A photograph of a man in a white t-shirt and khaki shorts lifting a young child into the air on a sandy beach. The ocean is in the background under a clear blue sky. The image is partially covered by a blue graphic overlay on the left.

# Annual Plan 2026/27

Council Briefing  
28 January 2026



Te Kaunihera-ā-Rohe o Ngāmotu

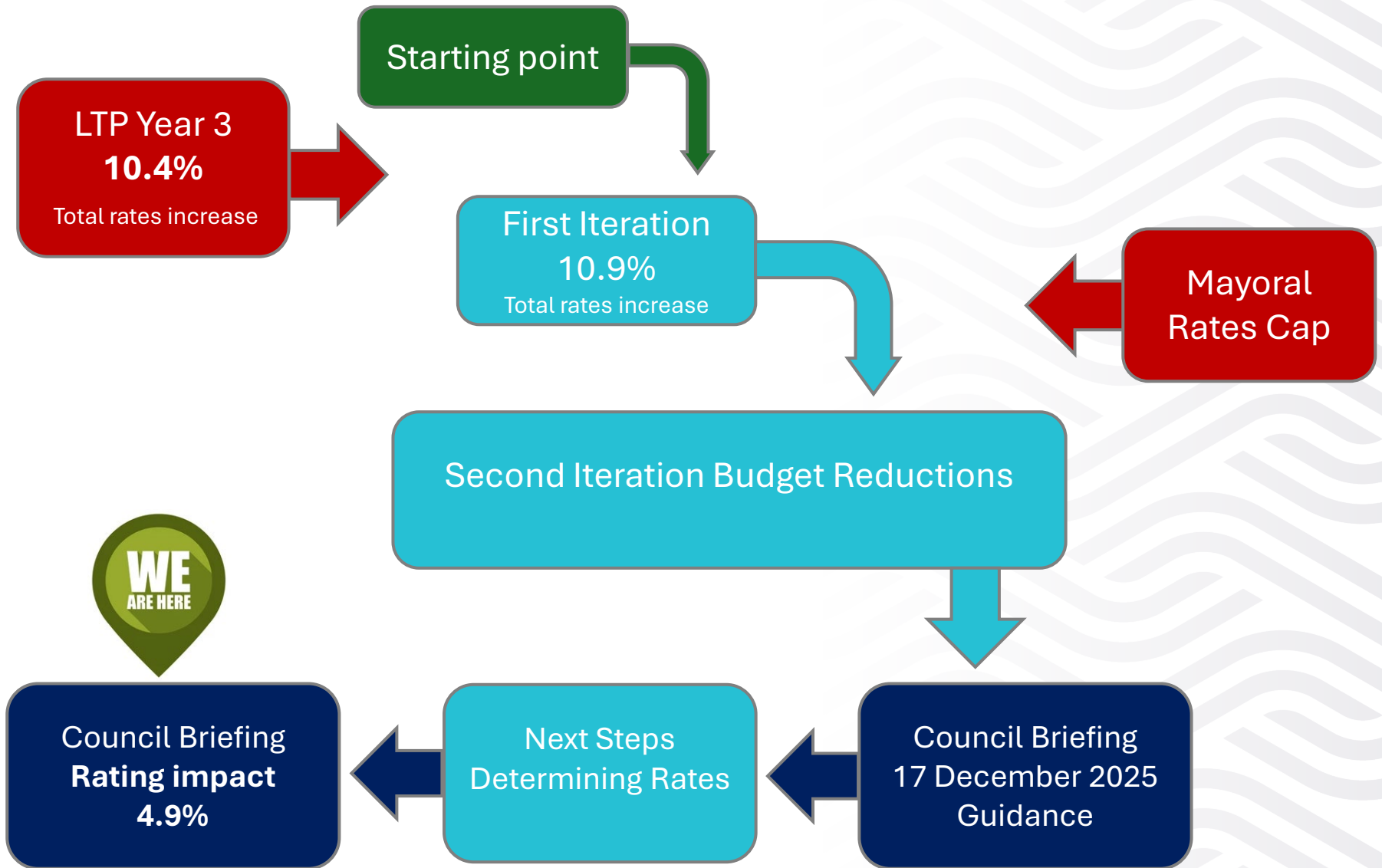
**New Plymouth  
District Council**

# Agenda – Annual Plan 2026/27

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- High Level Summary
- Annual Plan Overview
- Rating Impact
- Renewal Reserves
- Capital Projects
- Other Key Financial Items
- Assumption Options for Decision and Next Steps
- Appendices

# Summary



# Key Financial Comparisons

	Annual Plan 2026/27	LTP Yr 3 (2026/27)	Annual Plan 2025/26
Rates requirement	\$173m	\$182m	\$165m
Total rates increase	4.9%	10.4%	9.0%
Capex	\$134m	\$149m	\$136m
Debt	\$523m	\$503m	\$469m



# Annual Plan Overview

# Annual Plan 2026/27

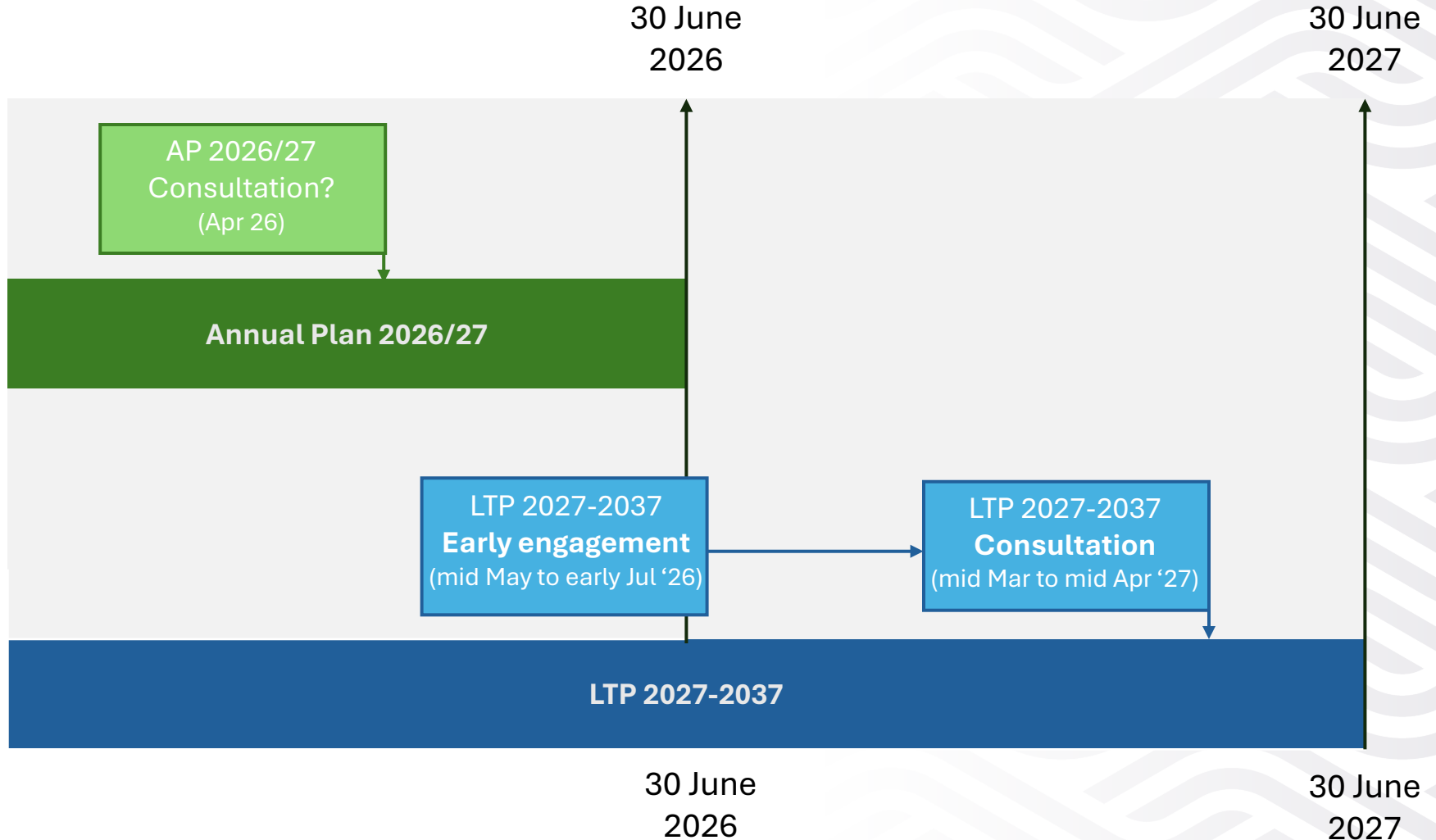
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- Refine yearly budgets in Year 3
- Identifies any changes from LTP to the year's plan
- **Decisions relate only to the year of the Annual Plan**
- Consultation is only required if making significant or material variations compared to the adopted LTP
- Significant changes may require an LTP amendment
- LTP amendments require a consultation document that must be reviewed by Audit
- Sets the rates for the year





