

# BACK ON TRACK

## HAMILTON'S COVID-19 RESPONSE BUDGET

### THE YEAR AHEAD - WHAT DO YOU THINK?

**Every year councils develop a plan which sets out the projects and budget for the year ahead. This year's Annual Plan marks Year 3 of our 2018-28 10-Year Plan.**

COVID-19 has meant we're looking to adjust what we said we'd do. We're proposing some significant changes to our original plan, to keep our city on track and help us recover from the impact of COVID-19.

Please take the time to read through this document. Your opinion is important to us. **Share your voice. Shape your city.**

## FROM THE MAYOR

### Greetings, teenaa koutou katoa

The last few months have been an extraordinary and challenging time for everyone in Hamilton. COVID-19 has meant that, like everyone else, we have had to look very hard at the way we do business and manage our finances.

At Council we have worked hard to find a balance between providing immediate assistance to those who need it most, while continuing to invest in essential infrastructure as well as the long-term needs of our city.

We have pushed hard to find savings, while continuing to protect important services and have actively looked for projects that will create jobs. We know the actions we take over the next few months

will have an enormous impact on how quickly Hamilton recovers.

In response to the pandemic, Councillors and staff have worked hard to reprioritise projects, defer some capital projects and find savings. It was a very thorough process and while we might not have agreed on everything, all Councillors want what is best for Hamilton.

Now it's your turn to provide your feedback on the proposals outlined here and I encourage you to do so. This summary document includes links to a great deal of further information.

I invite you to have your say as we tackle the 2020/2021 year and together ensure our city gets back on track.

**Paula Southgate**  
Mayor



**Hamilton  
City Council**  
Te kaunihera o Kirikiriroa



# OUR ROLE IN HAMILTON'S COVID-19 RECOVERY

Hamilton City Council was quick to respond to COVID-19. Council's priority was, and continues to be, helping those who need it most. We also want to do all we can to get Hamilton back on track and support our economic and social recovery.

## 12-POINT RECOVERY PLAN

On 27 March, we were one of the first councils in New Zealand to launch a COVID-19 recovery plan. Work started immediately to direct almost \$3.4 million of funding to support the wellbeing of those individuals, businesses and community groups hit hardest by COVID-19.

We know this is just the start though. The impacts of COVID-19 will be felt for some time yet and we're proposing to continue investing in those who need it the most over the next 12 months.

For more information on our 12-point recovery plan, visit [hamilton.govt.nz/recoveryplan](https://hamilton.govt.nz/recoveryplan)

## SHOVEL-READY PROJECTS

As part of our mission to stimulate Hamilton's economy, we, alongside our Waikato partners, submitted 22 projects to

the Government and 21 have successfully made the first cut, including all 10 Hamilton projects. These projects range from development of natural area gully networks and improving our river tourism to enhancing the Hamilton to Auckland commuter train and creating a 20 minute city. All our projects create jobs, have a wider public benefit and are ready to start immediately.

For the full list of projects and more information, check out [hamilton.govt.nz/shovel-ready](https://hamilton.govt.nz/shovel-ready).

We are still waiting to hear from the Government whether our projects have been successful.

## THE IMPACT OF COVID-19 ON HAMILTON CITY COUNCIL

Like most organisations and all other councils, Council has been significantly impacted by COVID-19. We're forecasting a \$22 million drop in non-

rates revenue for the next 12 months. This is due to less money coming in from services like building and consent fees and development contributions. There have been fewer people at our community facilities and visitor attractions like our pools and Hamilton Zoo and our events and conference facilities like FMG Stadium Waikato and Claudelands Events Centre have also been affected.

We had already made a commitment to save \$94 million over 10 years (from 2018 to 2028) and remain committed to this. For the upcoming year, we've identified \$7.3 million of savings without affecting services to the community. This is from things like more efficient processes, cutting travel and training costs, and freezing wages for Council staff earning more than \$70,000 per year.

