

### 3.1

## THE WEST COAST REGIONAL COUNCIL

### **MINUTES OF THE MEETING OF THE COUNCIL HELD ON 9 JUNE 2020, AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL, 388 MAIN SOUTH ROAD, GREYMOUTH, COMMENCING AT 11.37 A.M.**

#### **PRESENT:**

A. Birchfield (Chairman), S. Challenger, P. Ewen, D. Magner, B. Cummings, J. Hill, L. Coll McLaughlin

#### **IN ATTENDANCE:**

M. Meehan (Chief Executive Officer), R. Mallinson (Corporate Services Manager), N. Costley (Strategy & Communications Manager), H. Mills (Planning, Science & Innovation Manager), R. Beal (Operations Director), T. Jellyman (Minutes Clerk)

#### **1. APOLOGY:**

There were no apologies.

#### **2. PUBLIC FORUM**

There was no public forum.

#### **3.1 CONFIRMATION OF MINUTES**

The Chairman asked the meeting if there were any changes to the minutes of the previous meeting. Cr Coll McLaughlin drew attention to page 3 of the minutes and stated that she has not had any problems with LGNZ, their people, or leadership, it was just on the particular issue mentioned in the minutes as discussed.

**Moved** (Coll McLaughlin / Challenger) *that the minutes of the Council meeting dated 14 May 2020, be confirmed as correct, with the above amendment made.*

*Carried*

#### **Matters arising**

There were no matters arising.

#### **REPORTS:**

#### **4.1 OPERATIONS REPORT**

R. Beal spoke to his report. He stated that the Lower Waiho rating district work is separate to rebuild work following the March 2019 weather event. R. Beal advised that the likely deficit for this work is approximately \$100,000.

R. Beal advised that ongoing maintenance is being carried out in the Hokitika rating district as further reports of wave overtopping have been received in the Park Street area.

R. Beal reported that planning for LTP process has commenced with flood modelling work awaited for the Hokitika and Karamea rating districts.

R. Beal advised he will be attending a meeting with GDC staff tomorrow to discuss the valuation of the Greymouth Floodwall and various other matters.

**Moved** (Cummings / Challenger) *That the report is received.*

*Carried*

#### 4.2.1 ANNUAL PLAN 20/21 & Te Tai o POUTINI JOINT COMMITTEE BUDGETARY AND FUNDING REPORT

R. Mallinson spoke to this report and advised that the purpose of this report is to bring the recommendations from the Te Tai o Poutini Committee (TTPPC) to Council. He advised that funding is the responsibility of WCRC, as per the Order in Council. The ultimate responsibility and decisions with regard to the size of the budget adopted and the actual funding of the budget belongs to WCRC, who must give appropriate consideration to the TTPPC budget request. R. Mallinson explained the report in detail and advised if Council approved this in full, Council could be looking at a funding deficit of \$750,000. He stated that this amount is within the limit agreed to at April meeting.

Cr Birchfield stated he would like the budget held to \$500,000, and would like the fourth bullet point for the borrowing of 192,000 dropped off. Cr Birchfield stated that the extra money that is required could go to SNA's, and that Council should hold off on this research until the effect of the government's legislation on our Plan is to hand. Cr Birchfield stated that the \$500,000 in the kitty will keep the process running in the meantime.