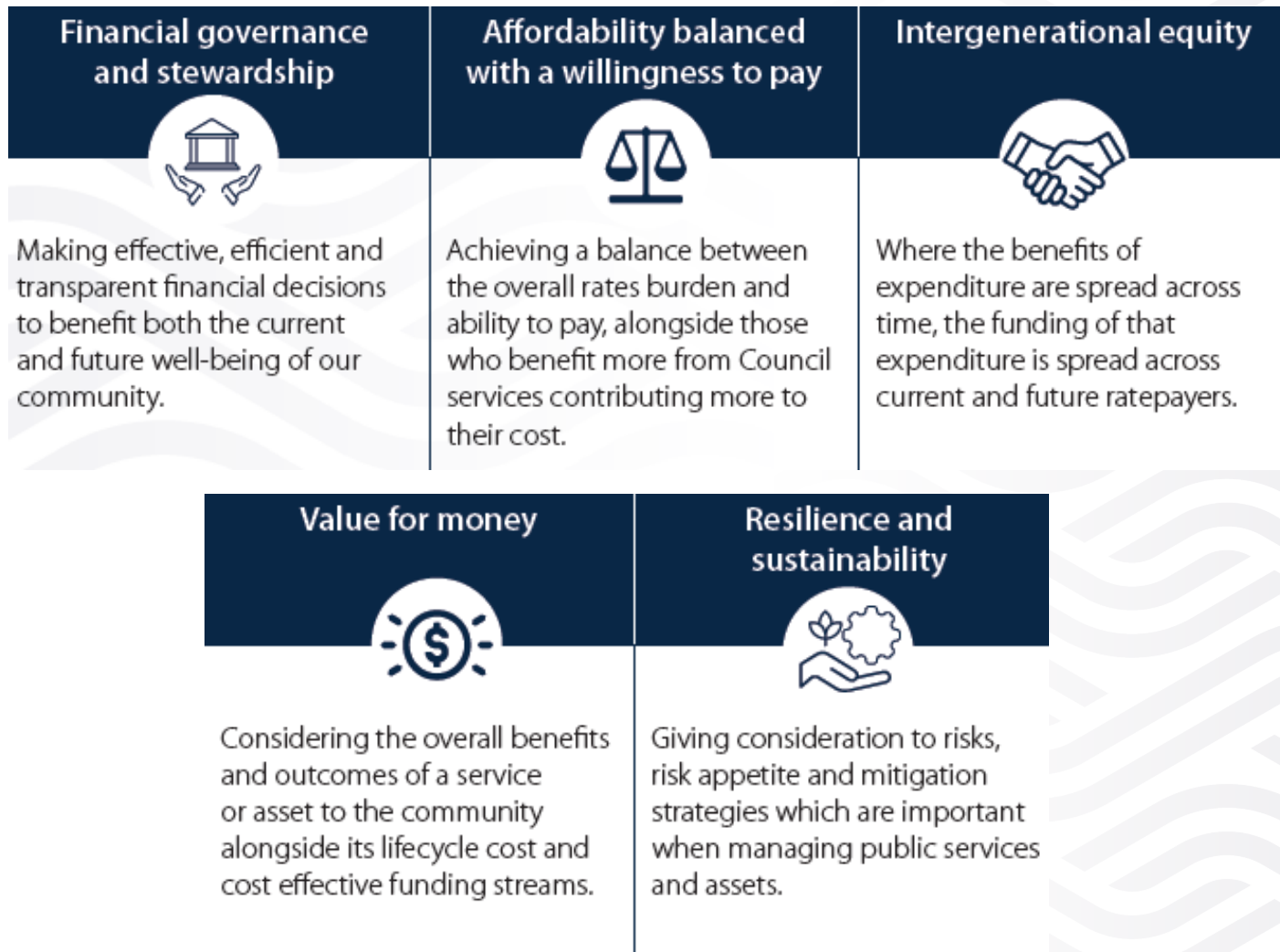
# Annual Plan 2026/27 and Long-Term Plan 2027-2037 timeline



# Financial Strategy

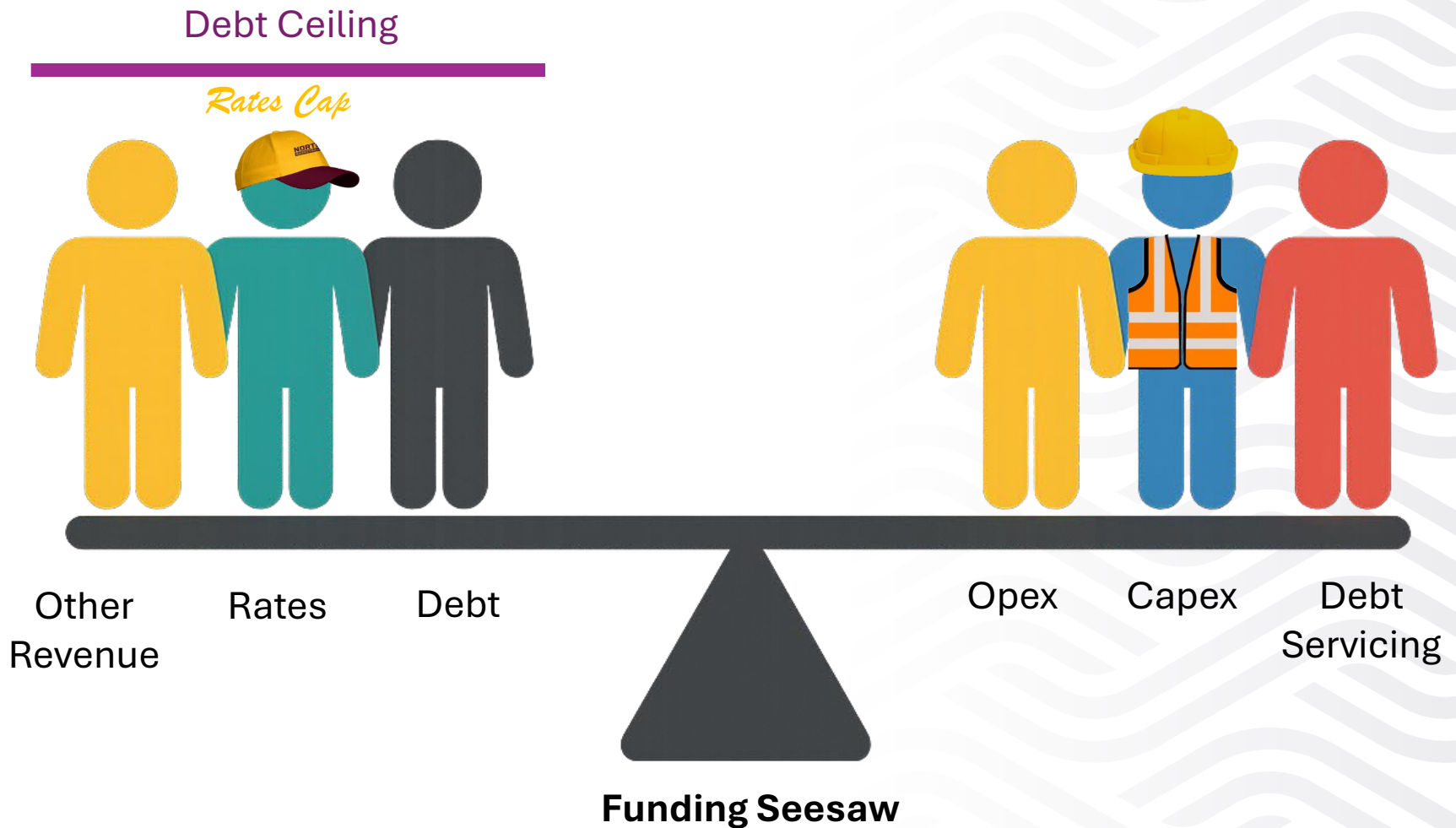
## Our guiding principles

The building blocks we use to guide our decision-making





# Annual Plan Balanced Budget





# Rating Impact

# Mayoral target

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Limit rates increase to Consumer Price Index (inflation) + 1%

- CPI (September 2025): 3%
- +1% for additional operating expenditure and/or servicing of additional debt

Existing Ratepayer Impact

$$\boxed{3\%} + \boxed{1\%} = \boxed{4\%}$$

# Guidance for Adjustments or the +1%

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- \$1.5m Opex / Renewals represents 1% of Total Rates

*Note: Opex is general operating costs and renewals are replacing existing assets and are both rate funded*

- \$20m of Capex debt represents 1% of Total Rates

*Note: Capital projects are debt funded to provide intergenerational equity*

- Based on 25-year term (infrastructure)
- 5% long-term interest rate assumption



# Key Assumptions

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- Commercial Sorting Depot break-even or similar
- No provision for Central Government reform costs, except for KiwiSaver change:
  - Simplifying Local Government Reforms (enacted ~2027)
  - Proposed rate caps (soft launch 2027, implementation 2029)
  - Resource management replacement (start spatial planning now, in place by 2029)
  - Local Water Done well (July 2026 CCO, SLA in place, July 2027 asset transfer)
- Growth in ratepaying properties

# Growth Assumption Impact



## Existing Ratepayer Impact

$$3\% + 1\% = 4\%$$

## Total Rates Increase

$$3\% + 1\% + 1\% = 5\%$$

1% represents growth/increase in the number of ratepayers

	SUIP Growth
30 June 2024	395
30 June 2025	258
30 June 2026 (growth estimate 1%)	243
<b>30 June 2026</b>	<b>243</b>
As at 31 December 2025	116
Balance required to 30 June 2026	127

*Based on test rates strike 127 represents \$500k*



# Total Rates

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Total Rates increase of:

- \$8m (2025/26: \$14m)
- 4.9% (2025/26: 9.0%)

Rating Type	AP 2025/26 \$'000	2026/27* \$'000	\$ Increase \$'000	% Increase	LTP Yr 3 \$'000
Local Govt	104,186	107,644	3,458	3.3%	127,865
Water Services**	60,682	65,262	4,581	7.5%	54,224
	<b>164,868</b>	<b>172,906</b>	<b>8,039</b>	<b>4.9%</b>	<b>182,089</b>

\* Based on Mayoral target

\*\* Rates are ring-fenced for Stormwater, Water Supply and Wastewater

# How Rates are Calculated

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Rates are made up of **General Rates** and **Targeted Rates**

## **General Rates**





- Variable General Rate based on land value and category
- Fixed Uniform Annual General Charge (UAGC) applied to each SUIP

