



Waitaki

DISTRICT COUNCIL

TE KAUNIHERA Ā ROHE O WAITAKI

Notice of Meeting of

Council

at the

**Empire Room, Oamaru Opera House
Thames Street, Oamaru**

at

9am, Wednesday 15 February 2017

***In the interests of the environment and to help reduce photocopying costs,
please bring your Council agenda with you to the meeting***

www.waitaki.govt.nz

Waitaki District Council Meeting

9am, Wednesday, 15 February 2017

Empire Room, Oamaru Opera House
Thames Street, Oamaru

Apologies

Declarations of Interest

	Page
1. Public Forum	
2. Setting Fees Under The Food Act 2014 Submissions <ul style="list-style-type: none">• Memorandum and recommendation	4-14
3. Confirmation of Meeting Minutes <ul style="list-style-type: none">• Extraordinary Council - 14 December 2016	15-17
4. Mayor's Report <ul style="list-style-type: none">• Memorandum and recommendation	18-21
5. 2017/18 Annual Plan Draft Operating Budgets and Proposals <ul style="list-style-type: none">• Report and Recommendation	22-30
6. Observatory Retirement Village Stage 2 Care Facility Funding <ul style="list-style-type: none">• Report and recommendation	31-36
7. Recommendations from Ahuriri Community Board Meetings – 12 December 2016 and 30 January 2017 <ul style="list-style-type: none">• Report and recommendation	37
8. Recommendation from Assets Committee Meeting – 1 February 2017 <ul style="list-style-type: none">• Report and recommendation	38
9. Regional Transportation Committee: Programme Update and Matters Arising <ul style="list-style-type: none">• Memorandum and recommendation	39-43
10. Waitaki District Council – Local Governance Statement 2016 <ul style="list-style-type: none">• Report and recommendation	44-45
11. Adoption of Standing Orders 2016-2019 <ul style="list-style-type: none">• Report and recommendation	46-49
12. Waitaki District Council – Elected Members Code of Conduct 2016 <ul style="list-style-type: none">• Report and recommendation	50-51
13. Macraes Community Development Trust – Appointment of Trustee <ul style="list-style-type: none">• Report and recommendation	52-53

14. Triennial Agreements 2017-19	
• Report and recommendation	54-71
15. Otematata Boat Harbour Repairs	
• Report and recommendation	72-74
16. Options for RSA Building	
• Report and recommendation	75-77

"That the public be excluded from the following parts of the proceedings of this meeting, namely items 17-22.

The general subject of each matter to be considered while the public is excluded; the reasons 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 this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter - Section 48(1)
Public Excluded:	To protect the privacy of natural persons.
• Itchen Street Lease	Section 48(1) (a).
• 12 Ranfurly Street, Kurow	(The disclosure of the information would cause unnecessary personal embarrassment to the persons concerned).
• Recommendations from Assets Committee Meeting – 1 February 2017	
• Landfill Closure Charges	To enable the Council to carry out commercial negotiations without prejudice or disadvantage.
• Oamaru Whitestone Civic Trust - Appointment of Trustees	Section 48(1)(a)
• Appointment to Community House Trust	(Premature disclosure of the information would detrimentally affect the Council's position in the negotiations).

These resolutions are made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of the Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above (in brackets) with respect to each item."

17. Itchen Street Lease	
• Report and recommendation	78-87
18. 12 Ranfurly Street, Kurow	
• Report and recommendation	88-94
19. Recommendations from Assets Committee Meeting – 1 February 2017	
• Report and recommendation	95
20. Landfill Closure Charges	
• Report and recommendation	96-97
21. Oamaru Whitestone Civic Trust - Appointment of Trustees	
• Report and recommendation	98
22. Appointment to Community House Trust	
• Report and recommendation	99

Waitaki District Council Memorandum

From Regulatory Services Manager

Date 15 February 2017

Setting Fees under the Food Act 2014 Submissions

Recommendation

That the information be received.

Purpose

To present for consideration the verbal and non-verbal submissions to Council's Setting Fees under the Food Act 2014 consultation.

Background

A new Food Act was introduced by central government with a risk-based regulatory regime that places a primary duty on people trading in food to ensure that the food sold is safe and suitable.

All businesses selling and supplying food will need to be registered and the type of registration will depend on the level of risk. For example, a business that cooks raw food will be classified as high risk (based on a model developed by Ministry of Primary Industries (MPI)). These businesses will need to develop Food Control Plans, however, other businesses with a lower risk profile will be registered under the National Programme, eg early childhood education providers.

Council must recoup the cost of implementing and regulating this Act. Costs will cover registration, verification, ensuring compliance and monitoring. Based on this work, the fees are being proposed to meet our costs.

Submission response and review of submissions

Public consultation took place from 2 December 2016 to 1 February 2017. Stakeholders, ie cafes and restaurants, were identified and communicated with directly and the public were also consulted. A total of six submissions have been received, four of which have indicated they wish to present their submissions to Council. Copies of all submissions received have been included.

Process

Following the hearings, Council will adopt fees on 29 March 2017 to be applied from 3 April 2017.

Lichelle Guyan
Regulatory Services Manager


Thunes Cloete
Community Services Group Manager

Attachment: Verbal and Non Verbal Submissions



Waitaki
DISTRICT COUNCIL
TE KAUNIHERA Ā ROHE O WAITAKI

Setting Fees under the Food Act 2014 Submissions

What we want you to do

We want to know what you think about the proposed new fees. We need your feedback by **Wednesday 1 February** so we have time to consider your feedback before making a final decision. You can do this online at www.waitaki.govt.nz, email consult@waitaki.govt.nz or post your feedback to, Waitaki District Council, Food Act Fee Setting, Private Bag 50058, Oamaru 9444.

Need more information?

For more information about the proposal go to www.waitaki.govt.nz.

Key dates

Consultation opens:	Friday 2 December 2016
Consultation closes:	Wednesday 1 February 2017
Public hearings:	Wednesday 15 February 2017
Adoption of fees:	Wednesday 29 March 2017

Setting fees under the Food Act - tell us what you think

Name TRISH WOODS-WAITING

Address 68 ALN ST OAMARU.

Organisation (if applicable) THE GALLEY CAFE - AP + AD NZ LTD

Phone number 03434 238600 021918570.

Comments I THINK A SMALL BUSINESS LIKE MINE
STRUGGLE FINANCIALLY ALREADY AND TO IMPLEMENT
NEW CHARGES AS OUTLINED IS! ABSOLUTELY OUTRAGEOUS
+ I STRONGLY OBJECT. I HAVE BEEN COMPLAINTS
ON EVERYTHING ASKED TO DO BY THE HEALTH
INSPECTOR AND I WOULD LIKE TO KNOW HOW THE
COUNCIL CAN JUSTIFY SUCH INCREASES + WHAT MORE
I AM GOING TO RECEIVE THAT IS GOING TO
IMPROVE MY BUSINESS. IF LOCAL GOVERNMENT ARE LOOKING
@ SMALL BUSINESSES CLOSING THEIR DOORS THEY ARE
GOING IN THE RIGHT DIRECTION.

1/02/17

Do you wish to present your comments to Council? ☐ No ☒ Yes (We will contact you to arrange a suitable time - hearings take place on Wednesday 15 February)

Setting Fees under the Food Act 2014

#1

**COMPLETE****Collector:** Web Link 1 (Web Link)**Started:** Tuesday, January 31, 2017 1:23:04 PM**Last Modified:** Tuesday, January 31, 2017 1:27:50 PM**Time Spent:** 00:04:46**IP Address:** 115.189.100.36

PAGE 1

Q1: Your contact details

Name	Liz Moir
Organisation (if applicable)	Dunback Inn
Address	1200 Palmerston-Dunback Road
RD No	RD3
City/Town	Palmerston
Post code	9843
Email Address	dunback@xtra.co.nz
Phone Number	0345650440

Q2: Do you wish to present your submission to Council? Yes (we will contact you to arrange a suitable time)

Q3: Please let us know what you think about the proposed new fees.

I think that it is not fair to expect a small place that has no foot traffic and no real passing trade and opens limited hours that has to offer food as an option is charged the same as a large place in the middle of Oamaru.

Q4: Do you have any other comments?

If I ran as a Bed and Breakfast I can under the new laws cook dinner and serve alcohol to 10 people without having to have any sort of food or alcohol licences..

because I choose to open the doors to the locals (of which very few come in) I have to have pay as if I was in the city.

What we want you to do

We want to know what you think about the proposed new fees. We need your feedback by Wednesday 1 February. We have time to consider your feedback before making a final decision. You can do this online and anonymously, with email or hand-delivered letters or post your feedback to: Woking District Council, Food and Fee Setting, Pineside, Banstead, Surrey, Surrey, GU24 0AA.

Need more information?

For more information about the proposal go to: www.woking.gov.uk

Key dates

Consultation opens	Friday 20 December 2016
Consultation closes	Wednesday 1 February 2017
Public hearings	Wednesday 15 February 2017
Adoption of fees	Wednesday 15 March 2017

Setting fees under the Food Act - tell us what you think

Name Bevon Smith

Address 1431 State Highway 1, 54RD, Oamaru

Organisation (if applicable) Riverstone Kitchen

Phone number 03 433505 - 021838624

Comments I am unhappy with the proposed fee schedule as it is potentially very open ended with little or no transparency in the calculation or hours spent on each issue - How can I know for certain that the time invoiced was in actual fact spent on my business. I would prefer a flat fee, to give certainty and avoid inflated fee blowouts. If a different structure was proposed I would be happy to consider that.

Contact time is always an issue when invoicing any customer, but I find it always tends to err in favour of the charger and often without any recourse which I find particularly offensive and unnecessary.

Do you wish to present your comments to Council? ☐ No ☒ Yes (We will contact you to arrange a suitable time - hearings take place on Wednesday 15 February)

Submission by



Submission to
Waitaki District Council
Proposed Food Act 2014
Fees

2017

www.hospitalitynz.org.nz

Amy (AJ) McLellan-Minty
South Island Area Manager

A handwritten signature in black ink, appearing to read "AJ McLellan-Minty".

amy.mclellan-minty@hospitalitynz.org.nz
0274 501 948
Po Box 36-241 Merivale, Christchurch 8146

Hospitality NZ is a voluntary trade association with over 3,200 members nationally. Members come from across the hospitality industry including:

- Hotels/Motels/Major Accommodation Providers/Lodges
- Taverns/Pubs/Bars/Night Clubs
- Restaurants/Cafes
- Off-Licences

A significant proportion of our members' businesses have a considerable focus on food. The Sale and Supply of Alcohol Act 2012 requires that all premises licensed to sell alcohol for consumption on the premises have available a range of food items at all times they are open for the sale and supply of alcohol. This requirement means that virtually all of our members (excluding off-licences) have a food component to their business. Food safety is therefore of great importance to our members.

Hospitality NZ has previously submitted its position on the Food Act 2014 at a national level. In general Hospitality NZ supported the Act, its objects, its framework and is fully supportive of the Acts move to shift responsibility for food safety to the producers and handlers individual circumstances. Hospitality NZ has 28 financial members in the Waitaki Territorial Licensing Authority (TLA). Hospitality NZ has considered the proposed Food Act 2014 Fees for Waitaki District Council and makes comment on the following:

Hospitality NZ did not believe that territorial authorities were able to develop cost recovery systems without an immediate requirement for regulations prescribing methodologies to be used. We believed it was imperative that regulations were developed to provide clear guidelines to assist territorial authorities in developing their fee structure. It is important that every territorial authority takes a consistent approach to fee setting. This could have been similar to the approach taken with the Sale and Supply of Alcohol Act where default fees were developed and are being universally applied as being simpler, fairer and more cost effective for territorial authorities having to develop their own fee structure and consultation on the process. By providing a clear template for all territorial authorities to use, it would have made development of the fees easier and simpler for all of the authorities and industry. Equally developing such a template would have reduced the costs associated for all parties in undertaking the consultation process.

Nevertheless, given the clear direction under the Act for cost recovery there is no nationwide alternative to fees and charges for cost recovery and we are concerned at the level of charges being set and the robustness being applied to ensure that the costs and therefore the fees involved are not more than they should be. It is presumed that the fees being proposed reflect what MPI consider to be the most efficient way to deliver those fees. So while we understand there is no alternative to fees and charges we are concerned at the level that they are being set and the onus on the private business owner.

Hospitality NZ argue that regulatory compliance is a compulsory action to comply with relevant laws and regulations and the cost of that regulatory compliance is for the good of the public and therefore should sit with the public i.e. The Rate Payer. The setting of standards is, in our view more of a public good than a private one. Standards are set to protect the public and are developed in the public interest.

Some points noted in the proposed fees for Food Control plans

1. The verification fee is disproportionately high in comparison to all the other per hour fees with no justification.
2. Food Control Plan \$30.00 payable on collection which is yet another fee on top of what our members would have paid so far.

The Auditor General's guidelines on setting fees for public sector goods and services is clear that a cost recovery model should provide robust reporting on the costs incurred when developing fees. The guidelines ask:

- Is it clear how the costs have been calculated?
- Are the entity's decisions, charging system, and revenue and costs for that system clearly documented and transparent?

In this proposal the Waitaki District Council considers that it should recover 50% of direct costs of the council's functions from the direct beneficiaries of those functions, but consumers also receive benefits from Food Act functions. Therefore Hospitality NZ supports an option for fixed fee for registration to simplify the process as a direct beneficiary. We also view verification and compliance cost is a public benefit and this cost should be shared by all those that benefit. Thus we support that there should be a split in funding between general funding and user fees

We support a mixed user and general funded fee structure, which includes:

A clear per hour fee (although one that is lower than the proposed)

No fee when complaint investigation is found to be unjustified.

However, we are concerned that:

The community will bear little or no cost of this new structure when it is the community that clearly benefits from the provisions of the Act.

The current proposed fees per hour for both compliance visits and verification are unjustifiably high in comparison to all other charges and compared to the standard \$155 per hour that MPI uses in its guidance and are a potential over-recuperation of costs.

Further to this, there is no explanation as to the higher fee per hour for both compliance and verification and as highlighted in The Auditor General's guidelines on setting fees for public sector goods and services, there should be transparency in these charging systems.

In Conclusion:

Cost recovery and fees, levies and charges are a concern. The fundamentals of food safety activity are of a public good rather than a business good. In the absence of Crown funding Hospitality NZ therefore supports a balance to cover fees under the Food Act 2014 to be both a private and public cost, with the at least half of the cost being recovered from the rate payer.

We wish to be heard on our submission

What we want you to do

We want to know what you think about the proposed new fees. We need your feedback by **Wednesday 1 February** so we have time to consider your feedback before making a final decision. You can do this online at www.waitaki.govt.nz, email consult@waitaki.govt.nz or post your feedback to, Waitaki District Council, Food Act Fee Setting, Private Bag 50058, Oamaru 9444.

Need more information?

For more information about the proposal go to www.waitaki.govt.nz.

Key dates

Consultation opens:
Consultation closes:
Public hearings:
Adoption of fees:

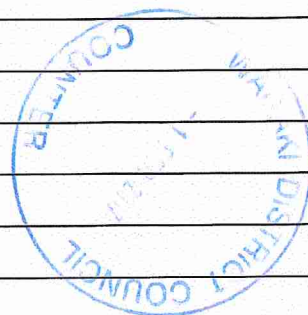
Friday 2 December 2016
Wednesday 1 February 2017
Wednesday 15 February 2017
Wednesday 29 March 2017

Setting fees under the Food Act - tell us what you think

Name JUNCTION FISH SUPPLY
Address 40 TDWEN STREET
Organisation (if applicable) 03 434 8254
Phone number ✓

Comments

Happy to accept the proposed fee



Do you wish to present your comments to Council? ☒ No ☐ Yes (We will contact you to arrange a suitable time - hearings take place on Wednesday 15 February)

Alena Lynch

From: Alena Lynch
Sent: Tuesday, 7 February 2017 9:52 a.m.
To: Alena Lynch
Subject: RE: Consultation for Setting Fees under the Food Act 2014

From: Garry and Katrina Dodd [mailto:g.kdodd@vodafone.net.nz]
Sent: Friday, 27 January 2017 7:33 a.m.
To: Lichelle Guyan <lguyan@waitaki.govt.nz>
Subject: Re: Consultation for Setting Fees under the Food Act 2014

Hi Lichelle,

I have read through this information. I am of the view that the timing of this consultation period is total arrogance of the council to slip such an important part of the Food Act under the noses of food vendors. I question the whole process. I have a comprehensive list of food vendors in WDC. Fees dont need to increase. Where are the fees going. The council needs to look at its bad spending habits.

