

# Section 1 – Community Engagement and Decision-making

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# Community engagement process

After approving the draft budgets for the 2017/18 year in January 2017, the Council met in February to consider engagement on the draft Annual Plan budget.

The Council noted 'the updates to the 2017/18 budget approved at the 23 January 2017 Council meeting have not resulted in significant or material changes to the forecast for the 2017/18 year in the LTP therefore there is no legislative requirement to consult'.

A community engagement and information sharing process was approved by the Council.

## **Engagement Process**

The community engagement process ran from 30 March to 1 May 2017.

This process sought feedback on the draft Annual Plan budgets and also provided an opportunity for the community to give early input into the development of the 2018/19 – 2027/28 Long Term Plan.

Information about the draft budgets and plans for 2017/18 was made available online and published in a double page spread in 'The Star' community newspaper on Thursday 30 March 2017. Print versions of this information were available at engagement events. This information is largely replicated in 'Our plans for 2017/18' on page 16.

An online feedback form was available on the Council website and feedback cards asking the same questions were available in hardcopy at engagement events.

## ***Feedback Form Questions***

- 1 Do you have any comments on our plans for 2017/18?
- 2 How much do you think we should spend on our Environment Strategy in the 2017/18 year?
  - a) Please tick one: ☒ \$150,000 ☒ \$200,000
  - b) Comments:
- 3 Are there any projects you would like us to consider in the next rounds of planning?
- 4 Are there things we could do better?
- 5 Are there things we should do more of or less of in the future?
  - a) More
  - b) Less

Responses to Questions 1, 2 and 4 were passed onto staff for comment and for consideration by Councillors as part of the final decision-making on the 2017/18 Annual Plan.

Responses to Questions 3, 4 and 5 were passed onto the LTP process. Councillors received a summary and some preliminary analysis of this in their papers for the final decision-making.

## ***Opportunities for Engagement with Elected Members***

A range of engagement activities were undertaken:

- Community conversations forum – a facilitated forum was held on 4 April 2017 with stakeholders and interested public to seek feedback on the draft 2017/18 Annual Plan budget and other projects or ideas for consideration in the LTP. Around 70 members of the community attended this forum.
- Councillor chat – a drop-in event in the Civic Centre Plaza was held on 18 April 2017 for people to have an informal chat with a Councillor. 14 members of the community attended this event.
- Farmer's Market stand – around 30 members of the community had discussions with Councillors.
- Community Board chats – four Community Board chats were held to provide an opportunity for people to talk in a more local forum. Attendance was low, with no one attending the Mosgiel or Strath Taieri sessions, and four attendees at each of the Peninsula and West Harbour sessions.
- Social media (Facebook and Twitter) were also used to seek feedback but did not receive much activity.

# Feedback

A summary of feedback, staff comments and decision-making on feedback topics will be available on our website [www.dunedin.govt.nz/2017AP](http://www.dunedin.govt.nz/2017AP) from July 2017.

The Council received 107 pieces of feedback through the various community engagement activities. This consisted of 291 comments on 83 different topics.

## Top 30 most commented topics

Topic	Number of Comments
Te Ao Tūroa – The Natural World: Dunedin’s Environment Strategy	26
We're on track – general comments about our plans	22
Community collaboration	13
Sportsfields and Reserves	9
Funding – Arts and Culture	8
Active transport initiatives	7
Cycleways – other	7
Engagement Process	7
South Dunedin Community Hub	7
Carbon Management	6
Cycleways – Central City cycle network	6
Place Based Communities	6
Streetlights	6
Fees and Charges	5
Look and feel of the city	5
Public Transport Infrastructure and Facilities	5
Street cleaning	5
Transport Infrastructure	5
Waste Minimisation	5
Council Communication	4
Debt – strategy to lower debt	4
District Plan ( Operative Plan)	4
Economic Development	4
Funding – Biodiversity	4
Funding – Tourism and tourism infrastructure	4
Funding – Water and waste renewals	4
Peninsula connection/Portobello Rd- Harington Pt Rd project	4
Rating Method – Long Term Plan	4
Resource Consent Management	4
Warehouse Precinct	4

## **Feedback themes**

Some broad themes emerged in the feedback we received from the community. These are outlined below.

