet.

Dry Gym at Pool - $50,000 (savings)
Interest savings due to delay on the construction of the gym until later in the year.

Sports Turf - $40,000 (savings)
Reduction in maintenance on sports turfs.

Aerial Maps - $30,000 (savings)
Decrease in amount required to fund new aerial maps due to cost reductions.

Parking Fees Increase - $70,000 (additional income through increased parking charges that will offset the rates draw)
It is proposed that on-street parking charges (at parking meters) will rise. Current parking meter charges range between 90 cents and $1.20 and it is proposed they will rise to between $1.20 and $1.50 per hour.

The increase in on-street parking is part of a developing strategy to better utilise parking availability in Invercargill, with the off-street carparks (Don Street, Leven Street, Esk Street and Tay Central Council carparks) being cheaper than parking meters on the street. People may wish to choose to park in the cheaper off-street parks, which will free up parking meters where people will pay slightly more for the convenience of parking on the street.

Wachner Place - $26,885 (savings)
Deferral of work on the greenery at Wachner Place until the CBD redevelopment is commenced.

Animal Control - $35,000 (additional income through increased dog registration fees that will offset the rates draw)
The dog registration fees are to be increased by $5-6 per annum.
Council is experiencing an increasing number of requests for service in Animal Control. We want to provide a proactive service rather than reactive which means greater emphasis on education and home visits to dog owners who may have a barking, aggressive or wandering dog problem. Increasing the registration fee by $5-6 will allow Council to fund that increase in service. The Responsible Dog Ownership fee will increase from $60 to $65 and the Standard Fee from $84 to $90.

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We can compare our fees to other local authorities (for the current financial year) as follows:

Local Authority	Standard Fee	Responsible Owner Fee
Invercargill (proposed)	90	65
Dunedin City Council	90	50
Napier City Council	90	54
Palmerston North City Council	121	82

This comparison is with other city councils, as district councils tend to have large numbers of working dogs and fewer "urban dog" issues such as barking and wandering dogs.

Building Code - $45,000 (additional income)
Council is undertaking building inspection work to assist Christchurch and this is the budgeted surplus.

ICHL Dividend - $300,000 (further increase in dividend)
The Directors of ICHL have approved an additional $300,000 of dividend over the $200,000 increase already budgeted.

These charges result in savings of $1,481,885 on the draft budgets. This reduces the net rates draw to 0.43%.

Cr Boniface cautioned that whilst these budgets reflect the 2014/15 rating year, Council has several issues that it is facing that could result in additional costs in the future that had not been allowed for.

These issues include:

- Anderson Park strengthening
- Scottish Hall
- Earthquake investigations
- Clean stormwater
- Kennington sewerage
- Uncertainty over the Funding Assistance Rate for roading

ENDS.

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