*SUIP – Separately Used or Inhabited Part of a Rating Unit*







*Noting a property can have multiple SUIPs:*

- *A residential property with two or more occupiable units, flats, houses capable of separate inhabitation*
- *A commercial property with two or shops, offices that can be operating as separate businesses*

# How Rates are Calculated

Land Category		Differential Rating 2026/27
 <b>Residential</b> Homes with a land area of 1ha or less used for residential or related purposes		1.00
 <b>Commercial/Industrial</b> Used primarily for any commercial or industrial purposes		3.00
 <b>Small Holdings</b> Has a land area of more than one hectare but no greater than 4ha		0.80
 <b>Farmland</b> Has a land area in excess of 4ha		0.75

# How Rates are Calculated

Targeted Rate	How it's charged
 Roding	Fixed charge → applies to all SUIPs
 Stormwater	Variable (capital value) → applies to all urban areas
Service charges    	Generally fixed → charged per SUIP <ul style="list-style-type: none"><li>• Water Supply</li><li>• Sewage treatment</li><li>• Refuse collection</li><li>• Swimming pool</li></ul>



# Residential

*Land Value*  
*Capital Value*

\$490,000

\$765,000

\$920,000

\$891,000

Rate description	1 x SUIP	2 x SUIP
General rates	2,290	3,576
Uniform Annual General Charge	99	198
Refuse Collection and Disposal	302	604
Roading	127	255
Sewage	815	1,630
Water Supply	676	1,352
Stormwater	170	165
<b>TOTAL</b>	<b>\$4,479</b>	<b>\$7,780</b>

*Above figures GST inclusive.*

**NPDC rates only**, i.e. excludes TRC rates

# Differential Impact

*Land Value*  
*Capital Value*

\$490,000

\$490,000

\$920,000

\$910,000

Rate description	Residential	Commercial
General rates (Differentials: Residential 1.00, Commercial 3.00)	2,290	6,871
Uniform Annual General Charge	99	99
Refuse Collection and Disposal	302	0
Roading	127	127
Sewage	815	1,630
Water Supply	676	0
Stormwater	170	168
<b>TOTAL</b>	<b>\$4,479</b>	<b>\$8,895</b>

*Above figures GST inclusive.*

**NPDC rates only, i.e. excludes TRC rates**



# 2025/26 One-Off Residential Rates Remission Flow-On Impact to 2026/27

## Example














Dollars (GST inclusive)	2025/26	2026/27	Increase
Rates assessment	\$3,966	\$4,160	<b>\$194</b>
Rates increase %	12.8%	4.9%	
One-off remission (Q1 2025/26)	(\$102)	\$0	
<b>Total payable</b>	<b>\$3,864</b>	<b>\$4,160</b>	<b>\$296</b>

Out of the  
bank  
account

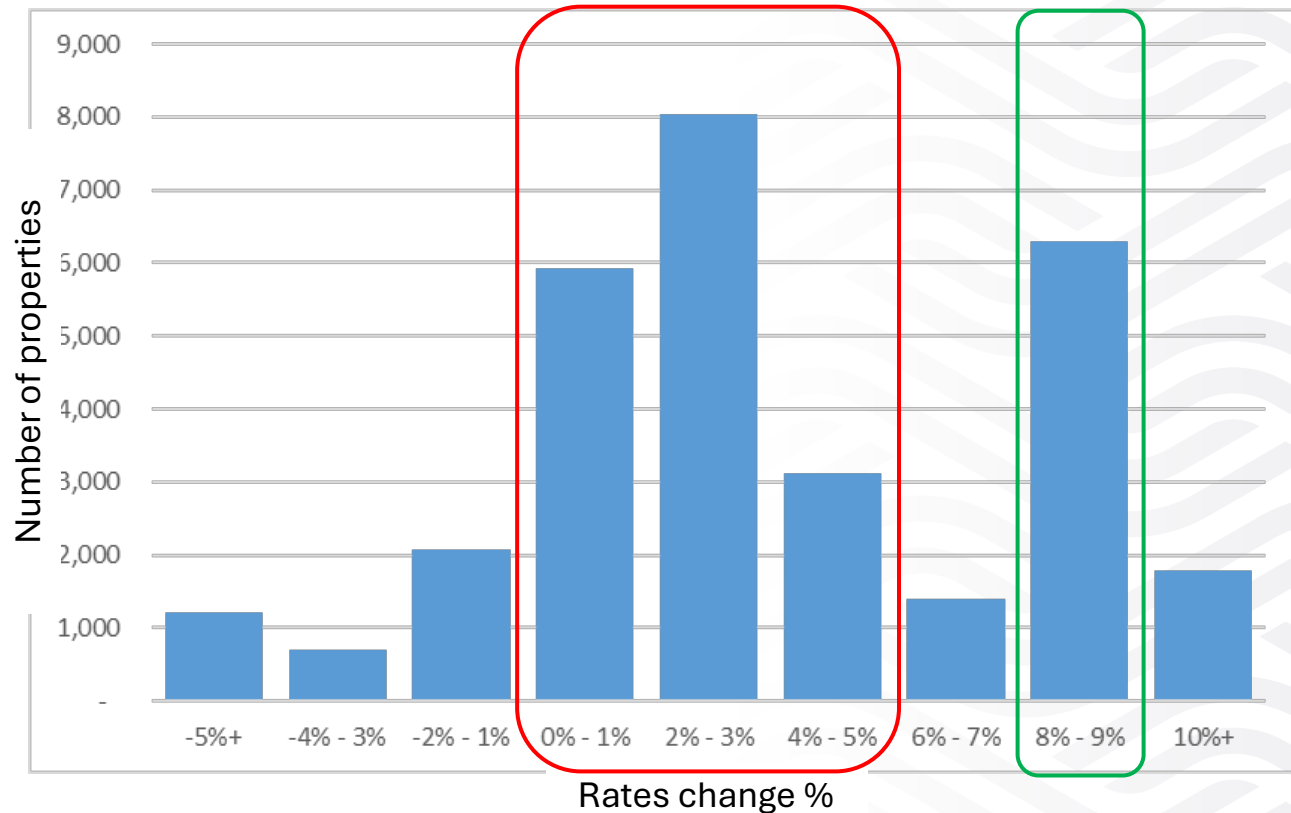
- The starting point for the 2026/27 rates calculation is the 2025/26 rates assessment before the one-off remission

# Land Revaluations

Revaluations are independently completed every three years

Property Type.	Average % change
Overall	 9%
 Residential	 10% (suburbs  25% to  2%)
 Commercial	 11%
 Industrial	 6%
 Small holdings/lifestyle	 4%
 Farmland	 10%

# Residential - High Level Analysis



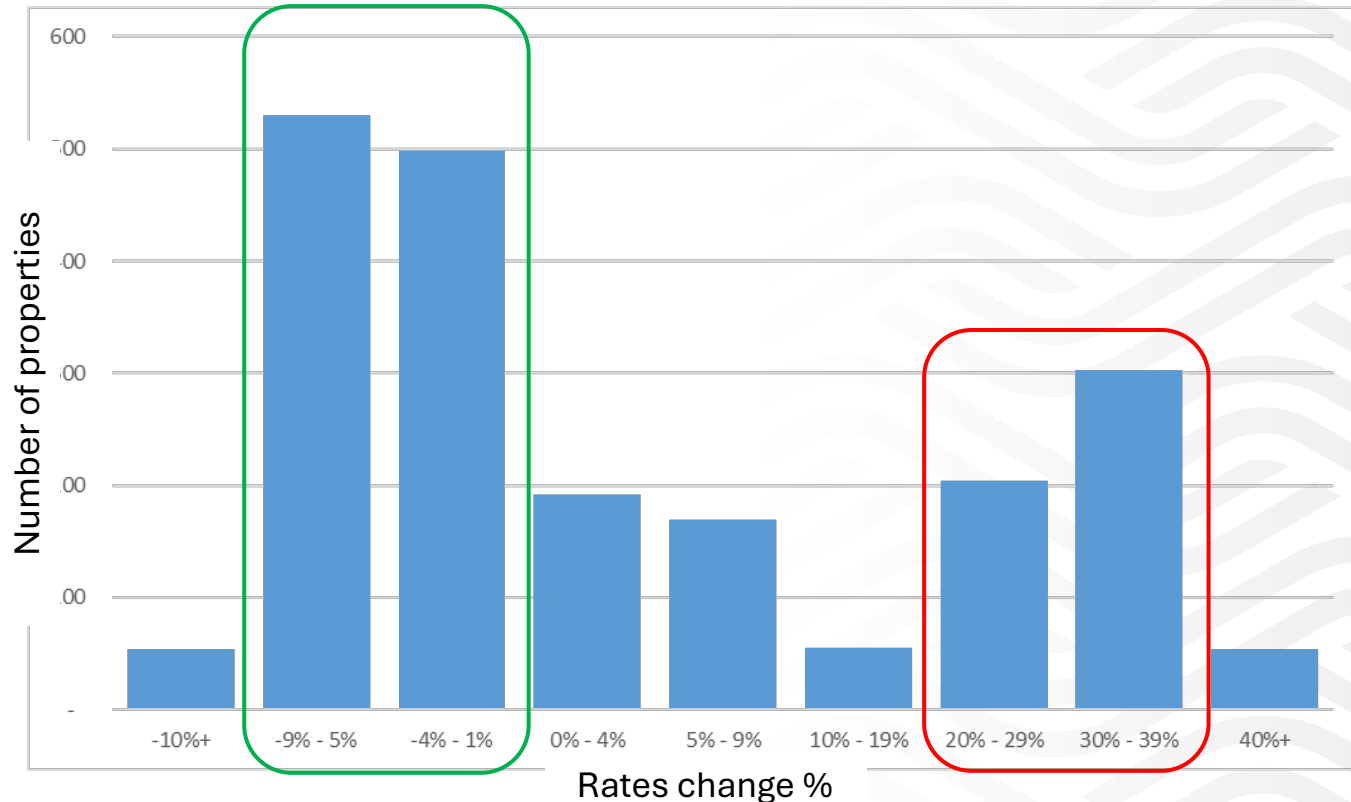
56% or 17,000 properties will have a rates increase of 0% to 5%