### ***Comments on our plans for 2017/18***

There was generally positive feedback about the direction the Council was taking – that we were on track. Some feedback indicated that we should just get on with things. There was support for the projects being undertaken in the 2017/18 year and support for spend associated with community development and strategies such as Arts and Culture, Economic Development and the Environment strategy. There were some concerns about the look and feel of the city and about progress relating to community resilience and sustainability.

### ***What could the Council do better?***

Communication, accessibility or engagement was noted as an area where the Council could improve. There appeared to be a general desire for improved communication methods and more collaboration with the community.

Transportation issues were also highlighted, notably in relation to the one-way system and the city's cycle ways.

Other areas frequently mentioned included timely implementation of projects, community and city development, environmental issues, procurement processes and economic development.

# Our plans for 2017/18

## We're on track

We listened carefully to community feedback when we developed the Council's Long Term Plan (LTP) in 2015 and the Annual Plan for 2016/17. Calls to reduce our debt and rates increases and to ensure we provide services to high standards have been responded to by elected members and staff.

Having heard these community concerns, limits were set in the LTP. These included a debt limit of \$230 million by 2021, and a 3% per annum limit on our rates increases, unless there are exceptional circumstances.

We have reviewed our budgets for the 2017/18 year and, despite increased costs and pressures in many areas, we have arrived at an overall rates increase of 3%.

We plan to continue to deliver the quality and range of services and projects we said we would, with a few minor differences. It does mean there could be some hard decisions in the next LTP however, regarding service levels, increasing maintenance costs and affordability.

## What's expected in 2017/18

RATES INCREASES	LESS DEBT THAN FORECAST	SAME SERVICE
An overall rates increase of 3%.  2016 property revaluation will take effect from 1 July 2017.	DCC debt is predicted to be \$211 million, down from the \$245 million forecast.	The quality and range of the services we provide will be maintained.  Some services will be improved for some residents.

## Major projects for 2017/18

Most of what we agreed in our LTP is still going ahead as planned. A review of our planned projects has resulted in some budget and timing changes, but the overall impact of these changes is minor. We are planning to spend \$66 million on capital projects next year, down from \$69 million projected in the LTP. Here's a summary of some of the major projects for 2017/18.

***Warehouse Precinct*** – Work is underway to turn Jetty Street into a pedestrian area to make it safer and provide a quality outdoor recreation space. This \$550,000 project is stage two of the Warehouse Precinct upgrades. Stage three will start in 2017/18 and we will be talking to the community about planned amenity upgrades in areas such as Bond Street and further along Vogel Street. The budget for this work is \$1.3 million.

***South Dunedin Community Hub*** – The establishment of this hub is a key project over the next two to three years. The hub will have some community facilities at the Gasworks Museum, with a library and other community services in the King Edward Street area. We are negotiating with owners of potential sites. We are working to set up a pop-up facility so we can offer some services in the meantime and obtain feedback on what the community wants to see in the permanent hub.

***Ross Creek Reservoir*** – Construction work to refurbish the reservoir started in February and is expected to take a year. Dam safety is the main reason for the work. The \$6.6 million project is part of a wider plan to provide a reliable source of water for the city if key water supplies are out of action.

***Water and Waste Renewals*** – More than \$14.7 million will be spent to replace and upgrade water, wastewater and stormwater pipes in 2017/18. Several major projects will be underway across the city, including renewal work in the Waikouaiti township and North East Valley, and the completion of the staged Kaikorai Valley upgrades.

