

AGENDA

RĀRANGI TAKE

NOTICE OF AN EXTRAORDINARY MEETING OF

COUNCIL

FURTHER DELIBERATIONS ON THE DRAFT ANNUAL PLAN

to be held on **Wednesday 5 June 2024** commencing at **2.00 pm**
in the Council Chambers, 36 Weld Street, Hokitika and via Zoom



Chairperson:	Her Worship the Mayor
Deputy Mayor & Southern Ward Member:	Cr Cassin
Northern Ward Members:	Cr Neale, Cr Burden, Cr Phelps
Hokitika Ward Members:	Cr Baird, Cr Davidson, Cr Gillett
Southern Ward Members:	Cr Manera
Iwi Representatives:	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

<i>Kia hora te marino Kia whakapapa pounamu te moana Hei hurahai mā tātou I te rangi nei Aroha atu, aroha mai Tātou i a tātou katoa Hui e! Tāiki e!</i>	<i>May peace be widespread May the sea be like greenstone A pathway for us all this day Give love, received love Let us show respect for each other Bind us all together!</i>
---	---

2. NGĀ WHAKAPAAHA APOLOGIES

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 Risk and Assurance (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

- **Further Deliberations on the Draft Annual Plan**
Emma Rae, Strategy and Communications Advisor and Lynley Truman, Finance Manager

**DATE OF NEXT ORDINARY COUNCIL MEETING – 27 JUNE 2024
COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA AND VIA ZOOM**

Report to Council



DATE: 5 June 2024

TO: Mayor and Councillors

FROM: Strategy and Communications Advisor, and Finance Manager

Further Deliberations on the Draft Annual Plan

1. Summary

- 1.1. The purpose of this report is to decide on matters raised at the Council Draft Annual Plan 2024/2025 workshop on 30 May 2024 regarding the Land Transport Levels of Service.
- 1.2. This issue arises from the information provided to Council at the Draft Annual Plan 2024/2025 workshop on 30 May 2024.
- 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 - 2031. Refer page 2 of the agenda.
- 1.4. This report concludes by recommending that Council direct staff on their preferred option for Land Transport Levels of Service to be included in the Annual Plan 2024/2025, and to update the financials and documentation accordingly.

2. Background

- 2.1. The reason the report has come before the Council is due to the need for Council to decide on their preferred option for Land Transport Levels of Service to be included in the Annual Plan for 2024/2025.
- 2.2. During the Annual Plan Hearing held on 15 May 2024, the Council resolved to 'preserve the assets', which was option 4 of the five options in the Consultation Document to the draft Annual Plan 2024/2025.
- 2.3. Following the hearing, staff updated the forecast 2024/2025 budget and rates to include the Council's decisions. The Council were advised of the changes to the forecasts and asked for further information. Staff and Elected Members held a workshop on 30 May 2024 to review the financial information, and the impact of the differences in operational and capital expenditure of option 3 and option 4 on the Land Transport activity.
- 2.4. Staff presented the following information regarding the Land Transport budget at the workshop:

TRANSPORT OPERATIONAL BUDGET (excluding activities with no budget change)			
	Original AP Option 3	AP amended Option 4	Increase
112 - Unsealed pavement maintenance	\$280,000	\$324,500	\$44,500
114 - Structures maintenance	\$565,000	\$665,000	\$100,000
121 - Environmental maintenance	\$340,000	\$381,996	\$41,996
122 - Network services maintenance	\$250,000	\$300,000	\$50,000
140 - Minor events	\$150,000	\$300,000	\$150,000
151 - Network and asset management	\$761,463	\$1,095,396	\$333,933
Subsidies from NZTA	(\$3,458,681)	(\$3,706,038)	-\$247,357
			\$473,072

	Additional/ Reinstated Costs	2023/24 AP	%age increase
General Rate	\$473,072	\$11,261,176	4.2%

Impact on Total Rates	\$473,072	\$19,526,177	2.4%
-----------------------	-----------	--------------	-------------