- Driven by a decrease in land value inline or greater than the 10% average
- 92% of these properties will receive an annual rates increase of \$0 to \$200

21% or 6,300 properties will have a rates increase of 8% to 9%

- Driven by an increase or no change to their land value
- 87% of these properties will receive an annual rates increase of \$200 to \$400

# Commercial/Industrial - High Level Analysis



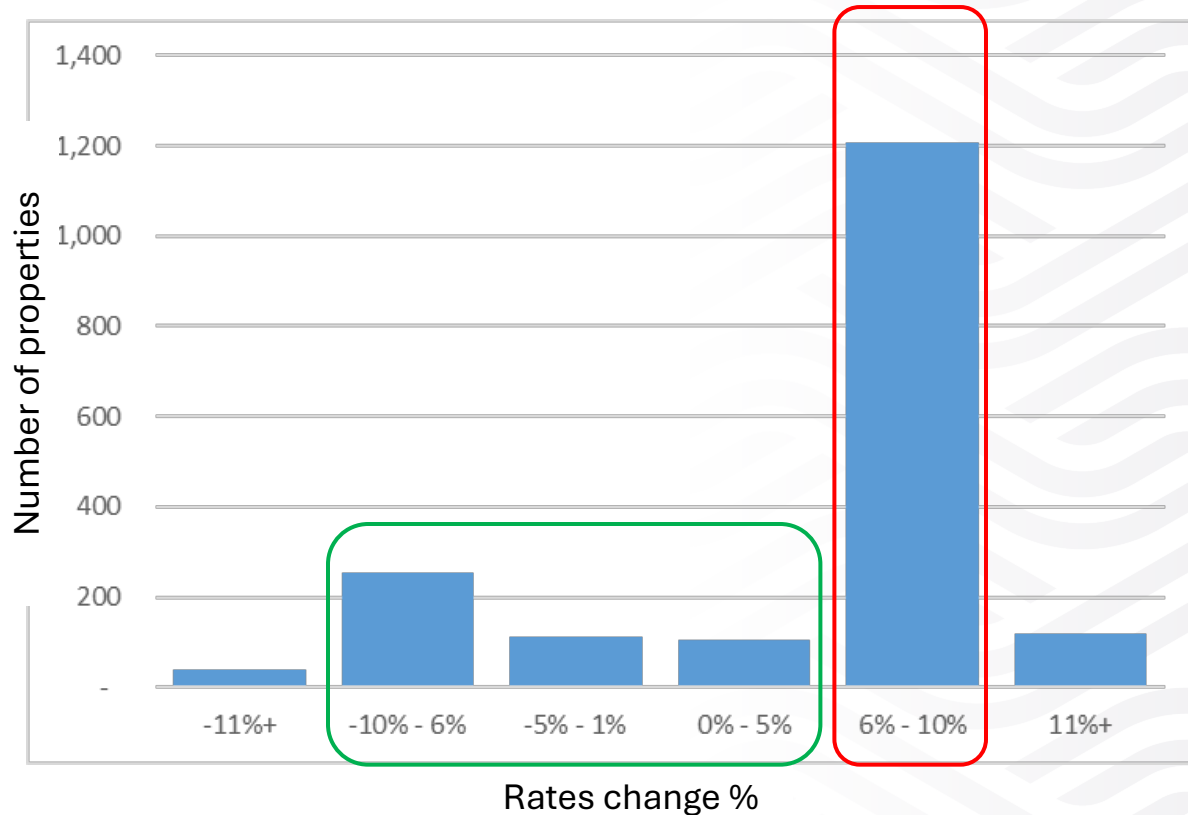
## Overall Industrial land values have increased

- Approx. 2/3 of properties land value increased and 1/3 decreased
- Industrial properties will make up a large proportion of the higher rates increases

## Overall Commercial land values have decreased

- Approx. 10% of properties land value increased and 90% decreased
- Commercial properties will make up a large proportion of lower rates increases

# Small holdings - High Level Analysis



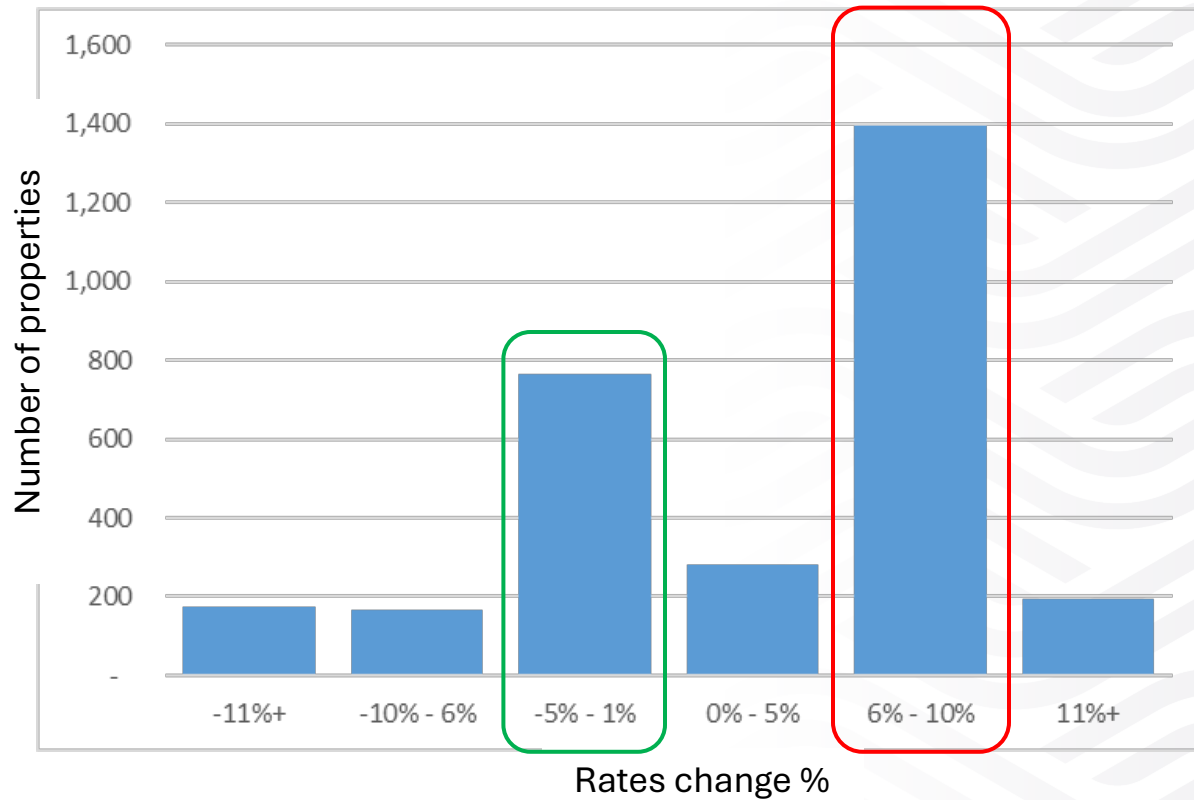
67% or 1,200 properties will have a rates increase of 6% to 10%

- Driven by an increase or no change to their land value
- 89% of these properties will receive an annual rates increase of \$100 to \$400

22% or 400 properties will have a 0% to 10% rates decrease

- Driven by a land value decrease of 6% to 7% (greater than the average -3.5%)
- 69% of these properties will receive an annual rates decrease of \$100 to \$300

# Farmland - High Level Analysis



46% or 1,400 properties will have a rates increase of 6% to 10%

- Driven by no change to their land value
- 80% of these properties will receive an annual rates increase of \$100 to \$400

25% or 750 properties will have a 0% to 5% rates decrease

- Driven by a land value decrease of 10% (in line with the average % change)
- 85% of these properties will receive an annual rates decrease of \$10 to \$200



# Questions





# Renewal Reserves

# The Why and the What

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- **Reserve:** Setting aside of funds for a specific purpose, usually to manage risk, meet future obligations, or protect financial stability
- **Asset Renewal:** A replacement of a like for like asset to ensure the continued ability of the Council to provide that service
- **Renewal Reserve:** Setting aside of funding to meet the replacement of like for like NPDC infrastructural and operating assets

# How they Work

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- The community is *rated* to increase the balance
- *Delivery*, or the costs to replace the assets, decreases the balance
- Where a reserve is overdrawn (or negative), we use debt funding until the reserve returns to a positive balance