Cr Magner asked if the research is specifically for SNA's. Cr Coll McLaughlin advised that there is a lot of research that needs to be developed for the TTPPC to be robust, should it be subject to challenge. She stated that if sufficient research is not done then Council could be very vulnerable to an Environment Court challenge. Cr Coll McLaughlin stated she is happy with the recommendations as the technical staff had started initiating the early stages of SNA research, and when this came back to committee, the committee were not comfortable with the research proceeding until there is a final NPS, or at the very least, a motion to come to the TTPPC that the TTPPC endorsed that there was to be no further work on SNA until it comes back to TTPPC for discussion and approval because it is such a controversial matter. Cr Coll McLaughlin advised that there is a lot of other research that is required. She stated that Cr Birchfield did not endorse the budget paper at the TTPPC meeting but the rest of the TTPPC did. Cr Coll McLaughlin stated that the general mandate from the TTPPC is to accept this budget, but she is aware that Cr Birchfield has a lot of concerns about the costs spiraling. Cr Coll McLaughlin stated that there has been a lot of work done to try to trim the budget back. She stated she is unsure how this can be progressed in a robust manner if it is not properly funded, and she has been informed that if it is not adequately funded then the timelines will stretch out. This will then accrue greater costs. M. Meehan advised that the TTPPC comprises of the four councils and the runanga partners and they are recommending that the budget is approved, he acknowledged the Cr Birchfield voted against this but everyone else voted for it, and Council now has to find a way to fund this. He stated due to the Covid-19 situation Council is not doing the normal annual plan consultation process and this is a difficult situation. M. Meehan advised that if this is not funded then Council would need to advise TTPPC that Council is not meeting this request. He noted that the work required with SNA's could cost around half of the \$100,000. M. Meehan agreed with Cr Birchfield's comments and stated that until there is an NPS in place, it will be difficult to proceed with the mapping of SNA's. Cr Coll McLaughlin stated it would have been helpful to have members of the TTPPC and the Project Manager at today's meeting. Cr Coll McLaughlin stated that as the remainder of the TTPPC voted on this, she feels obligated to vote for this today. Cr Coll McLaughlin stated that the way the governance structure and how budgets must be allocated is flawed. She stated that TTPPC is a group that makes decisions, then it comes to Council to make decisions on a district plan, as a regional body. Cr Coll McLaughlin stated that all the new legislation that is coming out makes this whole space fraught. She asked R. Mallinson how this will look on a rating slip. R. Mallinson advised that there will be a separate line for One District Plan with 2019 / 20 being the first year of rating for the \$250,000. He advised there will also be a separate rate line for the One District Plan targeted rate. R. Mallinson advised that because of the LGC subsidy of \$200,000 in the 2019 year, Council is rating at an artificially low level. R. Mallinson advised that Council did consult in last year's annual plan round on the targeted rate for the One District Plan, and he does not believe that Council needs to consult on this again this year. He stated that if Council did not have the LCG funding, Council would have been rating at \$450,000. Cr Cummings queried why the invoices cannot be itemized as he feels research costs need to be clearer. M. Meehan advised that this has been broken down and the TTPPC has had time to go into detail with regard to research and has been able to peer the budget back. Cr Birchfield stated he would like to put more rigor into the TTPPC, as he feels that there are tough times ahead and it is likely this plan is going to cost around \$3M. Cr Birchfield stated that there are around eight planners employed by the four councils, three more have been employed to work on the One District Plan, he feels the project could have been run more efficiently using our own planners. Cr Birchfield stated that he cannot see why the four plans cannot be modified into one plan. Cr Birchfield is concerned with how much money Council is going to have to borrow, and at the end of the project ratepayers could end up with \$3M debt. Cr Birchfield stated that he cannot accept the argument regarding SNA's and stated that this should not be done as the government is due to bring SNA's in, and 90% of the West Coast is controlled by DOC. He asked why is all this money being spent on an SNA study that is going to take in 90% of land that we don't own. He stated that the government should be paying for this. Cr Ewen stated that this has been foisted on us and he has an issue with the process. He stated that Council and ratepayers are going to be burdened with conservatively \$3M, but there is a projection of \$5.4M. Cr Ewen stated that wetlands and swamps costs should be coming from government as they drove this with a petition of a mere 300 signatures. Cr Ewen would like to stick with the \$500,000 budget, as he agrees with M. Meehan's comment that there are going to be a lot of changes. Cr