COVID-19 has slightly delayed our Annual Plan this year. Usually we would sign off the final plan by 30 June, this year we are aiming to sign off our Annual Plan on 10 August 2020.

# OUR PLANS FOR THE YEAR AHEAD

We're proposing to maintain a 3.8% average annual rates increase. This is what was forecast in our 2018-28 10-Year Plan.

It allows us to continue to help those in the community that need it the most through our targeted relief package. It also means we can largely maintain our current levels of service, keep our finances on track and keep most of our projects progressing - which is critical to getting Hamilton's economy back on track so we can have confidence in our future.

Councillors discussed a lower rates increase for the coming year as a way to help our community recover from COVID-19. However, reducing our rates

increase by just 1% means we'd have \$1.85 million less over 12 months to invest in our great river city. It would reduce our ability to borrow money to support future projects too.

For the year ahead, we want to continue to support those directly affected by COVID-19 and our draft plan includes a further \$1.1 million to do this.

The year ahead also involves reprioritising and changing the timing of some of our projects and services.

## SHARE YOUR VOICE. SHAPE YOUR CITY.

As part of our planning for the next year, there are three areas we would like your feedback on that you'll read about in this document.

If you're interested in delving deeper into the detail then please view our supporting information:

- Online - [hamilton.govt.nz/annualplan](https://hamilton.govt.nz/annualplan)
- Hard copy - at the Council's office or any Hamilton City Library branch.



# CHANGES TO OUR CAPITAL PROGRAMME

**Capital projects are new projects like new roads, cycleways, libraries or projects that upgrade or improve existing infrastructure.**

For the next 12 months, we are planning to delay \$59.8 million of capital projects to later years.

These projects will still get done, but at a later date. This would leave \$302.8 million of capital projects still progressing over the next 12 months.

It is important to keep investing in our city to help us get through these difficult times, while balancing this against affordability for ratepayers.

Projects being deferred include upgrading the Transport Centre, a new river boardwalk for Victoria on the River and infrastructure work in our Peacocke and Rotokauri growth cells.

We will also defer the demolition of the Municipal Pools for one year. We are working on a broader vision for this area through our Central City Transformation Plan which we will talk to you more about later this year.

Delaying these projects means we can manage our debt levels, reducing our interest costs.

For the full list of capital projects and deferrals, visit

**[hamilton.govt.nz/annualplan](https://hamilton.govt.nz/annualplan)**

Share your voice - do you have any comments about the capital programme changes? Tell us on page 7.



## COVID-19 TARGETED RELIEF PACKAGE

**To make sure support is available for those who need it the most, we're proposing to continue targeted relief over the next 12 months for ratepayers, businesses and community groups.**

We have budgeted \$1.1 million for this which will include community welfare grants, rates remissions for residents, rent relief for community groups, and support for businesses.

### COMMUNITY WELFARE

This is continuation of the support offered under our 12-point recovery plan. During the first wave of support, Council provided funding to groups who were directly supporting those in need. Now it is proposed this fund be broadened to provide support to community groups from all sectors that are suffering hardship. \$400,000 has been carried over from the 12-point recovery plan budget for this.

### BUSINESS RESPONSE

We know our business sector is hurting due to COVID-19 and we are doing what we can to help. We're proposing to continue to support and carry over \$100,000 from the 12-point recovery plan budget for this. This fund will be used to support opportunities for economic innovation to make our economy more resilient. We will work in partnership with

the innovation, technology, education and freight and logistics sectors to do this.

We are also proposing a new fund of \$250,000 to provide support on a case-by-case basis to businesses that can demonstrate hardship. Further details about this will be coming shortly.

## RATES RELIEF

### HOMEOWNER SUPPORT

We are one of only a few councils in New Zealand that offers additional assistance to low-income ratepayers, on top of the nationwide rates rebate scheme. When the COVID-19 outbreak began, we extended our rates remission criteria to include ratepayers who had been directly affected by COVID-19. We want to continue to offer a rebate to Hamiltonians suffering hardship because of COVID-19. Eligible Hamiltonians could get a rates relief of up to \$570 for their 2020/21 rates.