TRANSPORT CAPITAL BUDGET			
	Original AP Option 3	AP amended Option 4	Increase
211 - Unsealed road metalling	\$212,400	\$212,400	-
212 - Sealed road resurfacing	\$1,547,908	\$1,547,908	-
213 - Drainage renewals	\$250,445	\$250,445	-
214 - Sealed road pavement rehabilitation	\$200,000	\$310,000	\$110,000
215 - Structures component replacements	\$1,750,000	\$1,750,000	-
222 - Traffic services renewals	\$165,221	\$165,221	-
225 - Footpath renewals	\$100,000	\$100,000	-
341 - Low cost / low risk improvements	\$700,000	\$700,000	-
	\$4,925,974	\$5,035,974	\$110,000

No impact on rates in 2024/2025 year.

2.5. The Council has submitted a bid to the NZTA for funding for the work programme from 2024 – 2027. Approval of the bid is still pending, and staff understand that the funding amount is likely to be closer to the funding required for Option 3 than Option 4. If more funding is received than is required in a single year, this can be carried forward to the following year.

3. Current Situation

3.1. The current situation is that the Council need to confirm if they wish to continue with Option 4 ‘preserve the assets’, or reinstate Option 3 ‘do the minimum’, based on the information made available during the workshop.

4. Options

- 4.1. Option 1: The Council resolves to continue to include the funding required for Option 4 'preserve the assets' in the Annual Plan 2024/2025.
- 4.2. Option 2: The Council resolves to include the funding required for Option 3 'do the minimum' in the Annual Plan 2024/2025.

5. Risk Analysis

- 5.1. Risk has been considered and the following risks have been identified:
 - 5.1.1. Reputational risk: If Council chooses to fund a level of service that they cannot fulfil. There is also a risk of further ratepayer backlash if the rate increase is perceived to be too high.
 - 5.1.2. Financial risk: There is a risk of increased occurrences of unpaid rates if the rate increase is perceived to be too high or is unaffordable.

6. Health and Safety

- 6.1. Health and Safety has been considered and no items have been identified.

7. Significance and Engagement

- 7.1. The level of significance has been assessed as being medium. The Annual Plan directs Council's budget for the financial year and allows Council to strike rates. Community interest in the content of the Annual Plan and the activities of Council is high.
- 7.2. Public consultation was undertaken in April 2024 and the Council held its hearing on 15 May 2024. Based on the information available for Land Transport Levels of Service in the Consultation Document, 10% (5 / 50 submitters) of submissions preferred Option 3; 38% (19 / 50 submitters) preferred Option 4.

8. Assessment of Options (including Financial Considerations)

- 8.1. Option 1 – The Council resolves to continue to include the funding required for Option 4 'preserve the assets' in the Annual Plan 2024/2025. This option provides an appropriate programme to ensure that the assets are maintained to the end of their expected useful life.
 - 8.1.1. The following financial implications have been identified.
 - 8.1.1.1. The operating costs will increase by \$473,072, which is a further increase of 2.4% in the general rate.
 - 8.1.1.2. Funding at the required level from NZTA is not yet secured and may not be enough to fund this level of service.
- 8.2. Option 2 – The Council resolves to include the funding required for Option 3 'do the minimum' in the Annual Plan 2024/2025. Under this option maintenance will be focussed on parts of the network that are more widely used.
 - 8.2.1. The following financial implications have been identified.
 - 8.2.1.1. There is no change to the funding already included in the Draft Annual Plan 2024/2025.
 - 8.2.1.2. Funding at the required level from NZTA is not yet secured and may be more than is required to fund this option.

9. Preferred Option(s) and Reasons

9.1. Staff ask that the Council direct them on their preferred option.

10. Recommendation(s)

10.1. That the report be received.

10.2. That Council direct staff on their preferred option for Land Transport Levels of Service to be included in the Annual Plan 2024/2025 and to update the financials and documentation accordingly.

Emma Rae
Strategy and Communications Advisor

Lynley Truman
Finance Manager