

AGENDA

RĀRANGI TAKE

NOTICE OF AN ORDINARY MEETING OF

COUNCIL

to be held on **Thursday, 22 October 2020** commencing at **1.00pm** in the Council Chambers, 36 Weld Street, Hokitika and via Zoom

Chairperson: His Worship the Mayor Members: Cr Carruthers (Deputy) Cr Hart Cr Kennedy Cr Martin Kw Tumahai

Cr Davidson Cr Hartshorne Cr Keogan Cr Neale Kw Madgwick



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

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. NGĀ TAKE WHAWHATI TATA KĀORE I TE RĀRANGI TAKE URGENT ITEMS NOT ON THE AGENDA

Section 46A of the Local Government Official Information and Meetings Act 1987 states:

(7) An item that is not on the agenda for a meeting may be dealt with at the meeting if

(a) the local authority by resolution so decides, and

(b) the presiding member explains at the meeting at a time when it is open to the public, -

(i) the reason why the item is not on the agenda; and

(ii) the reason why the discussion of the item cannot be delayed until a subsequent meeting.

(7A) Where an item is not on the agenda for a meeting, -

(a) that item may be discussed at the meeting if -

(i) that item is a minor matter relating to the general business of the local authority; and

(ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but(b) No resolution, decision, or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.

5. NGĀ MENETI O TE HUI KAUNIHERA MINUTES OF MEETINGS

Minutes circulated separately via Microsoft Teams.

- Ordinary Council Meeting Minutes 24 September 2020
- Extraordinary Council Meeting Minutes 28 September 2020
- 6. ACTION LIST (Pages 6 7)

7. NGĀ TĀPAETANGA PRESENTATIONS

• West Coast Spaces and Places Plan Verbal Update Jack O'Connor, Manager, Canterbury-West Coast Sports Trust

8. PŪRONGO KAIMAHI STAFF REPORTS

- **Projects And Carry Forwards To 2020-21_-** (Pages 8 14) Lesley Crichton, Group Manager: Corporate Services
- Hokitika and Kaniere Resilience Project WDC Contribution (Pages 15 – 19) Simon Bastion, Chief Executive
- Franz Josef Flood Protection Infrastructure Enhancement WDC Contribution - (Pages 20 - 25) Simon Bastion, Chief Executive

9. 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.	Confidential Minutes – Council Meeting, 24 September 2020	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 or withholding exists. Section 48(1)(a)
2.	Confidential Minutes – Extraordinary Council Meeting: LTP Submission Hearing, 28 September 2020	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 or withholding exists. Section 48(1)(a)
3.	Community Group Rates.	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 or 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
1,2,3	Protect the privacy of natural persons, including that of deceased natural persons (Section 7(2)(a))
2	Protect information where the making available of the information: (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information (Section 7(2)(b)(ii)).
2	Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information (i) would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied; (Section 7(2)(c)(i)).
2	Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities (Section 7(2)(h))
2	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (Section 7(2)(i))

DATE OF NEXT ORDINARY COUNCIL MEETING – 26 NOVEMBER 2020 COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA AND VIA ZOOM

		Council Meetings - A	ction List		
Date of Meeting	Item	Action	Completion Date/Target Date	Officer	Status
28.06.18	Kaniere School Students – Cycle trail	Council staff to get back to the Kaniere School Students regarding the proposal.	Oct 2020	DA	The signs for this crossing are currently in Transit and expected to be delivered within the next 3-4 weeks. On the location of the crossing itself, this has been specifically situated to provide the correct level of advanced warning while also achieving optimum advanced sign visibility to all motorists. Relocation of this crossing closer to the bridge intersection would compromise the effectiveness and safety of this setup. The crossing has been primarily provided for school children both on foot and on bikes.
04.04.19	Speed Limits	Extension of some limits and open conversation with road users on suitable speed limits.	Oct 2020	DA	Public consultation to formally adopting any speed limit changes into the revised bylaw to follow the LTP consultation is currently underway and submissions to be reviewed for an extraordinary meeting on the 16 th November. The information has also been issued to the mandatory agencies (Police, NZTA, AA, Road Transport Association, DHB)
18.04.19	Transfer of Pensioner Housing to Destination Westland	Strategy Document to be developed with a working group.	May 2020	CE	Consultant appointed and work underway. Target to report back to the Economic development Committee on the 29 th Oct.
25.07.19	Carnegie Building Project	The CE to seek additional external funding to minimise or eliminate the Council additional funding commitment.	On going	CE	Applications lodged with Lotteries and Regional Culture and Heritage Fund completed. A report to the Capital Projects and Tenders committee on 12 May 2020 resolved to hold any further works until funding application decisions.