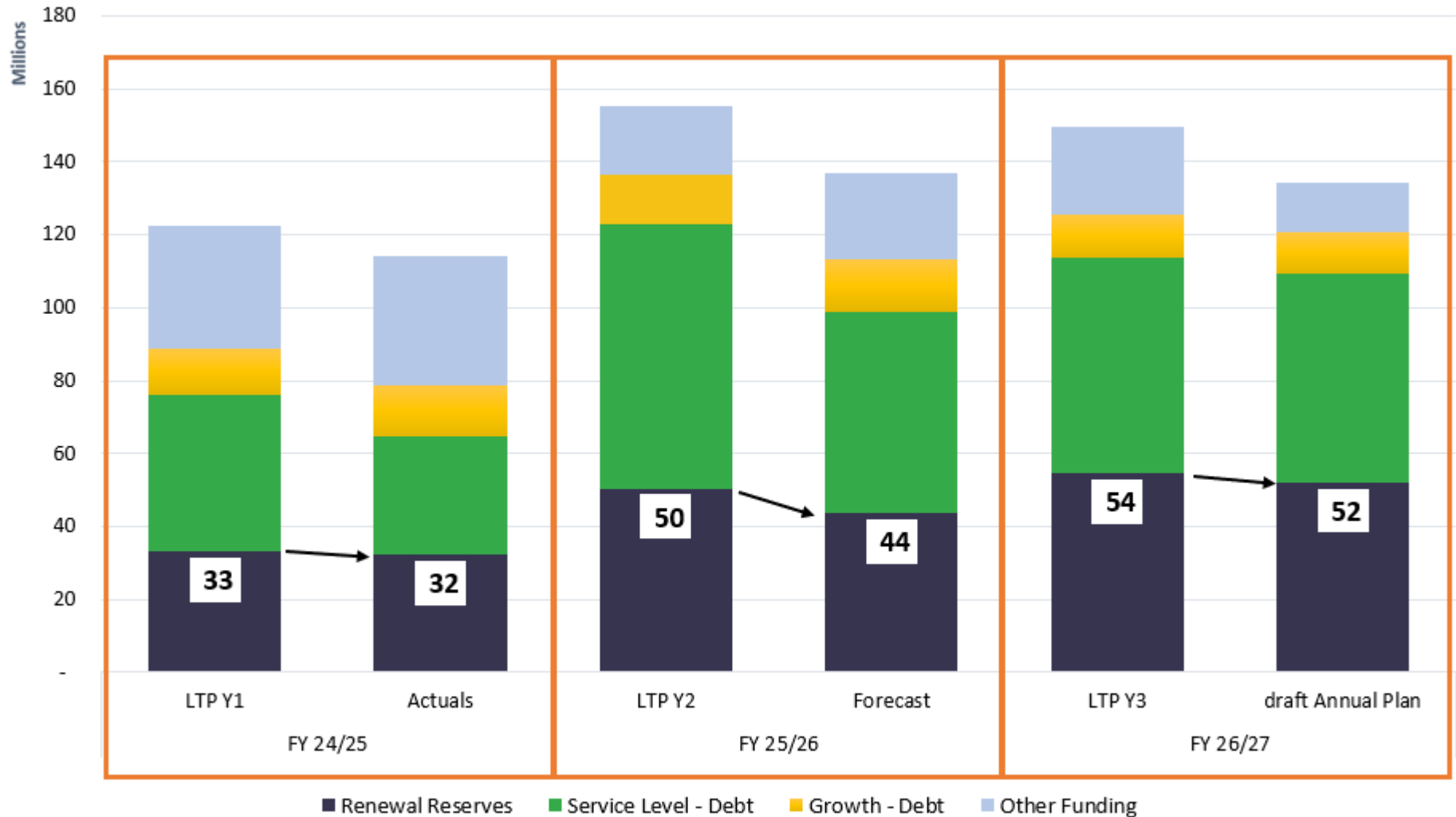
## Example

Stormwater	LTP Yr 1 (\$m)	LTP Yr 2 (\$m)	LTP Yr 3 (\$m)
Opening balance	(0.7)	0.5	0.3
Rates	2.2	3.0	4.0
Delivery	(1.0)	(3.2)	(5.5)
Closing balance	0.5	0.3	(1.2)

# LTP Renewal Funding and Expenditure



# Capital and Renewal Expenditure Funding

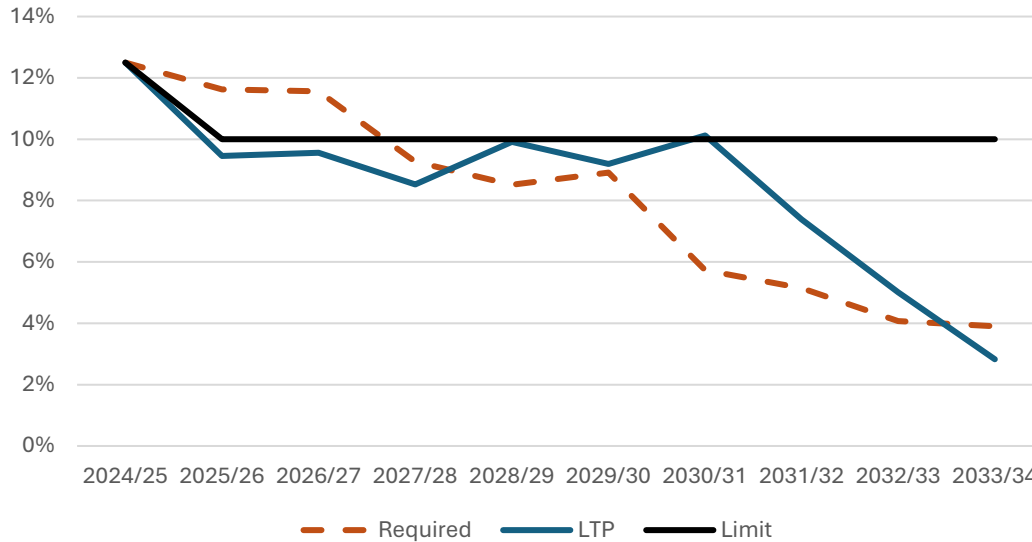


Note: Renewals increase is realigned to expected deliverability



# LTP Rate Increases and Short Term Loan

Total Rates % Increase



High early rates as a result of accelerated renewals considered unaffordable to the community.

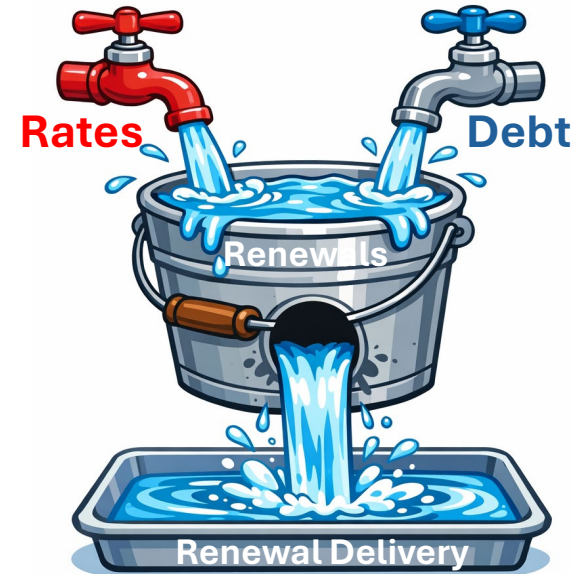
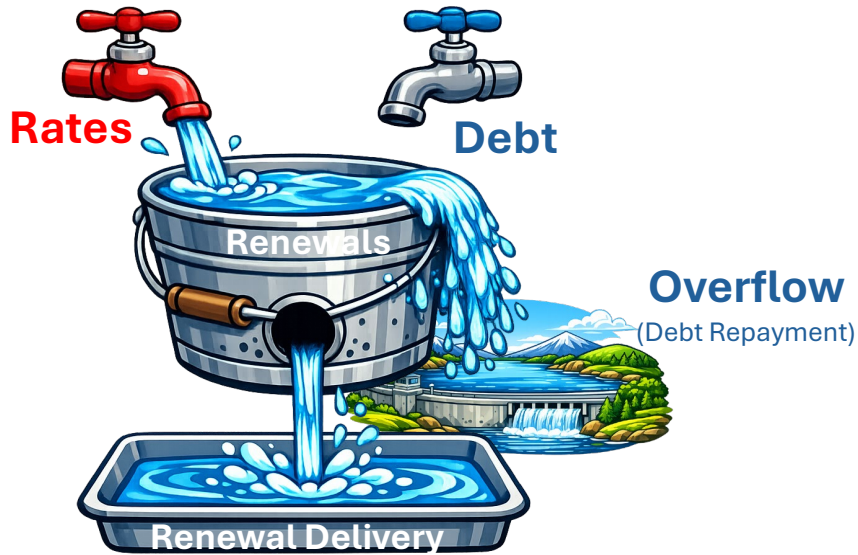
To smooth the rates increase over the 10 years of the LTP, a short-term loan was added.

Year	2024/25 \$m	2025/26	2026/27 \$m	2027/28 \$m	2028/29 \$m	2029/30 \$m	2030/31 \$m	2031/32 \$m	2032/33 \$m	2033/34 \$m
(Drawdown)/ Repayment	-	(\$3.3)	(\$7.0)	(\$9.0)	(\$7.0)	(\$7.0)	\$3.0	\$9.0	\$12.0	\$9.3
Loan balance	-	(\$3.3)	(\$10.3)	(\$19.3)	(\$26.3)	(\$33.3)	(\$30.3)	(\$21.3)	(\$9.3)	-

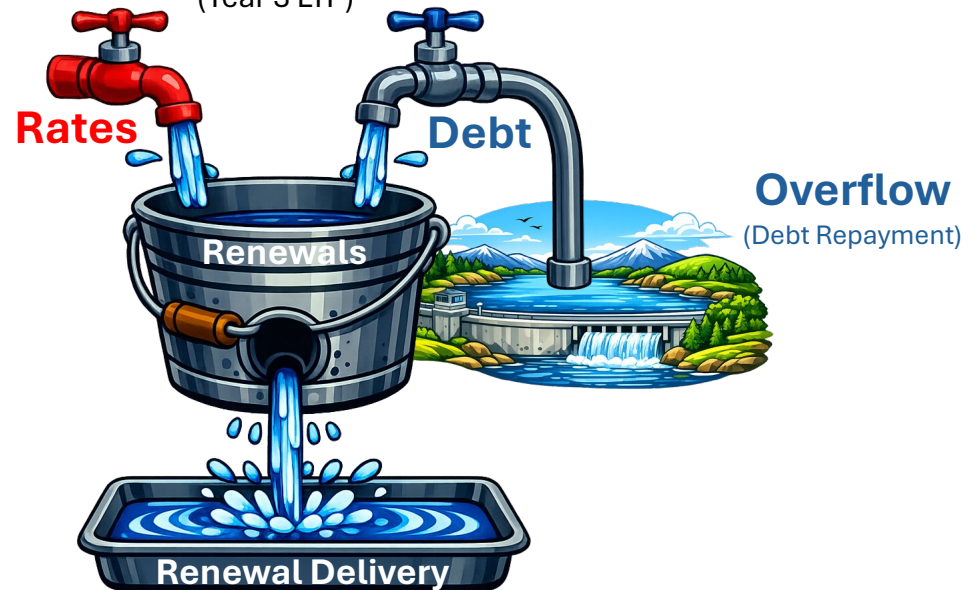
Under a rates cap model, the repayment of a short-term loan becomes harder, therefore financially prudent not to take out this loan.