To do this, we need to update our policy that deals with rates remissions. Let us know what you think on page 7 and for more detail, you can view the Policy at **[hamilton.govt.nz/annualplan](https://hamilton.govt.nz/annualplan)**

### COMMERCIAL RATEPAYER SUPPORT

This is the final year of the transition from land to capital value rating and means some commercial properties will receive a significant increase in rates.

Commercial ratepayers can apply to defer up to 50% of their first two rates instalments, without penalty, until January 2021. Commercial ratepayers with an increase of more than \$20,000 can defer payment of the amount their rates have increased until May 2021.

### COMMUNITY GROUP SUPPORT

We will continue to waive rent for community groups who are tenants of Council-owned properties that are unable to pay rent. This will be in place until 31 December 2020.

More information about these initiatives, including how to apply, will be available after our Annual Plan is adopted in August.

Share your voice - do you have any comments about our targeted relief package? Tell us on page 7.





# REPRIORITISING

**For the most part, the year ahead for Hamilton City Council is what we had planned for as part of our Long-Term Plan discussions in 2018.**

However, there are some areas where we have reprioritised our plans. This involves adding some new projects to our draft plan, delaying some projects (as we are doing with the capital programme) and also includes changes to some services. It's all about trying to find the right balance for our great river city. We want your feedback on whether we've got the balance right.

## **The following items have been added to the Draft Annual Plan:**

- \$353,000 to increase the minimum wage for all staff directly employed by the Council to match the living wage rate. The proposal would see the hourly rate for around 240 of Council's lowest paid staff lifted from \$20 to \$22.10.
- \$237,000 for the continuation of the City Safe suburban response team.
- \$100,000 to assist community groups volunteering to improve gully areas.
- \$830,000 for resource to support the waters, transport and rubbish and recycling activities.
- \$270,000 to support the economic development programme.
- \$280,000 to support the environmental, climate change and sustainability programme.
- \$75,000 for the development of a Maaori strategy and for extending existing partnerships.
- \$35,000 for the community-led engagement on options for the Enderley Park Community Centre and Fairfield Community Centre.
- \$50,000 to support the Waikato Community Lands trust.
- \$40,000 to extend resourcing for the Council and civic events programme.
- \$525,000 to continue our community-led approach to growth, progress funding and financing options for Rotokauri and be ready for further Ruakura development.
- \$50,000 to remove an old Council house at Ruakiwi Road and investigate opportunities for future community use of a Council-owned house at Crosby Road (next to Porritt Stadium).

Detailed information on these items is available at [hamilton.govt.nz/annualplan](https://hamilton.govt.nz/annualplan)

## **The following items have been removed from the Draft Annual Plan:**

- Delaying the Municipal Pool demolition by one year (\$600,000).
- Slowing down the digitisation of library heritage collection for one year (\$250,000).
- The closure of the public houses at the Hamilton Gardens nursery (\$80,000). We're proposing to close the public glass houses located at the Hamilton Gardens, adjacent to Cobham Drive, as they are at the end of their life and they are proposed to be removed as part of future development of the Gardens. A new glass house is included in the draft Hamilton Gardens Reserve Management Plan and is proposed to be located in the themed gardens area near the river.

## **EXTRA REVENUE**

We're proposing to make some changes to parking in the central city so we can provide more options for on-street commuter parking.

Council's parking sensor technology has identified some parking spaces within the 2-hour free zone are not often used.

We're proposing to convert these 2-hour free parking spaces to commuter all-day paid parking.

This will give us \$400,000 in additional revenue and provide more options to our central city commuters.