Council Mostings - Action List

Date of Meeting	Item	Action	Completion Date/Target Date	Officer	Status
					Lotteries have declined our application – still awaiting confirmation from Culture & Heritage Fund.
22.08.19	Fox Landfill	Council support staff in progressing their investigations into the engineering methodology, financial implications and funding mechanisms of the long-term options.	Sept 2020	GM DA	The PGF Funding application is supporting the relocation of the landfill material to Butlers Landfill plus funding to do a final sweep of Fox River for any visible remaining material has been successful. Glacier Guides has been contracted to complete the river clean up. Consent applications for Butlers Cell construction and Fox landfill works are in progress. Landfill excavation works and material transfer tender is being developed for a select tender process commencing early November.
28.11.19	Iwi representation around the Council table	Mayor to write to the Minister of Local Government seeking advice.	In progress	Mayor & CE	Response received from DIA. Further discussions to be completed on next steps.
27.08.20	Kaniere School Students – Cycle trail	Plan to be sent to Council. 24.09.20 – After discussion, Council requested the CE to review the plan to ensure all aspects/concerns raised have been covered.	Sept 2020	CE	Plans made available to council. Location of the crossing has been confirmed by district assets as the safest location.



Report

DATE: 22 October 2020

TO: Mayor and Councillors

FROM: Group Manager: Corporate Services

PROJECTS AND CARRY FORWARDS TO 2020-21

1 SUMMARY

- 1.1 The purpose of this report is to seek Council approval for the carry forward of funding for projects and expenditure that were scheduled from previous financial years, but were not completed by 30 June 2020.
- 1.2 This issue arises because Council is accountable for the application of its revenues and other funding sources to service levels and infrastructure in accordance with its Long Term Plan 2018-28.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2018-28. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council approves the carry forward of funds for the projects and expenditure itemised in **Appendix 1** to the financial year 30 June 2021.

2 BACKGROUND

- 2.1 Council approves its annual budget based on planned levels of service and capital works for the financial year.
- 2.2 It is common that certain undertakings will be partially complete and included as Work In Progress at year end, committed but not started or deferred as at the end of the financial year.
- 2.3 These items will appear as favourable variances in the financial year 2019-20 in which their funding was recognised as revenue, or where debt was planned to be drawn.

- 2.4 Council has an obligation to deliver on its commitments, but where projects and expenditure are carried forward, they will be reported as adverse variances against the budget for the financial year in which they are completed.
- 2.5 Typically, the types of items carried forward are:
 - 2.5.1 Capital projects partially completed.
 - 2.5.2 Projects funded by third parties.
 - 2.5.3 Long-term operational projects.
 - 2.5.4 Activities whose frequency is less than annual but for which the funding is phased evenly over more than one financial year.

3 CURRENT SITUATION

- 3.1 Council is expecting to report a favourable variance in its external debt position for the year ended 30 June 2020. This in part relates to the non-completion of the items proposed for carry forward in **Appendix 1**. Other reasons relate to receiving grant funding or rescoping of projects into the next Annual Plan.
- 3.2 As debt is not budgeted to be drawn down at the end of the financial year, repayments and interest is not rated until the following year, therefore rates are not impacted by non-completion of loan funded projects. When completing the budgets for the following year, state of completion of projects is estimated in order to determine whether depreciation should be rated. Depreciation that has been charged and rated on a project that is not completed is held in reserve for future use.
- 3.3 Any variances against Council's operating budget will be addressed in the Annual Report for the year ending 30 June 2020. However, the funds proposed for future allocation will be included in these variances.
- 3.4 The amounts proposed to be carried forward are estimated by deducting expenditure to date from the original budget and adjusted by any known variations; as advised by activity managers.
- 3.5 Where projects have been cancelled or superseded in the budget for 2020-21, they have been excluded from the carry forward schedule.
- 3.6 Council has previously expressed concern regarding the backlog of projects, the exposure to unrealistic commitments and the consequential reputational risk.

- 3.7 The proposed carry forward schedule attached as **Appendix 1**, has been drafted after consideration of these commitments alongside those included in the Annual Plan 2020-21.
- 3.8 Progress on completion of these items will be communicated through Council's monthly financial report during 2020-21, and the Capital Projects and Tenders Committee.

4 **OPTIONS**

- 4.1 **Option 1** Approve the carry forward of items contained in **Appendix 1** to the financial year 2020-21, and the future allocation of funds until they can be expended in accordance with the relevant conditions.
- 4.2 **Option 2** Approve amended schedule, adding or deleting items.
- 4.3 **Option 3** Reject all carry forwards.

