



NOTICE OF AN EXTRA ORDINARY COUNCIL MEETING

Ōpōtiki District Council Chambers, 108 St John Street, Ōpōtiki
Friday, 30 June 2017
Commencing at 9.00am

ORDER PAPER

APOLOGIES

DECLARATION OF ANY INTERESTS IN RELATION TO OPEN MEETING AGENDA ITEMS

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PUBLIC EXCLUDED BUSINESS

ITEM 03 OPOTIKI HARBOUR DEVELOPMENT PROJECT – PROCUREMENT OF EXPERT ADVICE IN THE 2016/17 FINANCIAL YEAR	
ITEM 04 RESOLUTION TO RESTATE RESOLUTIONS AND READMIT THE PUBLIC	

Chair: His Worship the Mayor – John Forbes

Members: CR Lyn Riesterer (Deputy Mayor)

Cr Shona Browne

Cr Barry Howe

Cr Haki McRoberts

Cr Arihia Tuoro

Cr Ken Young

Committee Secretary: Gae Newell

Quorum: 4

LOCAL AUTHORITIES (MEMBERS' INTERESTS) ACT 1968

Councillors are reminded that if you have a pecuniary or non-pecuniary interest in any item on the agenda, then you must declare this interest and refrain from discussing or voting on this item, and are advised to withdraw from the Council chamber.

Aileen Lawrie

CHIEF EXECUTIVE OFFICER



REPORT

Date : 14 June 2017
To : Extra Ordinary Council Meeting, 30 June 2017
From : Finance and Corporate Services Group Manager, Bevan Gray
Subject : **ADOPTION OF 2017/18 ANNUAL PLAN**
File ID : A118072

EXECUTIVE SUMMARY

Under Section 95 of the Local Government Act 2002 Council must prepare and adopt an Annual Plan for each financial year before the commencement of the year to which it relates. The 2017/18 Annual Plan is now presented for adoption.

PURPOSE

To have Council adopt the 2017/18 Annual Plan.

BACKGROUND

Annual Plans support long term plans and provide the basis for setting and assessing rates for the year to which they relate.

The Local Government Act 2002 (LGA 2002) requires Council to prepare and adopt an Annual Plan for each financial year. Circulated as a separate document is the proposed 2017/18 Annual Plan (year three of the 2015-25 Long Term Plan).

In the past, the LGA required Councils to run a special consultation procedure (with submissions and hearings) as part of the annual plan development process. Amendments in 2014 to the LGA under section 95(2A) now mean, that in certain circumstances, some councils do not need to follow this procedure every annual plan year.

As Council has not made any significant changes or material differences from the content in the Long Term Plan, then under the new Act we have been able to save ratepayers the cost of conducting a full consultation process.

Instead the 2017-18 Annual Plan Information document *Your assets, your community, your future – our plan in action* was adopted for public release on 18 April 2017. The information document includes details of what rates are expected to be and tells how Council plans to progress our major projects for the 2017-18 year. While Council did not call for formal submissions it did still seek feedback. Feedback received from 19 April 2017 to 13 May 2017 was presented in a report to Council at the 23 May 2017 Ordinary Council Meeting with the intention that it could be taken into account during the development of future plans.

A lot of work went into preparing the 2015-25 Long Term Plan and Council can be confident they have built a strong foundation with the plan. For the most part Council is sticking to the existing programme of works and services as listed in the 2015-25 LTP with only the following variations.

THE 2017/18 ANNUAL PLAN

Overall capital expenditure planned for 2017/18 of \$22.9 million is \$5.3 million lower than the \$28.2 million planned for year three of the 2015-25 LTP. There have been variations and movements in the proposed capital projects as new information has come to light regarding available funding, and investigation has identified some asset replacement as more critical than others. Council has been conscious of any changes and has strived to ensure that what we plan to do in the Annual Plan will have the same or less financial impact than what was proposed in the LTP.

Some of the more notable variations to capital projects are:

Harbour

Following the Government announcement in October 2015, the plan provides for revised timing of the different revenue sources.

The same overall cost has been retained but the Opotiki District Council spend has been pushed out, allowing the Government funding to be spent first.