# General and Transport Renewals

2024/25 & 2025/26  
(Years 1 & 2 LTP)



2026/27  
(Year 3 LTP)



# The Outcome – A Rebalance...

Forecasted position 30 June 2027	AP 2026/27	LTP Yr 3	Variance
General and Transport	(3.6)	(3.8)	0.2
Water Services	(32.6)	(27.3)	(5.4)
<b>Total</b>	<b>(36.2)</b>	<b>(31.1)</b>	<b>(5.1)</b>

## ... That comes with risks

- A substantial decrease in the balance of funds available moving forward
- Under a rates cap it becomes increasingly difficult to "rate our way out" of a large renewals backlog and turn overdrawn reserves into positive balance.
- Unless
  - Rates are directed from other areas (LTP)
    - : Balancing community needs and wants
  - Delivery of asset renewals is delayed/slowed (LTP)
    - : This comes with increased risk of asset failure

# Questions





# Capital Projects

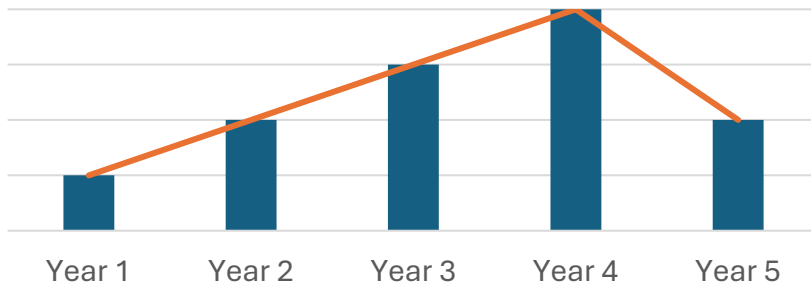
# Capex Summary

Council Services	LTP Y3 \$ m	Draft AP 26/27 \$ m	Increase/ (Reduction) \$ m
Community Partnership	4.9	1.8	(3.0)
Customer and Regulatory Solutions	1.3	0.1	(1.3)
Emergency Mgmt & Business Continuanace	0.1	0.1	0.0
Flood Protection and Control Works	0.2	1.0	0.8
GBAG & Len Lye Centre	1.1	0.2	(0.9)
Governance	0.4	0.4	0.0
Management of Investments and Funding	0.3	0.6	0.3
Parks and Open Spaces	10.3	10.0	(0.3)
Puke Ariki and Community Libraries	3.1	5.1	2.0
Shared Services Respread Allocation	6.6	5.6	(1.0)
Stormwater Management	13.7	9.8	(3.9)
Transportation	47.2	41.2	(6.1)
Venues and Events	17.0	15.9	(1.1)
Waste Management and Minimisation	1.7	1.1	(0.6)
Wastewater Treatment	20.8	21.4	0.7
Water Supply	20.7	20.0	(0.7)
<b>Capital Expenditure Total</b>	<b>149.5</b>	<b>134.3</b>	<b>(15.1)</b>

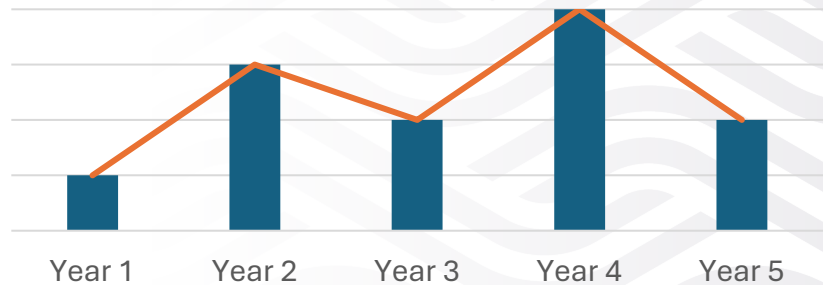
# Cashflow Adjustments

## Why do we make cashflow adjustments





What we put forward to the LTP  
- ideal project budget



What could happen to the  
project budget



## Why we might adjust the cash flow

	Planning and Design	As the scope and engineering design are refined, assumptions become clearer and risks identified, leading to revised timing and refinement of cost estimates.
	Procurement	The time required to source, evaluate, negotiate, and award contracts can shift expected dates and altering when funds are required.
	Consenting	Additional time may be required to gather technical information, align with project partners, consult with stakeholders, refining the design to meet regulatory requirements, and can delay planned spending and expected dates.
	Construction Windows	Some activities can only occur during certain seasons or under specific consent conditions, meaning spend may need to be re-timed to align with optimal or permitted construction windows.

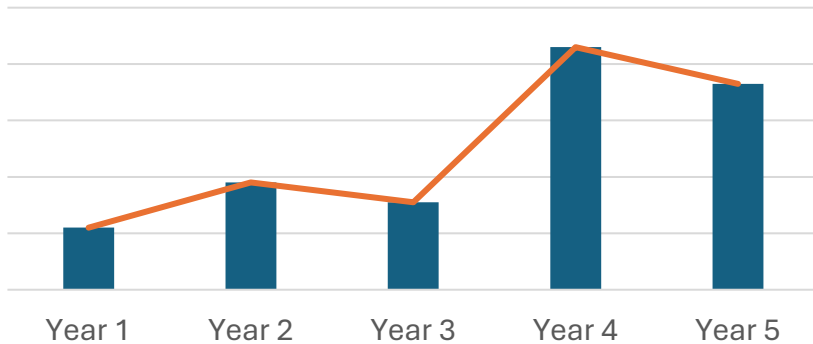
Some of these unknowns only become apparent once the project is underway and are then reflected in adjustments to the Annual Plans and LTP but overall budget stays the same.



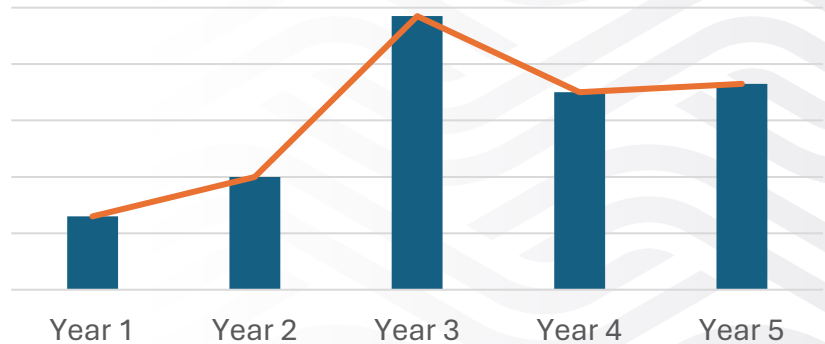
# Cashflow Adjustments – Puketapu Growth

## Example of Proposed Cashflow Increase (5 year snapshot)

What was put forward in the LTP



What has happened



Total 5 Year Budget = \$25.2m

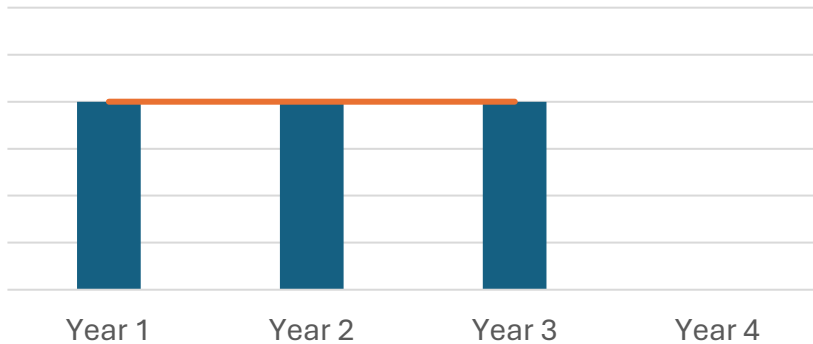
- This programme spans the full LTP 2024–2034 and this slide provides a snapshot of the first five years.
- To align with NZTA’s construction programme for the De Havilland Drive / Airport Drive roundabout, it is proposed to advance the programme to ensure connectivity with the growth area and the remainder of Bell Block.
- It is recommended that funding be brought forward from later years into Annual Plan 2026/27 to support delivery timelines with NZTA.