5 SIGNIFICANCE AND ENGAGEMENT

- 5.1 In accordance with Council's policy, this matter is of low significance; insofar as it relates to existing circumstances that have been reported throughout the financial year, and any decision will not materially impact on levels of service, strategic assets or funding arrangements.
- 5.2 Most of these items were consulted on when they were included in the Long Term Plan 2018-28, or previous annual plans. There are also some less material projects that were not consulted on with the community, but have been funded to a high degree externally. Some communities may consider a project important to them and be disappointed if a project is not carried forward.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

6.1 **Option 1** will generate adverse operating variances and additional debt requirements in the financial year 2020-21. However, these are merely the inversion of favourable variances in 2019-20, and are therefore essentially timing differences. Option 1 is financially prudent because it ensures that Council's revenues and funding sources are applied to their intended purposes. It would also meet community expectations as Council will deliver on its commitments undertaken in the Long Term Plan 2018-28 and subsequent Annual Plans.

- 6.2 **Option 2** would invoke some departures from the Long-Term Plan 2019-28 and may cause some adverse community reaction. This may be appropriate if Council determines that alternative applications of these funds are more prudent or of higher priority, or that the requirements have substantially changed.
- 6.3 **Option 3** would mean that some commitments made by Council in adopting the Long Term Plan 2018-28 are not fulfilled. In addition to potential adverse community reaction, this would not be financially prudent, particularly because some of the expenditure associated with these items was included in the rates calculation for 2019-20. The adverse variances described in 6.1 would be avoided.

7 PREFERRED OPTION AND REASONS

7.1 The preferred option is Option 1 - Approve the carry forward of items contained in **Appendix 1** to the financial year 2020-21, and the future allocation of funds until they can be expended in accordance with the relevant conditions. This will demonstrate Council's resolve to deliver on its commitments and will ensure that revenues and other sources of funds are applied to their intended purposes.

8 **RECOMMENDATIONS**

A) <u>**THAT</u>** Council approves the carry forward to financial year 2020-21 of funds totalling \$5,418,652 for the projects and expenditure itemised in **Appendix 1**.</u>

Lesley Crichton Group Manager: Corporate Services

Appendix 1: Proposed carry forward schedule 2020-21

WESTLAND DISTRICT COUNCIL CAPITAL EXPENDITURE 2019-2020 PROJECTS							Appendix 1
				Carryover for			
		Annual Plan	Expenditure	approval	Funding	FIS Type	Finance notes
Community Services							
eadership							
nformation Management - DMS - operational project	2019-2020	153,750	65,828	87,922	Depreciation	to replace existing assets	
IT Equipment renewals	2019-2020	110,725	58,915	51,810	Depreciation	to replace existing assets	
Total Leadership		264,475	124,743	139,732			
eisure Services & Facilities							
Reserves - Cass Square - Rubber matting	2019-2020	20,500		20,500	Depreciation	to replace existing assets	
eserves - Hokitika dog park	2019-2020	10,250		10,250	Reserves	to improve level of service	
Reserves - Waterfront development	2019-2020	102,500	78,419	24,081	Reserves	to improve level of service	
Buildings - Hari Hari house	2019-2020	15,375	4,704	10,671	Depreciation	to replace existing assets	
ivil Defence - Emergency Operations Centre	2019-2020	205,000		205,000	Loan Funding	to improve level of service	
otal Leisure Services & Facilities		353,625	83,123	270,502	0		
			,	.,			
tormwater							
łokitika - Pump upgrade (Tancred)	2019-2020	200,000	83,576	116,424	Loan Funding	to improve level of service	
lokitika - Pump upgrade (Rolleston)	2019-2020	327,500	-	327,500	Loan Funding	to improve level of service	
łokitika - Pump upgrade (Hoffman)	2019-2020	767,500	-	767,500	Loan Funding	to improve level of service	
łokitika - Pump upgrade (Livingstone)	2019-2020	61,500	3,733	57,767	Loan Funding	to improve level of service	
Realignment Beach St	2019-2020	205,000	-	205,000	Loan Funding	to improve level of service	
łokitika - Mains upgrade	2019-2020	10,250	2,534	7,716	Loan Funding	to meet additional demand	
otal Stormwater		1,571,750	89,843	1,481,907			
Nastewater							
łokitika - WWTP upgrade	2019-2020	885,000	48,282	836,718	Loan Funding	to improve level of service	
lokitika - Mains upgrade programme	2019-2020	61,500	19,948	41,552	Depreciation	to replace existing assets	
ranz Josef - Mains upgrade	2019-2020	307,500	134,793	172,707	Depreciation	to improve level of service	
ox Glacier - WWTP upgrade	2019-2020	102,500	-	102,500	Loan Funding	to improve level of service	
otal Wastewater		1,356,500	203,023	1,153,477			
Vater Supply							
ieneral - Treatment Components upgrade	2019-2020	45,000	29,681	15,319	Depreciation	to replace existing assets	
General - Disinfection upgrades	2019-2020	71,244		71,244	Loan Funding	to improve level of service	
Seneral - Telemetry	2019-2020	70,997	4,986	66,011	Loan Funding	to improve level of service	
vrahura - Water Treatment Plant	2019-2020	265,000	-,500	265,000	Loan Funding	to improve level of service	
lokitika - Mains upgrade programme	2019-2020	256,250	58,397	197,853	Depreciation	to replace existing assets	
lokitika - Seismic Valve	2019-2020	30,750	-	30,750	Loan Funding	to improve level of service	
łokitika - Pressure valve upgrade	2019-2020	15,375	-	15,375	Depreciation	to replace existing assets	
lokitika - Water meter replacements	2019-2020	142,250	90,865	51,385	Depreciation	to replace existing assets	
Ross - Mains upgrade programme	2019-2020	109,200	-	109,200	Depreciation	to replace existing assets	
ari Hari - Seismic valves	2019-2020	30,750	-	30,750	Loan Funding	to improve level of service	
lari Hari - Mains upgrade programme	2019-2020	184,500	9,558	174,942	Depreciation	to replace existing assets	
ranz Josef - Seismic valves	2019-2020	30,750	8,020	22,730	Loan Funding	to improve level of service	
Total Water Supply		1,252,066	201,506	1,050,560			
Total 2019-2020 Project Capital Expenditure		4,798,416	702,238	4,096,178			