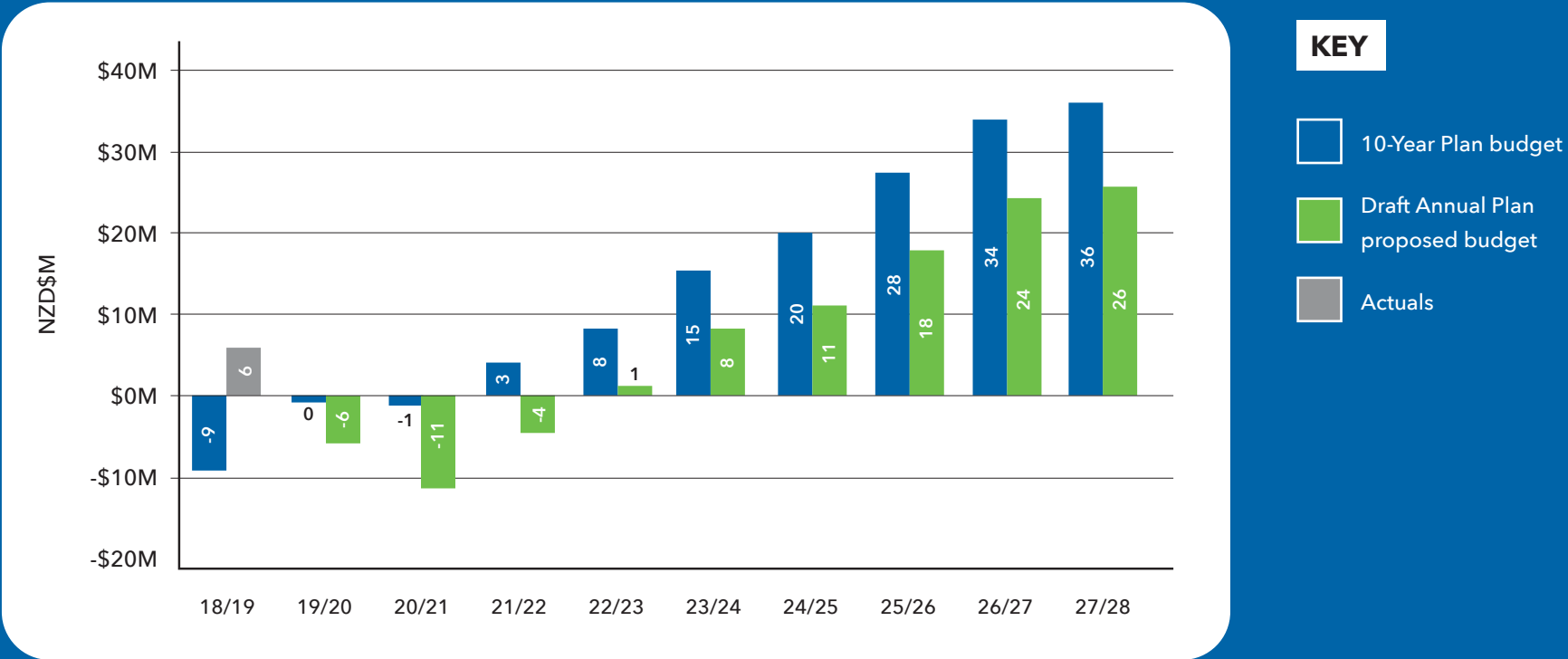
Share your voice - do you have any comments on the projects we are proposing to add or remove? Tell us on page 7.



# THE FINANCES

The following graphs show what we budgeted through our 10-Year Plan (blue) against what we’re forecasting through our Draft Annual Plan (green).