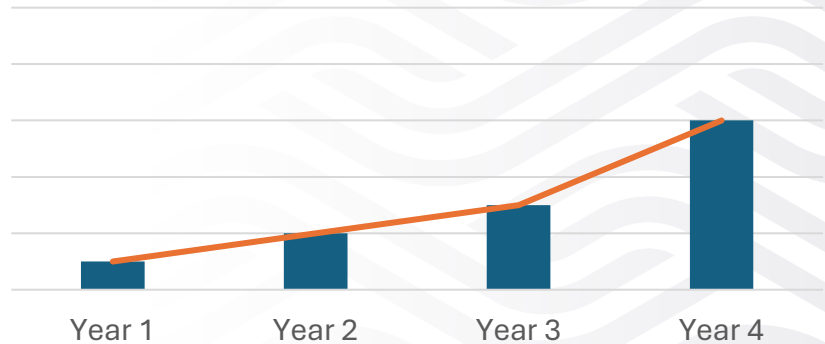
# Cashflow Adjustments – Housing for the Elderly

## Example of Proposed Cashflow Decrease

What was put forward in the LTP



What has happened



Total 4 Year Budget = \$12m

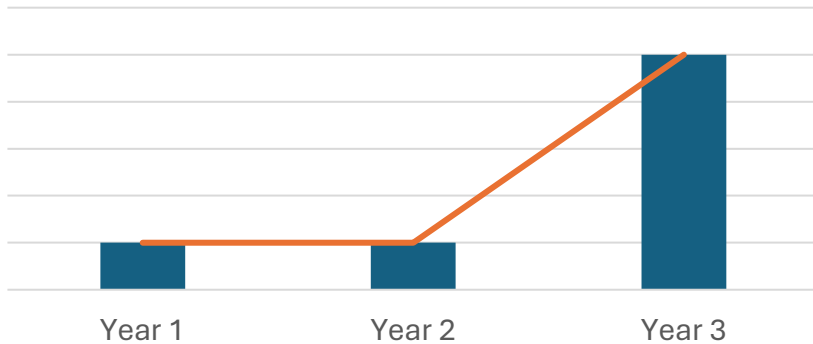
- A budget of \$12m was originally allocated to LTP 2024-2034
- Construction has begun on Wynyard Street for 12 new units
- Given the current constraints around suitable site availability for Stage 2, it is proposed that part of the budget be deferred to enable further planning and design work.

# Cashflow Adjustments – Smart Road Reservoir

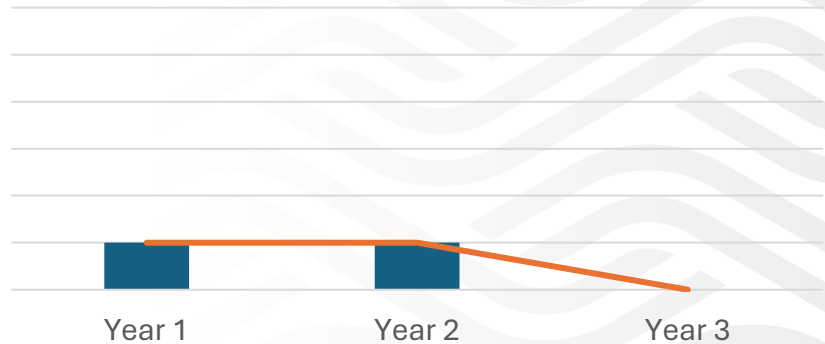
## Example of Proposed Budget Decrease

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What was put forward in the LTP



What has happened



Total 3 Year Budget = \$0m

- A budget of \$1m was originally allocated for Year 3 (2026/27).
- Planning was completed by the Three Waters planning team under OPEX budgets (the graph provides an indication of planning costs in Years 1 and 2).
- Following detailed planning and analysis, this funding is no longer required. The Dynamic Adaptive Pathways Planning (DAPP) approach has been applied.
- Modelling indicated a new reservoir at Smart Road would benefit a small number of properties due to elevation constraints so would not be cost effective.

# Questions





# Other Key Financial Items



# Total Debt Comparison

Total Debt

Annual Plan  
2026/27

**\$523m**

LTP  
Yr 3 (2026/27)

**\$503m**

External debt (PRIP)

**(\$36m)**

**(\$16m)**

Development contribution timing

**(\$10m)**

-

NPDC Debt

**\$477m**

**\$487m**

Note: Approximately half of NPDC debt relates to Water Services

# Debt Movement 2026/27



Rates funded repayments for opening debt balance only	(\$14m)
General projects	\$33m
Transport projects	\$18m
Stormwater projects	\$6m
Water and Wastewater projects	\$22m
Growth projects	\$12m
Development contributions revenue	(\$5m)
<b>Debt movement</b>	<b>\$72m</b>

# Fees and Charges 2026/27

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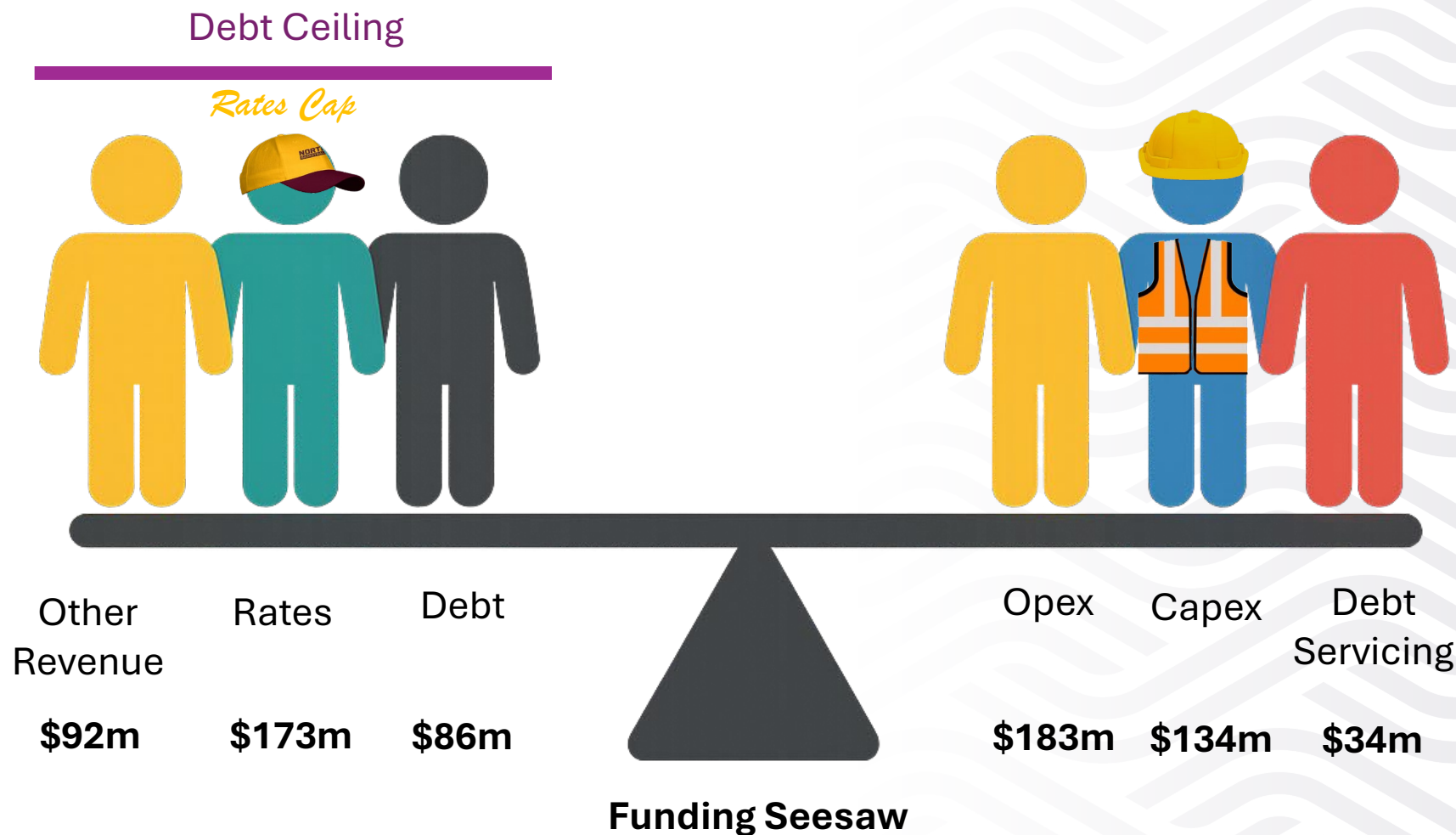


- Inflation applied at 2.8% on majority of fees and charges
- Some other minor updates to fees and charges – not considered to be significant or material
- Parking and Sorting Depot fee changes may eventuate early 2026
- Draft Schedule of Fees and Charges considered at 18 February Council Meeting with adoption in May

A comprehensive review of all fees and charges will be carried out as part of the Long-Term Plan 2027-2037, with public consultation occurring concurrently with the LTP process.

Significant fee increases may require changes to be considered and incorporated into the Revenue and Financing Policy review.