The coming year will see the completion of the tender process to design and construct the harbour, the submission of a detailed business case to government for final funding, and further significant progress of the (separate to Council) commercial aquaculture business. A range of supporting projects will continue, some led by Council and others by its aquaculture and iwi partners, Toi-EDA, Bay of Plenty Regional Council, and Government. Some of these are essential infrastructure projects while others are intended to increase the value that will be delivered through the harbour development.

Property

The library development project, was planned to start in year 1 of the LTP and be spread over two financial years. This project has been delayed due to lack of external funding. There is no change in the level of capital works planned for next year as the project was split evenly over the two financial years. And there is no rating impact as the project is proposed to be funded externally through grants and fundraising.

The wharf removal and rebuild project was also budgeted to be completed in year 1 of the LTP. This project was delayed due to the resource consent process. We carried forward \$450k of the \$500k budget to 2016/17 and Council resolved to increase the budget to \$850k to cover demolition and increased foundation work for future development. The additional budget was pulled from the rebuild budget in 2020.

Community Development

Council will continue to grow the CCTV network in the town CBD over the next few years to ensure the safety of personnel and property in the community. We have been approached already by a number of businesses about joining on to the Council network and will invest further in infrastructure to make this a possibility. This will provide additional options for businesses when they renew expensive security camera equipment in the future.

Stormwater

Two stormwater projects (Tarawa Creek storage area and Richard St gravity main upgrade) were planned for 2016/17. Investigation work identified other possible options that may provide greater benefit as well as issues that needed further consideration. These projects were shifted into the 2017/18 year to ensure the right solution is developed through further investigation in 2016/17. Capacity of \$1.6m and \$1.2m has been included in the annual plan which will be subject to Council decisions upon completion of investigations.

A budget of \$60k has been added to the 2017/18 year to renew a section of damaged stormwater mainline discovered in recent condition assessments.

Investigations for the Wellington/Brabant St Pump Station revealed that better options were potentially available. This project has tentatively been planned for the 2017/18 year following a review of scope.

Budget for the King/Goring St gravity main project planned for 2017/18 was increased from \$80k to \$140k in light of recent professional estimates.

Wastewater

A \$200k budget for further investigation and possible extension of the wastewater network on Factory Rd was added to the 2016/17 year to respond to developer interest. As development did not eventuate, budget will be carried over into the 2017/18 year.

Budget was programmed for full replacement of the Ōpōtiki wastewater reticulation in the 2015-2025 LTP, to take place between 2016 and 2020. Subsequent formation of a steering group to ensure a robust process lead to a decision to further investigate remediation options. After thorough investigation, rehabilitation of the reticulation appears to be favourable over replacement. A final report on options is due in June 2017. A \$4.2m budget was resolved for 2017/18 Annual Plan to begin works. Further remedial works will be programmed through 2017/18 as outcomes of the rehabilitation are studied.

Opotiki Water

The booster station to Clarks Cross trunk main project at a cost of \$800k was originally planned for 2016/17. Council was unable to attract Ministry of Health funding for this project. Consequently this project has been moved to 2018/19 giving priority to more critical projects.

\$300k for a new booster station in Hikutaia was planned for 2016/17/18 to accommodate growth. This project was moved to 2019/20/21 in light of district plan outcomes targeting infill in the Ōpōtiki township first.

New trunk mains from Clarks Cross Rd along Otara Rd to Factory Rd and from Otara Rd along Factory Rd to Waioeka Rd were originally planned for 2015/16 and 2016/17. As with the trunk main project, Ministry of Health funding was sought but not obtained. These projects were moved to 2016/17 and 2017/18 in the 2016/17 annual plan but were completed this year to take advantage of inexpensive contract rates. A saving of approximately \$300k was achieved.

Te Kaha Water

The Northern and Southern Extension projects were originally planned for 2015/16. Due to reduction in scope to meet Ministry of Health funding limitations, these three projects were moved into 2016/17. The Northern Extension project is nearing completion but the Southern Extension projects have been forced into 2017/18 due to difficulties obtaining easement agreements with private land owners.