Ewen is concerned that this Plan will be a millstone around ratepayer's necks, as the real direction is still unknown, and the real agenda is unknown, and he is concerned about non-significant wetlands. Cr Ewen is against borrowing a further \$192,000. Cr Coll McLaughlin stated that she was one of the few private people who submitted against this whole process. She sympathises with all comments, and noted that there are a lot of legislative pieces coming through that need to be implemented. She stated that Council has very little decision making on what we can do, as Council has to give effect to these matters. She stated that the options are to do this as well as we can in order to make the legal processes as smooth as possible, or Council does not commit to this fully, and does not run a robust enough process and it ends up getting decided in the Environment Court, and not by Council. Cr Coll McLaughlin stated that this is unpalatable to her, she will be voting in favour of all of the recommendations, as she is loath to see a replication of the Schedule 2 process because we did not put enough money in at the right end. Cr Coll McLaughlin stated that if Council does not put enough money in the right place, Council will be spending that money in court. Cr Challenger stated he agrees with Cr Coll McLaughlin. He stated that with these planning processes, Council needs to spend the money at the appropriate time otherwise Council is leaving itself open to legal challenges at the other end. Cr Challenger said that if Council does cut the funding back to \$500,000, it will drag on for a lot longer, and a proper job will not be done. He stated that he will be voting in favour of the recommendations. M. Meehan advised this is the only year that borrowing would be required, as next year when Council goes into the LTP process, Council can do proper consultation on the appropriate targeted rate. Further discussion took place on options for recovering the targeted rate. R. Mallinson advised that he will be recommending a targeted rate of at least \$450,000 when Council goes through the LTP process. Cr Challenger stated that the One District Plan is a generational matter and by having a loan and repaying it over a generation, it would be spread out for longer. R. Mallinson agreed and stated that borrowing is a good tool to achieve generational equity. Cr Magner asked if Council can be sure that this is a generational matter. M. Meehan advised that it is not a generational matter, this is a plan that is in place for ten years. M. Meehan advised that WCRC is supporting a joint committee that has to do a significant job to pull together three very old and dated plans into one. He stated that the investment has not been there in the past by the districts which is why the LGC got the feedback to say that it needs to go into one plan and to be brought up to standard, and now Council has been left with funding it. M. Meehan stated that a lot of this work is making up for work that has not been done to bring the three plans up to where they need to be. Cr Hill stated he agrees with Crs Birchfield and Ewen. He stated that the fact is Council is lumbered with this and if Council holds back on the \$100,000 it is simply saying to the TTPPC that we don't agree with the One District Plan. Cr Hill stated that it is too late and we are now into it, and Council has to make the best of it. Cr Hill will be voting for the recommendations. Cr Cummings asked what makes the process slower, he said that the planners are still working 40 hours per week. He stated that Google could do most of the research. Cr Birchfield stated that Council is paying the planners wages so you would assume that they would be continuing to progress the normal process. M. Meehan advised that there is a lot of work that goes into a plan, and work that Council must advance. He advised that when Council goes to a hearing, evidence is required to back up what you are saying. Cr Ewen stated that whatever Council decides, either way, it will end up in the Environment Court. Cr Cummings asked if Council pays the money now, will it be planners who go to court, and not Council?? Cr Cummings asked if Council gives them all the money they want, when it goes to Court, is it their problem or is it still Council's problem? M. Meehan stated that he is unsure how to respond to this question. M. Meehan advised that the TTPPC has a project manager in charge of the planners, the TTPPC gives direction on what they want to do, the staff act on the direction of the TTPPC, so TTPPC is responsible for putting the One District Plan together. Cr Birchfield stated that you can guarantee this will end up in the Environment Court. Cr Cummings asked "where will the planners be", Cr Birchfield stated that the plan will be challenged for sure and Eugenie Sage has already indicated that they will be looking at the plan to lock more land up through the SNA's. H. Mills advised that there is one good example of where Council has mediated outside of the Environment Court, and that is the RPS. He stated that significant issues were dealt with but they were able to be resolved, this took around four weeks, but it was kept out of the Environment Court. M. Meehan explained the planning and submission process to the meeting, but in the case of the RPS there are 20 – 30 parties around the table that all agree on a pathway forward. He stated there is trading, compromise, but you end up with something that everyone around that table can live with. Cr Birchfield stated plans seem to be working well as we are all operating under four plans, and now we are needing to spend up to \$5M at a time when we can't afford it. Cr Coll McLaughlin stated that regardless of the way the vote goes, one lesson that has been learnt from this discussion is at future budget meetings we need members present at the meeting to speak to the budget. She stated that more detail is required on what the budget is being spent on.

Cr Birchfield proposed an amendment to the recommendations.