***Portobello /Harington Point Road Improvement*** – this project will widen and raise Portobello Road and Harington Point Road to make them safer and more attractive. Most of the road will be widened by between 5m and 6m, and a new rock seawall and a shared cycle/pedestrian path will be built. The work will also include seating, planting and rest areas. Construction will start in 2017/18 and \$9 million has been set aside in that year for this work.

***LED Street Lights*** – Upgrading street lights to LED lighting will roll out over 2017/18 and 2018/19. The upgrade will cost \$6 million spread over the two years. We are considering what type of LEDs to use and when different areas will be upgraded.

**Cycleways** – The focus will be on connecting cycling routes between the city and the Otago Harbour, and on minor upgrades to roads around the State Highway One cycleway safety improvements.

**Other Projects** – We are continuing to plan the delivery of other major projects, including the Mosgiel Pool and upgrades of the central city and the tertiary precinct. You will hear more about these as part of the LTP process.

Further information about the Capital Expenditure Programme for 2017/18 and any changes from the LTP can be found in Section 2 of this document.

## **The Finances**

In addition to the \$66 million on capital projects, we are planning to spend \$240 million on providing our usual services and activities (operating costs).

This money enables us to provide the services and activities listed here:

**Water and Waste** – water treatment and supply, reservoirs, wastewater treatment, stormwater management, kerbside rubbish and recycling collections, landfills.

**Transport** – roads, footpaths, cycleways, traffic and street lights, street cleaning.

**Parks and Recreation** – parks and playgrounds, Dunedin Botanic Garden, cemeteries, swimming pools, walking tracks, sports grounds and facilities.

**Property** – investment property, property management, social housing, public toilets, community centres and halls.

**Arts and Culture** – libraries and cultural institutions such as Toitū Otago Settlers Museum and the Dunedin Public Art Gallery.

**Customer and Regulatory Services** – building consents and inspections, dog registration, registration and inspection of businesses such as food premises, hairdressers and tattoo parlours, noise control, parking operations, alcohol licensing, customer enquiries.

**Community and Planning** – District Plan, resource consents, grants and funding advice, events and community development.

**Enterprise Dunedin** – business advice, city marketing, i-Site visitor information, economic development.

**Corporate Support Services** – communications, finance, human resources, health and safety, administration, democratic services, information technology support, investments.

A complete list of our services and service level statements can be found in Volume 2, Section 2 of the current LTP.

## **How do we pay for this?**

Our activities and services are paid for from a mix of rates, fees, interest and dividends on Dunedin City Council investments and funding from external sources such as government agencies (e.g. NZ Transport Agency). We are expecting to get \$138 million from rates and \$104 million from other sources in the 2017/18.

## **Delivering on our Strategic Goals**

Bearing in mind the city has limited resources, we've worked with you to develop key priorities to ensure the city achieves its vision of being one of the world's great small cities. Over the next year, we will continue to deliver on our strategic goals through our 'business as usual' work, as well as some new projects and initiatives. Some of our strategies have dedicated funding to get delivery underway.

This year we wanted to know how much funding the community thought we should dedicate to deliver our environment strategy, Te Ao Tūroa, next year.

- \$150,000 would fund the co-ordination of Te Ao Tūroa activities across the Council's activity groups and in partnership with the community, as well as kick-starting agreed Te Ao Tūroa projects and initiatives.
- \$200,000 would mean we could start a greater number of Te Ao Tūroa projects and initiatives.

After considering of feedback, we increased funding to \$200,000 for 2017/18.

## **Rates for 2017/18**

### ***3% Rates Increase***

Our budget includes a rates increase of 3%, which is in line with the limit we set ourselves in the LTP Financial Strategy. We have worked hard to keep to the 3% rates increase, while incorporating increased costs in some of our maintenance contracts, staff resources, and water and waste renewals.