# Annual Plan Balanced Budget





# Questions





# Assumption Options for Decision and Next Steps

# Assumption Options for Decision

Council Meeting 18 February 2026

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- Pause Winter Festival of Lights (June 2027 event) - \$450k
- Sustainable Lifestyle Capital Reserve top up (pause contribution for one year) - \$750k
- Sorting Depot (not included in budget currently) - \$1.7m
- NZ Transport Agency shortfall funding - \$2.3m

# Next steps

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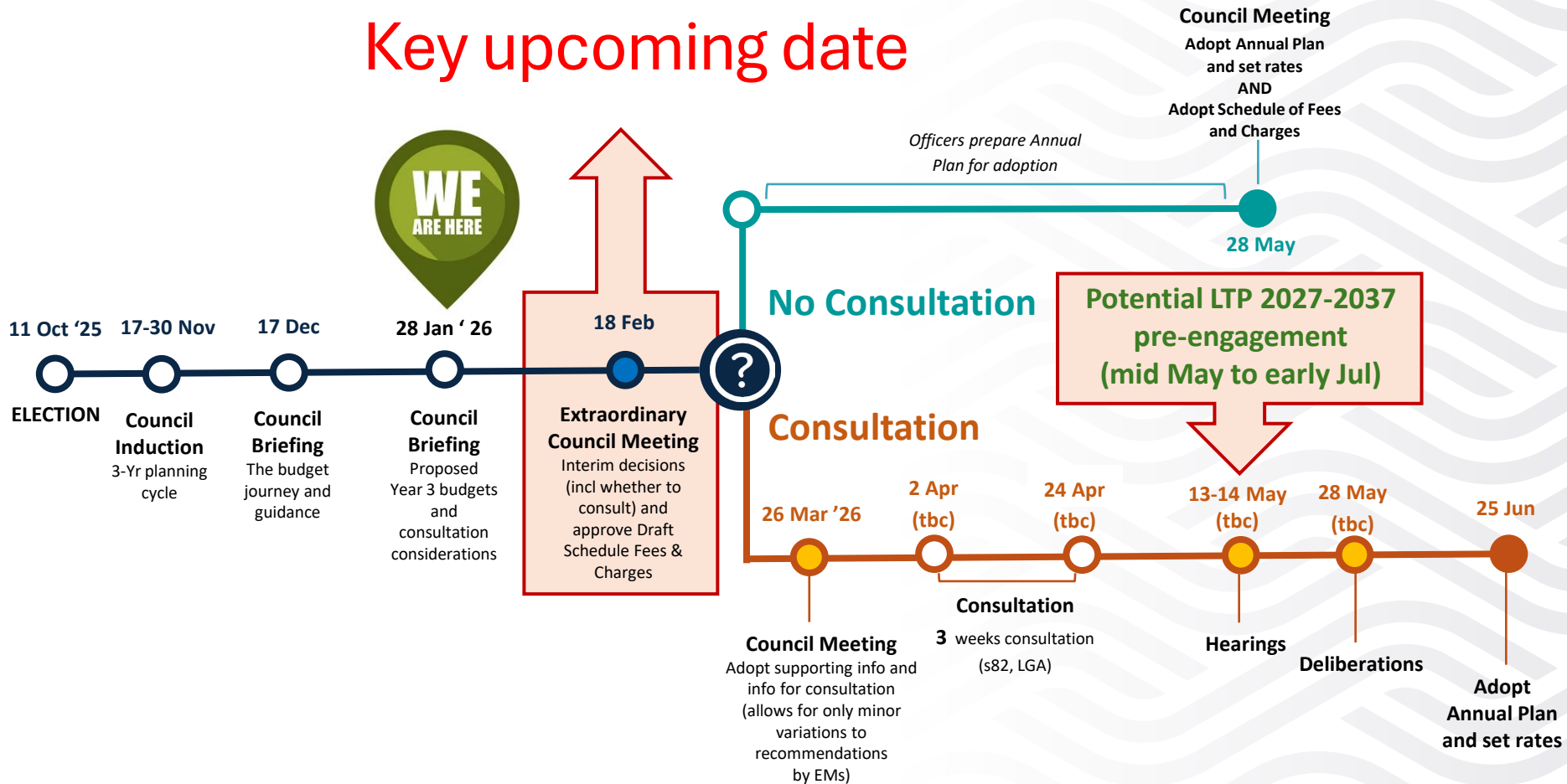
## **18 February – Extraordinary Council Meeting**

1. Future Options for the Sorting Depot, Commercial Waste Sorting Facility
2. Draft Schedule of Fees and Charges 2026/27
3. Key Annual Plan 2026/27 Elected Member decisions
  - Appendices:
    - Changes to operating and capital expenditure
    - Draft Council Services Funding Impact Statements
    - Draft Financial Information

# Governance Annual Plan 2026/27

## Timeline

Key upcoming date



# Appendices

1. Notable Adjustments
2. Capex Project Changes

# **Appendix 1**

## **Notable Adjustments**



# Revenue

Group	Team		Increase/ (Reduction) \$
Delivery & Enablement	Consents & Regulatory	Align revenue with current	125,000
Finance & Planning	Finance	Management of Investments – PIF release	441,000
Operational Excellence	Property	Civic Centre vacancy and Metro Plaza demolition	(76,000)
Operational Excellence	Property – Parking	Budget correction	(230,000)
Operational Excellence	Transport – Parking	On street occupancy	(375,000)
Operational Excellence	Property (Parking)	Leased car parks	70,000

# Operating Expenditure

Group	Team		Increase/ (Reduction) \$
Finance & Planning	Risk & Legal	Software plus increase to external legal	120,000
Operational Excellence	All	Gas - Crematorium, Pools, Puke Ariki, Stadiums	256,000
Operational Excellence	Flood Protection	Dam related	41,000
Operational Excellence	Parks	Hydra mowing	71,000
Operational Excellence	Stormwater	CTV analysis delayed	(185,000)



# Operating Expenditure

Group	Team		Increase/ (Reduction) \$
Operational Excellence	Wastewater	Number of adjustments	(8,000)
Operational Excellence	Water	Number of adjustments	(22,000)
Te Tiriti Partnerships	Governance	Mayor and Elected Members – 5% salary and expenses increases	191,000
All Groups	All	Personnel Costs (salary increases, KiwiSaver increase)	2,700,000
CE Office	Economic Development	Venture Taranaki SOI	224,000
Delivery & Enablement	Community & Economic Development	Bell Block pool underwrite	50,000
Delivery & Enablement	PMO – ICT BT	Contractor sign-in software (H&S)	110,000
Operational Excellence	Venues & Events	Pause Winter Festival of Lights (2027)	(450,000)
Delivery & Enablement	PMO	Stormwater renewals	(2,341,544)
Finance & Planning	Finance	Rating review	150,000
Finance & Planning	Strategic Planning	Climate Action Framework	(56,000)
Finance & Planning	Strategic Planning	Climate Adaptation	(106,000)
Finance & Planning	Strategic Planning	Bylaw work to be done in-house	(38,000)

# Operating Expenditure

Group	Team		Increase/ (Reduction) \$
Finance & Planning	Strategic Planning	Reserve Management Plans	(40,000)
CE Office	People & Wellbeing	Various reductions across HR	(28,585)
CE Office	People & Wellbeing	Legal fees	(27,789)
CE Office	People & Wellbeing	Professional body memberships	(1,530)
Operational Excellence	Venues and Events	TACH operations allowance	(500,000)
Operational Excellence	Transportation/Parks	Walkway extension maintenance	(665,500)
Operational Excellence	Parks	Stadium Taranaki maintenance	89,374
Operational Excellence	Parks	Urenui and Onaero Adaptive Management Plan	(272,779)
Operational Excellence	Water Supply	Mangamahoe safety upgrades (timing)	(1,000,000)
Operational Excellence	Resource Recovery	The Junction – Public Good Operations Grants paid	(30,660)
Operational Excellence	Resource Recovery	The Junction – maintenance and operations – design	(5,000)
Delivery & Enablement	PMO	Wastewater renewals	(2,000,000)
Finance & Planning	Finance	Sustainable Lifestyle Reserve top up	(750,000)
Operational Excellence	Transportation	City Safe Business Case	220,000

# **Appendix 2**

## **Capex Project Changes**



# Year 3 (2026/27) Capex Highlights

## Increases recommended due to cashflow/phasing

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- Puketapu Growth Area infrastructure \$6.6m
- Mangati Pump Station emergency storage \$6.3m
- Tarata Road resilience programme \$3.4m
- NPWTP Lake Intake Fish Screen \$2.8m
- Puke Ariki Museum roof renewal \$2m
- Urenui network arch bridge replacement \$2.1m
- Brooklands Zoo Phases 1 & 2 combined for efficiencies (Aviary, Otter + Primates) \$1.6m
- Patterson Dam \$1.5m
- Reservoir refurbishments \$1m
- TSB Showplace – seismic strengthening and foyer update \$0.9m
- Dams Safety Regulations compliance programme \$0.8m
- Waitara Transfer Pump Station high pressure wash water system \$0.7m
- Infrastructure refresh \$0.6m
- NP Water Treatment Plant (NPWTP) river intake fish screen and upgrade \$0.5m
- Universal water metering \$0.5m
- Organic Waste Processing Facility \$0.3m
- Metroplaza Building demolition \$0.3m
- Stormwater lining and minor works \$0.3m
- Stormwater network modelling project \$0.1m
- Archives heat pumps replacement \$0.1m
- Emergency wastewater reticulation network renewals \$0.1m
- Sewer services for subdivisions in un-serviced areas \$0.1m
- Other increases to budgets (less than \$100K per project) \$0.05m

# Year 3 (2026/27) Capex Highlights

## Reductions recommended due to cashflow/phasing

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- Coastal Walkway Extension \$15.2m
- Waitara stormwater upgrades \$3.5m
- Kawaroa to Belt Road seawall \$3.4m
- Housing for the Elderly \$2.8m
- Urenui and Onaero sewer system \$2.5m
- Carrington water supply Improvements \$2.4m
- Supplementary water source \$2.2m
- Fuel switch programme \$2.4m
- Wastewater reticulation renewals budget \$2m
- Augmentation of stormwater network in Estate Grove \$2m
- TSB Stadium fire/water supply issues \$1.6m
- Parking meter renewals \$1.3m
- Smart Road reservoir \$1m
- Inglewood stormwater remediation \$0.9m
- Waitara Landfill solution \$0.9m
- Waitara wastewater overflows \$0.8m
- Resource consent renewals wastewater \$0.8m
- Inglewood wastewater overflows \$0.7m
- Transportation renewals \$0.6m
- Fitzroy Pool structure renewal \$0.5m
- Inglewood Pool accessible change room \$0.4m
- Housing for the Elderly renewals \$0.2m
- Website renewals \$0.2m
- Onaero wastewater leach field replacement \$0.2m
- TSB Stadium radiant heater replacement \$0.2m
- West Quay Pump Station \$0.2m
- Dog Park \$0.2m
- Other reductions to budgets (less than \$100K per project) \$0.4m