Regards

Garry Dodd

----- Original Message -----

From: Lichelle Guyan
To: Louise Ashcroft ; Lucianne White
Sent: Tuesday, December 06, 2016 12:04 PM
Subject: Consultation for Setting Fees under the Food Act 2014

Dear Food Operator

From 2 December we commenced consultation with the public about new fees being proposed under the Food Act 2014. This consultation will run over the Christmas period and closes Wednesday 1 February 2017.

We'd like to know what you think about the new fees. We recognise this is a busy period for you, therefore the consultation timeframe has been extended to enable you time to consider and respond to the proposal. This will also ensure operators that need to register by March 2017 will have certainty on fees under the new Act.

More information is available in the Statement of Proposal, available on our website www.waitaki.govt.nz

We look forward to hearing from you.

Lichelle Guyan
 Regulatory Services Manager

Phone 03 433 0300 **Mobile** 021 384 783 **Email** lguyan@waitaki.govt.nz
Web www.waitaki.govt.nz **Office** 20 Thames Street, Private Bag 50058, Oamaru 9444

Waitaki District Council

Extraordinary Council

Minutes of a meeting of the Waitaki District Council held in the Council Chamber, Council HQ, 20 Thames Street, Oamaru at 1.00pm on Wednesday 14 December 2016

Present Mayor Kircher (Chair), Crs Tavendale, Dawson, Garvan, Holding, Hopkins, Kingan, Percival, Perkins, Wheeler and Wollstein

Apologies

In Attendance Mr Ross (Chief Executive)
Mr Jorgensen (Assets Group Manager)
Dr Cloete (Community Services Group Manager)
Mrs Baillie (Customer Services Group Manager)
Mr Hope (Chief Financial Officer)
Mr Roesler (Policy & Communications Manager)
Mr Wells (Accounting Manager)
Mrs Tanner (Policy Officer - Governance)

Declarations of Interest

There were no declarations of interest.

1. Confirmation of Minutes

RESOLVED
WDC16/343 Crs Hopkins/Dawson
"That Council confirms the minutes of 30 November 2016 Council meeting."

CARRIED

2. Beach Road Slip Realignment

To agree on the extent of remedial works at Beach Road.

RESOLVED
WDC16/344 Crs Tavendale/Hopkins
"That Council:
1. Confirms its decision to reinstate Beach Road as a two lane road;
2. Instructs officers to apply for co-investment from NZTA; and
3. Proceed with the required work within the budget of \$117,000 from depreciation as allocated in the 2016/17 Annual Plan."

CARRIED
AGAINST Cr Percival

RESOLVED
WDC16/345 Crs Hopkins/Tavendale
"That Council advise:
1. That a report be presented to the Assets Committee advising of options to proactively address identified future problems on Beach Road adjacent to the current damage site."

CARRIED

3. Oceana Gold Coronation North Application and Bonds

Waitaki District Council, Dunedin City Council and Otago Regional Council recently approved the applications from Oceana Gold to operate the Coronation North open case gold mine. Waitaki District Council holds mitigation bonds for the existing Oceana Gold consents. This memorandum provides information on their purpose and current value.

RESOLVED

WDC16/346

Crs Percival/Wollstein

"That Council receives the information."

CARRIED

4. Third Quarter 2016/17 Treasury Strategy

To report on Council's proposed Investment Strategy for the third quarter of the 2016/17 financial year.

RESOLVED

WDC16/347

Crs Wollstein/Hopkins

"That Council adopts the proposed Treasury Strategy for the third quarter of the 2016/17 financial year by:

1. Continuing the use of term deposit facilities for terms between 7 days and 12 months, dependent on short-term operational cash requirements and on achieving target interest rates; and
2. Placing a maximum of \$5,000,000 per institution with the four 'AAA' rated banks and a maximum of \$1,000,000 per institution with four 'AA' rated banks, as approved as part of the adoption of the Strategy for the Third Quarter."

CARRIED

5. Period 4 2016/17 Financial Report

To provide an overview of the financial performance of Council for the period ended 31 October 2016 (period 4), and provide an overview and commentaries on Council as a whole.

RESOLVED

WDC16/348

Crs Hopkins/Wollstein

"That Council receives the period 4 Financial Reports and Appendices."

CARRIED

6. Recreation Capacity

To resolve capacity issues in the Recreation Unit and enable projects and asset management to be completed in a timely manner.

RESOLVED

WDC16/349

Crs Wollstein/Perkins

"That Council approves an additional full time position in the Recreation Unit at a cost of \$45,000 funded from rates."

CARRIED

7. Open Space Maintenance Challenges

The purpose of this memorandum is to present information on open space maintenance challenges. Since the new Council contractor took over the Open Space Maintenance contract, some teething problems, combined with unfavourable weather, have led to less than desirable maintenance of Waitaki's open spaces.

RESOLVED

WDC16/350

Crs Tavendale/Kingan

"That Council receives the information."

CARRIED

RESOLVED
WDC16/351

Crs Hopkins/Tavendale

"That the public be excluded from the following part of the proceedings of this meeting, namely:

- Confirmation of Meeting Minutes – 30 November 2016."

CARRIED

"The general subject of each matter to be considered while the public is excluded; the reasons 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 this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter - Section 48(1)
Public Excluded:	
<ul style="list-style-type: none"> • Confirmation of Meeting Minutes – 30 November 2016 	<p>To protect the privacy of natural persons. Section 48(1)(a) (The disclosure of the information would cause unnecessary personal embarrassment to the persons concerned).</p> <p>To enable the Council to carry out commercial negotiations without prejudice or disadvantage. Section 48(1)(a) (Premature disclosure of the information would detrimentally affect the Council's position in the negotiations).</p>

These resolutions are made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of the Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above (in brackets) with respect to each item."

Refer to Public Excluded Minutes

RESOLVED
WDC16/353

Crs Wollstein/Hopkins

"That Council resumes in open meeting and decisions made in public excluded session are confirmed and made public as and when required and considered."

CARRIED

There being no further business the Chairman declared the meeting closed at 2.25pm.

Confirmed on this day, 15 February 2017, Empire Room, Oamaru Opera House.

Mayor Kircher

Waitaki District Council Memorandum

From Mayor Gary Kircher

Date 15 February 2017

Mayor's Report

Recommendation

That Council receives the information.

Purpose

The following comments are provided to bring Councillors and the public up to date with a number of issues that have arisen since the last Council meeting.

What's been happening?

The New Year is well and truly upon us, as we meet halfway through the second month! I hope everyone has had an enjoyable and relaxing break. This year the Council offices reopened on 4 January, in the interests of providing better customer service to our people, and I'm thankful to those members of staff who manned the various roles and made this possible. In many cases, councils provide services that no one else in our community's do, so it is good to be here for those who need them.

Tourism

Once we get industry figures back for tourism, I'm sure they will show that we have had yet another year of significant growth. Anecdotally, there have been many visitors in town, and those in the hospitality and service industries are reporting increases, in spite of the very inconsistent weather. Luckily, there's still a couple of months for it to come right!

One of the less welcome weather events was the bad weather experienced late in January which left Otematata Boat Harbour campground decimated. The usually quiet Otematata Stream runs at less than 10 cumecs, but that night rose to around 500! An amazing amount of water flowed over the state highway bridge and inundated the neighbouring campsite. Thanks to the good work of a number of people, including our camp manager and the local Otematata fire brigade, no one was at risk. However a number of tents were washed away or damaged, and more than a few caravans were damaged as well. I'm pleased that we have responded to the situation, offering 50% refunds on season camp passes to those who are unable to continue camping this season. Although it was an "act of god," it is a small but useful gesture to support those affected. The next challenge is to decide what should be done with Boat Harbour and whether it can be repaired. We will be considering a report on this soon.

Lastly on the topic of tourism, it is timely to give an update on the adventure park/zipline project. The business case has been completed, and provides some excellent information which indicates the project is feasible. The next stage is to get some of the uncertainties out of the way, and make sure that investors have a more complete picture of what the risks might be. It is likely that an initial group of investors will combine forces to fund this next stage, which includes more detailed design, identifying any resource consent issues, and lease matters etc. Once that is done, it is likely that the specially-formed company will seek other local investors to give more people an opportunity to be part of it.

All along I've seen this as an opportunity to improve our community - by growing tourism, increasing employment, returning Graves Track back to a publicly accessible walking track, and to provide extra funding to more quickly develop Cape Wanbrow. In addition it looks like the project, if it goes ahead, will also provide extra revenue for the Oamaru Blue Penguin Colony and for Council's property department. I'll keep you posted.

Property Sales

It's been as busy as ever with property sales and our team have been working hard to get some of these progressed. It is particularly notable that they have now sold all of the sections at Cirrus Place in Omarama. The last 11 or 12 sections have sold quickly, a sign of how the flow-on effect is driving sales and development in popular holiday spots. If anything, it is a useful lesson for the Council to better weigh up the risks and minimise them as completely as possible before venturing into such developments. This one would have been better as a staged development, even to the extent that

sections could have been sold off the plans. But it is done now and the good news is that the money is in the bank (or soon will be) and someone else is now paying the rates on each of the sections. We can now look forward to seeing them get built on and more people can enjoy the Waitaki District!

Harbour Street

Once again, Council will today be discussing the topic of a potential close of Harbour Street to traffic, in this instance, a trial closure for weekends over the next couple of months. This is a subject which has always created very mixed reactions. This time though, I think we have the right mix of measures in place, or ready to put in place. We now have record numbers of visitors coming to the area, locals are using Harbour Street in unprecedented numbers, the back lane and Tyne Street are both set out for the trial, and we will be improving access around the area. The other changes which should be considered for a longer-term closure, would be the provision of further off-street parking and more signage directing people to car parking and to businesses. There are a great many people who are keen to see this happen, and a trial will give everyone a chance to see how it goes. I believe it is time to make the call - it's never been a better time.

Friendly Bay Family Day

The 26 February will (weather permitting) be the day for the second Family Day at the harbour. We had a great turnout last year and people just loved the concept of a day out where most things were free, and people could enjoy themselves in a fun and safe environment. This year will be even better than last, with live entertainment and more activities. We will also be holding the inaugural Fat Sally's Corporate Paddleboard Challenge, with up to 16 teams competing for some great prizes. Fingers crossed for good weather, and an excellent turnout!

The Year Ahead

We know we have a big year ahead. We are off to a good start with the early work on the Annual Plan indicating a very minor change to the level of rates. There is still more work to be done on that of course. It is a critical year for the Cultural Facilities project, with major funding decisions by external funders making or breaking the project as we envisage it. There has been a lot of work done to get us to this point, but it has been done on the basis that a final decision would be made this year. We are giving it our best shot and it deserves to get the support that we are asking for.

The other major thing we are doing this year of course, is recruiting a new Chief Executive. With Mr Ross' contract finishing in December, we are about to start the process with the appointment of a recruitment company. The Councillors will all be involved in the process and by the time we get to the other end of it, we hope to have an excellent replacement. They have some big shoes to fill and our decision will be a crucial one.

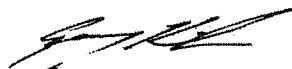
Thank you.

Meetings Attended:

22 November	Meeting with Neil Rooney, road issues
22 November	Meeting with DoC
23 November	White Ribbon Breakfast
23 November	Jonathon Salter meeting at Waimate District Council
23 November	Meeting with WBHS Rector re Youth Council
23 November	Oamaru Retailers Meeting
24 November	Meeting with Simon Laming
24 November	Meeting with Allan Dick
24 November	Meeting with Bruce Blackie
24 November	Meeting with Jim O'Gorman re greenwaste
24 November	Harbour Street attraction site visit
25 November	Adventure Books Event
26 November	Omarama Search and Rescue re-opening
26 November	Upper Waitaki RSA Christmas Luncheon
28 November	Meeting with Jock and Debbie McLeod
28 November	Mayor & CEO Catch-up
28 November	Meeting with James Porteous, Oamaru Organics
28 November	Meeting with WGHS Principal re Youth Council
28 November	Meeting with Kurow Irrigation Co
29 November	Meeting with Mervyn McCabe re Kakanui issues
30 November	Council Meeting
30 November	Councillor Briefing

1 December	LJ Hooker Prize Draw
1 December	Book Launch "Water North Otago's Gold"
2 December	Observatory Retirement Village Trust Meeting
2 December	Launch of Anglican Care - Family Start & Oceans Services
2 December	Child Youth and Family kids' Christmas Party
3 December	Santa Parade
5 December	Mayor and CEO Catch-up
5 December	Citizenship Ceremony
5 December	Executive Committee Meeting
5 December	Waihemo Community Board Meeting, Palmerston
6 December	Meeting with Michael Sandri, A2O Ultra Run Event
6 December	Meeting with Phoenix Restoration Trust
6 December	Riding for the Disabled Christmas Party
6 December	Meeting with Ken & Brenda McLeod re A2O access
6 December	Meeting with group to receive petition re Cape Wanbrow
6 December	Meeting with Jock Webster re building issues
7 December	PortFM Mayoral Musings
7 December	Council Workshops
8 December	Meeting with Mark Smith, OWCT
8 December	Otago Daily Times Function
10 December	Multicultural Council Potluck Dinner
12 December	Mayor & CEO Catch-up
12 December	NOIC Meetings – Ngapara and Fiveforks
12 December	OWCT Meeting
12 December	Harbour Street Business Meeting
12 December	Volunteer Librarians' Christmas morning tea function
13 December	Meeting with Darryl Bell re building issues
13 December	Meeting with Jason Gaskill, Tourism Waitaki
13 December	Emergency Management Otago Meeting
14 December	Council Workshops
14 December	Councillor Briefing
14 December	Mayor's Christmas Function
15 December	Meeting with Jason Gaskill, Tourism Waitaki
15 December	Meeting with Michael de Buyzer, Whitestone Contracting chair
15 December	Meeting with Ian Hurst re tourism
15 December	Meeting with Grant Finn, NZ Whisky Co
15 December	Observatory Retirement Village Trust Meeting re Rendell On Reed
15 December	Iona Home Resident/Staff Christmas Party
15 December	Christmas Shop Window Judging
16 December	Observatory Retirement Village Meeting re Rendell On Reed
16 December	WDHSL Christmas Luncheon
16 December	Oamaru Ward Councillor Bus Tour
18 December	Christmas in the Park
19 December	Mayor and CEO Catch-up
19 December	Meeting with Joseph Cropley re Te Whare Koa
20 December	Phoenix Mill Site Meeting with volunteers
20 December	Mini Mayoral Forum, Timaru
20 December	OWCT Meeting
22 December	Tourism Waitaki Board Shareholder Meeting
22 December	Meeting with Jan Kennedy and Richard Kitto re tourism
4 January	Meeting with Greg Martin re tourism
4 January	Meeting with OWCT and Tourism Waitaki
6 January	Meeting with Damian Goodsir re events
9 January	Mayor & CEO Catch-up
9 January	Meeting with Don Patterson re Railway Station upgrade and opportunities
9 January	Meeting with the Mountain Bike club re Adventure Park
10 January	Meeting with Yvonne Ballantyne re heritage tours
10 January	Meeting with Peter McIlraith, Regional Water Committee representative
10 January	Meeting with Rory Foley, Maize Maze
10 January	Meeting with Dan Lewis re events
10 January	Meeting with Coastal Defence Group re Adventure Park
11 January	Meeting with Nicolas Erdody, Regional research institute
11 January	OWCT Meeting

12 January	Meeting with Philippa Agnew re penguins
23 January	Mayor and CEO Catch-up
23 January	Executive Committee meeting (informal)
23 January	Meeting with Paul Mutch re Palmerston & Waihemo A&P
23 January	Waihemo Community Board Meeting
24 January	Hamnaki Rag Interview
24 January	Meeting with Natalie Thain re CE performance review
25 January	Executive Committee Meeting
25 January	Council workshops
26 January	Meeting with Jason Gaskill, Tourism Waitaki
26 January	Canterbury Mayoral Forum, working dinner – Christchurch
27 January	Canterbury Mayoral Forum, Christchurch
27 January	Jacqui Dean, Ministerial Event
28 January	Anzac Day Planning meeting
30 January	Meeting with Lindsay Walker re building issues
30 January	Ahuriri Community Board Meeting
31 January	Mayor and Acting CEO Catch-up
31 January	Meeting with Terry Parsons re volunteers
31 January	Meeting with Lucianne White, Oamaru Farmers Market
31 January	Meeting with Tina Voyce re planning
31 January	Meeting with David Bedford, Chairman ECan
1 February	PortFM Mayoral Musings
1 February	Committee Day Meetings
1 February	Councillor Briefing
1 February	A2O Ultra Event Sponsors' Event



Mayor Gary Kircher

Waitaki District Council Report

From Policy and Communications Manager

Date 15 February 2017

2017/18 Annual Plan Draft Operating Budgets and Proposals

Recommendations

That Council:

1. **Notes** the options for smoothing rates over the next two financial years.
2. **Agrees** the proposed changes to year 3 of the 2015-25 Long Term Plan as a step towards completing the 2017/18 Annual Plan.
3. **Agrees** that the proposed changes to year 3 of the 2015-25 Long Term Plan do not constitute a significant or material difference to year 3 of the 2015-25 Long Term Plan.
4. **Agrees** to community and stakeholder consultation and engagement as part of the process of completing and deciding the Annual Plan 2017/18.
5. **Directs** Council staff to bring the content that will support community consultation to the 15 March 2017 Council meeting for approval.