CAPITAL EXPENDITURE 2019-2020 CARRYOVERS

0	iginal Budget Year	Approved Amount	Expenditure			Funding	FIS Type
Community Services							
Franz Josef Urban Revitalisation Plan	2015-2016	100,000	-	100,000	Reserves	to improve level of service	
Township Maintenance - Fox Rubbish Bins	2017-2018	3,000	-	3,000	Depreciation	to meet additional demand	
Township Maintenance - Haast Rubbish Bins	2017-2018	2,000	1,340	660	Depreciation	to meet additional demand	
Total Community Services		105,000	1,340	103,660			
22.10.20 - Ordinary Council Meeting Agen	da						Page - 12
Leisure Services & Facilities							1/3

				Carryover for			
		Annual Plan	Expenditure	approval	Funding	FIS Type	Finance notes
Reserves - Marks Road Reserve	2016-2017	10,000	-	10,000	Reserves	to replace existing assets	
Cass Square - Building improvements Pavilion	2018-2019	20,000	2,553	17,447	Loan Funding	to improve level of service	
Cass Square - Rubber matting	2018-2019	20,000	-	20,000	Depreciation	to replace existing assets	
Swimming Pool Ross - EQ strengthening	2018-2019	10,000	-	10,000	Depreciation	to replace existing assets	
Total Leisure Services & Facilities		60,000	2,553	57,447			
• · · · · ·							
Solid Waste Haast intermediate cap current cell	2015-2016	10,000	3,647	C 252	Leen Funding	to replace evicting eccets	
•		,	3,047	6,353	Loan Funding	to replace existing assets	
Landfill- Haast - Dig out new Cell	2015-2016	3,740	-	3,740	Loan Funding	to replace existing assets	
Haast - Preparation for new cell	2018-2019	10,000	5,570	4,430	Loan Funding	to replace existing assets	
Fotal Solid Waste		23,740	9,217	14,523			
Stormwater							
Extension Jollie St	2018-2019	240,000	116,595	123,405	Loan Funding	to improve level of service	
Realignment Beach St	2018-2019	20,000	-	20,000	Loan Funding	to improve level of service	
Total Stormwater		260,000	116,595	143,405			
Wastewater							
Fox Glacier - WWTP upgrade	2017-2018	100,000	30,110	69,890	Loan Funding	to improve level of service	
Hokitika - Pump upgrade (Kaniere)	2018-2019	130,000	15,486	114,514	Depreciation	to replace existing assets	
Fotal Wastewater		230,000	45,596	184,404	·		
Water Supply							
Kumara - Seismic valves	2016-2017	30,000		30,000	Depreciation	to replace existing assets	
Arahura - Water treatment plant	2018-2017	82,039	38,531	43,508	Loan Funding	to improve level of service	
•	2018-2019	112,039			Luan Funding	to improve level of service	
Total Water Supply		112,039	38,531	73,508			
Total Carry Over Project Capital Expenditure		790,779	213,832	576,947			

UNBUDGETED CAPITAL EXPENDITURE 2019-2020

UNBODGETED CAPITAL EXPENDITORE 2019-2020							
		Approved Amount	Expenditure			Funding	FIS Type
Carnegie Building	2019-2020	431,630	175,104	256,526	Loan Funding	to improve level of service	
Franz Josef pump station upgrade	2019-2020	195,000	-	195,000	Loan Funding	to improve level of service	\$128,000 is funded by TIF
Kumara Assesment reservoir	2019-2020	20,000	-	20,000	Loan Funding	to improve level of service	
Franz Josef Campervan Dumpstation	2019-2020	149,000	-	149,000	Loan Funding	to improve level of service	\$91,929 is funded by TIF
Hokitika Campervan Dumpstation	2019-2020	20,000	-	20,000	Depreciation	to improve level of service	
Jackson's Bay Wharf	2019-2020	30,000	-	30,000	Depreciation	to replace existing assets	\$12,071 is funded by TIF
Total Unbudgeted Capital Expenditure		845,630	175,104	670,526			
Total Capital Expenditure 2019-2020		6,434,825	1,091,173	5,343,652			

