



AGENDA

RĀRANGI TAKE

NOTICE OF AN EXTRAORDINARY MEETING OF

COUNCIL

to be held on **Tuesday 14 June 2022 – Wednesday 15 June 2022** (shortened if required) commencing at 9.00 am in the Council Chambers, 36 Weld Street, Hokitika and via Zoom

Mayor:	His Worship the Mayor	
Members:	Cr Carruthers (Deputy Mayor and Chairperson)	Cr Davidson
	Cr Hart	Cr Hartshorne
	Cr Keogan	Cr Martin
	Cr Neale	Kw Madgwick
	Kw Tumahai	



In accordance with clause 25B of Schedule 7 of the Local Government Act 2002, members may attend the meeting by audio or audio-visual link.

Council Vision

We work with the people of Westland to grow and protect our communities, our economy and our unique natural environment.

Purpose

The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:

- (a) To enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) To promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

1. KARAKIA TĪMATANGA OPENING KARAKIA

2. NGĀ WHAKAPAAHA APOLOGIES

His Worship the Mayor.

3. WHAKAPUAKITANGA WHAIPĀNGA DECLARATIONS OF INTEREST

Members need to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to review the matters on the agenda and assess and identify where they may have a pecuniary or other conflict of interest, or where there may be a perception of a conflict of interest.

If a member feels they do have a conflict of interest, they should publicly declare that at the start of the meeting or of the relevant item of business and refrain from participating in the discussion or voting on that item. If a member thinks they may have a conflict of interest, they can seek advice from the Chief Executive or the Group Manager: Corporate Services (preferably before the meeting). It is noted that while members can seek advice the final decision as to whether a conflict exists rests with the member.

4. PŪRONGO KAIMAHI STAFF REPORTS

(Pages 4-9)

- Hearing the feedback to the Draft Annual Plan 2022/2023 will be in the open part of the meeting.
- Deliberations will be held in the Public Excluded Section of the meeting.
- Decisions will in the open part of the meeting.

**5. KA MATATAPU TE WHAKATAUNGA I TE TŪMATANUI
RESOLUTION TO GO INTO PUBLIC EXCLUDED**

(to consider and adopt confidential items)

Resolutions to exclude the public: Section 48, Local Government Official Information and Meetings Act 1987.

The general subject of the matters to be considered while the public are excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of the resolution are as follows:

Item No.	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
1.	Deliberations on Feedback to the Draft Annual Plan 2022/2023	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)

This resolution is made in reliance on sections 48(1)(a) and (d) of the Local Government Official Information and Meetings Act 1987 and the particular interests or interests protected by section 7 of that Act, which would be prejudiced by the holding of the relevant part of the proceedings of the meeting in public are as follows:

Item No.	Interest
1	Maintain the effective conduct of public affairs through— the free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any persons to whom section 2(5) applies, in the course of their duty; Section 7(2)(f)

**DATE OF NEXT ORDINARY COUNCIL MEETING – 23 JUNE 2022
COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA AND VIA ZOOM**

Report to Council



DATE: 14 June 2022

TO: Mayor and Councillors

FROM: Strategy and Communications Advisor

Hearing, deliberation and decisions on feedback to the Draft Annual Plan 2022/2023

1. Summary

- 1.1. The purpose of this report is to receive and hear feedback from the community on the proposals in the draft Annual Plan 2022/2023 (draft Annual Plan), deliberate on the feedback and make decisions for the final Annual Plan 2022/2023.
- 1.2. This issue arises from the requirements of s 82 of the Local Government Act 2002 (LGA). Council resolved to provide the public with an opportunity to provide feedback on the draft Annual Plan and to present their views to the local authority. Elected members must receive the feedback with an open mind and give it due consideration when making any decisions.
- 1.3. Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in June 2021, which are set out in the Long Term Plan 2021 - 31. Refer page 2 of the agenda.
- 1.4. This report concludes by recommending that Council receive and hear the feedback on the draft Annual Plan, consider the feedback, make decisions on any changes to the draft Annual Plan and direct the CE to make those changes for the final Annual Plan.

2. Background

- 2.1. Council agreed to seek public feedback on the draft Annual Plan at its meeting on 5 May 2022.
- 2.2. The feedback document presented the proposed changes to the Long Term Plan (LTP) for year 2 as identified through the budgeting processes and new projects required by elected members and to meet legislative requirements.
- 2.3. Public feedback commenced on 6 May 2022 and closed on 6 June 2022 (32 days).

