

THE WEST COAST REGIONAL COUNCIL

MEETING OF THE VINE CREEK RATING DISTRICT

ON

1st May 2024, at 10.30am

At the Kowhitirangi Hall

AGENDA

1. Welcome
2. Apologies
3. Minutes of last meeting
4. Matters Arising
5. Financial Update
6. Annual Works Report
7. Election of Committee
8. Managers Update (*verbal report*)
9. Terms of Reference (*verbal report*)
10. Impairment
11. Classification/Review (*verbal report*)
12. General Business
 - 12a. Flood Protection Management Bylaws (*verbal report*)

Please let WCRC know if there is anything you would like discussed at this meeting that is not on the agenda by **Thursday 24th April 2024**.

Please contact Lillian Crozier (lillian.crozier@wrc.govt.nz) or Shanti Morgan (shanti.morgan@wrc.govt.nz) with your queries.

Agenda Items 5. and 6., will be uploaded to the WCRC website from the 22nd of April and hard copies will be available at the meeting.

THE WEST COAST REGIONAL COUNCIL
MINUTES OF THE ANNUAL MEETING OF THE
VINE CREEK RATING DISTRICT
HELD AT KOWHITIRANGI HALL
ON 12TH APRIL 2023, COMMENCING AT 10:30AM.

PRESENT (Rating District Members)

P. Cook, T. Mathewson, M. Hyde, T. Little, T. Burden, A. Godfrey.

IN ATTENDANCE (Staff)

Cr A. Campbell
C. Munn, J. Bell, L Crozier (Staff)

APOLOGIES

Cr A. Birchfield, N. Monk,

Movers-M. Hyde/T. Little - Carried

Welcome and Minutes of the Last Meeting

Cr A. Campbell opened the meeting and welcomed those present.
He introduced himself and the Council staff.

Moved: *"That the minutes of the previous Annual Meeting held on 8th December 2021, be adopted as a true and correct record of that meeting."*

Movers-M. Hyde/T. Little - Carried

MATTERS ARISING

No matters arising.

FINANCIAL REPORT

J. Bell spoke on the financial report for the period of 1st July 2021 to 30th June 2022. He advised that the Vine Creek Rating District had an opening balance of \$89,462.08 with a total revenue of \$31,198.80, less expenses of \$7,550.17 for a closing balance of \$113,110.71.

Movers-T. Little/M. Hyde - Carried

ANNUAL WORKS REPORT

J. Bell spoke to the Annual Works Report. No work was carried out in the 2021-2022 financial year, and none had been completed since 1 July 2022. Some rock spurs are proposed on Malcom's property at an estimated cost of \$20,000. Tenders will be sort for this work. A further provision of \$10,000 has been made for unforeseen maintenance to 30June 20-23.

Movers-T. Little/M. Hyde - Carried

RATES 2023/ 2024

J. Bell advised that the balance of the rating district account at the beginning of the 2023-2024 financial year was likely to be \$128,000.00.

He proposed a rates strike of \$51,648.48 which included \$45,000.00 of rates for work, \$2,724.25 for infrastructure insurance and \$3,924.23 of Engineering Staff Cost Recovery.

Moved: *"That rate strike for Vine Creek Rating District is \$ 51,648.48 Excl GST for the 2023-2024 financial year."*

Movers-M. Hyde/T. Little - Carried

ELECTION OF OFFICERS

Moved: *That the Committee for the 2023/2024 financial year now consists of:*

*M. Hyde
T. Burden
N. Monk
T. Little*

Movers-T. Little/N. Monk-Carried.

Moved: *"That M. Hyde is re-elected as Spokesperson, for the 2023-2024 financial year."*

Movers all in agreement - Carried.

GENERAL BUSINESS

The sides of the stream need spraying.

The quarry is now open for business to supply rock. P. Cook said the Council needs to be conscious that the quarry is an asset to the community C. Munn explained how we have completed a quarry review process and will make sure Keri Harrison's (Quarry Manager) number is available to committee members. We currently have 19,000 tonnes of rock in stockpile on the floor. C. Munn said we are planning another campaign due to the amount of rock required for the Hokitika Project., J. Bell said there will also be waste coming from that campaign. P. Cook suggested we approached by lime works for rock.

C. Munn advised that the Council is reviewing the Flood Protection Management Bylaws, which expired last year, and there will be some advertising of these in the near future.

Action Points for follow up.

Construct rock spurs on Malcolm Hyde's property.

Review local land leases and confirm if income should have been received in year to 30 June 2022.

Advise Keri Harrison's (Quarry Manager) contact details to the committee.

Meeting closed 11am.