Operational expenditure							
District Plan	2019-20	100,000	25,000	75,000	Rate funding	Operational	
Total Operational Expenditure		100,000	25,000	75,000			
Total carryovers		6,534,825	1,116,173	5,418,652			

Budget	Expenditure	Carryover	Funding type
4,545,150	523,240	3,789,911	Loan Funding
1,666,925	489,515	1,177,410	Depreciation
222,750	78,419	144,331	Reserves
100,000	25,000	75,000	Rate funding
		232,000	TIF
6,534,825	1,116,173	5,418,652	

		for		
Finance notes	FIS Type	l Funding	Expenditure	Annual Plan
		005,566 to replace existing assets	362,599	1,368,165
		26,710 to improve level of service	724,700	5,051,410
		11,376 to meet additional demand	3,874	15,250
		75,000 Operational	25,000	100,000
		18,652	1,116,173	6,534,825
	FIS Type	Funding 005,566 to replace existing assets 026,710 to improve level of service 11,376 to meet additional demand 75,000 Operational	362,599 724,700 3,874 25,000	1,368,165 5,051,410 15,250 100,000

Report to Council



DATE: 22 October 2020

TO: Mayor and Councillors

FROM: Chief Executive

Hokitika and Kaniere Resilience Project – WDC Contribution

1. Summary

- 1.1. The purpose of this report is to seek Council's approval to assist the West Coast Regional Council (WCRC) by co-funding to the value of \$250,000 + GST towards the Hokitika and Kaniere Resilience Project.
- 1.2. This issue arises from the West Coast Regional Council being successful in their application to the Crown Infrastructure Partners via the Shovel Ready Funding applications to the value of \$7M. The total cost of the infrastructure works is \$7M, which requires \$3.2M of co-funding to be secured. The proposal is for co-funding based on the following:
 - 1.2.1. \$2.7 million proposed to be funded via a merged and extended Rating District;
 - 1.2.2. \$250,000 proposed to be funded by the West Coast Regional Council;
 - 1.2.3. \$250,000 proposed to be funded by Westland District Council.
- 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 May 2018, which are set out in the Long Term Plan 2018-28. Refer page 2 of the agenda.
- 1.4. This report concludes by recommending that Council approve an unbudgeted expenditure of \$250,000 + GST towards the Hokitika and Kaniere Resilience Project.

2. Background

- 2.1. During the COVID-19 lockdown, Central Government announced an economic stimulus package which included funding for resilience projects that were "shovel ready". WCRC submitted for a total of \$45.1 million funding to the Crown Infrastructure Projects fund, which included a \$7 million project for the Hokitika and Kaniere communities.
- 2.2. The application was successful with up to \$3.8 million of funding made available for the Hokitika and Kaniere Resilience Project. However, co-funding of \$3.2 million is required in order to secure this \$3.8 million. It is proposed to fund the \$3.2 million via a merged, and extended, Rating District encompassing the current Hokitika and Kaniere Rating Districts.
- 2.3. The proposed breakdown of the \$3.2 million co-funding is:
 - 2.3.1. \$2.7 million funded via a merged and extended Rating District
 - 2.3.2. \$250,000 funded by the West Coast Regional Council
 - 2.3.3. \$250,000 funded by Westland District Council.

Over the last 12 months, WCRC has undertaken short term protection works to reduce damage from coastal erosion at the northern end of the existing sea wall.



Beach erosion at the north end of the current Hokitika seawall

3. Current Situation

- 3.1. The current situation is that WCRC are publicly consulting on the package of works and seeking submissions.
- 3.2. The project involves extending the sea wall to Richards Drive, and the construction of a river flood protection scheme to provide far greater resilience and protection between Kaniere and Sunset Point from a 1:100-year flood event see **Appendix 1** in regards to the infrastructure works locations.
- 3.3. WCRC propose merging the two existing rating districts (Hokitika and Kaniere) and extending the current boundaries. The new Rating District would have one differential meaning that each rateable property would pay the same amount per \$100,000 of capital value. see **Appendix 1** in regards to the proposed Rating district.
- 3.4. WRCE proposes that the merged Rating District establishes a Joint Committee to make future recommendations to Council. The Joint Committee would be comprised of the Westland District Council Mayor, two Westland District Councillors, the West Coast Regional Council Chair and the two Westland Constituency Regional Councillors.