Objective of the Decision

The objective of this report is for Council to agree draft operating budgets and proposals to advance the 2017/18 Annual Plan (AP). The recommendations also direct Council staff on consultation and engagement requirements.

Background

The AP provides a process to adjust the final (year 3) detailed forecast budget contained in the 2015-25 Long Term Plan (LTP). The Local Government Act 2002 provides Council with a level of discretion on how it consults and engages with the community on proposed changes. Council meetings and discussion to date have indicated that implementation of the LTP is on track and proposed change is not significant or material.

In the preparation of draft operating budgets and proposals, staff reviewed revenue (including fees and charges), expenditure and existing agreed projects. The focus was on delivering on current service expectations within existing funding and capacity. Following elected member consideration and input a draft budget position equating to a 0.3% average rate decrease has been established. This position includes the Council directives to staff from the 1 February 2017 Council workshop. These related to:

- Fund Alps2Ocean depreciation – reduce the provision to 50k
- Use of separate rate accounts for Oamaru Water and Sewer – confirm approach to reduce subsidy levels over time
- Sewer laterals project removed
- Increase Oamaru amenity rate by \$100k.

Proposal

Appendix 1 of this report lists the proposed changes to year 3 of the LTP that are currently included in the draft proposed budget. It is proposed that the Council agree this draft budget proposal as the basis for potential community consultation and engagement. This agreement is subject to considering the following matters, including:

- Rates smoothing – request from the 1 February 2017 Council workshop is included in appendix 2
- Other draft budget adjustments – Council elected members can use this 15 February 2017 meeting to make further adjustments to the draft budget proposal prior to potential community consultation. The Council approves the AP in June 2017. Up until that point the Council can continue to adjust the draft budget proposal to, for example, reflect community feedback or improved planning information.

Community Consultation and Engagement

This report provides a final step in the Council process of deciding the requirement for community consultation and engagement. Proposed changes to year 3 of the LTP have been carefully considered at an individual and cumulative level through formal and informal Council elected member meetings. Feedback from these meetings has indicated that the proposed changes to the LTP do not

constitute a significant or material difference to year 3 of the LTP. Council must now take a formal decision that this is the case. There are three decision-making scenarios:

Scenario 1 – decide no Significant or Material difference but consult regardless of the lack of any legal obligation to do so.

Scenario 2 - decide no Significant or Material difference and no consultation. In this scenario the Council would simply communicate change to the community and possibly seek input on very specific or targeted matters.

Scenario 3 - decide Significant or Material difference. Council would consult under S95A Local Government Act 2002 requiring a consultation document outlining proposals and options for the change(s) deemed Significant or Material.

If Council decides scenario 1 or 3 then staff would complete consultation material for approval at the 15 March 2017 Council meeting. That meeting would also approve implementation of the consultation plan. The plan would include the following elements:

1. *Consultation material and communication channels* - Traditional channels such as newspapers and radio stations will continue to be used to promote and encourage participation. The consultation material will be published as two full pages in the Oamaru Mail and Waitaki Herald, including space for written feedback. Council's website and Facebook will be the main digital platforms and any written materials with high level information will direct the public to our website for more detailed information.
Stakeholders will receive an email or letter, again with high-level information, directing them to the website and inviting them to give written feedback (with relevant information regarding community forums).
Note that the depth of content would be higher under scenario 3.
2. *Public input and feedback to elected members* - It is proposed that, rather than hold formal hearings, a less formal approach is taken for people wanting to present their feedback and share information with Council. Instead of hearings taking place over 1-2 days in front of the Mayor and all Councillors in the traditional format, forums will be held on an issue-based approach where members of the public come together with a group of elected members in a round-table format to discuss individual themes or issues. This approach will help create a climate of co-operation and inclusion, particularly important for people who feel uncomfortable or intimidated by standing in front of Council in a formal way. It is proposed that the Oamaru forums are held in the daytime and then repeated in the evening for people unable to attend the daytime sessions. Council officer/s will be in attendance to observe discussions, take notes and formulate a summary of each forum which will be presented to Council prior to decisions being made.

Understanding that the Ahuriri and Waihemo Community Boards play a unique part in this process, they will be asked if they wish to partner with Council to hold informal community forums (tentative date of Wednesday 12 April for both Palmerston and Otematata) for local residents (with Mayor, Deputy Mayor and Councillors attending selected meetings).

Next Steps

Assuming Council agrees the recommendations in this report the next steps include:

- 15 March 2017 Council meeting - Approving consultation material and implementation of the communication plan
- March/April – Consult with the community and stakeholders
- May – community feedback and Council consideration
- June – Completion and approval of the Annual Plan.



 Mike Roesler
Policy & Communications Manager



Lisa Baillie
Customer Services Group Manager

Attachments

Summary of Decision Making Criteria
Appendix 1 Changes to Year 3 2015-25 Long Term Plan
Appendix 2 Rates smoothing

Summary of Decision Making Criteria

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	Key	Environmental Considerations	Minor/Moderate
Legal	Key	Cultural Considerations	Minor/Moderate
Significance	Key	Social Considerations	Minor/Moderate
Financial Criteria	Key	Economic Considerations	Minor/Moderate
Community Views	Key	Community Board Views	Key
Consultation	Key	Publicity and Communication	Key

Outcomes (Environment, Cultural, Social)

This report directly and indirectly influences all activities of Council through:

- Relating to the proposed draft budget proposal
- identifying variation from the financial statements and funding impact statement included in year 3 2015-25 Long Term Plan
- providing integrated decision making and co-ordination of the Council's resource
- contributing to the accountability of the local authority to the community.

Policy and Plan Considerations

This report involves changes to the 2015-25 Long Term Plan.

Community Views

This report requires Council judgement about community interest in the proposed changes to the LTP.

Financial Considerations

This report involves adjustments to the 2017/18 forecast budgets.

Legal Considerations

This report has been completed in consideration of Part 6 Local Government Act 2002.

Significance

This report requires the Council to make a formal decision on the Significance and Materiality of change to the 2015-25 Long Term Plan. The Council's Significance and Engagement Policy serves as a guide to Council elected members and staff in such decisions.

Community Board Views

Community Boards have an interest in the Annual Plan process and are factored into the communications plan.

Publicity & Communication Considerations

This report refers to a communication plan that will be implemented via a Council decision.

Appendix 1 – Changes to Year 3 2015-25 Long Term Plan

Reason for budget change	Annual Plan 2017/18 \$000	LTP Year 3 2017/18 \$000	Change vs 16/17 %	Change vs LTP yr 3 %	Comments and Notes
Starting point - Rates budgeted 2017/18 LTP year 3		30,843			
Starting point - Rates budgeted 2016/17 Annual Plan	29,722		N/A	-3.6%	Savings already achieved due factors such as low inflation & interest rates and other efficiencies
Changes made in draft 2017/18 budget, including those made or confirmed at Workshop One, 14 December 2016, and Workshop Two, 1 February 2017.					
Civil Defence no longer WDC from 1 July 2017	(262)	(335)	-0.9%	-1.1%	(cancelled) building project - allow \$100k for Ecan region after workshop 14/12/16
Otago Rural Fire Authority support stops 1 July 2017	(295)	(335)	-1.0%	-1.1%	LTP yr 3 allowed inflation over 3%p.a. every year
Parks & Recreation - new contract	(451)	(545)	-1.5%	-1.8%	LTP yr 3 allowed inflation over 3%p.a. every year
Effect of infrastructure revaluations and new assets on depreciation	132	49	0.4%	0.2%	As we cannot forecast revaluations exactly, estimated depreciation is only approximate
Hamnak DWS pipeline - effect of deferral on loan servicing and depreciation	66	(247)	0.2%	-0.8%	Loan servicing and depreciation allowed for in year 3 LTP, costs will not fully impact until 2018/19
NZTA subsidy reduced by 1%	67	N/A	0.2%	N/A	In LTP yr 3, not in 2016/17 annual plan
Close Oamaru landfill	16	26	0.1%	0.1%	LTP year 3 projected landfill continuing, with a near breakeven position
Project - fund depreciation on Alps2Ocean assets	50	(50)	0.2%	N/A	LTP yr 3 project \$100k, not in 2016/17 annual plan - reduced to \$50k after workshop 1 Feb 2017

Reason for budget change	Annual Plan 2017/18 \$000	LTP Year 3 2017/18 \$000	Change vs 16/17 %	Change vs LTP yr 3 %	Comments and Notes
Starting point - Rates budgeted 2017/18 LTP year 3		30,843			
Starting point - Rates budgeted 2016/17 Annual Plan	29,722		N/A	-3.6%	Savings already achieved due factors such as low inflation & interest rates and other efficiencies
Changes made in draft 2017/18 budget, including those made or confirmed at Workshop One, 14 December 2016, and Workshop Two, 1 February 2017.					
Utilise separate rate account to reduce rates - Oamaru Water	50	(150)	0.2%	-0.5%	Water - LTP \$100k, 2016/17 plan \$300k propose reduce to \$250k. Current balance Oamaru Water rate account \$1.4m
Utilise separate rate account to reduce rates - Oamaru Sewer	70	N/A	0.2%	N/A	Sewer - LTP \$295k, 2016/17 plan \$365k propose reduce to \$295k. Current balance Oamaru Sewer rate account \$990k
Project - sewer laterals to be publicly owned	(50)	(100)	-0.2%	-0.3%	LTP yr 3 project is \$100k, 2016/17 annual plan is \$50k - project removed at workshop 1 Feb 2017
Palmerston Amenity rate	N/A	(25)	N/A	-0.1%	Reduced to \$5k in 2016/17 annual plan, but \$30k annually in LTP
Projects approved at workshop 14 December 2016	516	516	1.7%	1.7%	Refer attached report
Increase Oamaru Amenity rate at workshop 1 Feb 2017	100	100	0.3%	0.3%	To be confirmed 15 February
Net operational changes - salary and staffing changes, lower than expected inflation and other factors	(99)	(115)	-0.3%	-0.4%	
Total change	(90)	(1,211)	-0.30%	-3.93%	
Total Rates Requirement for consultation	29,632	29,632			

New Projects for Consideration - Annual Plan 2017/18

Changes made at workshop 14/12/16

Ref	Details of project	Projected Cost \$000	Projected Funding Source				
			External \$000	Reserves \$000	Separate rate accounts \$000	Internal Loans \$000	Rates \$000
Projects identified for potential inclusion in annual plan 2017/18							
1801	Regulatory systems and processes	389	(190)	-	-	-	199
1802	Regulatory - CCC project	170	-	-	-	(170)	-
1803	Business process improvements	25	-	(25)	-	-	-
1804	Severn Street terrace wall	200	-	(88)	-	(112)	-
1805	Harbour Roads	300	-	(150)	-	(150)	-
1806	Business Park Road	400	-	(200)	-	(200)	-
1807	Severn Street heritage trees	50	(25)	-	-	-	25
1808	Parsons Creek stormwater	15	-	-	(15)	-	-
1809	Kurow street lighting	60	-	-	-	(60)	-
1810	Ward-based discretionary fund establishment	80	-	-	-	-	80
1811	Corbett Road seal extension	220	(123)	-	-	-	97
1812	Coastal protection	50	-	(25)	-	-	25
1813	Streetscape landscaping - 5 townships	60	-	-	-	-	60
1814	Harbour Street toilet grant	5	-	-	-	-	5
1815	Recreation water connections compliance	60	-	-	-	(60)	-
1816	Graves Track investigation	40	-	-	-	-	40
1817	Pool hoist replacement (3)	40	(20)	(10)	-	-	10
1818	Harbour urban park	215	-	(200)	-	-	15
Total Projects and funding		2,379	(358)	(698)	(15)	(752)	556
Agreed rate impact for 2017/18 Annual Plan - taken to summary movements page							516

Project Description

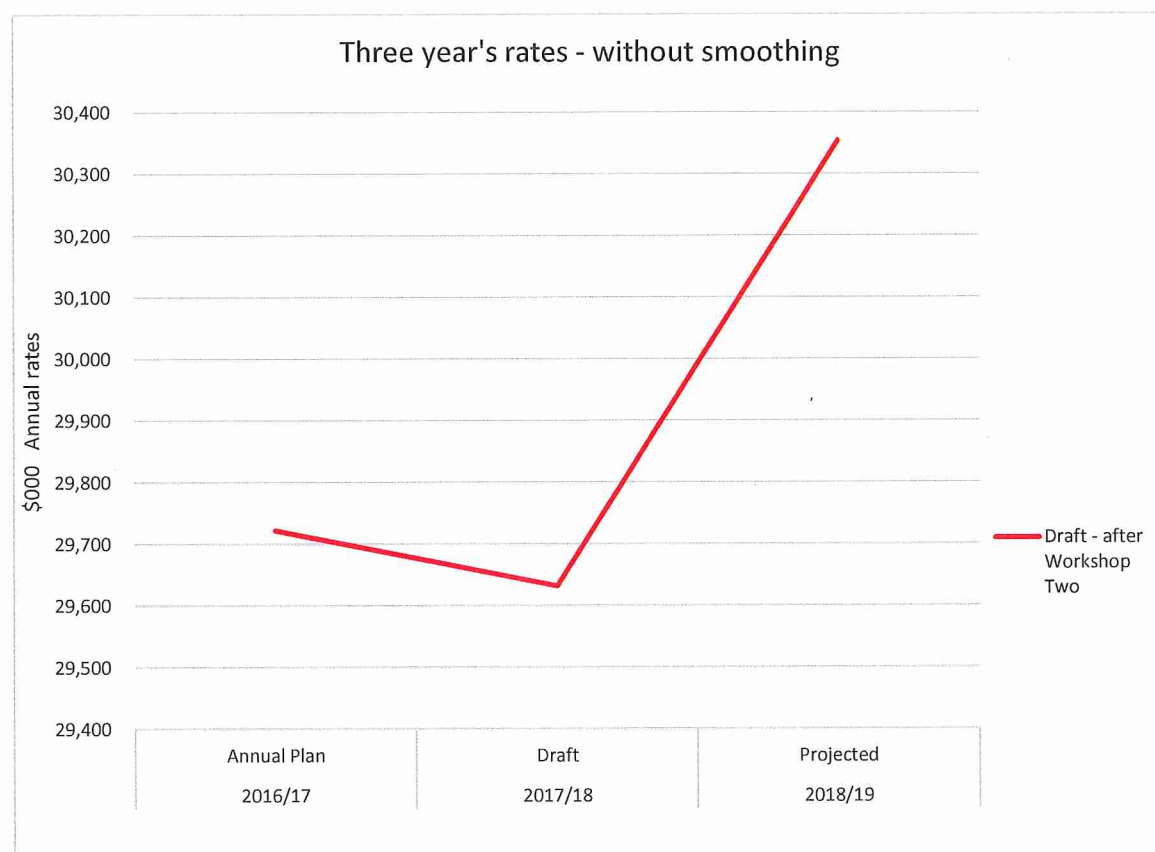
Project	Description
Regulatory systems and processes	To address service levels and process improvement in the regulatory area, particularly building control.
Regulatory – Code of Compliance Certificate project	To address the backlog in Code of Compliance Certificates.
Severn Street terrace wall	To address issues with the Severn Street terrace wall, which is rotating and close to collapse in some areas.
Harbour Roads	To close the current Arun Street access to Tyne Street and realign the road with a new intersection off Tyne Street. This is to address a potential traffic conflict between new vehicle access being constructed by Mckewon Group to Arun Street and the Harbourview Rest Home.
Business Park Road	To provide a link road allowing full access between Kororo Road and TY Duncan Road in the North Oamaru Business Park.
Severn Street heritage trees	To replace 24 faulty ground lights and cable under Severn Street heritage trees. Originally installed and gifted to Council by the Lions Club in 2007.
Parsons Creek stormwater	To investigate and analyse storm water options in Parsons Creek catchment area with options for improvements to be included in 2018-28 LTP.
Kurow street lighting	To replace Kurow township street light fittings to heritage lights on State Highway between Ranfurly and Liverpool streets.
Ward-based discretionary fund establishment	To provide a discretionary fund of \$20,000 to each ward to address roading activities that fall outside of normal operational activities, for eg roading maintenance and township works.
Corbett Road seal extension	Corbett road is a link from SH1 east to the quarry at the end of the road. The road is currently unsealed and there are dust issues dependent on the time of year. The project will be jointly funded by stakeholders and Council.
Coastal protection	To provide protection for Oamaru's roading network affected by coastal erosion, including Weaver, Foyle and Caledonian Road.
Streetscape landscaping - 5 townships	To carry out landscaping works in Duntroon, Dunback, Hampden, Herbert and Maheno.
Harbour Street toilet grant	To provide an annual grant towards the cost of servicing the Harbour Street toilet, which is maintained by the Oamaru Whitestone Civic Trust.
Recreation water connections	To install restrictors and water tanks in park and toilet connections where required to align with the Water Supply Bylaw.
Pool hoist replacement	To replace three disability hoists in the Aquatic Centre in response to feedback from users.
Harbour urban park	To develop an urban park on the harbour market site.