### ***Impact of Revaluation***

Every property in Dunedin has a rateable value which helps us allocate rates. We are required to revalue Dunedin properties every three years. The last revaluation was completed in 2016 and this will be used to calculate rates from 1 July 2017. It is important to be aware a change in rateable value does not necessarily mean rates for that property will change by a similar percentage. If your capital value increase is greater than the average value change, it is likely that you will receive a bigger rates increase. Alternatively, if it is less than the average, you may see a lower rates increase. You can find out more details about the rates for your property at: [www.dunedin.govt.nz/rates](http://www.dunedin.govt.nz/rates)

We will be reviewing our rating policies, including our rating differentials, as we develop the next LTP.

Further information about the rating method for 2017/18 can be found in Section 3 of this document.

### ***Fees and Charges***

Most of our fees have increased by 3%, with some exceptions.

The biggest changes are at the Council's landfills. Our costs for managing waste have increased due to changes to costs for the Emission Trading Scheme (ETS), so charges for some types of waste will increase by an additional 8.5%. Fees for 100% vegetation loads have stayed the same or decreased slightly. Some new categories for mixed loads have been introduced and have the ETS charge applied proportionally to the non-vegetation component.

Other exceptions include: Library fees are the same except for charges for interloans from other libraries and charges for damage to books. Public on-street parking fees are unchanged, but there are increases for leased car parks.

You can view the full schedule of fees and charges for 2017/18 in Section 4 of this document.



# Final budget update and decision-making

A final budget update for 2017/18 was presented to the Council on 15 May 2017. Feedback on our plans for 2017/18 from the community engagement process was also considered at this meeting.

## Budget updates

A number of budget changes occurred following the approval of draft 2017/18 Annual Plan budgets in January 2017.

### Changes made in February 2017

At a Council meeting held on 21 February 2017 budgets were adjusted to include:

- \$50,000 for food resilience work
- \$150,000 for delivery of Te Ao Tūroa – The Natural World: Dunedin’s Environment Strategy.

Funding was initially allocated from other budgets with the intention it would be confirmed in the final budget update for the 2017/18 Annual Plan.

### Final budget update – May 2017

Changes to operating budgets advised in May 2017 and incorporated into final budgets were:

***Building Maintenance*** – The funding of \$200,000 in the building maintenance budget used to fund food resilience and Te Ao Tūroa was restored to ensure sufficient funding to manage a backlog of work from deferred maintenance.

***Insurance*** – an increase of \$150,000 to reflect current claims history and anticipated movement in the market.

***Water and Waste Service: Revenue*** – the closure of the Cadbury factory will impact revenue due to a reduction in water usage and trade waste charge. The impact of these changes is estimated to be a reduction of \$250,000 in 2017/18.

***Transport: street cleaning*** – an additional \$100,000 has been added to the street cleaning budget to enable additional cleaning of glass from the street in the North Dunedin Campus area.

***Business Information Services: aerial photography*** – a budget of \$200,000 has been included for updates to aerial photographs of the city. This is undertaken every three to five years and will now be programmed in 2017/18 year. The Council is currently working with Land Information New Zealand and the Otago Regional Council in a consortium to share costs for aerial photography regionally going forward.

***Parks and Recreation: Council contribution to the new artificial hockey turf*** – \$510,000 was added to operating budgets to fund this. The expenditure had been programmed for 2016/17, however consenting delays meant this didn’t occur. The project to build the turf is well progressed through the planning phase. The funding partnership agreement is likely to be formalised in October 2017. This expenditure is funded by funds carried forward from the 2016/17 year.

***Parks and Recreation: Mosgiel Aquatic Facilities*** – budget of \$134k has been added to continue the on-going work with the Mosgiel Taieri Facilities Trust on the new Mosgiel pool project. This expenditure is funded by funds carried forward from the 2016/17 year.

***Debt Servicing Costs*** – these costs are estimated to be \$1 million lower than originally forecast in the 2017/18 year. This is the result of changes to the timing of the capital expenditure programme, lower debt than anticipated and a lower interest rate.