**Moved** (Birchfield / Ewen)

- 1. That Council agrees to the Te Tai o Poutini proposed budget of \$500,000 for inclusion in the Annual Plan 20/21.*

2. *That the last bullet point in recommendation 2 be struck out ("Borrowing of balance of \$192,000).*

The motion was put. Cr Cummings is in favour. Crs Challenger, Coll McLaughlin, Magner and Hill are against.

The motion was lost.

**Moved** (Challenger / Coll McLaughlin)

1. *That Council agrees to the Te Tai o Poutini proposed budget of \$692,000 for inclusion in the Annual Plan 20/21.*

2. *That funding be by way of:*

- *Carry forward credit balance \$100,000 from 2019 /20*
- *Targeted Rate \$250,000*
- *Existing General Rate contribution \$150,000*
- *Borrowing of balance of \$192,000*

*Carried*

Cr Cummings asked R. Mallinson if Council is receiving the normal amount of rates payments at the moment (post Covid-19). R. Mallinson advised that payments are down by \$200,000 compared to this time last year. He stated that up until 6 May, a lot of people were waiting for the opportunity to come in to the office pay their rates, post lockdown.

#### **4.2.2 BORROWNG JUNE 2020**

R. Mallinson spoke to this report. He advised that \$750,000 will be spent on the Karamea stopbank upgrade, the Greymouth Floodwall repairs, the Rata Knoll extension at Lower Waiho, and the Hokitika Seawall work.

R. Mallinson advised that the recent borrowing has been secured on very favourable terms. M. Meehan stated that if rating districts or communities can afford to borrow at the moment, for capital works, this is the time to do it. He stated if they have the ability to pay back a loan, it is a very good time to borrow with interest rates very low at the moment.

Cr Ewen asked if the Hokitika Seawall work could be cost neutral for ratepayers, and could this be borrowed for with the term of the existing loan collectively, and extended. R. Mallinson confirmed that he is in the process of doing this, the new loan will be amalgamated with the existing borrowing. Cr Ewen asked if a loan to fund the One District Plan could be done using the same methodology. R. Mallinson advised that Council could borrow to fund any operational activities if they wish to. He advised that borrowing is always a good way to achieve intergenerational equity to spread the costs over a number of generations, and not just the current generation. Cr Ewen stated that this would satisfy his concerns with the One District Plan borrowing, and this could be almost painless for ratepayers. R. Mallinson stated that this discussion will fit in well with LTP requirements in a couple of months' time. Further discussion took place and all agreed that borrowing will be discussed further during the LTP preparations.

**Moved** (Magner / Challenger)

1. *That the report be received.*

2. *That Council notes the intention to borrow \$1,000,000 from LGFA during June 2020.*

*Carried*

## **5.0 CHAIRMANS REPORT**

The Chairman spoke to his report and advised that he has been involved with the issue around the use of snow chains on the pass. The Chairman stated that he spoken with NZTA and it has been agreed to wait and see how this works.

The Chairman offered to answer questions. Cr Hill asked if there has been any indication as to what funding the West Coast might receive from DoC for the nature projects. M. Meehan advised that the funding is to be realized over five years and is focused on jobs. He stated that a pilot has been started Franz Josef with people already being put into jobs. M. Meehan advised there is a particular focus on Franz Josef, Rotorua and Queenstown, as places that have been badly impacted by Covid-19. He advised that it is good to see that this has been kicked off in Franz Josef and is now being expanded out, with a strong link with the MSD and the polytechnics for training and people to do this work.

**Moved** (Cummings / Coll McLaughlin) *That this report is received.*

*Carried*

## **6.1 CHIEF EXECUTIVE'S REPORT**

M. Meehan spoke to his report. He stated that following the launch of the Predator Free project at Te Kinga, work is now commencing.

M. Meehan reported that a health and safety audit was carried out recently with the focus on meeting the ISO 45001 for Health and Safety. M. Meehan advised that the auditors recommendations will be brought to next month's meeting. M. Meehan advised that health and safety will be incorporated into future CEO reports. M. Meehan advised that he has attended a considerable number of meetings relating to Covid-19 over the past three months.

**Moved** (Ewen / Coll McLaughlin) *that this report is received.*

*Carried*

## **GENERAL BUSINESS**

There was no general business.

The meeting closed at 12.26 p.m.

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Chairman

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Date