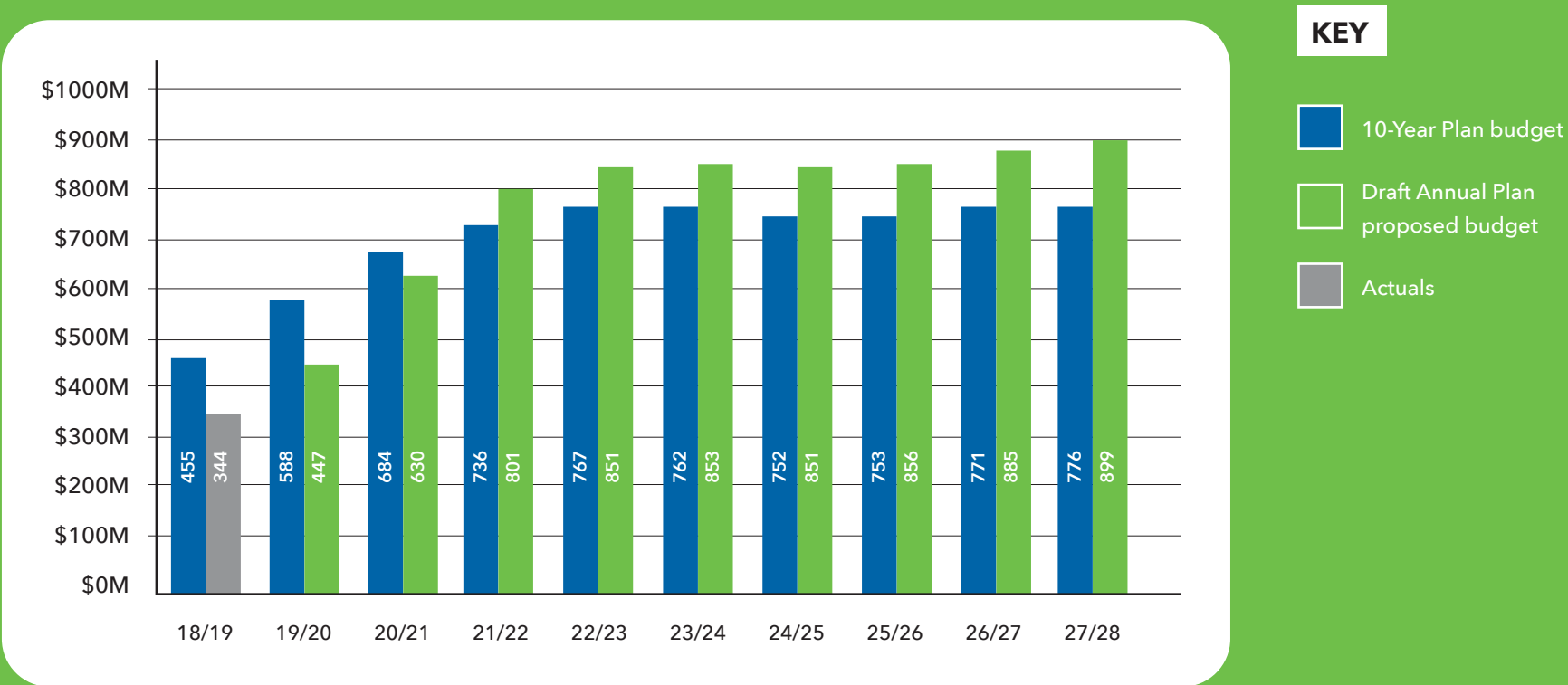
## BALANCING THE BOOKS



Balancing the books shows when we will have enough everyday revenue to meet everyday costs.