Appendix 2 - Rates smoothing

Councillors directed staff at the 1 February 2017 to develop options to smooth a potential rate increase between the 2017/18 and 2018/19 financial years. Amongst the items considered by Councillors at the second workshop were projections for the likely rate requirement for the 2018/19 financial year. It was suggested that Council might wish to look at means by which the two years could be “smoothed” to remove unnecessary spikes.

The present draft budget proposal requires rates revenue of \$29.632 million, which is a reduction of 0.3% on 2016/17. This situation has arisen as a consequence of a number of factors that will not repeat – primarily the cessation of Council's involvement in rural fire and a reduction in Council's funding requirements for civil defence. As a result, projected rate requirements for 2018/19 now forecast a potential increase from this draft 2017/18 position of 2.44%, to \$30.354 million.

The “spike” situation can be presented graphically as below:



It is possible to smooth the rates by rate-funding expenses or projects in the 2017/18 Annual Plan which have no, or little, impact on future years – rating to clear internal loans or rate-funding projects that were previously to be loan-funded are both practical means of achieving this goal.

The table below sets out three options along those lines:

Option 1 - clear existing loans for which loan servicing costs are funded on a district-wide basis. Clearing these loans removes loan servicing costs, and so is of benefit in the 2018/19 financial year as well.

Option 2 - rate-fund new projects discussed at Workshop One in December that were to be loan-funded. Six of those projects involved an element of loan funding – this option is based on two of the larger ones, both of which would be funded on a district-wide basis. Changing the funding source for these, or any other projects, from internal loans to rates will also remove associated loan servicing costs from future periods, including the 2018/19 projections.

Option 3 - rate for a reduction in compounding property loans. These loans are currently to be paid by future property sales and, because interest compounds to the loan principal, there is no immediate benefit other than achieving a one-off reduction in the outstanding balance. However, in future years, fewer property sales will be required in order to clear the balance of these loans. If this option is chosen, it is likely that the loans selected to be repaid would be those where a balance will remain even after all related property has been sold.

	2016/17 Annual Plan \$000	2017/18 Draft \$000	Change %	2018/19 Projected \$000	Change %	Overall Change from 2016/17 %
Annual Plan - draft						
Draft - after Workshop Two	29,722	29,632	-0.30%	30,354	2.44%	2.13%
Option 1 - Repay internal loans funded district-wide						
Clear older toilet loans (6 to 12 years remaining term)		148				
Clear Hampden closed landfill loan (3 years)		159				
Clear Centennial Park stage 1 loan (5 years)		58				
Clear old Camping Ground upgrade loan (10 years)		57				
Remove loan servicing costs		(47)		(47)		
Option 1	29,722	30,007	0.96%	30,307	1.00%	1.97%
Option 2 - Replace loan funding with rate funding						
Fund specific project (currently loan funded)						
Project 1802 - Regulatory CCC project		150		(12)		
Project 1806 - Business Park roads		200		(16)		
Option 2	29,722	29,982	0.87%	30,326	1.15%	2.03%
Option 3 - Repay internal loans (compounding property)						
Clear part, or all, of a compounding property loan		400				
Option 3	29,722	30,032	1.04%	30,354	1.07%	2.13%

Waitaki District Council Report

From Chief Financial Officer

Date 15 February 2017

Observatory Retirement Village Stage 2 Care Facility Funding

Recommendations

That Council:

1. Acknowledges the information provided by the Observatory Retirement Village Trust on their desire to help address the need for additional community care beds by investigating and possible accelerating the development of stage 2 of their care facility but their limited capacity to respond at this point in time.
2. Approves an immediate donation of \$250,000 to the Observatory Retirement Village Trust from the Community Housing Reserve to assist with stage 2 initial development costs.
3. Approves in principle a donation of the uncommitted balances of the Community Housing Reserves and Bequests to the Observatory Retirement Village Trust to assist with the construction of the Oamaru Retirement Village stage 2 care facility.
4. Confirms that a final decision on the size and timing of a donation will be made once the following matters have been completed:
 - a. confirmation that the development will proceed as soon as practicable
 - b. the supply of supporting information including a business case or similar confirmation of viability
 - c. all other investigations or other confirmations determined to be necessary during the review period

Objective of the Decision

To determine whether Council wishes to make a contribution to Observatory Retirement Village Trust to allow an immediate start to the preliminary work required to consider developing stage 2 of the care facility and to determine if any further action will be taken in relation to the costs of extending Stoke Street.

Summary

It is proposed that Council donates the uncommitted balances in two community housing reserves to the Observatory Retirement Village Trust to allow the immediate investigation and potential development of an extra 40+ community care beds to help address the urgent need for more care beds to serve the population of North Otago.

Summary of Decision Making Criteria

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	No	Environmental Considerations	No
Legal	Moderate	Cultural Considerations	No
Significance	Key	Social Considerations	Key
Financial Criteria	Key	Economic Considerations	Key
Community Views	Moderate	Community Board Views	No
Consultation	No	Publicity and Communication	Moderate

Background

After a long and robust decision making process, Council made the decision to actively support the development of a retirement village on the area known as Hospital Hill by the Observatory Hill Retirement Village Trust (The Trust). Council's support included:

- Sale of the land to the Trust
- A financial contribution to the extension of Stoke Street and related infrastructure
- An agreement in terms of Development and Financial Contributions recognising the staged nature of the development
- A loan to a maximum of \$9,000,000.

One of the primary reasons for the decision to support the development was the acceptance that there would be both a short term and long term shortage of elderly person community care beds in North Otago and that there were no announced plans by other providers to meet that need. This shortage

meant that the District was quickly going to reach the point where residents would have to leave the area to get a level of care that meets their needs.

It is also important to note that the purpose of the Trust is to both help meet the need for quality elderly person care and provide a source of funds to provide health care in North Otago.

Since the decision to proceed was made by the Trust, Council has been kept informed of the progress of the development and has visited the site at least three times during the current construction phase.

Recent Developments

In its most recent update the Trust advised Council that there was very strong interest in all three levels of accommodation being offered in the Observatory Retirement Village (ORV) (villas, apartments and care beds) and they expected uptake to be stronger than their initial projections. The Trust were expecting to be able to repay Council earlier than agreed and to be able to start providing funding for health care far earlier than expected.

This situation changed dramatically before Christmas.

Rendell on Reed was one of the large existing rest homes in Oamaru, providing facilities for over 50 residents. This facility was sold prior to Christmas. The new owners of the property subsequently announced that they intended to repurpose the facility, that it would therefore cease to be a rest home and that the residents would need to find alternate accommodation.

Given the potential impact this closure would have on the residents, their families and the wider community, the Trust entered negotiations with the new owner. The outcome of these negotiations was that the Trust took over the management of the facility, that it would remain open until the care beds in that ORV were available and that all residents would be offered a place.

This development has created both positive and negative impacts for the Trust.

This development means that the new care facility will likely be full from day one. This will have a positive impact on operating cashflows and bring a high level of certainty in terms of staffing and other operational matters.

The negative impact for both the Trust and wider community is that availability of care beds in Oamaru for our local people has not increased. In fact with the other changes and closure that have occurred, there are now fewer beds available than when the original proposal was put forward.

Based on a reasonable understanding of demand and likely developments, the only option to meet the current and expected demand appears to be for the Trust to advance their plans for the development of stage 2 of their care bed project. The construction of which would create an additional 40+ care beds. However, in spite of the Trust's desire to try and achieve this goal, there are several significant barriers to them making any immediate progress on the matter.

The most significant of these barriers is the Trust's ability to fund and service the additional capital spending required given it is so early on in the life cycle of the ORV. Faced with this very significant issue, the Trust has advised Council the situation they currently face.

Council could provide financial assistance to help create the capacity to respond in a timely manner. In the first instance that assistance would be used immediately to fund the design, engineering, professional fees and working drawings required to produce the funding model on which any final decision would be made.

Summary of Options Considered

Option 1 – Do nothing – Provide no additional funding or support.

Council can take the position that it has provided as much support as it can and that it cannot commit any further resources to meet this need.

Option 2 – Vary the terms of the existing loan.

Council could vary the term, conditions and amount of the existing loan.

Option 3 – Make a donation from reserve funds – Recommended.

Council could make a donation from a reserve fund if an appropriate source could be identified.

Assessment of Preferred Option

Option 3 is the preferred option. Council has an existing Reserve and an existing Bequest that are held for the purpose of providing community / elderly persons housing. The origin and other matters in relation to these two funds are set out in detail in appendix 1. In summary Council has a pool of funding that is intended for community housing and although the original intent was to develop a stand-alone community housing facility the amount would mean that any development would be very limited in scale, provide a very limited community benefit and impose long term costs on Council. There are also no plans for a development at this stage and given the priority of the project and the other demands on Council resource nothing is likely to happen in the foreseeable future.

If the funds were instead made available by way of donation to the Trust it would create a number of immediate benefits. The most significant of these benefits is that it would allow the Trust to proceed with the detailed planning required to determine if the development and construction of the additional care beds was viable and could be done as a continuation of the existing development project. This in turn could provide a timely solution to the impending care bed shortfall. In the longer term it will allow a greater and earlier level of return to the community in terms of additional health funding. This seems a far better option than it sitting in Council's bank account losing purchasing power every year.

What the Trust has to determine is whether additional development could be undertaken without imposing unnecessary risk to the viability of the first stage. For this to even be considered will require a number of matters to occur, including sale of all or most of the existing apartments. What the Trust is certain about is that without some form of Council or other third party assistance an immediate start is highly unlikely.

Other Options

Council could vary the terms of the existing loan. However, any increase in the loan amount would create a variation to the offer documents the Trust has developed and may delay the sale of the rights to occupy. This may be a longer term option, particularly in relation to the term of the loan but would likely mean that any opportunity to add it to the existing project would be lost.

Having considered the options summarised above, the following conclusions have been reached:

1. Due to the imminent closure of an existing rest home it is likely that the care beds in stage one of the Observatory Hill Retirement Village will be fully utilised when they open. This will probably mean that there will be little or no available community care beds in the short to medium term.
2. The Observatory Retirement Village would like to start considering developing stage 2 of their care facility as soon as stage one is completed. However, due to this being in the early life of the development it does not have the capital and equity resources in place to allow this to happen. They have therefore advised Council of the limitations they currently face to help meet this urgent community need.
3. Council has two reserve funds that are intended to be used for elderly persons housing however the funding available would only be able develop a very limited facility to meet the needs of a small number of people. It will also require ongoing additional rates funding.
4. A donation of some of the available funds from Council would be sufficient for the ORV Trust to proceed with more detailed design and costings required to see if the development was viable if started immediately and in turn, whether further funding is needed for the development to proceed.

Conclusion

Traditionally councils have provided community housing to assist some their communities most vulnerable residents, particularly if they are elderly. Agreeing to provide assistance to a third party provider has not be the traditional approach to meeting this but it is becoming increasingly common as it is understood that needs have changed and more comprehensive facilities are required. By channelling this funding to the Observatory Retirement Village Trust, Council has the opportunity to address a growing community need for a far greater number of residents than could be achieved with a small, self-developed standalone complex.

The Trust has made it clear that receiving a donation will not guarantee that the stage 2 development will occur. However, it would help give the Trust sufficient funding and confidence to advance the consideration of committing to stage 2 and investing the time and effort to see if it is viable and achievable.



Paul Hope
Chief Financial Officer

Michael Ross
Chief Executive

Attachments

Additional decision making considerations

Appendix 1: Community Housing Reserve – Origin, Actual and Potential Demands

Appendix 2: The Development Funding Structure

Additional Decision Making Considerations

The following matters have been considered in making the decisions.

Outcomes

1. We keep our District affordable
2. We enable opportunities for new and existing businesses
3. We provide and enable services and facilities so people want to stay and move here
4. We understand the diverse needs of our community
5. Waitaki's distinctive environment is valued and protected
6. We maintain the safest community we can.

The focus of this item is to enable others to provide a service and facility to allow residents to stay in the District. It also will directly contribute to outcomes 2, 4, and 6.

Policy and Plan Considerations

The development of further community housing has been noted in prior plans but on the condition that government or other third party funding was available. Once Central Government changed their policy no discussion has taken place.

Community Views

There was strong community support for the original proposal. It is reasonable to assume a similar level of support to address an urgent issue from non-rate funded sources. Council could engage with the community on the second and larger donation. However, the decision on the initial funding will need to be made immediately if there is a desire to try and make this develop occur as quickly as possible.

Significance

Depending on the weighting given to various factors this could be considered a significant decision. Although it does not use the usual definition of "new capital expenditure" referred to in the Significance and Engagement Policy, it would commit Council to a course of action that could not be reversed. It does not however trigger the Strategic Asset part of the policy as this relates only to the complete disposal of all the community housing stock.

Financial Considerations

Primarily covered above. Council has the capacity to provide this level of funding, especially if spread over more than one financial year.

Legal Considerations

Some advice may be required before the transaction is finalised.

Economic Considerations

Positive multiplier effect in terms of both the construction phase and operating impact. The facility will primarily be funded on an operational basis by Central Government.

Social Considerations

As noted above, this relates to the provision of suitable accommodation for some of the most vulnerable members of the community. The lack of suitable accommodation in the district has a direct impact on the people concerned and their family and friends. This is an area that Councils have been involved in, either directly or indirectly.

Publicity & Communication Considerations

It is recommended information is made available to the public as quickly as practical after a decision is made. This will not only give the community an opportunity to provide feedback before a final decision is made but it may also provide some comfort to affected people that there may be options available in the medium term.

Appendix 1 – Community Housing Reserve – Origin, Actual and Potential Demands

Source of Reserve Funds

Council currently has a Community Housing Reserve with a balance at 31 December 2016 of \$766,189. This reserve was created when the Claire Street Community Housing complex was sold in 2010.

In resolving to sell the property Council as part of the resolution decided that the funds from the sale be used for the construction of new “built for purpose” elderly person housing (EPH) units in Oamaru. Since that time we have a number of thoughts on how we might expend those funds and one of those possibilities was to establish a small number of new RPH units on a section which Council owns in Aln Street. However, much of the thought behind this was the assumption that Crown funding would be available to assist with the construction costs.

Councils throughout NZ were originally encouraged to invest in EPH when the Crown set up an initiative to incentivise Local Government to invest in such units for the benefit of the elderly and to save the Government from having to fund the total cost themselves and to organise their construction, ownership and ongoing management.

In addition to this Council generated reserve, Council received a bequest from the P T Mulligan Estate. The purpose of this bequest was to make a contribution to the provision of housing for the elderly. This Bequest currently has a balance of \$93,543 and the development may be a suitable use if this amount.

Council also recently committed part of these fund to insulating the existing Community Housing stock.

Unmet demand for Community Housing

An issue that needs to be considered is how much unmet demand exists. The size of the waiting/inquiry list held by property team would suggest that there is some level of demand. However, a brief analysis by the property team highlighted the following.

- Many requests related to people from outside of the District looking for an “affordable” place to live.
- A number of people had already declined vacant units because they did not meet their needs or standards.
- A further number needed some form of more social housing but their needs and prior behaviour mean that they would be quite incompatible with existing tenants.

Once these factors were allowed for there was limited unmet demand for the type of community or elderly person housing Council provides.

Waitaki District Council Report

From Policy Officer - Governance

Date 15 February 2017

Recommendations from the Ahuriri Community Board Meetings - 12 December 2016 and 30 January 2017

12 December 2016 - Recreation Update

Ahuriri Community Board is concerned about uncontrolled broom in the Ahuriri and Otematata Rivers that may be increasing in density and would like Council to facilitate a plan between relevant land owners and other authorities to control this.

