



Exceptions
Annual
Plan
2008/09



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Part 1: Preface



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Statement of Compliance

This Plan is Ruapehu District Council's Exceptions Annual Plan 2008/09 and has been produced in compliance with Section 94 of the Local Government Act 2002.

This Plan was adopted by Council on 27 June 2008.



David Hammond
CHIEF EXECUTIVE

Date: 27 June 2008

Message from Mayor Sue

I am pleased to present, on behalf of the Ruapehu District Council (RDC), the Exceptions Annual Plan (EAP) for the 2008/09 financial year for your consideration.

Council's planning process under the Local Government Act 2002 requires it to plan for the long term by producing a plan with a minimum 10 year horizon.

Ruapehu's current 10 year plan is called the 'Future Ruapehu Long Term Plan 2006/2016' (often referred to as the LTP).

This strategic 10 year plan is reviewed every three years and will be reviewed again next year in 2009 when it will be upgraded to be the 'Future Ruapehu Long Term Plan 2009/2019' (LTP 2009/2019).

The LTP represents an agreement between Council and the community for the future strategic direction of the Ruapehu District.

In the interim years (2007 and 2008) Council produces an Exceptions Annual Plan (EAP). It is called an Exceptions Annual Plan because it only covers those things that have changed (varied) from the LTP 2006/2016.

The benefits of the EAP is that it allows the community to understand the key issues facing Council, the thinking behind the decisions Council has made, and the priorities Council is giving different projects.

In planning the work programme for the 2008/2009 financial year Council has been sensitive to the big issues outside Council's and Ruapehu residents control that are impacting on our communities.

Council is well aware of the impact that this summer's drought conditions, high interest rates and inflation is having on the District's key farming sector and its flow-on effects into other areas of Ruapehu's economy.

While the spending programme for this year has been kept to a minimum, Council has listened carefully to residents and planned

expenditure in line with the desires of Ruapehu District communities.

We are spending more money on footpaths and roads.

In line with community wants we are continuing the footpath up-grade programme in Taumarunui and in National Park.

The ongoing development of the Okahukura Saddle Road will continue to improve access for Ohura residents and those in the north-east of the District.

Council is also continuing to work hard at obtaining central government funding for the up-grade of the Ohura water treatment plant.

National Park residents can look forward to the completion of their new Transfer Station this financial year, as well as improvements to their stormwater system.

Stormwater work is also planned for Ohakune in Goldfinch and Miro Streets, as well as the development of additional water reservoir capacity and the water pipe network.

Council continues to be extremely positive about the future of the Ruapehu District but is aware that we need to be flexible enough to respond to changing economic conditions as they arise.



A handwritten signature in blue ink that reads "Sue Morris".

Sue Morris

MAYOR

Message from the Chief Executive

Introduction

One of the real concerns for Council in the 2008/09 year is to balance the needs of keeping infrastructure up to standard with the economic conditions that are impacting on ratepayers' pockets. Council recognises and understands the impact of the drought on farmers' and growers' incomes and its flow-on effects into the retail and other sectors of our economy. It is important to note that the 2008/09 financial year is budgeted to be a very lean year, with few frills. We have been able to hold the average rate increase to 3.76% across the District.

My thanks to the huge effort of Council staff who went through all the expenditure items in our budgets line-by-line. The 3.76% does vary by area. Our standard rate examples show variation from -4.1% to +7.2%.

Council anticipated economic issues early and underwent restructuring of its overheads in 2007 to 'slim down', which was successfully achieved. However, these gains are eroded by other annual pressures on funding such as contract inflation that Council pays (which is more than the Consumer Price index), the condition of infrastructure and the need to fund for depreciation for assets revalued on 1 July 2007.

What are we to make of rate increases in a drought year?

Page 47 of the Exceptions Annual Plan (EAP) shows a reduction of \$252,000 in overhead costs. The gross saving was nearly \$500,000. The net impact of our budgeting work this year is a zero increase before inflation. In fact, to put Council's budgeting effort in context, 42% of our expenditure is in roads and other assets services for which we are paying inflation to contractors on these contracts of between 10% and 15%.

How have you developed this Exceptions Annual Plan?

Uncertainty over economic conditions led to, firstly, a line-by-line review of all expenditure. It was a big task but we tested the value that every expenditure line adds. Secondly, we have to make sure that our critical infrastructure is professionally managed and maintained. So, while the temptation is to cut funding for the road

network (the biggest area of expenditure) as has been done from time to time in the past, Council has taken the position that the condition of roads, particularly rural roads, does not justify cuts. The more the roading network is under-funded, the more it will cost to restore to standard before deterioration gets to critical levels. The roading injection amounts to an extra \$700,000 in 2008/09. Thirdly, we have explored with our community groups the key infrastructure needs. This has led to the reconfirmation of the Taumarunui footpaths maintenance programme to the value of \$150,000 and the introduction of an additional footpath and stormwater programme in National Park Village to the value of \$145,000.