3. Current Situation

- 3.1. Council received 127 unique items of feedback. However, three items were rejected. One was received outside the closing date, one was a Covid-19 manifesto that had nothing to do with Council's draft Annual Plan and one referred elected members to a petition from 2020 about the Pakiwaitara consultation.

12 submitters requested to speak to the hearing.

- 3.2. A summary of the feedback received is attached as Appendix 2 – Annual Plan 2022/2023 Feedback Analysis. Thirty different topics were identified in the analysis. The full feedback is attached as Appendix 3.
- 3.3. The major concern of the feedback was the affordability of the 12.5% rate increase. 111 submissions referred to affordability. Feedback suggested focussing on maintenance and core services rather than ambitious projects, reducing costs, seeking external funding and questioned the amount of services for smaller rural areas compared to Hokitika.
 - 3.3.1. Core services are no longer defined in the Local Government Act (the Act). These were replaced by s 10 in 2019 by the Local Government (Community Well-being) Amendment Act 2019. Section 10(1)(b) defines the purpose of local government “to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.” The four well-beings are left open to interpretation and there is no recent case law defining them. Elected members will need to judge if reducing the rate increase will allow Council to meet its obligations under the Act.
 - 3.3.2. Other parts of the Act provide some guidance about what ‘core services’ for community well-being could be:
 - 3.3.2.1. Part 7 of the Act provides specific obligations for local authorities, including assessments of three waters and to ensure communities have access to safe drinking water.
 - 3.3.2.2. Part 8 provides regulatory and enforcement powers for territorial authorities including alcohol control, Building Act, and the Food Act.
 - 3.3.2.3. Section 197 defines community facilities as reserves, network infrastructure (roads and other transport, water, wastewater, and stormwater collection and management), or community infrastructure (land or development assets on land owned or controlled by the territorial authority for the purpose of providing public amenities).
 - 3.3.3. Elected members should consider that depreciation of most assets is funded through rates each year. As asset values increase with non-core projects then Council’s depreciation also increases, which adds to ratepayer costs in the future.
- 3.4. Thirty submitters were concerned with the planned Pakiwaitara building cost and some sought to see the business case behind the purchase.
- 3.5. Tourism signage received 19 submissions with the majority noting that they disagreed with the spending on these.
- 3.6. Submitters had concerns about some of the proposed fees and charges, including cemetery fees, transfer station fees and resource management fees. Twenty one submissions were received on this topic.
- 3.7. Fifteen submitters disagreed with the proposed costs for Capital Works and Township Development. One submitter suggested using unused green areas to plant native trees.
- 3.8. The following table provides an analysis of the proposed changes in the draft Annual Plan that Council has some control over and where potential cost-savings could occur. Elected members can also consider other services and projects from the LTP:

Operational			Capital Expenditure		
<i>Has a significant effect on rates</i>			<i>Has a minor effect on rates</i>		
Activity	Cost	Comment	New Projects (not included in LTP)	Cost	Comment
Remuneration	\$189,802	Elected members could require staff to review staffing and recruitment.	Tourism Signage	\$75,000	Elected members could consider if the project is necessary. Would help economic recovery and falls within economic wellbeing.
Repairs and maintenance	\$338,331	Council is constrained by current costs for materials and contractors. Elected members could require staff to review if all proposed R&M is necessary however delay would push R&M costs into future years.	Entrance Banners	\$45,000	Elected members could consider if the project is necessary. Would help economic recovery and falls within economic wellbeing.
Parks and reserves	\$40,949	Elected members could consider if additional maintenance and beautification is required.	West Coast Wilderness Trail wet weather route.	\$139,000	Elected members could consider if the project is necessary. Improves health and safety on the trail and provides economic benefits.
West Coast Wilderness Trail	\$65,630	Maintenance of the trail is imperative. The cost of the management contract has been negotiated.	Hokitika Heritage Park infrastructure utilities	\$80,000	Elected members could consider if the project is necessary. Improves the asset for future generations.

Operational			Capital Expenditure		
<i>Has a significant effect on rates</i>			<i>Has minor a effect on rates</i>		
Activity	Cost	Comment	New Projects (not included in LTP)	Cost	Comment
Township Development	\$86,612	This includes berm mowing and kerb upgrades. Elected members could consider if these are required.	Drinking water monitoring equipment	\$900,000	Benefits all communities and is required to meet new legislative requirements.
Drinking Water	\$219,213	Costs related to meeting legislative requirements. There was no community feedback on this.	Chlorination	\$125,000	Benefits all communities and is required to meet new legislative requirements.
Wastewater	\$43,987	Condition assessments have been required by auditors and improved asset condition knowledge will likely reduce costs in the future.			
Stormwater	\$48,574	Condition assessments have been required by auditors and improved asset condition knowledge will likely reduce costs in the future.			