RESOLVED
ACB16/71

Cr Dawson/Mrs Munro
"The Ahuriri Community Board recommend Council investigate a joint approach with agencies in conjunction with land owners to tackle the broom/weed problem.

CARRIED

30 January 2017 - Recreation Update

Otematata Tennis Courts Fence

RESOLVED
ACB17/004

Mrs Munro/Mr Sullivan
"The Ahuriri Community Board approves:
1. A \$15,000 repair for Otematata tennis courts fence;
2. **Ahuriri Community Board asks Council to fund \$5,000 from RMA Reserves Fund;**
3. \$6,000 out of the Improvements Fund;
4. Balance to come out of the Ahuriri Recreation Reserve Fund."

CARRIED



Margaret Tanner
Policy Officer – Governance



Mike Roesler
Policy & Communications Manager

Waitaki District Council Report

From Policy Officer - Governance

Date 15 February 2017

Recommendation from Assets Committee Meeting 1 February 2017

Harbour Street: Improvements and Trial Closure

To improve the traffic and pedestrian flow around the Historic Precinct by modifying speed and parking within the general area and prohibiting vehicle access into Harbour Street between 10am and 4pm on weekends, by means of installation of retractable bollards.

RESOLVED
AC17/001

Crs Hopkins/Tavendale

"That the Assets Committee recommend that Council:

1. Consider the design and installation of the new footpath and retractable bollards.
2. Adopt the proposal to construct a raised pedestrian crossing.
3. Adopt Back Lane improvements.
4. Adopt a trial closure of Harbour Street."

CARRIED



Margaret Tanner
Policy Officer – Governance



Mike Roesler
Policy & Communications Manager

Waitaki District Council Report

From Roothing Manager

Date 15 February 2017

Regional Transportation Committee: Programme Update and Matters Arising

Recommendations

1. The information be received.
2. The matters noted be reviewed and direction provided for the combined Environment Southland and Otago Regional Council Regional Land Transport Plan (RLTP) Programme including:
 - a. Additional items for the Programme
 - b. Consideration regarding the implications for regional governance of cycle trails.

Objective of the Decision

To provide direction to the Regional Transportation Committee (RTC) about Waitaki District Council's aspirations for the RLTP and promote discussion for inclusion of proposals into the RLTP for 2018-21.

Summary

It is proposed that Council reviews the key matters from the RTC agenda document dated 1 December 2016. This report condenses the RTC agenda to discussion points for the purposes of simplicity.

Summary of Decision Making Criteria

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	Key	Environmental Considerations	No
Legal	No	Cultural Considerations	No
Significance	No	Social Considerations	Moderate
Financial Criteria	Key	Economic Considerations	Moderate
Community Views	Moderate	Community Board Views	No
Consultation	Moderate	Publicity and Communication	Moderate

Background

The Regional Transportation Committee (RTC) met in Balclutha on 1 December 2016, with Cr Kingan and Mr Voss attending (Cr Percival is Council's representative but was unavailable to attend). The RTC meeting fulfilled two functions; firstly to induct new members (Councillors) into their roles and secondly to review the four items within the agenda. Council staff, as members of a Technical Advisory Group (TAG), support the representatives by developing core plans and giving advice on matters arising.

A workshop in Oamaru, being arranged and led by RTC Chairs (representing Otago Regional Council and Environment Southland) is programmed for 8 March 2017 with Councillors. The purpose of this workshop is for the Chairs to explain the RLTP process and seek Council's feedback into the process and contents that affect Waitaki eg tourism and cycle trails.

A copy of the full agenda can be placed in Dropbox should further details be sought. The subject matter is complex covering land transport issues (excluding rail at this point) for the whole of the lower South Island. This report selects only those items or key elements as they impact on Waitaki District.

These key elements are taken from the agenda, broken down and summarised into the four parts below, with annotations.

- Part A: Items from the agenda that are pertinent to Waitaki.
 Part B: Regional Land Transport Plan Review
 Part C: Strategy Review
 Part D: Cycle Trail Governance

Part A: Agenda Items

Item 1: RLTP Programme Update: This item outlines the status of the Waitaki District Council Projects as proposed for FY 2018-21.

- a. That a Stock Effluent Disposal Site is proposed to be constructed in Ahuriri Ward.
- b. Street Light LED Upgrade. This project is in collaboration with ICC and NZTA.
- c. Visiting Drivers Project (\$2.8M over 5 years for lower SI). This outlines the project that is to be spread between the lower South Island councils. The Dansey's Pass works and Lighthouse Road would be seeded from this project after discussions with NZTA.

The below are projects under development by Waitaki District Council to address recent events and to take advantage of the **Visitor Drivers Signature Project** funding package announced by Central Government earlier this year in response to the increasing tourist numbers and road safety.

Kakanui Point Bridge is a recent addition arising from its recent degrading from Class 1 loading to 70% Class 1. As this bridge currently fulfils a SH detour there is a need to bring it up to Class 1 and suitable for HPMV and 50MAX loadings. The increasing tourist activity, including coaches, add weight to this project's relevance. Business Case estimate \$80,000. Rough order of costs of single lane replacement \$7M.

The Dansey's Pass guardrail proposal is in recognition of the increasing importance of this route as part of the visiting driver experience and as a link road between the Rail Trail and A20. The hill from the Dansey's Bridge lacks any form of side protection. The increasing size of campervans suggests it is time safety improvements were made to address the lack of width and blind corners. The unsealed hill that leads towards the lavender farm is subject to frequent corrugations because of its steep grade. Providing traction seal will improve the security for those drivers less experienced in this environment. Installing VMS (electronic signs) at either end of Dansey's Pass Road to give the same message from CoDC and Waitaki District Council is proposed. Total rough estimate is \$1.365M.

Seal extensions are proposed in light of the increasing health risks from dust to residents living adjacent to unsealed roads. This is becoming a nation-wide issue and some expenditure to mitigate dust is to be considered. The works are initially estimated at \$500,000; with an initiating business case study of \$30,000.

Lighthouse Road Moeraki sealing proposal is in response to the increasing tourist demand on a 17km length of unsealed road that accesses some unique wildlife experiences as well as of high scenic value. The scope is yet to be determined and a business case would help determine the best extent of works – initially estimated at \$80,000.

NOTE: the \$'s above are ball park estimates and will vary significantly as projects are teased out through the development of each business case.

COUNCIL ACTIONS: *These items will need to be submitted to the RTC for discussion and inclusion should Council agree to their relevance.*

Part B: Regional Land Transport Plan Review

Item 2: RLTP Review - Process and Timing: This is procedural and timing to give advanced notice of milestones for deliverables to enact the RLTP.

COUNCIL ACTIONS: *Council will be kept up to date with any changes and advised of the timings and agenda of future roadshows proposed above.*

Part C: Strategy Review

Item 3: Reviewing Strategic Front end of RLTP:

This entails a number of Problem statements to be addressed during the Workshop to tease these out or add those deemed to represent Waitaki more accurately than those generic to the lower South Island.

COUNCIL ACTIONS: *Further work is required here by staff in consultation with representatives and it is likely any changes will be included in the proposed ORC roadshow programmed for 8 March 2017. Note: NZTA requires principles of the Business Case Approach (BCA) be applied in the review of the Otago and Southland RLTPs.*

Part D: Cycle Trails Governance

Item 4: Regional Governance of Cycle Trails

This item proposes the RTC to consider establishing regional support and governance for cycle trails in Otago and Southland. Currently there are a number of agencies significantly involved in delivering cycle trail experiences. The trails themselves cross district and regional boundaries. For example the A2O starts in the McKenzie District (ECAN) and proceeds into Waitaki District (ECAN/ORC). Similarly there is increasing movements between the A2O and the Rail Trail via Dansey's Pass that suggest the potential for unified management.

The issues of cycle trail ownership, maintenance and asset renewal/future developments remain unclear and this proposal is to have a unified governance body as a means of future-proofing the investment and it will provide a degree of consistency.

Meanwhile, the TAG has recommended that the RTC mechanism is a suitable governance structure for overseeing the consolidation of various cycle trails, both existing and proposed, into a southern South Island network. The Regional Transport Committee already has an interest in the planning and funding of some forms of cycling, including any urban cycleways/lanes/routes that seek or receive NZTA funding.

COUNCIL ACTIONS: *Though the internal Roding Team enables many of the cycle trail projects along with Recreational departments, it does feel that the implications and practices herein need to be understood by Council as a whole. Hence an understanding of Council's position on recommendation 1 above is core to progress. We in Waitaki would need, initially at a political level, to include McKenzie District Council as an affected party in delivering the A2O. Collaboration between CODC and WDC over the joint Danseys Pass route is another factor for consideration.*

Summary of Items Considered

Part A: – That Council agrees to progressing the agenda items list above as additional items for the RLTP, following discussions concerning matters affecting Waitaki district.

Part B: – No action by Council required.

Part C: – That Council discusses the strategic front-end as relevant to Waitaki during the workshop on 8 March 2017.

Part D: – That Council considers its position on establishing a pan-regional cycle trail governance body. This proposal needs to be worked with McKenzie District as a joint participant of the A2O cycle trail. This will be further explored should Council agree to participate in the governance role.

Assessment of Items

Each of the items above is submitted to provide Council an outline and discussion points about the role the Regional Transportation Committee undertakes and those activities which require input by Council.

The proposed roadshow to be organised by ORC on 8 March 2017 will provide a suitable opportunity to gain a better understanding of these items.

Having considered the options summarised above, the following conclusions have been reached:

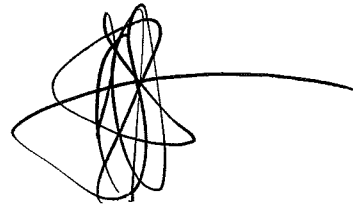
1. That Council considers the matters above and confirms direction, in particular around adding the new projects to the RLTP as a means of addressing growth within the District.
2. That Council is aware of the implications of participating in the governance role (directly or otherwise) to ensure the equitable delivery of cycle trail projects.

Conclusion

This report is a mixture of strategic information and guidance towards decision making that covers the land transportation service delivery activity. Its outcomes will determine the efficiencies and effectiveness of our Roding Programme 2018-21.

Unfortunately all of these key elements lack detail at this point due to the lack of lead-in time to add as place-markers into the RLTP.

The speed of change, for example Central Government's release of the Visiting Driver project, creates real challenges as to the preparation and evaluation of our projects and deliverables – especially when they all interface with external funding provisos (GPS, NLTP, RLTP) and One Network Roding Classifications plus a new maintenance contract (starting 1 July 2017).



Neil Jorgensen
Assets Group Manager

Michael Voss
Roding Manager

Attachment

Additional decision making considerations

Additional Decision Making Considerations

The following matters have been considered in making the decisions.

Outcomes

We enable opportunities for new and existing businesses.

We provide and enable services and facilities so that people want to stay and move here.

We maintain the safest community we can.

We keep our district affordable.

Policy and Plan Considerations

These projects will form part of the RLTP and the LTP, Annual Plan and Asset Management Plans.

Community Views

There will be some localised community consultation should the projects proceed.

Financial Considerations

Significant. The projects outlined above will have significant local share components eg the Visiting Drivers project initiated by central government is predicated on Council's local share.

These projects will be moderated through the RLTP process should Council agree to their inclusion and scope.

Legal Considerations

Minimal at this stage.

Environmental Considerations

Though there are no direct environmental considerations it must be a factor in the decision making should Council begin to explore improving our service levels to satisfy or meet the visitor driver expectations.

Publicity & Communication Considerations

It is recommended that the key matters are addressed through a public consultation plan where appropriate.

Waitaki District Council Report

From Policy and Communications Manager

Date 15 February 2017

Waitaki District Council – Local Governance Statement 2016

Recommendation

That Waitaki District Council Local Governance Statement 2016 as attached is adopted.

Purpose

The purpose of this memorandum is to present Council with the 2016 Local Governance Statement. The Local Governance Statement sets out information regarding Council and is a requirement under the Local Government Act 2002. The Local Governance Statement must be prepared and made publically available within six months of the triennial election.

Discussion

Under Section 40 (1) of the Local Government 2002 Act, councils must prepare and make publically available, following the triennial election of members, a local governance statement which includes information on:

- (a) The functions, responsibilities, and activities of the local authority; and
 - (b) Any local legislation that confers powers on the local authority; and
 - (ba) the bylaws of the local authority, including for each bylaw, its title, a general description of it, when it was made, and, if applicable, the date of its last review under section 158 or 159; and
 - (c) The electoral system and the opportunity to change it; and
 - (d) Representation arrangements, including the option of establishing Maori wards or constituencies, and the opportunity to change them; and
 - (e) Members' roles and conduct (with specific reference to the applicable statutory requirements and code of conduct); and
 - (f) Governance structures and processes, membership, and delegations; and
 - (g) Meeting processes (with specific reference to the applicable provisions of the Local Government Official Information and Meetings Act 1987 and standing orders); and
 - (h) Consultation policies; and
 - (i) Policies for liaising with, and memoranda or agreements with, Maori; and
 - (j) The management structure and the relationship between management and elected members; and
 - (ja) The remuneration and employment policy, if adopted; and
 - (k) Equal employment opportunities policy; and
 - (l) Key approved planning and policy documents and the process for their development and review; and
 - (m) Systems for public access to it and its elected members; and
 - (n) Processes for requests for official information.
- (2) A local authority must comply with subsection (1) within 6 months after each triennial general election of members of the local authority.
- (3) A local authority must update its governance statement as it considers appropriate

The attached document has been updated to take account of the above requirements, changes to the Local Government Act since the last triennial election in 2013 along with updated committee membership details.

In effect the Local Governance Statement is a compliance requirement and brings together an array of information which has already been considered by Council and therefore no decision is required on its content.

While a compliance requirement, officers understand that there will be a degree of interest in some of the material by the community or individuals interested in Council processes. Therefore once the Local Governance Statement has been adopted it will be made publicly available via Council's website, Council Headquarters Building and Waihemo Service Centre.



Margaret Tanner
Policy Officer - Governance



Mike Roesler
Policy & Communications Manager

Attachment

Waitaki District Council Local Governance Statement 2016 (under separate cover)

Waitaki District Council Report

From Customer Services Group Manager
Policy and Communications Manager

Date 15 February 2017

Adoption of Standing Orders 2016-2019

Recommendations

That Council:

1. Notes the Draft Waitaki District Council Standing Orders 2016 are based on the Local Government New Zealand revised model standing orders.
2. Notes the Local Government New Zealand model includes new clauses compared to the Council's current Standing Orders and these are summarised in Appendix 2.
3. Agrees any changes to the Draft Waitaki District Council Standing Orders 2016.
4. Approves the Draft Waitaki District Council Standing Orders 2016 for use over the 2016-2019 triennium and including any changes agreed at this 15 February 2017 meeting.
5. Notes that approving a new set of Standing Orders requires a vote of not less than 75% of the members present.

Purpose

The purpose of this report is to ensure that Council has appropriate and relevant guidance and rules for the conduct of the proceedings of local authorities, committees, subcommittees and subordinate decision-making bodies and community boards. This supports good governance practice and meets Schedule 7 27(1) Local Government Act 2002 requirements for Standing Orders.

Summary of Decision Making Criteria

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	No	Environmental Considerations	No
Legal	Key	Cultural Considerations	No
Significance	No	Social Considerations	No
Financial Criteria	No	Economic Considerations	No
Community Views	No	Community Board Views	No
Consultation	No	Publicity and Communication	No

The decisions related to this report is legally driven. Schedule 7 27(1) of the Local Government Act 2002 states that a local authority must adopt a set of Standing Orders for the conduct of its meetings and those of its committees. Once adopted, Standing Orders 'rollover' from triennium to triennium. They may be amended at any time but only with a 75% voting majority. Legislation also requires all elected members to follow Standing Orders.

Background

In 2016 Local Government New Zealand (LGNZ) began revising Model Standing orders in consultation with the sector, responding to requests for greater clarity (especially around legislative changes), alignment with the 21st century meeting practices (including technological advancements), the inclusion of bi-cultural provisions, and recognising that the formal process of revision through Standards New Zealand was costly. The revision was carried out via a working party with contributions from experienced council governance practitioners, independent meeting protocol experts and legal officers, as well as LGNZ.

The final document along with a Guide was released by LGNZ in September 2016 and features some significant changes while remaining compliant with all relevant legislation. LGNZ Standing Orders (Appendix 2) is appended.

The LGNZ document is subject to Copyright. Council has been granted a royalty-free, non-exclusive, non-transferable and revocable licence to amend, distribute to elected members and staff, and publish on Council's website at a cost of \$250.00 +GST.