How has Council focussed on non-rate revenue?

In 2008/09, our expenditure has increased by \$830,000, from \$24,606,000 in 2007/08 to \$25,436,000, and revenue has increased by \$3,566,000. Of this increase, \$3,118,000 (86%) was raised by means other than rates. Currently, rate income needs is \$15,558,000 (excluding GST), 52% of total income, compared with approximately 56% last year. My aim is to attempt to reduce this over time to closer to 50%, but it cannot be done through increasing fees alone. The key continues to be property growth and, with the increase of 340 rateable units mainly in the south of the District since the 2006 Long Term Plan, many rates in this area have dropped into a negative increase for two years running.

A handwritten signature in black ink, appearing to read 'David Hammond'.

David Hammond
CHIEF EXECUTIVE

Update to the Exceptions Annual Plan 2008/09 through Consultation

The following updates were made to the final Exceptions Annual Plan in response to the submission process.

Update	Reason	Financial Impact
Carbon Dosing Taumarunui	Removed - Not considered necessary at this time	Minus \$40,000
Street Lighting	Extra Funding - Raetihi and Raurimu	Plus \$10,000
Westpac Pool	Included	\$25,000
Sport Wanganui	Included	\$25,000
National Park - Safe Stopping Place	Included	\$10,000
Video Surveillance	Not Included	-














Ohakune on Dusk © Visit Ruapehu

Summary of Significant Projects for 2008/09

Item	Cost
Solid Waste	
National Park Transfer Station upgrade	\$28,000
Stormwater	
Goldfinch Street Ohakune	\$10,000
Miro Street Ohakune	\$60,000
Piping Domain Drain Taumarunui (Design Stage)	\$50,000
National Park projects	\$10,000
Land Transport	
National Park Footpaths	\$135,000
Taringamotu/Golf Roads - flooding	\$120,000
Okahakura Saddle Road	\$374,000
(Oio Road) Dobbs Bluff	\$1,000,000
Taumarunui Footpaths	\$150,000
Ohakune Mountain Road (Bridge development)	\$900,000
Raetihi-Pipiriki Road	\$700,000
Water Supply	
Upgrade of Owhango Water Treatment Plant	\$130,000
Water Treatment Plant upgrades Raetihi	\$322,000
Ohakune Distribution system	\$125,000
Ohakune Additional Reservoir	\$400,000
Matapuna Water Treatment Plant improvements	\$50,000
Piriaka water pipe	\$50,000
Resource Management	
Review of the District Plan	\$289,000

Mayor and Elected Council Members

<p>Mayor (Elected at Large)</p>  <p>Sue Morris 1339 Hikumutu Road R D 2 Taumarunui Phone (07) 895 5945 Fax: (07) 895 6945</p>	<p>Deputy Mayor</p>  <p>John Compton JP (Waimarino-Waiouru Ward) P O Box 3 Raetihi Phone (06) 385 4204 Fax (06) 385 5001</p>	<p>Ohura Ward</p>  <p>Marion Gillard Tokirima R D 1 Taumarunui Phone (07) 893 8575 Fax (07) 893 8575</p>
<p>Taumarunui Ward</p>  <p>Bruce Broderson QSM 55 Ward Street Taumarunui Phone (07) 896 7124 Fax (07) 896 8014</p>	<p>Taumarunui Ward</p>  <p>Graeme Cosford JP 42 Reu Street Taumarunui Phone (07) 895 7572 Fax (07) 895 7572</p>	<p>Taumarunui Ward</p>  <p>Ron Cooke 33 Miriama Street Taumarunui Phone (07) 895 6280</p>
<p>Taumarunui Ward</p>  <p>Jeni Kydd 112 Opatu Road Tokirima RD1 Taumarunui Phone (07) 893 8881 Fax (07) 895 7977</p>	<p>Taumarunui Ward</p>  <p>Karen Ngatai 446 Echolands Road R D 4 Taumarunui Phone (07) 896 6658</p>	<p>National Park Ward</p> <p>Vacancy Election to be held 24 September 2008</p>
<p>Waimarino-Waiouru Ward</p>  <p>Don Cameron 45B Goldfinch Street Ohakune Phone (06) 385 8825 Fax (06) 385 8825</p>	<p>Waimarino-Waiouru Ward</p>  <p>Cynthia Dowsett 30 Shannon Street Ohakune Phone (06) 385 8086 Fax (06) 385 8980</p>	<p>Waimarino-Waiouru Ward</p>  <p>Ronald Frew Lakes Road R D 1 Ohakune Phone (06) 385 9223 Fax (06) 385 9223</p>

Note: Warren Furner resigned as Deputy Mayor and National Park Ward Councillor on 28 June 2008. John Compton, (Waimarino-Waiouru Ward Councillor) was elected Deputy Mayor. This leaves a vacancy in the National Park Ward as from 1 July 2008.