**West Coast Regional Council
Vine Creek Rating District Financial
Accounts
For the 12 Months to 30 June 2023**

		2022/23 YTD
Reserve Opening Balance 1 July 2022		113,110.71
Add Incomings:		
Internal interest income / (expense)	2,396.30	
Rates	51,352.41	
Total Incomings		53,748.71
		166,859.42
Less Outgoings:		
Advertising	(81.20)	
Insurance	(2,663.00)	
Rates	(1,283.66)	
Staff Time	(3,836.00)	
Total Outgoings		(7,863.86)
Reserve Balance at June 2023		158,995.56

West Coast Regional Council – Vine Creek Rating District

Annual Works Report on Rating District Assets

1. Maintenance works carried out from 1 July 2022 to 30 June 2023

Rosco Contractors Ltd	\$23,586.53
Establishment	\$2,736.00
Repair 120m of scour on right bank	\$1,116.00
x6 50T spurs	\$12,909.70
Remove silt	\$930.00
Raise 40m of stopbank	\$1,302.00
x1 50T spur	\$2,172.30
Construct rip-rap	\$1,622.62
Lift stopbank at ford access	\$558.00
Variation – Camelback rubble	\$239.90
Total Maintenance Works for the 2022 / 2023 Financial Year:	\$23,586.53

2. Capital works carried out from 1 July 2022 to 30 June 2023

No capital works

Total Capital Works for the 2022 / 2023 Financial Year:	\$ 0.00
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3. Administration (other expenditure)

Advertising	\$81.20
Insurance	\$2,663.00
Rates	\$1,283.66
Staff time	\$3,836.00

4. Future Works to be carried out from 1 July 2023 to 30 June 2024

No forward works scheduled

Allow for unforeseen maintenance	\$ 45,000.00
Total works estimated for the 2023 / 2024 financial year	\$ 45,000.00 ex GST

5. Vine Creek Rating District financial balance

The balance in the rating district account at the beginning of the 2024 / 2025 financial year is likely to be approximately \$ 200,000.

This target balance for the 'prudent reserve' for this rating district is \$150,000.00 and this is currently available.

This prudent reserve is immediately accessible for urgent emergency works that may be required following a major flood event.

It is likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

6. Proposed maintenance rates for the 2024 / 2025 financial year

Rates Maintenance	\$0.00*
Prudent Reserve (achieved)	\$n/a (achieved)
Engineers Cost Recovery	\$3,9240.00
Infrastructure Insurance	\$2,724.00
Total:	\$ 6,648.00

* No spend is now expected during 2023/24 year so this carries over and therefore no rates maintenance.

The Council recommends a maintenance rate strike of \$ 6,648.00 excluding GST.

7. General Business

Drone

Is vegetation sufficiently managed?

XS Survey

MEMORANDUM

Subject: Impairment of Rating District infrastructure assets and the associated implications for the Community, Rating Districts, and Regional Council?

Impairment is **unexpected damage** to the asset (e.g. *unscheduled damage due to a flood*), whereas depreciation is based on expected / scheduled wear and tear over the useful life of the asset based on either the straight-line or diminishing value methods.

Impairment can occur because of an unusual / one-time event (e.g. *flood event or earthquake*), and/or damage that impacts an asset (e.g. *the potential impact of climate changes leading to flood protection assets no longer being fit for purpose from a design or level of service perspective*).

Generally accepted accounting principles (GAAP) and PBE IPSAS 21: Impairment of Non-Cash-Generating Assets require **assets be tested for impairment regularly** (i.e. *WCRC complete impairment testing annually*) to ensure the asset values recorded on Councils balance sheet are not overstated. Impairment exists when an asset's fair value is less than its carrying value (or book value) on the balance sheet.

A summary of implications to WCRC due to a flood protection asset impairment event follows:

1. There would be no impact to rating district financials in the event of impairment nor would there be any more or less rates required because of it. There are however accounting impacts at an all of Council level, but no impact to rate or funding requirements *in the first instance*. There could be flow on impacts around restoring assets back to fit for purpose state.
2. It would impact Council books with asset values would go down, and there would be an accounting 'loss' that would potentially make it appear Council was in the red at the end of the financial year but would cost no cash or outgoings. It is purely an accounting book loss.
3. Impairment event could trigger a capital investment decision needed if asset levels of service are to be remediated back to a fit for purpose state, and that *would* require money from community, or the repayment of debt should the RD agree to major works on their assets. That would be no different to current practices today about levels of service (LOS) with community even without impairment. Same process would apply.
4. Impairment would impact on the community around what (LOS) they are going to accept (and Council would maintain) from their assts going forward, and any downward change in LOS should be formally documented and agreed in writing. This would be the most real world significant and strategic impact to Council and RD from a risk perspective if an impairment event were to happen.
5. The implications for a RD not accepting a Council proposal to remediate the assets back to acceptable LOS would heighten the risk to Council as it relates to their legislative duties of care around river management and flood protection. It is uncertain what sort of legal defence the Council could offer by allowing communities to drop levels of service knowing that the impact could be significant to life and property in the event of a flood scenario.
6. There would likely be insurance implications to Council assets (premiums go up due to heightened risk or become uninsurable), but also could impact private property holders who may be suddenly considered now in a high-risk area if the flood protection assets are no longer deemed fit for purpose (particularly pertinent considering the insurance retreat is already well documented elsewhere given climate change assumptions).
7. There could be impacts to planning and consents for various activities at a Regional Plan or District Council level that may no longer allow building or development in affected areas. This could impact property market values significantly and create a strong drag effect on economic development.