Proposal

This report proposes that Council utilise the LGNZ Model Standing Orders for its governance and legislative requirements. The result of doing so is reflected in Appendix 1 - Draft Waitaki District Council Standing Orders 2016 (CSO 2016).

The LGNZ model contains a number of improvements that are reflected in the CSO 2016. These improvements represent change compared to Council's current Standing Orders.

The LGNZ model, and therefore CSO 2016, includes three key changes. They are:

- Attending meetings via audio or audio visual link (Clauses 12.7 to 12.14).
 - Question - should elected members be able to remotely attend meetings via audio or audio-visual link?
- Three options for debating protocol/rules of debate (clause 21).
 - Question - should Council signal a default option?
- Casting vote (clause 18.3) - any person presiding over a meeting has the casting vote.
 - Question – is Council comfortable with this change?

These key changes, and other changes, currently reflected in the CSO 2016 are summarised in Appendix 2 of this report. Council can direct officers to make changes to the CSO 2016 at this meeting and they will be incorporated into the final Standing Orders.

There is no other practicable alternative decision-making option than that presented in this report. Council's existing Standing Orders do not reflect the legislative changes to the Local Government Act 2002 and the Local Government Official Information and Meetings Act 1987.

Next steps

Following approval of the CSO 2016 officers will circulate the final document to all elected members, subject to any changes decided at this 15 February 2017 meeting, and add a copy to Council's website for public information.



Mike Roesler
Policy and Communications Manager



Lisa Baillie
Customer Services Group Manager

Attachments

Additional Decision Making Considerations

Appendix 1: Draft Waitaki District Council Standing Orders (under separate cover)

Appendix 2: New provisions in the Draft Waitaki District Council Standing Orders 2016

Additional Decision Making Considerations

Significance

The adoption of Standing Orders provides guidance to good meeting procedure for decision-making.

In terms of the threshold and criteria in Council's Significance Policy, the decision to amend and adopt Standing Orders has the following implications:

- It is of small magnitude in relation to cost.
- It is of small or no magnitude in terms of effect on service levels, service delivery and service capacity.
- It has no bearing on controlling interests in Council controlled organisations or any strategic asset.
- It is administrative in character.
- It can be amended at any time, subject to a 75% majority vote.
- The technical nature of the Standing Orders, and the limited experience of the wider community in the administration of the various statistics involved, would indicate that there is little obvious benefit in wider consultation.

For these reasons, the overall significance of such a decision is low, and that the decision-making processes should reflect that overall significance.

Policy and Plan Considerations

The adoption of Standing Orders is not inconsistent with any existing or proposed Council policies and plans.

Consideration of Community Views

The adoption of Standing Orders is a matter for Council to decide.

Financial Considerations

Standing Orders are a governance requirement. The cost of purchasing a copy of the LGNZ Standing Orders was \$250 + GST which is met within operating budgets.

Legal Considerations

These have been addressed under the 'Background'.

Appendix 2: New provisions in the Draft Waitaki District Council Standing Orders 2016

Clause 1.1:

Principles: A new section which lists some key principles of good governance, to which Standing Orders give effect.

Clause 2:

Definitions: this section has been significantly extended to clarify a wider range of terms relevant to actual meeting practices.

Clause 4.4:

States 'Webcast meetings should be provided in accordance with the protocols contained in Appendix 5.' References in the main body of the document plus Appendix 5 have been amended to reflect some council current practices around the livestreaming of meetings.

Clause 5.2:

Practical guidance is provided regarding the implementation of the additional mayoral powers.

Clauses 9.1 to 9.6:

Agenda creation - provides clarity around how a meeting agenda is developed. Appendix 11 is also relevant.

Clause 10.5:

Lapse of a Quorum - it used to be that a quorum would need to be formed within 10 minutes of the advertised commencement time of a meeting, or the meeting would lapse. This period has been increased to 30 minutes or even longer, at the discretion of the Chair in recognising extraordinary circumstances.

Clauses 11.3 and 11.4:

Recording of a meeting by local authority and members of the public - these sections provide clarity on the digital recording of meetings and the provision for the Chair to stop members of the public from recording for a period of time where circumstances require this.

Clauses 12.7 to 12.14:

Members' right to attend meetings by audio link - this is a new provision arising from the 2014 amendment to the Local Government Act 2002 (clause 25A of Schedule 7), which allows members to attend meetings remotely in circumstances where they are unable to physically attend (e.g. due to sickness or an emergency). Members present by link are not counted as part of the quorum but do have the right to vote. If the technology fails during the meeting the member is counted as not present and their voting not counted from that point. **Council is under no obligation to adopt this provision as part of Standing Orders.** If it wishes to do so it is the officer's recommendation that attendance by audio link be approved as a first step.

Clause 14:

Public speaking time - deals with several changes to public forums and public speaking times.

Clause 18.3: Chair has a casting vote - If Council does not wish the Chair to have a casting vote it must resolve to remove this provision from the document.

Clauses 19.7 and 19.8: Conflicts of Interest are new, and provide clarity around how, at a meeting, a member should deal with any conflicts of interest both financial and non-financial.

Clause 19.11:

Members' use of electronic devices at meetings - clarifies the use of electronic devices at meetings.

Clause 21: Rules of Debate is new and provides three options (A, B or C) for dealing with speaking and moving motions and amendments. Option A is the default option. Appendix 2 summarises the differences between the options.

Standing Orders - Appendices

Appendices 1-4 and 6 are substantially the same as in Standards NZ Model Standing Orders. Appendices 5 and 7-11 are new.

Waitaki District Council Report

From Policy and Communications Manager

Date 15 February 2017

Waitaki District Council – Elected Members Code of Conduct 2016

Recommendations

That Council adopt the attached draft Waitaki District Council - Elected Members Code of Conduct 2016. The appended Code of Conduct was updated by Local Government New Zealand (LGNZ) in October 2016.

Purpose

The purpose of this report is to ensure the Council has a Code of Conduct in place to enhance:

- The effectiveness of Council as the autonomous local authority with statutory responsibilities for the good local governance of the Waitaki district.
- The credibility and accountability of Council within its community.
- Mutual trust, respect and tolerance between the elected members as a group and between the elected members and management

In doing the Council meets a requirement under Schedule 7, Clause 15 of the Local Government Act 2002, and as provided in Appendix 2 of this report.

Summary of Decision Making Criteria

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	No	Environmental Considerations	No
Legal	Key	Cultural Considerations	No
Significance	No	Social Considerations	No
Financial Criteria	No	Economic Considerations	No
Community Views	No	Community Board Views	No
Consultation	No	Publicity and Communication	No

Background

The Code of Conduct provides guidance on the standards of behaviour that are expected from the Mayor and elected members of the Waitaki District Council. The code applies to elected members in their dealings with:

- Each other
- Council staff
- The general public
- The media

In 2016 Local Government New Zealand revised its model code of conduct and made this available to all Councils with Local Authorities providing input into the revision process. The changes included:

- More clarity on what constitutes a breach of the Code of Conduct;
- Separating the processes for investigating breaches from those for determining penalties and responses;
- More emphasis on building supportive and inclusive cultures to reduce the risk of breaches;
- Clarifies who can make a complaint;
- A process for distinguishing between non material and material complaints;

Proposal

This report recommends that Council adopt the LGNZ model as its Code of Conduct. This decision will result in Council improving upon the 2013 position which is no longer best practice.

When the draft has been adopted the Code of Conduct 2016 will be included with Council's governance documents in Dropbox and added to Council's website.



Margaret Tanner
Policy Officer - Governance



Mike Roesler
Policy & Communications Manager

Attachment

- Appendix 1: Elected Members Code of Conduct 2016 (under separate cover)
Appendix 2: Schedule 7, Clause 15 of the Local Government Act 2002

Appendix 2: Schedule 7, Clause 15 Local Government Act 2002 (LGA02)

The LGA02 requires all local authorities to adopt a Code of Conduct for members as follows:

- (1) A local authority must adopt a code of conduct for members of the local authority as soon as practicable after the commencement of this Act.
- (2) The code of conduct must set out:
 - a. Understandings and expectations adopted by the local authority about the manner in which members may conduct themselves while acting in their capacity as members including:
 - i. Behavior toward one another, staff, and the public; and
 - a. Is received by, or in the possession of, an elected member in his/her capacity as an elected member; and
 - b. Relates to the ability of the local authority to give effect to any provision of this Act; and
 - b. A general explanation of:
 - i. The Local Government Official Information and Meetings Act 1987; and
 - ii. Any other enactment or rule of law applicable to members.
- (3) A local authority may amend or replace its code of conduct, but may not revoke it without replacement.
- (4) A member of a local authority must comply with the code of conduct of that local authority.
- (5) A local authority must, when adopting a code of conduct, consider whether it must require a member or newly elected member to declare whether or not the member or newly elected member is an undischarged bankrupt.
- (6) After the adoption of the code of conduct, an amendment of the code of conduct or the adoption of a new code of conduct requires, in every case, a vote in support of the amendment of not less than 75% of the members present.
- (7) To avoid doubt, a breach of the code of conduct does not constitute an offence under this Act.

Waitaki District Council Report

From Chief Executive Officer

Date 15 February 2017

Macraes Community Development Trust Appointment of a Trustee

Recommendations

That Mrs Kathy Dennison, Chair of the Waihemo Community Board be appointed as a Trustee on the Macraes Community Development Trust.

Objective of the Decision

To appoint a Waitaki District Council representative as a Trustee on the Macraes Community Development Trust (MCDT) as permitted under Clause 14.1(d) of the Trust Deed.

Summary

It is proposed that Council appoint Mrs Kathy Dennison as the Waihemo Community Board Chair as the representative on the MCDT. Mayor Kircher has discussed how this would fit within Mrs Dennison's current commitments and as Mrs Dennison was the Council appointee when she was a Councillor it would provide continuity on the Trust.

Summary of Decision Making Criteria

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	No	Environmental Considerations	No
Legal	Key	Cultural Considerations	No
Significance	No	Social Considerations	Key
Financial Criteria	No	Economic Considerations	Key
Community Views	No	Community Board Views	Key
Consultation	No	Publicity and Communication	No

Background

The Macraes Community Development Trust has been formed to hold the trust assets on trust and apply and use the trust assets exclusively to benefit the Macraes Community by supporting activities that relate to the social, economic and cultural wellbeing of the Macraes Community, particularly after mining has ceased. This Trust was created as a direct consequence of negotiations pursuant to resource consents for mining activity being granted.

The Trust allows for the Waitaki District Council to appoint a representative onto the Trust and we believe that the reappointment of Mrs Dennison, although in a changed role for Council, would be in the best interests of the Trust. Mrs Dennison has a good understanding of the needs of Macraes and the wider community. The Macraes community is an important part of the ongoing development of our District and having representation on the Trust provides Council with a useful conduit for communication when local decisions about Macraes are being made.

The appointment of a Trustee on this Trust will in the future be included in the review of appointments to Trusts and Committees following each triennial election, with the next review in 2019.

The matters in this report are of low significance in terms of Council's policy on determining significance.

Summary of Options Considered

Option 1 – do nothing (Not Recommended).

Option 2 – appoint Mrs Kathy Dennison as the Waitaki District Council representative to the Trust. (Recommended).

Option 3 – appoint a different representative of the Waitaki District Council (Not Recommended).

Assessment of Preferred Option

Option 2 is the recommended option as Mrs Dennison is familiar with the background to the Trust, she resides in the Ward where the Trust is based and understands the community in the Macraes area.

Option 1 is not preferred as this option does not enable a Council representative to contribute to the work of the Trust and reduces opportunities for communication with the Trust.

Option 3 is not preferred as a new appointee would not have the background nor provide continuity for the Trust and the community.

Conclusion

The conclusion is that at this time Waitaki District Council is permitted to have a Trustee on the MCDT and that Mrs Dennison is the preferred appointment for this representation.



Michael Ross
Chief Executive Officer

Waitaki District Council Report

From Chief Executive

Date 15 February 2017

Triennial Agreements 2016-19

Recommendations

That Council:

1. Approves the Canterbury local authorities Triennial Agreement;
2. Notes the "Charter of Purpose" for the Canterbury Mayoral Forum;
3. Approves the Otago local authorities Triennial Agreement;
4. Invites Mayor Kircher to sign the Canterbury and Otago 2017-19 Triennial Agreements on behalf of Council.

Objective of the Decision

The objective of this report is for Council to approve the Canterbury and Otago local authorities Triennial Agreements as required under Section 15 of the Local Government Act 2002.

Summary

A Triennial Agreement is a communication protocol for local authorities within regions. The Agreements set out commitments or areas for collaboration between the relevant parties over the three year period. Triennial Agreements for 2017-19 have been appended to this report. The Otago Triennial Agreement (including the Mayoral and Chief Executive Forums) will be serviced by Otago Regional Council for 2017-2019 while the Canterbury Regional Council (Environment Canterbury) will service the Canterbury Mayor and Chief Executives Forums over the same period.

Background

Not later than 1 March after each triennial general election of members all local authorities are required under Section 15 of the Local Government Act 2002 to enter in an agreement.

As Waitaki District Council sits across two regions, separate Triennial Agreements are required for Canterbury and Otago Regional Councils. Both documents have been prepared and considered by the relevant Regional Mayors and Chairs.

Summary of Decision Making Criteria

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	Key	Environmental Considerations	No
Legal	Key	Cultural Considerations	No
Significance	No	Social Considerations	No
Financial Criteria	No	Economic Considerations	No
Community Views	No	Community Board Views	No
Consultation	No	Publicity and Communication	Moderate

The purpose of the agreements is to ensure that appropriate levels of communication, co-ordination and collaboration are maintained between local authorities within the region. The agreements must include:

- Protocols for communication and co-ordination between the councils
- The process by which councils will comply with section 16 of the Act, which applies to significant new activities proposed by regionals councils.
- Processes and protocols through which all councils can participate in identifying, delivering and funding facilities and services of significance to more than one district.

Agreements may also include commitments to establish joint governance arrangements to give better effect to the matters set out above.

A triennial agreement may be varied by agreement between all the local authorities within the region, and remains in force until local authorities ratify a new agreement.

Commitments/Opportunities for Collaboration

1. Canterbury Triennial Agreement and Charter of Purpose

The Canterbury Triennial Agreement 2017-19 (attached) was prepared at the direction of the outgoing Mayoral Forum by the Chief Executives Forum, and was agreed by the Mayoral Forum at its first meeting on 27 January 2017.

Only minor changes are proposed to the 2013-16 Triennial Agreement. The most significant of these are explicit reference in Section 3 (collaborative commitment) to:

- Collective 'voice' – a shared vision and joint advocacy for Canterbury and its communities.
- Continuing to develop and implement the Canterbury Regional Economic Development Strategy
- An explicit focus on civil defence and natural hazard risk management.

2. Otago Triennial Agreement

The Otago Triennial Agreement for 2016-19 (attached) has identified the following opportunities for regional collaboration set out in Schedule A:

- Continue to develop our Section 17A Reviews as prioritised
- Development of an Otago wide economic development strategy.
- Continuing to monitor and development our new Regional Civil Defence organisation.

Coordination of common relationships

- KTKO
- Te Ao Marama
- Key central government departments (NZTA; MBIE; DIA etc)

Other

- Coordinating responses to major policy issues affecting the region
- National Policy Statement – Urban Development Capacity

Summary of Options Considered

- | | |
|----------|--|
| Option 1 | Do nothing |
| Option 2 | Amend one or both of the Triennial Agreements |
| Option 3 | Approve the Triennial Agreements without amendment |

Option 3 is preferred. Option 1 will not meet the requirements of the Local Government Act 2002.

Option 2 is not preferred as unanimous agreement is required on the wording of these agreements.



Michael Ross
Chief Executive

Attachments

Additional Decision Making Considerations

Appendix One: Canterbury Local Authorities Triennial Agreement

Appendix Two: Charter of Purpose 2017-2019

Appendix Three: Local Authorities of the Otago Region Triennial Agreement 2016-2017

Additional Decision Making Considerations

The following matters have been considered in making the decisions.

Publicity & Communication Considerations

There is no requirement under the Local Government Act 2002 to use special consultation for the adoption of Triennial Agreements. The normal publicity associated with items on agendas for public meetings enables community feedback and is appropriate.

Canterbury Local Authorities Triennial Agreement 2017–19

1. Purpose

Not later than 1 March following triennial local government elections, local authorities within a regional council area are required to enter into a Triennial Agreement (S.15 of the Local Government Act 2002). The purpose of the Triennial Agreement is to ensure appropriate levels of communication, co-ordination and collaboration between local authorities within the region.

The Triennial Agreement is ratified by all member councils.