FEES AND CHARGES

Following the provision of the draft schedule of fees and charges to Council some minor changes have been made to the schedule, these changes and the reasons for the change are outlined below.

Food Control Act – there have been some changes recently around the Food Control Act and the plans that need to be put in place. We have reduced some of these fees to make it easier for smaller businesses to adhere to the new requirements.

Camping Grounds – we reintroduced the renewal of registration fee that somehow got missed off the first draft. This fee is marginally lower than the initial application for registration fee, so we wanted to keep providing this discounted price.

Funeral Directors – we've included a fee for registration for funeral directors, this was previously missing from our schedule.

Notable trees and pohutakawa – we have made some changes to these fees to allow more leniency when dealing with some of the restrictions where there is a threat to the safety of persons and property.

Hapu partition and occupation orders – these have been combined and the fee reduced to enable compliance and reincorporate the urgency fee we used to have for 5 day processing.

COMBINED IMPACT OF CHANGES TO DRAFT ANNUAL PLAN

The above amendments result in reductions to the uniform annual general charge which is a fixed charge across all properties, as well as the rate requirements for some water supplies, wastewater, and communities of interest targeted rates. There are also modest savings across the general rate funded activities as well resulting in an overall rates increase of 3.65% proposed for the Annual Plan, down from 6.30% proposed in the LTP.

SIGNIFICANCE ASSESSMENT

Under Council's Significance and Engagement Policy, on every issue requiring a decision, Council considers the degree of significance and the corresponding level of engagement required. As the level of Significance for Adoption of the 2017-18 Annual Plan is considered to be low as determined by the criteria set out in section 12 of the Significance and Engagement Policy the level of engagement required is determined to be at the level of 'Inform' according to Schedule 2 of the Significance and Engagement Policy.



OPTIONS

Nil. Council is required by law to adopt an Annual Plan for each financial year.

CONSULTATION

Formal consultation was not required before the final development of the 2017-18 Annual Plan. Council did, however, produce the Information Document *Your assets, your community, your future – our plan in action* which was distributed electronically via Council's website and social media channels and physical copies were available from the customer service desk at Council's main office, our i-SITE and our Library. A media release advising of the availability of the information document appeared in the Opotiki News newspaper and some details of the plan were also presented at the Pop-up Shop in January 2017.

RECOMMENDATIONS:

1. That the report titled "Adoption of 2017-18 Annual Plan" be received.
2. That Council:
 - (a) Adopts the 2017-18 Annual Plan.
 - (b) Adopts the Funding Impact Statement contained within the 2017-18 Annual Plan.
 - (c) Adopts the Schedule of Fees and Charges contained within the 2017-18 Annual Plan.

Bevan Gray

FINANCE AND CORPORATE SERVICES GROUP MANAGER



REPORT

Date : 22 June 2017
 To : Extra Ordinary Council Meeting, 30 June 2017
 From : Chief Executive Officer, Aileen Lawrie
 Subject : **RESOLUTION TO EXCLUDE THE PUBLIC**

SECTION 48 LOCAL GOVERNMENT OFFICIAL INFORMATION & MEETINGS ACT 1987

1. THAT the public be excluded from the following parts of the proceedings of this meeting, namely:
 3. Opotiki Harbour Development Project – Procurement of Expert Advice in the 2016/17 Financial Year.
2. THAT the following person be permitted to remain at this meeting after the public has been excluded because of their knowledge of the subject item in relation to the following. This knowledge will be of assistance and is relevant to the matters to be discussed:

Name: John Galbraith
 Item: 3
 Business: Opotiki Harbour Development Project – Procurement of Expert Advice in the 2016/17 Financial Year
 Reason: To enable the accurate presentation of sensitive information to the Council and to provide responses to queries.

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

Item No	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
3.	Opotiki Harbour Development Project – Procurement of Expert Advice in the 2016/17 Financial Year	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.	Section 48(1)(a)

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that 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 the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

3.	Protect the privacy of natural persons Commercial sensitivity Protect information Protection from improper pressure or harassment Carry out negotiations	Section 7(2)(a) Section 7(2)(b)(ii) Section 7(2)(c)(i) Section 7(2)(f)(ii) Section 7(2)(i)
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