4. Options

- 4.1. Option 1: Approve an unbudgeted expenditure of \$250,000 +GST as a co-funding partner to complete the infrastructure works.
- 4.2. Option2: Approve an unbudgeted expenditure of \$250,000 +GST as a co-funding partner to complete the infrastructure works and add a submission to the WCRC consultation process to extended the rating district to include areas that have WDC stormwater infrastructure associated areas.
- 4.3. Option 3: Not approve the expenditure

5. Risk Analysis

5.1. Risk has been considered. The risk identified would be any party not supporting making a contribution, which could result in the funding not being secured, and the project not proceeding. Or resulting in the required contribution being sought from another "unidentified" party.

6. Health and Safety

6.1. Health and Safety has been considered against WDC policies with no issues/items identified.

7. Significance and Engagement

- 7.1. The level of significance has been assessed as being high degree of significance for the community of Hokitika & Kaniere as the community has been exposed to the hazards of flooding via the Hokitika River and sea storm surge from the Tasman sea for many years.
- 7.2. Public consultation was undertaken by the WCRC in regards to the total funding application. WDC is not required to consult on this independently.

8. Assessment of Options (including Financial Considerations)

8.1. Option 1

- 8.1.1. The financial support to the program of works for Hokitika and Kaniere enables the project to progress. If co-funding is not forthcoming, then the project will not proceed. The co-funding support by WCRC, WDC and the newly merged rating district will enable enhanced protection works from the threat of future flooding and protect properties from storm surge and further seashore erosion.
- 8.1.2. To ensure that the required co-funding is shared by all benefitting parties, merging the two existing rating districts is proposed, as well as extending the current boundaries. The new Rating District would have one differential meaning that each rateable property would pay the same amount per \$100,000 of capital value. Extending the boundary to cover landowners who contribute to or benefit from stormwater management and flood protection makes sense as they still require and access services that the town supplies.
- 8.1.3. WCRC proposes that the new merged Rating District establishes a Joint Committee to make future recommendations to Council. The Joint Committee would be comprised of the Westland District Council Mayor, two Westland District Councillors, the West Coast Regional Council Chair and the two Westland Constituency Regional Councillors
- 8.1.4. The following financial implications have been identified:
 - 8.1.4.1. The upfront cost to WDC is \$250,000.
 - 8.1.4.2. The Hokitika and Kaniere Rating Districts have existing loans from previous protection works. WCRC proposes re-financing the existing debt to be included in the co-funding component. This will result in a loan of \$4.3 million comprised of:
 - 8.1.4.2.1. Total existing debt \$1,600,000
 - 8.1.4.2.2. Co-funding required \$2,700,000
 - 8.1.4.2.3. A new Rating District Loan (including co-funding) of \$4.3 million is an annual cost of \$45/\$100,000 Capital Value) based on a 25-year loan @1.5% interest rate. The final interest rate will be that prevailing at the time of borrowing. The new rating will not begin until the 2021/22 financial year.
- 8.1.5. A maintenance rate is also required to ensure that funds are available to undertake any necessary repairs to the assets. The proposed maintenance required per year is \$50,000 plus GST. The proposed maintenance rate has a financial impact of \$10.81 plus GST per \$100,000 of Capital Value. The maintenance rate will be reviewed annually by the Joint Committee.
- 8.1.6. The WDC contribution is unbudgeted expenditure and will be loan funded.

8.2. Option 2

- 8.2.1. The same as **Option 1** however the increase in the rating district will bring in other rate payers that also benefit from the project and lower the cost per rate payer.
- 8.2.2. All areas who engage with the Hokitika town centre and the Kaniere zone will benefit from increased protection works.
- 8.2.3. Linking the rating district with WDC stormwater infrastructure aligns flood management objectives.

8.3. Option 3

- 8.3.1. WDC have a duty of care to ensure our communities are protected and to ensure the prosperity of the district.
- 8.3.2. Not supporting this program of works would mean that Council would rely on another party to commit the funding which prevent the project proceeding.
- 8.3.3. It is unlikely an offer from central government of this magnitude will be available again for some time and the requirement of the funding is that works start within two months of contract signing date.

9. Preferred Option(s) and Reasons

- 9.1. The preferred option is **Option 2**
 - 9.1.1. The reason that **Option 2** has been identified as the preferred option is because the proposed river flood protection scheme provides a far greater resilience and protection between Kaniere and Sunset Point from a 1:100-year flood event.
 - 9.1.2. Extending the seawall protection works to Richards Drive helps protect the properties from further degradation of the current natural protection.
 - 9.1.3. Whilst there may be a case for allowing nature to take its course with the natural erosion cycle, the fact that climate change is forecast to cause higher sea levels than previously experienced means that there is a short to medium-term requirement to add some protection.
 - 9.1.4. WDC has significant social responsibility to provide a safe and risk-free environment for residents and visitors, and to allow the local economy to be sustained and flourish.
 - 9.1.5. It is unlikely an offer from central government of this magnitude will be available again for some time
 - 9.1.6. A joint committee will be formed to manage the ongoing maintenance of the river and seawall protection works.
 - 9.1.7. This change in rating district via a submission to WCRC will see properties that benefit from the protection enhancement also contributing to the longevity of the scheme thus lowering the individual cost per rate payer. It also supports the total philosophy of flood water management protection by including stormwater into the calculation.