2. Agreement

The parties:

Ashburton District Council
 Canterbury Regional Council (Environment Canterbury)
 Christchurch City Council
 Hurunui District Council
 Kaikōura District Council
 Mackenzie District Council
 Selwyn District Council
 Timaru District Council
 Waimakariri District Council
 Waimate District Council
 Waitaki District Council

agree to work collaboratively and in good faith for the good governance and success of their districts, cities and the region.

As signatories to this Agreement, each local authority will ensure that pursuant to Section 15, Local Government Act, 2002:

- early notification to affected local authorities party to this Agreement through the distribution of draft documentation of major policy initiatives or proposals that may have implications beyond the current geographic boundaries (or for constituent authorities) of the decision-making authority. This includes the requirement of Section 15 (2) of the Local Government Act for consultation on proposals for new regional council activities where the following process will be followed.
- any new significant activity, as defined in Section 16 (1) of the Act, proposed by the Canterbury Regional Council, will be advised to the appropriate meeting of the Canterbury Mayoral Forum, in addition to any Section 16 (1) requirement
- any new activity proposed by the Canterbury Regional Council not considered significant will be advised to the appropriate territorial authorities in the Canterbury Region
- the application of a “no surprises” policy where early notice will be given of potential disagreements between, or actions likely to have significant impact on, other local authorities.

3. Collaboration

The local authorities in Canterbury, as signatories to this Agreement, commit to working collaboratively to drive efficiencies and better provide for the needs of their communities through the provision of good quality local infrastructure, local public services and performance of regulatory functions. This collaboration may either be Canterbury wide or on a sub-regional basis.

Collaborative commitment for the 2016-2019 term will include but is not restricted to:

- an effective Canterbury Mayoral Forum (Charter of Purpose attached)
- developing and voicing a shared vision for Canterbury

- continuing to develop and implement the *Canterbury Regional Economic Development Strategy*, and advocating on economic and social development opportunities for Canterbury
- continuing to implement the Canterbury Water Management Strategy (CWMS)
- integrated transport planning for the region
- investigating options for the delivery of integrated transport and 3 Water services in Canterbury
- supporting regional and sub-regional collaborative opportunities, such as refreshing and implementing the Urban Development Strategy (UDS) for greater Christchurch
- developing a three-year work programme for the Canterbury Chief Executives Forum, including a framework for collaboration in the governance and management of effective and efficient delivery of services, infrastructure and regulatory functions across the region
- working through the Canterbury Policy Forum to address common strategic policy issues, generating where possible common positions and submissions, and facilitating the co-ordinated sharing and reporting of information
- implementing a collaborative planning and decision making process including integrated RMA planning
- ensuring effective resilience and response to civil defence and emergency management, and natural hazard risk management.

4. Canterbury Mayoral Forum

Co-ordination, communication and collaboration in relation to this Agreement will be primarily through, but not limited to, the Canterbury Mayoral Forum (the Forum). The Forum will meet at least three-monthly and operate in accordance with its agreed Charter of Purpose (attached).

The Forum will be supported by:

- the Chief Executives Forum
- the Canterbury Policy Forum
- other regional and sub-regional forums and working groups as required.

5. Chief Executives Forum

There will be a Chief Executives Forum reporting to the Canterbury Mayoral Forum, which will develop a three-year work programme that:

- implements and manages collaborative projects and agreed actions of the Canterbury Mayoral Forum
- identifies and escalates strategic issues and opportunities for collaboration on strategy, policy and planning from the Canterbury Policy Forum to the Canterbury Mayoral Forum
- includes a framework for collaboration in the governance and management of effective and efficient delivery of services, infrastructure and regulatory functions across the region.

6. Review and Agreement to Review

The parties to the Triennial Agreement will meet to consider and agree on progress on and to amendments, if any, to the agreement annually before the end of each calendar year. In addition, following a request for amendment from any one or more authorities party to this agreement in writing to the Chair of the Forum, received at least two weeks prior to the meeting date, the Forum will meet to consider the amendment at the next available Forum meeting.

This Agreement will be placed on the Forum agenda at the final Forum prior to a triennial election to review, with the purpose of recommending changes (if any) to the incoming councils.

7. Local Government Structure

Notwithstanding the spirit of co-operation and collaboration embodied within this Agreement, the local authorities, individually or collectively, reserve the right to promote, consult, and/or research change to the structure of local government within the Region.

This right is consistent with the intent of effective and efficient governance sought in the Local Government Act 2002, having particular relevance to the ideals of community interest and community representation.

Local authorities will participate in the review of the regional council's representation arrangements, as required under statute, and the Mayoral Forum will also participate in the review providing the Forum's views.

8. Other Agreements

This Agreement does not prevent local authorities entering into other agreements among themselves or outside the region to facilitate their responsibilities. Any other such agreement should not be contrary to the purpose and spirit of this Agreement.

9. Regional Policy Statement Review

This Triennial Agreement will apply to any change, variation or review of the Canterbury Regional Policy Statement.

10. Authority

This agreement is signed on this _____ day of _____ 2017 by
the following on behalf of their respective authorities:

COUNCIL**SIGNATURE**

Ashburton District Council

Canterbury Regional Council

Christchurch City Council

Hurunui District Council

Kaikōura District Council

Mackenzie District Council

Selwyn District Council

Timaru District Council

Waimakariri District Council

Waimate District Council

Waitaki District Council

Canterbury Mayoral Forum Charter of Purpose 2017–19

1. Name

The name of the group shall be the Canterbury Mayoral Forum.

2. Objectives

- (a) To provide a forum to enable Canterbury councils to work more collaboratively with each other and with central government and other key sector leaders in Canterbury to identify opportunities and solve problems together.
- (b) To identify and prioritise issues of mutual concern and foster co-operation, co-ordination and collaboration to address these issues (including where appropriate joint work plans).
- (c) To formulate policies and strategies on matters where all member councils may act collaboratively in determining plans for the co-ordination of regional growth.
- (d) To ensure increased effectiveness of local government in meeting the needs of Canterbury communities.
- (e) To act as an advocate to central government or their agencies or other bodies on issues of concern to members.
- (f) To develop and implement programmes, which are responsive to the needs and expectations of the community.

3. Principles

In pursuit of these objectives the Canterbury Mayoral Forum will observe the following principles.

- (a) Establish and maintain close liaison with other local government networks to ensure as far as possible the pursuit of common objectives and the minimisation of duplication.
- (b) Establish and maintain close liaison with Ministers of the Crown and local Members of Parliament.
- (c) Establish and maintain close liaison with a wide number of diverse stakeholders and key sector organisations within the region.
- (d) Exercise its functions with due regard to the tangata whenua and cultural diversity of the Canterbury community.
- (e) Keep the local community informed about its activities by proactively releasing information about key projects in a timely manner, as agreed by the member councils.
- (f) Encourage member councils to promote and apply cross-boundary structures and systems.
- (g) Establish a provision for reporting back to its respective Councils.

4. Powers

- (a) The Canterbury Mayoral Forum shall have the power to:
 - (i) levy for any or all of its objects in such amount or amounts as may be mutually determined and acceptable to individual local authorities
 - (ii) determine and make payments from its funds for any or all of the purposes of its objects
 - (iii) receive any grant or subsidy and apply monies for the purposes of such grant or subsidy
 - (iv) fund appropriate aspects of the Forum's activities regionally.
- (b) The Canterbury Mayoral Forum does not have the power to legally bind any council to any act or decision unless that act or decision has been agreed to by decision of that council.

5. Membership

- (a) Membership of the Canterbury Mayoral Forum shall be open to the following councils:
 - Ashburton District Council
 - Canterbury Regional Council (Environment Canterbury)
 - Christchurch City Council
 - Hurunui District Council
 - Kaikōura District Council
 - Mackenzie District Council
 - Selwyn District Council
 - Timaru District Council
 - Waimakariri District Council
 - Waimate District Council
 - Waitaki District Council
- (b) Each member council shall be represented by its Mayor (or Chairperson in the case of Environment Canterbury) and supported by its Chief Executive. On occasions where the Mayor or Chair cannot attend, a council may be represented by its Deputy Mayor or Chair.
- (c) The Canterbury Mayoral Forum will have the power to co-opt other members on a permanent and/or issues basis.

6. Chairperson

- (a) The Canterbury Mayoral Forum shall select a Chairperson at the first meeting immediately following the Triennial Elections. This appointment may be reviewed after a period of 18 months.
- (b) The Chairperson selected will preside at all meetings of the Canterbury Mayoral Forum.
- (c) The Canterbury Mayoral Forum shall select a Deputy Chairperson at the first meeting immediately following the Triennial Elections.
- (d) The Canterbury Mayoral Forum may appoint spokespersons from its membership for issues being considered, in which case each member council agrees to refer all requests for information and documents to the duly appointed spokespersons.

7. Meetings

- (a) Meetings will be held as required with an annual schedule, covering a calendar year, to be determined by the members. It is anticipated that meetings would be held three-monthly at venues to be determined.

- (b) Special meetings may be called at the request of four Mayors/Chairpersons.
- (c) A working group of Chief Executives will facilitate preparation of material for consideration by the Canterbury Mayoral Forum.
- (d) Agendas for meetings will be issued and minutes will be taken and circulated.
- (e) A summary of each meeting will be drafted, agreed by the Chair, and circulated by the secretariat to the Mayors / Chair with the intention that the Mayor / Chair will distribute within each Council as a high level record of the meeting.
- (f) Approved minutes and approved final reports and papers will be made available via a Mayoral Forum website as agreed by the Canterbury Mayoral Forum.

8. Decision making

- (a) The practice of the Forum will be to determine issues before it by consensus.
- (b) If the consensus is to determine issues by voting, the determination shall be determined by a majority of votes of the authorities represented at the meeting through the Mayor (or Chair) or their nominated representative.

9. Secretariat

The Canterbury Mayoral Forum will appoint Environment Canterbury to carry out the secretariat function on such terms and conditions as it shall decide for the discharge of duties, including the taking of minutes and the keeping of any books and accounts and attending to any other business of the forum.

LOCAL AUTHORITIES OF OTAGO REGION

TRIENNIAL AGREEMENT 2016-2019

PURPOSE OF THE AGREEMENT

- 1 This Triennial Agreement (Agreement) is made under section 15 of the Local Government Act 2002 (but also has relationships with sections 14 and 16). This agreement outlines the protocols for communication and coordination between local authorities across Otago. In particular, it aims to:
 - 1.1 Provide a mechanism for Otago's local authorities to give better effect to their core purposes under the Local Government Act 2002 by enabling a regional approach to:
 - 1.1.1 enabling democratic local decision-making and action; and,
 - 1.1.2 meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
 - 1.2 Encourage communication, coordination and consultation between the Otago Region's local authorities.
 - 1.3 Provide clarity as to the responsibilities between the Otago Regional Council and other Otago local authorities in order to better provide a seamless local government service.
 - 1.4 Meet the requirements of section 14(1)(e) of the Local Government Act 2002 and Clause 3A of Schedule 1 of the Resource Management Act 1991.
- 2 This agreement will be successful when:
 - 2.1 Decisions made by any one local authority that may materially affect the activities of any other Otago local authority are made only after genuine dialogue and a willingness to seek mutually beneficial outcomes has taken place; and,
 - 2.2 Public interaction with Otago local authorities does not result in disputed gaps or discordant overlaps in jurisdiction between local authorities.
- 3 Notwithstanding clause 2 above, the parties acknowledge that there will be instances where the legitimate local interests of one or more local authority do not enable a consensus to be reached on matters covered by this agreement. In such circumstances the parties agree to respect divergent views without compromise to coordination on other matters.

- 4 The Agreement is effective from 1 March 2017 and remains in force until replaced by another agreement.

PARTIES TO THE AGREEMENT

- 5 The local authorities which are party to this agreement are:

- 5.1 Central Otago District Council;
- 5.2 Clutha District Council;
- 5.3 Dunedin City Council;
- 5.4 Otago Regional Council;
- 5.5 Queenstown Lakes District Council; and,
- 5.6 Waitaki District Council

GENERAL

- 6 Signatories to this Agreement agree to work together in good faith for the good governance of their districts and the Region.
- 7 Signatories to this Agreement recognise that:
- 7.1 The communities within the Region are diverse and encompass a range of desired outcomes and objectives.
 - 7.2 Collaboration and cooperation between local authorities of the Region can more effectively promote social, economic, and cultural interests of communities in the Region, and maintenance and enhancement of the Region's environment.
 - 7.3 Collaboration and cooperation between local authorities of the Region can bring efficiencies in terms of planning, administration costs and consideration of decision-making and consultation requirements, increases available resources and promotes cooperative approaches in taking strategic judgements about the allocation of resources.
 - 7.4 Although collaboration and cooperation are outcomes that should be strived for, each local authority has the legislative mandate to govern its own area as appropriate.
 - 7.5 Collaboration and cooperation between local authorities of the Region can more effectively grow the region's economy for the benefit of its communities

COMMUNICATION AND COORDINATION

- 8 The means for communication and coordination in relation to this agreement include the following:

The Otago Mayoral Forum

- 8.1 Meetings of Mayors, Regional Council Chairperson and their Chief Executives, to occur at least once every three months to review and promote the performance of the agreement.

The Otago Region Chief Executives Group

- 8.2 Meetings of Chief Executives of the Otago Region to occur approximately every three months to discuss general business, to review the performance and implementation of the agreement, and to agree and commission reports on key issues for discussion by the Otago Mayoral Forum.

Other ad hoc or Council staff meetings, including:

- 8.3 Existing regional and sub-regional forums, such as the Joint Committees for Otago Regional Economic Development and Civil Defence, and the Otago Rural Fire Stakeholder Committee.
- 8.4 Meetings and contact between staff as necessary to give effect to this agreement.
- 9 Where practicable, meetings involving similar attendees shall be scheduled for the same day.
- 10 Minutes or notes of meetings will be referred back to each party involved in any particular issue in draft for review and agreement either at subsequent meetings or by email exchange.

SERVICING

- 11 The parties agree that responsibility for servicing this agreement shall be provided by the Otago Regional Council which will provide administrative services in terms of preparing agendas, co-ordinating meeting arrangements and co-ordinating preparation of report and/or advice on key issues.
- 12 Responsibility for Chairing the Otago Mayoral Forum and the Otago Chief Executives Group and recording the minutes of each meeting shall be carried out by the local authority hosting the Mayoral Forum. The hosting local authorities shall rotate – unless other arrangements are confirmed by the Otago Mayoral Forum – as per Schedule B.
- 13 In addition to the services listed in clause 8 above, servicing this agreement will also include media and communications contact concerning the content and execution of the agreement.

- 14 The hosting local authority shall provide the administrative local authority (Otago Regional Council) with copies of the minutes and notes of meetings.
- 15 Each local authority bears its own cost in implementing this agreement.

PROTOCOLS FOR COMMUNICATION, COORDINATION AND CONSULTATION

- 16 Each party will ensure that it:
 - 16.1 Adopts a “no surprises” approach through early and regular communication;
 - 16.2 Develops internal processes within its organisation that encourage identification of cross-boundary or inter-jurisdictional issues;
 - 16.3 Works together to develop a common process for promoting or achieving priorities and community outcomes, and making efficient use of resources, in accordance with section 14(1)(e) of the Local Government Act 2002
 - 16.4 Gives early notification to any of the affected parties to this agreement of policy discussions and plan developments that may have material implications for those other parties;
 - 16.5 Provides opportunities, within reasonable and specified timeframes, for comment by affected local authorities in respect of policies, plans, activities or projects that may have inter-jurisdictional or cross-boundary implications;
 - 16.6 Provides early notice to other parties of matters of disagreement, and make genuine attempts to resolve these. If unsuccessful in gaining unanimity, any public announcements that are made will acknowledge and fairly represent the contrary views; and,
 - 16.7 Jointly undertakes consultation with communities, iwi, other local authorities, central government and non-government agencies where there is mutual benefit to one or more community.
- 17 Where a significant decision or issue primarily affects one party, that local authority will be offered the opportunity to have the lead role in formulating the region’s response.
- 18 For the purpose of section 15(2) of the Local Government Act 2002, the principles outlined above shall apply to any proposal for new activities by the Otago Regional Council.
- 19 Notwithstanding clauses 16 and 17, the parties acknowledge each local authority has unique accountabilities, and no party will be expected to act contrary to any statutory obligation it may have.

REGIONAL COOPERATION

- 20 The parties note that there is value, in the appropriate circumstances, in working together to take a regional approach to issues and opportunities of mutual benefit.
- 21 Areas of regional focus may arise during the triennium and will be considered by mutual agreement.
- 22 The parties are committed to ongoing and open discussions about how they best work together to develop opportunities that are regionally as well as locally significant.