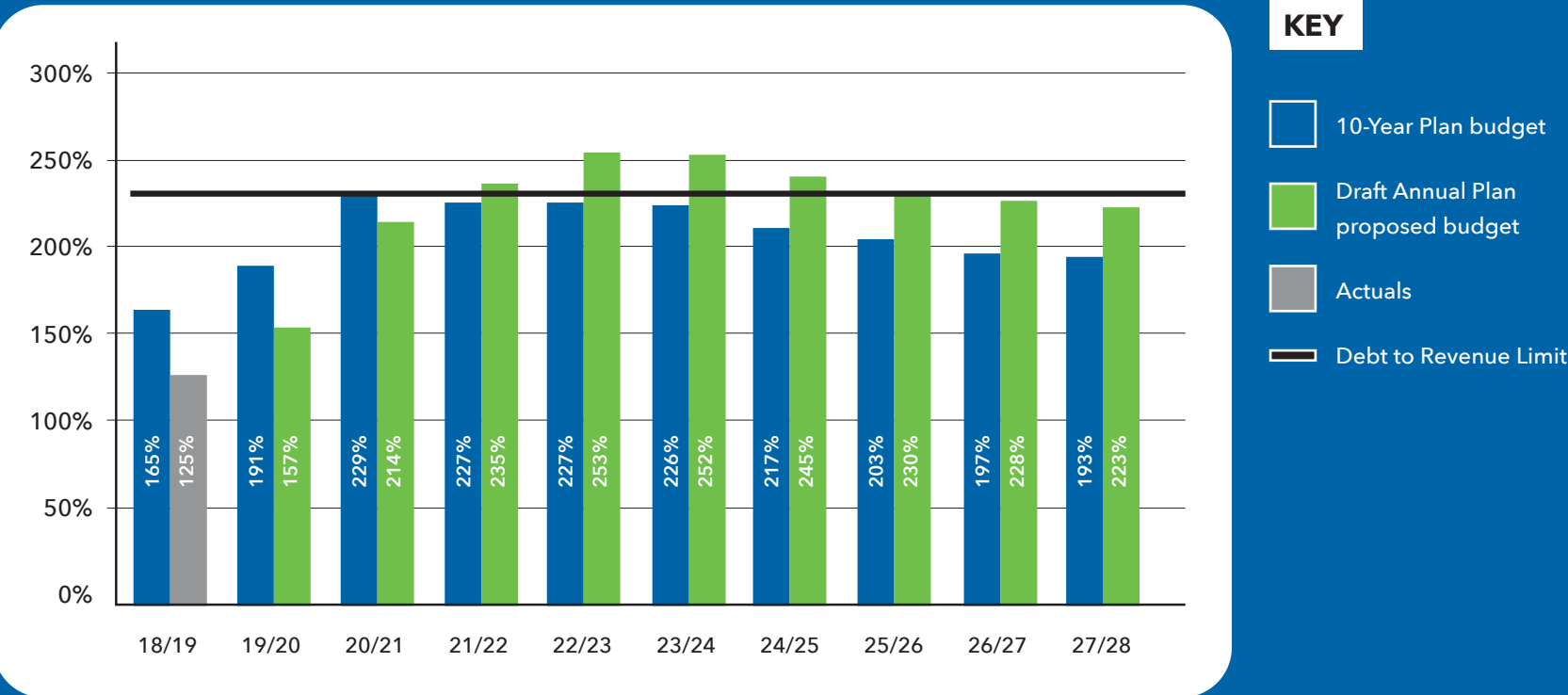
Our draft Annual Plan means we will delay balancing our books until 2022/23, that’s one year later than planned. This is largely because of the lost non-rates revenue as a result of COVID-19. For the 2020/21 year, this means we will have a deficit of \$11 million compared to the \$929,000 deficit we had forecasted through the 10-Year Plan. We will fund this from new borrowing and any surplus revenue we receive.

## NET DEBT LEVELS



For the 2020/21 year, our net debt is set to be \$630 million which is less than what we had forecasted.

DEBT TO REVENUE



Debt to revenue is when we compare the amount of money we have borrowed (debt) against the amount of money we receive through things like rates and fees and charges.

The Council’s self-imposed debt to revenue ratio is 230%. This means we cap debt at 230% or \$2.30 for every \$1 collected in revenue.

For the 2020/21 year, our debt to revenue ratio is forecasted to be 214% which is within our financial strategy limit of 230%. However, it is likely to increase in future years and we will need to address that next year in our Long-Term Plan.

NB: These numbers are as at 12 June. The most up-to-date information is available on our website.