4. Options

4.1. Option 1: Do not hear and consider feedback on the Draft Annual Plan 2022/2023.

4.2. Option 2: Hearings.

4.2.1. Receive the written feedback and hear the verbal feedback.

4.2.2. Consider and deliberate on the feedback.

4.2.3. Make decisions on any changes to the draft Annual Plan and direct the CE to make those changes for the final Annual Plan.

5. Risk Analysis

5.1. Risk has been considered and the following risks have been identified;

- Reputational risk:
 - Council adopted the LTP in June 2021. In the plan Council agreed to a 12.5% rate increase in year two for reasons including but not limited to:
 - The flow-on effect of the rate freeze in the 2020/2021 year, under which Council committed to higher rate increases in the future.
 - To maintain existing levels of service and complete projects required for three waters, land transport and solid waste.
 - Council's LTP commitment to very low rate increases from years 4 - 10 of the plan (ranging between 1.2% – 3.5%) is at risk from continued rate smoothing with increases being pushed into subsequent years of the plan.

If elected members amend the rate increase they could be seen as not upholding their commitment to the community to follow the LTP.

- Financial risk:
 - If Council further smooths rates over forthcoming years and is forced to take out short-term loans to fund operational activities, its ability to borrow long term from the Local Government Funding Agency could be put at risk due to the covenants around lending limits. As Council no longer has pensioner housing on the balance sheet it could come close to breaching liquidity limits, especially if the three waters assets are removed.
 - Council risks increasing interest payments from short-term loans (at a time when interest rates are increasing) if rate smoothing requires loans to fund operating activities.
 - Reducing rate increases now by smoothing rates guarantees higher than forecast rate increases in the future.
- Fatigue: This has been reduced by scheduling regular breaks.
- Threats to staff / councillors / members of the public: Anyone considered to exhibit threatening behaviour will be asked to leave.

6. Health and Safety

6.1. Health and Safety has been considered and the following items have been identified;

- These are the same as the fatigue and threats risks identified above.
- Evacuation in an emergency – Emergency exits have been noted at the beginning of the meeting by the Chair.

7. Significance and Engagement

7.1. The level of significance has been assessed as being medium under Council’s Significance and Engagement Policy. The rate increase was the same as indicated for year two of the LTP but community interest remains high.

7.2. Public engagement was undertaken under s 78 LGA from 6 May – 6 June 2022. This was advertised on Council’s website, Facebook page, in Westland Matters, in the Hokitika Guardian and Greymouth Star, at the Council Customer Service desk, at the Westland District Library and community halls.

8. Assessment of Options (including Financial Considerations)

8.1. Option 1: Council has an obligation to hear and consider the feedback. To do nothing would breach Council’s obligations under the Act.

8.2. Option 2: Hearings are an important part of community consultation and engagement. Council needs to understand the community’s view on the proposals in the draft Annual Plan. Elected members should listen to the community’s views and deliberate on the feedback received. Any decisions to make changes to the draft Annual Plan should be communicated to the CE to make the changes for the final Annual Plan.

8.3. There are no financial implications to carrying out a hearing.

9. Preferred Option(s) and Reasons

9.1. The preferred option is Option 2.

9.1.1. Hear submissions.

9.1.2. Consider and deliberate on the feedback.

9.1.3. Make decisions on any changes to the draft Annual Plan and direct the CE to make those changes for the final Annual Plan.

9.1.3.1. Staff have provided analysis of the written feedback and Council will hear feedback from 12 submitters. Elected members should consider this with open minds and direct the CE to make any changes they believe will be in the best interests of the community now and in the future.

10. Recommendation(s)

10.1. That Council receive the report.

10.2. That Council hear and receive the written and verbal feedback.

10.3. That Council deliberates on the feedback to the Draft Annual plan 2022/2023 in the open part of the meeting.

10.4. That the CE be instructed to make the necessary amendments to the Draft Annual Plan 2022/2023 and present the draft Final Annual Plan 2022/2023 to a Council Meeting before 30 June 2022 for adoption.

Emma Rae
Strategy and Communications Advisor

Appendix 1: Table of Submitters

Appendix 2: Submission analysis

Appendix 3: Submissions