PROPOSALS FOR NEW REGIONAL COUNCIL ACTIVITIES

- 23 New activities for Otago Regional Council may be proposed either by the Regional Council itself or by one or more constituent territorial authorities when they see an opportunity for the Regional Council to pick up new activities. The process for consultation on proposals for such activities shall be as follows:
 - 23.1 The affected parties agree to discuss the issues involved at one or more of the existing forums, and to provide early drafts of proposals to affected councils for early comment in accordance with the principles of consultation in the Local Government Act 2002.
 - 23.2 The Regional Council will inform all territorial authorities within the Region of:
 - 23.2.1 the nature of the activity proposed to be undertaken;
 - 23.2.2 the scope of the proposal (including size, districts covered and why); and
 - 23.2.3 the reasons for the proposal.
 - 23.3 Territorial authorities will be given a reasonable period of time, but no less than 40 working days, to respond to any such proposal. The Regional Council agrees to fully consider any submissions and representations on the proposal made by territorial authorities within the Region.
 - 23.4 Final decisions (including considerations leading to the specific decision) will be communicated to the next available Otago Chief Executives Group meeting.
- 24 If the Regional Council or a Regional Council controlled organisation proposes to undertake a significant new activity, and these activities are already undertaken or proposed to be undertaken by one or more territorial authorities within the Region, section 16 of the Local Government Act 2002 will apply.
- 25 However, in the spirit of this agreement, the parties agree to an expanded consultation and communication process. The parties agree to discuss the issues involved at one or more of the existing forums, and to provide early drafts of proposals to affected councils for early comment in accordance with the principles of consultation in the Local Government Act 2002.

- 26 The parties also agree that prior to implementing the formal provisions of sections 16(2) and 16(3):
- 26.1 The Regional Council will inform all territorial authorities within the Region of:
 - 26.1.1 the nature of the activity proposed to be undertaken;
 - 26.1.2 the scope of the proposal (including size, districts covered, and why); and,
 - 26.1.3 the reasons for the proposal.
 - 26.2 Territorial authorities will be given a reasonable period of time, but no less than 40 working days, to respond to any such proposal. The Regional Council agrees to fully consider any submissions and representations on the proposal made by territorial authorities within the Region.

SCOPE AND ISSUES

- 27 Representatives of each local authority will meet to specifically address the key issues of common interest or concern set out in Schedule A of this agreement. Schedule A may be amended from time to time as agreed by the Otago Mayoral Forum.

REVIEW OF AGREEMENT

- 28 The parties to this agreement shall meet as the Otago Mayoral Forum and consider amendments to the agreement not later than the next available meeting of the Otago Mayoral Forum following a request from any one or more party to this agreement. The request in writing must be received at least one month prior to the meeting date by the local authority responsible for the servicing of this agreement at that time.
- 29 Any amendment agreed shall be referred back to each local authority for ratification.

CONSULTATION IN RELATION TO RESOURCE MANAGEMENT ACT 1991

- 30 The following consultation process will apply to the preparation of a new, or change, variation, or review of an existing, Regional Policy Statement:
- 30.1 The Regional Council will seek the input of territorial authorities, and vice versa, for the preparation or review of the Regional Policy Statement.
 - 30.2 For the Regional Policy Statement, the Regional Council will make the draft version available to all territorial authorities in the Region for discussion and development.
 - 30.3 The responsible local authority will ensure that at least 20 working days is available to consider and respond to any proposal.
 - 30.4 The parties to this agreement acknowledge their obligation to act in accordance with the principles of consultation set out in the Local Government Act 2002.

RESOLVING DISAGREEMENT

- 31 In the event of a disagreement over the actions taken to give effect to this agreement that cannot be successfully resolved by the affected parties, the parties agree to refer the issue of disagreement to mediation. If the affected parties cannot agree on a mediator; the appointment of a mediator will be made by the President of the Otago Branch of the New Zealand Law Society.
- 32 With reference to clause 31 above; all parties to the agreement will be considered "affected parties". Should any Local Authority consider that it does not need to be represented at the mediation, that party will advise all other parties and the mediator in writing prior to the mediation.

AUTHORITY

This agreement is signed on this _____ day of _____ 2017 by the following on behalf of their respective local authorities:

Mayor Tim Cadogan
 Central Otago District Council

Chair Woodhead
 Otago Regional Council

Mayor Brian Cadogan
 Clutha District Council

Mayor Boulton
 Queenstown Lakes District Council

Mayor Cull
 Dunedin City Council

Mayor Kircher
 Waitaki District Council

SCHEDULE A

- 1 Continue to develop our Section 17A Reviews as prioritised by the Otago Mayoral Forum at the meeting held in Alexandra on 11 November 2016. Those key priorities are:

- Regulatory Services;
- Harbours and Waterways;
- Waste Management; and,
- Otago Museum.

Larger more complex priorities discussed were:

- Three Waters; and,
- Land Transport.

Both of the above require work to be done over the next Triennium so as to best position them for a detailed review post 2019. All Councils are to be involved with the project work on the above.

- 2 Development of an Otago wide economic development strategy – Otago Regional Council lead.
- 3 Continuing to monitor and develop our new Regional Civil Defence organisation.
- 4 Coordination of common relationships:
 - Kai Tahu Ki Otago
 - Te Ao Marama
 - Key Central Government agencies (NZ Transport Agency, Ministry of Business, Innovation and Employment, Department of Internal Affairs, etc.)
- 5 Other
 - Co-ordinated responses to major policy issues affecting the region – e.g. EQPB's Policy Implementation.
 - National Policy Statement – Urban Development Capacity

SCHEDULE B

Cycle of meetings for the triennium:

Month/Year	Hosting Council
February 2017	Dunedin City
May 2017	Otago Regional Council
August 2017	Queenstown Lakes District
November 2017	Waitaki District
February 2018	Clutha District
May 2018	Central Otago District
August 2018	Dunedin City
November 2018	Otago Regional Council
February 2019	Queenstown Lakes
May 2019	Waitaki District
August 2019	Clutha District
(November 2019)	Central Otago District

Waitaki District Council Report

From Recreation Manager

Date 15 February 2017

Otematata Boat Harbour Repairs

Recommendations

The Council resolves to:

1. Fund up to \$60,000 for repairs to boat ramp and channel from the Boat Ramp Reserve Fund and up to \$40,000 from the Lakes Camping Rate Surplus for Flood protection work.

Objective of the Decision

To enable work to take place at the Otematata Boat Harbour to repair damage caused by 22 January 2017 flash flood event.

Summary of Decision Making Criteria

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	No	Environmental Considerations	Moderate
Legal	No	Cultural Considerations	Moderate
Significance	No	Social Considerations	Moderate
Financial Criteria	Key	Economic Considerations	Moderate
Community Views	Key	Community Board Views	Key
Consultation	No	Publicity and Communication	No

Background

On 22 January 2017, the Otematata River rose from a normal flow of between 6-10 cumecs to approximately 500 cumecs in the space of 3-4 hours resulting in an approximately 1m deep flood at 2m/second through the Otematata Boat Harbour campground. The rainfall event itself causing such a rapid river rise has been estimated by ECan as a 1:100 year event although the river does regularly have increased flows.

The flood caused damage to the stop-banks that protect the camp from most river flows and has caused scouring under the boat ramp and filled the boating channel out to Lake Aviemore with debris. The camp is closed until repair works are able to be undertaken. Officers are working with ECan and engineers to determine the necessary work required. Until the results of their inspections are known we do not have an exact cost for this work.

While Council will need to consider whether camping should continue in this area, this decision can be made separately as part of its camping review to be carried out in 2017/18. (We have had a mixed response from those affected by the flood with some saying they would not camp there again and other keen to get back as soon as possible). The proximity to Otematata, the wetland walk and the strategic location of the boat ramp ensures that this area will continue to be popular and used by day visitors and boats and the proposed work will still be necessary to allow for day visitor use. Failure to carry out work would result in the river flooding this area with greater regularity. The \$15,000 allocated during last year's annual plan will still be required annually to maintain the protection works.

We estimate the following costs;

- Repairs to Boat Ramp \$ 50,000
- Boat Channel Repairs \$ 10,000
- River work \$ 30,000
- Camp and Road repairs \$ 10,000
- \$ 100,000**

Council has not insured the boat ramps. The following budgets are available for this work;

- Boat Ramp Reserve Fund \$ 66,921
- Lakes Camping Rate Surplus \$ 89,456
- Council Self Insurance Fund \$ 181,276
- Council Disaster Fund \$3,718,520

Summary of Options Considered

Option 1 – Approve up to \$60,000 for repairs to boat ramp and channel from the Boat Ramp Reserve Fund and up to \$40,000 from the Lakes Camping Rate Surplus for flood protection work.

Option 2 – Approve any other variation of available funds.

Option 3 – Defer work until Council can hold a workshop on the future use of this area (public consultation may be necessary) and review accurate costs.

Assessment of Preferred Option

Option 1 is the preferred option as it enables repair work to take place as soon as possible.

Erik van der Spek
Recreation Manager



Dr Thunes Cloete
Community Services Group Manager

Attachment
Additional decision making considerations

Additional Decision Making Considerations

The following matters have been considered in making the decisions.

Outcomes

This decision contributes to the following outcomes;

Outcome	Contribution
We provide and enable services and facilities so people want to stay and move here.	By providing boating and camping opportunities that appeal to residents and visitors.
We maintain the safest community we can.	By mitigating the risk of flooding to users of our recreation facilities

Policy and Plan Considerations

There are no policy or plan considerations.

Community and Community Board Views

Specific community or Community Board views have not been sought due to the timeframe available. When Council consulted on the future management of Lakes Camping in 2014/15 the community was generally supportive of Council continuing to provide these services.

Financial and Economic Considerations

Council has sufficient reserves from boat ramp user fees and the Lakes Camping rate to cover the cost of the proposed work. The Lakes Camping activity makes a positive contribution to the local economy over summer months.

Legal Considerations

There are no specific legal considerations.

Environmental and Cultural Considerations

Any work will be undertaken in conjunction with Environment Canterbury advice including any consenting requirements.

Publicity & Communication Considerations

There are no specific publicity or communication considerations recommended.

Waitaki District Council Report

From Assets Group Manager

Date 15 February 2017

Options for RSA Building

Recommendations

1. The RSA building is redeveloped, including the addition of a new wing for a total budget of \$4m and on condition that;
 - a. A commercial lease for a minimum of 10 years is negotiated and signed with an interested party prior to upgrading works,
 - b. That funding is sourced from endowment and / or reserve funds,
 - c. The funds used provide an equal or better return than they do in their current investment,
 - d. The return on investment be expected to improve over time,
 - e. Details of the lease be discussed in public excluded, due to commercial sensitivities.
2. A press release is issued advising the public of the decisions made, once any lease is negotiated and signed.

Objective of the Decision

To determine if Council wishes to continue to negotiate a Commercial lease for the RSA with an interested party or investigate other options for use of the RSA building. As well as update the Community in a public meeting on what the direction Council is considering for future use of the RSA building.

Summary

An interested party approached Council last year who requested Council consider leasing an expanded RSA building. Council is not able to state the name of the interested party due to an agreement with the party, while lease conditions are being negotiated.

Summary of Decision Making Criteria

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	No	Environmental Considerations	No
Legal	No	Cultural Considerations	No
Significance	No	Social Considerations	Key
Financial Criteria	Key	Economic Considerations	Key
Community Views	Key	Community Board Views	No
Consultation	No	Publicity and Communication	Key

Background

In late 2015, the North Otago RSA went into liquidation. The building reverted to Council ownership. Upon inspection of the building, it was discovered that there was significant contamination of asbestos. Council took action and remediated the site.

To comply with the legal obligations of the Reserves Act 1977, the land status was changed to Local Purpose (Community Buildings) Reserve and the designation 119 – Recreation – RSA Hall and bowling green was removed from the District Plan. No objections were received from the public notification process.

The land status of the property is a Crown asset vested in Waitaki District Council. As such, for any disposal considered, Council is bound to comply with the Reserves Act 1977 and the Ngai Tahu Claims Settlement Act 1998. It may be possible to freehold the land, however this is expected to take a period of five years and requires suitable land to swap reserve status with.

The building requires significant investment to bring it up to the standards required in the building code, so that it could be used.

Council has been approached by an interested party seeking a larger premise for their operation which they wish to grow. The RSA building and a new extension meets their needs. Council has been negotiating a draft lease as well as design of the improvements that would be required to meet the needs of the party.

Summary of Options Considered

Option 1 – Continue with Commercial Negotiations (recommended)

This option requires Council to invest \$4m of its reserves into upgrading and expanding the RSA building.

This option requires a greater capital outlay, but has a tenant who is prepared to sign a 10 year lease. Oamaru is growing and this option means that the investment will likely grow and provide a better return than it does now. This ultimately benefits our ratepayers and community. There is a risk that at 10 years another tenant needs to be found, the upgrade is designed so that three separate areas can be separated and tenanted. There is also room for additional expansion on site. The expansion will be on the East side of the site adjacent to the Drill Hill and will not block nor detract from the look of the RSA building.

There is some risk, for example that rental income does not increase over time, if Oamaru's economy does not grow. However, the Oamaru's economy is growing and there are no signs that this will change. This means that returns will improve over time.

This option meets the Council objectives of:

We enable opportunities for new and existing business – this customer is seeking an expanded premise so that it can grow with the likelihood of more jobs being created in the Community.

We keep our District affordable:

The funding available currently earns around 4% each year, this investment is very likely to return greater than 4% particularly over the longer term.

Option 2 – Explore other options for the use of the RSA building

Council estimates that it would cost \$2.1m to make the RSA building tenanted. There are a number of options available if this option is chosen. Council is not aware of any formal interest in the property for a Commercial lease, although there have been some informal discussions that there could be interest. However, rental costs have not been discussed at this stage. This option is a bit of an unknown as without an interested tenant, makes it difficult to know what return Council could expect and whether or not ratepayer contribution would be required. In the meantime, the building would be vacant.

This option meets the Council objectives of:

We keep our District affordable:

The funding available currently earns around 4% each year, this investment is very likely to return greater than 4% particularly over the longer term – once a tenant is found (high level of uncertainty).

There is also the possibility that the building could be used for Community Groups at a substantially reduced lease (Community Groups are not able to afford commercial lease rates). This would require the capital cost of the upgrade to be substantially fundraised and is very likely to require a ratepayer contribution to the project.

This option meets the Council objectives of:

We provide and enable services and facilities so people want to stay and move here:

Making this building available for Community Groups means that there is a good hub to use and it would likely replace Community House.

Option 3 – Sell as is

Council could test the market and sell as is. This is likely to return the money spent so far on removing the asbestos and gives a blank canvas to the new owner. However, there is a risk that the building remains neglected, like the Junction Hotel, for some time. There is a risk that the value is not maximised, as the land would be unable to be sold until if and when the reserve status was swapped with another suitable piece of land. The land would be offered for sale to Ngai Tahu under the Ngai Tahu Claims Settlement Act 1998 first.

This option may produce a good outcome for the Community and a new owner may be prepared to buy the building and lease the land. At this stage Council has had not been formally approached by interested parties interested in exploring this option.

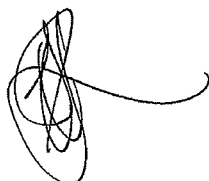
Assessment of Preferred Option - Continue with Commercial Negotiations

Having considered the options summarised above, the following conclusions have been reached:

1. This option both meets Council's outcome to enable opportunities for new and existing business as well as provide an opportunity to return a higher return than funds are currently returning. This return is expected to increase over time, especially if Council backs Oamaru continuing growth.
2. It does require that up to \$4m is allocated from endowment and / or reserve funds to make sure the existing building is able to be tenanted as well as adding an extension and carparks. However, the capital value of the building will be increased as a result of the work.
3. A minimum of a ten year lease would be signed before works begin on site, giving a good level of certainty moving forward. It will be able to be split into separate tenantable areas, should it be necessary in the future.
4. There have been no other formal approaches made to Council to use the RSA, if this direction is approved, then works will begin this year.
5. The Commercial details of any lease will be debated in Public Excluded, for the purposes of Commercial confidentiality.
6. A press release will be issued, once any lease is signed to inform the Community of the arrangement.

Conclusion

Converting the RSA building into an upgraded and expanded space with a 10 year lease in place meets many of Council's objectives. In the absence of any other formal interest, it is recommended that Council continues to negotiate an agreement.



Neil Jorgensen
Assets Group Manager

Attachment

Additional decision making considerations

Additional Decision Making Considerations

The following matters have been considered in making the decisions.

Outcomes

We keep our District affordable

We enable opportunities for new and existing business

We provide and enable services and facilities so people want to stay and move here