10. Recommendation(s)

- 10.1. That the report be received.
- 10.2. That council approves the Council approve an unbudgeted expenditure of \$250,000 + GST towards the Hokitika and Kaniere flood protection infrastructure enhancements.
- 10.3. WDC includes in its submission a proposal to increasing the rating district to bring in other areas that benefit from the protection infrastructure enhancement work.

Simon Bastion

Chief Executive

Appendix 1: Map of proposed protection works & Proposed Hokitika & Kaniere Rating District







Report to Council



DATE: 22 October 2020

TO: Mayor and Councillors

FROM: Chief Executive

Franz Josef Flood Protection Infrastructure Enhancement – WDC Contribution

1. Summary

- 1.1. The purpose of this report is to seek Council's approval to assist the West Coast Regional Council (WCRC) by co-funding the local contribution towards the Franz Josef flood protection infrastructure enhancements, to the value of \$250,000.
- 1.2. This issue arises from the WCRC's successful application to the Crown Infrastructure Partners via the Shovel Ready Funding applications to the value of \$18 million. The total cost of the infrastructure works is \$24 million, which requires \$6 million of co-funding to be secured. The proposal is for co-funding based on the following:
 - 1.2.1. \$3.6 million proposed to be funded by the New Zealand Transport Agency (NZTA);
 - 1.2.2. \$1.9 million proposed to be funded via a Rating District;
 - 1.2.3. \$250,000 proposed to be funded by the West Coast Regional Council;
 - 1.2.4. \$250,000 proposed to be funded by Westland District Council.
- 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 May 2018, which are set out in the Long Term Plan 2018-28. Refer page 2 of the agenda.
- 1.4. This report concludes by recommending that Council approve an unbudgeted expenditure of \$250,000 plus GST towards the Franz Josef flood protection infrastructure enhancements.

2. Background

- 2.1. WCRC engaged Tonkin + Taylor (T+T) and Ernest & Young to undertake an analysis of options to mitigate the natural hazard risks facing Franz Josef township. The scope of work included:
 - 2.1.1. Understanding the natural hazard risks as identified in previous reports and studies and through engagement with stakeholders
 - 2.1.2. Identifying options to manage these risks to protect the value at stake in the township and the wider Franz Josef area
- 2.2. The report was completed in 2017 which identified a series of short, medium and long term options for Franz Josef.
- 2.3. During the COVID-19 lockdown Central Government announced an economic stimulus package, which included funding for resilience projects that were "shovel ready". WCRC submitted applications for a total of \$45.1 million funding to the Crown Infrastructure Projects fund, which included a \$24 million project for Franz Josef flood protection infrastructure enhancements.
- 2.4. The programme of works identified in the application reflected the shovel ready 'no regrets' work that is required, regardless of where the town is located in the future. It is designed to provide enhanced protection for both productive farmland as well as the critical link of State Highway 6.

- 2.5. The application was successful and a total of \$18 million has been made available from Central Government provided that \$6 million of co-funding can be secured. The proposed breakdown of the \$6 million co-funding is:
 - 2.5.1. \$3.6 million proposed to be funded by the New Zealand Transport Agency (NZTA)
 - 2.5.2. \$1.9 million proposed to be funded via a Rating District
 - 2.5.3. \$250,000 proposed to be funded by the West Coast Regional Council
 - 2.5.4. \$250,000 proposed to be funded by Westland District Council (WDC).

3. Current Situation

- 3.1. The current situation is that WCRC are publicly consulting on the package of works and seeking submissions.
- 3.2. The project involves raising all existing flood protection assets below the Franz Josef Bridge by 2 metres. New flood protection assets will be constructed from the Heliport Wall to the 55km corner, as well as a new wall between Rata Knoll and the Milton and Others stopbank. Raising of the bridge and approaches is also included in the proposal.
- 3.3. WCRC propose Rating District boundary changes. This will involve changes to the current Rating Districts for Franz Josef and Lower Waiho. To ensure that the co-funding is shared by all benefitting parties WCRC propose merging the two existing Rating Districts as well as having the current boundaries extended (see appendix 1). The proposed boundary extension includes the old Canavan Knob Rating District as well as an extension of the northern boundary to Lake Mapourika.
- 3.4. They will also set up a new Governance Structure by the way of a Joint Committee comprising Westland District Council, West Coast Regional Council, Te Runanga o Makaawhio, Department of Conservation, New Zealand Transport Agency.

