

Attachment A

Assumptions

Externally funded projects - Recent new externally funded projects are not included and will have a further impact on depreciation costs and maintenance costs. Some of the water projects may reduce capital expenditure needed.

Depreciation - The emphasis is on providing for renewals on aging infrastructure and in most areas overall the depreciation funded will cover the renewals being anticipated. In water there are insufficient renewals so general rates will fund 20% of the depreciation costs as the investment in aging infrastructure is a priority

Revenue & Finance Policy – Until this policy has been finalised the details have not been reflected in the LTP e.g. there could be some funding changes between general and targeted rate

| Example proposed | %GR | %TR | Previously |
|------------------|-----|-----|-------------------|
| Water | 15% | 85% | All targeted rate |
| Sewer | 10% | 90% | All targeted rate |

Increased subsidy – Waka Kotahi subsidy has increased from 61% to 62%.

There have also been more employees appointed and increased capitalisation of salaries as a result of the external funding

Premier Parks – Funding for capital projects will be from General Rates and will be based on specific project requests through the LTP process.

Reserve and Community projects will be taken out of reserves where they can be either out of the relevant catchment or the 20% district where this has been agreed. Renewals will be out of depreciation and Council will provide for coastal renewals since it will have built a number of wharves and have others it should be providing for. Loans have been taken out for Te Kopuru, various parks expenditure, Pahi toilets, Mangawhai Community Park, Selwyn park and Memorial park drainage and Dargaville office fit out

Mangawhai Office has not been provided for in the LTP as yet but there is offsets with rentals that could be utilised if there is Council wish to provide for this in this LTP

Cycle trails - To be funded entirely (min 95%) through external funding

Stop Banks - will only be constructed if subsidies are gained 100%

Solid Waste - There will be a different model for Solid Waste To date we have taken into account the likelihood of recycling bins (general and glass). Costs are being finalised with consultants and may alter upwards a further \$200,000 - \$300,000. The extra costs of recycling will be slightly offset by not have to purchase recycling bags and reduce personal household expenditure of \$1.50 per week = \$78pa (1 bag a week-some people use more) and also any charges for residential households at the transfer station. Capital cost of bins needs to be added as well but these could well be funded by a subsidy.

Investigating new water and wastewater – There are areas which do not have water or wastewater systems but have issues. This includes environmental contamination in coastal communities and

water supply requirements in Mangawhai. A District wide activity code that allows for the investigation of solutions through a General Rate has been provided for

Financial Contributions – FCs are taken from developments and applied in accordance with policy. The \$100k allocated to all primary parks comes to an end this LTP as does the \$300k for grants to community projects. The 20% district spread is continued so that there can be improvements to Community Parks in areas without growth. Some projects have been funded by loan rated over the whole community

Inflation – The new BERL inflation figures haven't been added to these figures. This will be updated in the next run.