More financial information is available at [hamilton.govt.nz/annualplan](https://hamilton.govt.nz/annualplan)

SHARE YOUR VOICE

Be part of the conversation - join our Mayor and Councillors online for a live webinar and have your questions answered.

Help shape your city by telling us what you think.

- Online at [hamilton.govt.nz/annualplan/feedback](https://hamilton.govt.nz/annualplan/feedback)
- Post your feedback to  
Hamilton City Council  
Freepost 172189  
Hamilton City Council’s Annual Plan  
Private Bag 3010  
Hamilton 3240
- Email [haveyoursay@hcc.govt.nz](mailto:haveyoursay@hcc.govt.nz)
- Phone 07 839 6699
- Visit [Facebook.com/HamiltonCityCouncil](https://Facebook.com/HamiltonCityCouncil)

We need to know what you think by 10 July 2020.  
Share your voice. Shape your city.

**LIVE WEBINAR**

Monday 29 June  
3.30-4.30pm

Visit [hamilton.govt.nz/annualplan](https://hamilton.govt.nz/annualplan) for details on how to join the webinar



# FEEDBACK FORM

OR DO IT ONLINE AT  
HAMILTON.GOV.T.NZ/  
ANNUALPLAN/FEEDBACK

## 1. CHANGES TO OUR CAPITAL PROGRAMME

Do you have any comments about the delays we are proposing to our capital programme?

## 2. COVID-19 TARGETED RELIEF PACKAGE

Do you agree with Council continuing to support the community through targeted options?

☐ Yes ☐ No

To continue to provide residential rates remissions, we need to update our policy. Do you support us extending the rating policy criteria to include ratepayers who have been directly affected by COVID-19?

☐ Yes ☐ No

Do you have any comments about our targeted relief package?

## 3. REPRIORITISING

Do you have any comments on the projects we are proposing to add or remove?

## GENERAL COMMENTS

Do you have any other comments on our Draft Annual Plan?



Ran out of room? Feel free to add additional pages.

# FEEDBACK FORM

## YOUR DETAILS

Name:.....

Organisation (if responding on behalf of an organisation):.....

**Privacy statement:** The Local Government Act 2002 requires submissions to be made available to the public. Your name will be published with your submission and made available in a report to elected members and to the public. Other personal information supplied will be used for administration and reporting purposes only. Please refer to Council's Privacy Statement at [hamilton.govt.nz](http://hamilton.govt.nz) for further information.

- ☐ I would like my submission published with my name
- ☐ I would like my submission published without my name

Would you like the opportunity to talk to us about your submission in person? ☐ Yes ☐ No  
Verbal submissions will take place on 15 and 16 July 2020 and we will contact you to arrange a time.

If yes, please let us know your contact details so we can get in touch to arrange a time.

Phone: ..... Email: .....

## ABOUT YOU

This section tells us a bit more about you. By capturing this information, we can better understand who is, and isn't, providing feedback.

### Where do you live?

I am a Hamilton resident, my suburb is: .....

**I live outside Hamilton (please circle):**      Waipa      Waikato      Elsewhere in New Zealand      Overseas

### What is your age group? (please circle)

Under 16	16-19	20-24	25-29	30-34	35-39	40-44	
45-49	50-54	55-59	60-64	65-69	70-74	75-79	80+

### Which ethnic group do you identify as? (circle all that apply)

NZ European	Maaori	Indian	Chinese	Samoan	British	Filipino
Tongan	Cook Island Maaori	South African				

Other: .....

### Which of the following best describes your household situation?

- ☐ Living alone.
- ☐ Family or couple with dependants (children or other family).
- ☐ Family or couple with no dependants.
- ☐ Living with others that are not family.

### Do you?

- ☐ Rent the property you live in.
- ☐ Own the property you live in.



Cut me out and post to: **Hamilton City Council Freepost 172189 Hamilton City Council's Annual Plan Private Bag 3010 Hamilton 3240**