4. Options

- 4.1. Option 1: Approve unbudgeted spending of \$250,000 + GST as a co-funding partner to complete the infrastructure works.
- 4.2. Option 2: Not approve the expenditure

5. Risk Analysis

5.1 Risk has been considered and there is an acknowledgement of the "Risk" of any party not supporting making a contribution, which could result in the funding not being secured, and the project not proceeding, or the required contribution being sought from another "unidentified" party?

6. Health and Safety

6.1. Health and Safety has been considered against WDC policies with no issues/items identified.

7. Significance and Engagement

- 7.1. The level of significance has been assessed as being high degree of significance for the community of Franz Josef as the community has been exposed to the hazards of flooding from the Waiho River for many years.
- 7.2. Public consultation was undertaken via the WCRC regarding the total funding application. WDC is not required to consult on this independently

8. Assessment of Options (including Financial Considerations)

8.1. Option 1

- 8.1.1. Providing financial support to the program of works for Franz Josef enables the project to progress. If co-funding is not forthcoming, then the project will not proceed. The co-funding support by WCRC, NZTA, WDC and the rating district will enable WCRC to complete the 1st stage of protecting the community of Franz Josef from the significant flood risk the Waiho River provides. All previous reports on the Waiho River indicate that to defend the township against future flooding is the 1st step to ensuring the townships future prosperity.
- 8.1.2. It is proposed that the new Rating District establishes a Joint Committee to make future recommendations to Council. The Joint Committee would be comprised of the Westland District Council Mayor, two Southern Ward Westland District Councillors, the West Coast Regional Council Chair, two Westland Constituency West Coast Regional Councillors, a representative from NZTA, a representative from the Department of Conservation and a representative from Te Rūnanga o Makaawhio.
- 8.1.3. To ensure that the required co-funding is shared by all benefitting parties WCRC proposes rating district changes as noted in 3.3 above
- 8.1.4. The following financial implications have been identified.
 - 8.1.4.1. The upfront cost to WDC is \$250,000.
 - 8.1.4.2. The new Rating District co-funding of \$1.9 million is proposed at a cost of \$64.00 per \$100,000 of Capital Value based on a 20-year loan @1.5% interest rate. The final interest rate will that prevail at the time of borrowing. Council has properties within the rating zone that will be impacted by the increase in rates to pay for the infrastructure.
 - 8.1.4.3. It is proposed that NZTA and the new Rating District contribute \$100,000 each year to a maintenance budget that will be reviewed annually by the Joint Committee. The prudent reserve for the Rating District will also be reviewed annually by the Joint Committee. The proposed maintenance rate has a financial impact of \$58.00 plus GST per \$100,000 of Capital Value.
 - 8.1.4.4. The WDC contribution is unbudgeted expenditure and will be loan funded.

8.2. Option 2

- 8.2.1. By not approving the co-funding expenditure there is a possibility that the total project funding may not be approved. WDC have a duty of care to ensure our communities are protected and to ensure the prosperity of the district. WDC has been involved with the Franz Josef community over a number of years on the topic of resilience and previously applied for funding to progress the outcomes of the Tonkin & Taylor report but was not successful.
- 8.2.2. By not supporting this program of works would mean that we would rely on another party to commit the funding which may see the project not proceed.

9. Preferred Option(s) and Reasons

- 9.1. The preferred option is Option 1.
 - 9.1.1. The reason that Option 1 has been identified as the preferred option is that the external funding to significantly improve the standard of protection from the Waiho River to Franz Josef township is at risk if co-funding is not found.
 - 9.1.2. WDC has significant social responsibility to provide a safe and risk free environment for our residents and visitors, and to allow the local economy to be sustained and flourish.
 - 9.1.3. It is unlikely an offer from central government of this magnitude will be available again for some time.
 - 9.1.4. A joint committee will be formed to manage the ongoing maintenance of the river.

9.1.5. This project meets the 1st stage of the Tonkin & Taylor report of defending the township from the Waiho River flooding potential.

10. Recommendation(s)

- **10.1.** That the report be received.
- **10.2.** That council approves the Council approve an unbudgeted expenditure of \$250,000 + GST towards the Franz Josef flood protection infrastructure enhancements.

Simon Bastion Chief Executive

- Appendix 1: Proposed Franz Josef Rating District
- Appendix 2: Map of proposed protection works









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22.10.20 - Ordinary Council Meeting Agenda

PGF PROJECT - OVERVIEW Franz Josef Glacier, West Coast, NZ





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Scale at A1:1:7,000	Δ
Date created: 31/03/2020, 0951	
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Units: Meter	Page - 25