Changes to Capital Expenditure budgets confirmed in the final budget update and decision-making are highlighted in Section 2 page 57.

# Budget changes from consideration of feedback

The following budget changes were made as a result of Council consideration of feedback from community engagement on the 2017/18 budgets.

***Te Ao Tūroa – The Natural World: Dunedin’s Environment Strategy*** – an additional \$50,000 was added to the existing budget for delivery of actions under Te Ao Tūroa, taking the total budget in 2017/18 to \$200,000.

***All-weather artificial sports surfaces at Logan Park*** – the Council has agreed to support in principle funding of up to \$1 million towards an all-weather artificial surface at Logan Park conditional on:

- 1 Football South raising the balance of the funds required before the project proceeds
- 2 The Council’s support being the purchase of components of the all-weather artificial surface
- 3 Engagement with key stakeholders, in addition to sporting organisations and interests, as the project proceeds
- 4 Consent(s) for the project being achieved by 31 December 2017
- 5 The balance of the project funds being raised by 30 June 2018
- 6 The final terms and conditions of the support, including consideration of a traffic management plan, to be to the satisfaction of the General Manager, Infrastructure and Networks.

Ownership of the all-weather artificial surface at Logan Park will transfer to the Council at the completion of the project. The execution of the funding support agreement is delegated to the General Manager, Infrastructure and Networks.

The Council’s contribution will be debt funded but cashflow neutral to Council due to savings in mowing and line marking costs for the grassed fields able to be retired from use, and usage fees for the new turfs.

This decision was in response to a proposal from Football South to build two full-sized all-weather artificial turf sports fields on Logan Park. The co-investment proposal consists of \$300,000 USD (approximately \$420,000NZD) from Football NZ/Federation International Football Association (FIFA), the Council contribution of \$1 million and fund-raising for the balance of the \$3 million total project cost from Lottery Grants, community trusts and local sporting and education bodies.

The Council commended Football South in their efforts to promote this project, including securing FIFA funding support of US\$300,000.

The rationale for considering the project during Annual Plan (rather than waiting until the 2018/19 Long Term Plan) was due to the availability of FIFA funding which must be allocated to a project which commences in the 2017 calendar year.

***District Heating Scheme Feasibility Study*** – the Council has allocated \$50,000 to a feasibility study for a district heating scheme (a shared reticulated heating system based on as yet undetermined primary energy sources). The work needs to be completed in time to be considered as part of the Central City Plan infrastructure works planning. Any unspent money from this allocation is to be used to deliver on actions under the Energy Plan.

***Fees and Charges: Aquatic Services*** – the Council has waived spectator fees.

# Other decisions

**Cat Control** – Council agreed to seek support for a remit to LGNZ as follows: "LGNZ call upon Government to take legislative action as a matter of urgency to give Councils statutory power to control cats."

**Public transport governance** – the Council is to seek agreement from the Otago Regional Council for a joint public consultation to clarify public preference for public transport governance.

**Film Permit Fees** – a report from Enterprise Dunedin provided the advantages and disadvantages of having a zero fee on film permits as requested by the Council at the meeting held on 23 January 2017. The Council agreed to retain the current film fee structure for the 2017/18 Annual Plan and referred further consideration of this issue as part of the development of the 2018/19–2027/28 Long Term Plan.

## **The following items were referred to the 2018/19–2027/28 Long Term Plan process**

**Place Based Communities** – the Council is to work with the Coalition of Place Based Groups on options for the resourcing and delivery of community development, including mechanisms to support neighbourhood-scale economic development, and report back on this work.

**Funding – Biodiversity and Heritage** – staff are to report back on options to better encourage private investment in heritage building and ecological restoration work.

**Film Permit fees** – as described above.

**Rating Method** – the following matters were referred to the Rates and Funding Working Party:

- Consideration of a targeted rate to provide for additional street cleaning in the Campus zone
- Consideration of rural rating differentials

