

THE WEST COAST REGIONAL COUNCIL

**MINUTES OF THE EXTRAORDINARY MEETING OF THE COUNCIL HELD ON 28 JUNE 2022,
AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL, 388 MAIN SOUTH ROAD, GREYMOUTH,
COMMENCING AT 10:33 A.M**

PRESENT:

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

IN ATTENDANCE:

H Mabin (Chief Executive), N Costley (Manager Strategy & Communications), M Schumacher (IT Support) (via zoom), Rachael Vaughan (Acting Planning and Resource Science Manager) (via zoom), Mike Mendonca (Cedilla) (via zoom), John Hutchings (Henley Hutchings) (via zoom), Amie Drnasin (secretariat), Keri Harrison (Tui Creek Consulting), James Bell (Engineer)

Also present: Brendan McMahon (Grey Star)

1. WELCOME

Cr Birchfield read the prayer.

2. APOLOGIES

The Chair called for apologies. There were no apologies from members.

H Mabin advised the Council that F Tumahai had been invited to the meeting but was unable to attend, and sent an apology.

3. DECLARATION OF INTEREST

The Chair called for declarations of interest. No declarations were made.

Point of Order

Cr Ewen raised a point of order. He advised he had become concerned in recent weeks that the Council was being asked to make decisions pressured by not having agendas in a timely manner. He noted that the meeting was an Extraordinary meeting according to the Standing Orders, and was not a Special meeting as advertised. He felt he needed to express his concern that that agendas needed to be out two clear working days before meetings, as per the standing orders.

The Chair and Cr Hill both agreed, noting there was a lot of material to review. They felt that this was not a staff issue but that the Council was under a lot of pressure from central government imposing requirements. Cr Cummings said that both Councils and staff had done well to get everything together in time to meet the required timetable, acknowledging it was not perfect. Cr Magner felt that everyone had done an amazing job

to get everything within the timeline, to operate as best Council could within the timeline. The Chair agreed that the staff had done a good job for the Council and there was no criticism of staff.

Cr Cummings acknowledged the work of John Hutchings and Mike Mendonca. Cr Coll McLaughlin said that she had seen people go above and beyond, on top of BAU, and she felt that staff punched above their weight in terms of what they managed to get done. She also acknowledged the work of Mr Hutchings and Mr Mendonca. She noted there was a lot of anxiety in the community about the pace of the work, but she hoped the community understood that Council had a deadline that was immovable, and it would have been irresponsible for Council not to take up the opportunity that came with that deadline.

H Mabin said she noted the point made by Cr Ewen.

4. PUBLIC FORUM

PRESENTATION

There was no presentation.

5. REPORTS

5.1 Proposal to Hon Nanaia Mahuta – Westport Business Case

H Mabin spoke to this report. She reminded the Council of the sequence of events leading up to this report, outlining the initial options consulted on in Council's Long Term Plan process. The LTP was not completed by the statutory deadline of 30 June 2021 and was still in process, and in July 2021 Westport experienced the significant flood event. The LTP then went out to consultation and there was overwhelming support from the community for Option 2. In October 2021 the Council adopted Option 2, subject to further investigation of adverse effects and taking in to account community submissions. R Beal set up a Technical Advisory Group which did this work. There was a parallel process focussed on recovery monies for Buller District, from DIA and NEMA, through a steering group. The proposal then arose to seek co-investment in infrastructure for the Buller. A business case was then developed by Henley Hutchings, on behalf of the steering group and contracted through WCRC but fully funded by DIA. This is the business case now before the Council, which is a very different position to the position the Council initially started off with in 2021.

In order to secure co-investment, the Council needed to get the business case to the Minister by 30 June. A significant amount of work has gone into this, and H Mabin thanked the Council for their input to John Hutchings on this.

R Vaughan then spoke to this report and noted there was a supplementary paper which asks Council to agree to amend the business case to correct costings, cost apportionment and minor editorial matters, and for the realignment of the proposed bank (option B). The supplementary paper to this agenda item was distributed to Councillors on 27 June 2022 via email and a hard copy was provided to members at the meeting on 28 June 2022.

Cr Coll McLaughlin noted her thanks to all those involved in developing the business case. She addressed what she felt was some public commentary around budget 'blowout', noting that this was a very different proposal than that initially proposed in the LTP, and now encompassed a more wide-ranging and holistic approach. She noted her preference for amendment to the proposed resolution to recognise any changes adopted by Buller District Council at their meeting.

J Hutchings outlined the process, which government agencies and ministers would be involved, and possible potential funds from different agencies given the different interests and aspects involved.

There was some discussion on the corrections to the Business Case report. Cr Ewen suggested the map overlay showing the region be included. He referred to a report by John Benn regarding fatalities which could also provide data for the report. Cr Cummings sought the addition of 'DoC leasehold land' to page 22 of the report.

Cr Coll McLaughlin said she supported the adaptation sections and budget in the report and asked whether the amount in the fund could be raised as this was really important for communities. M Mendonca advised that the amount in there would attract significant treasury attention, and it was a balance with other factors. They did not want to undermine the integrity or confidence in the potential ring bank. Adaptation policy was still being developed by government, and they may be cognisant of setting a precedent. There would need to be contributions from communities as well as the Crown to adaptation processes in future.

Cr Coll McLaughlin noted she was not comfortable with the process of having a further reduced alignment in the business case that did not go through the Joint Committee. She understands the merits of the argument but it is her preference for the larger alignment to have informed the figures. She said this would not change her vote to support the business case, however, as she recognised the business case was critical to the future of Westport. Cr Hill agreed with Cr Coll McLaughlin, advising he supported the original Option A (page 48 of the Business Case report).

R Vaughan advised that the final alignment would still have to go through the Special Consultative Procedure, so there will be further community consultation. Option B was the alignment recommended by the TAG. J Hutchings advised that he thought the officials in Wellington would back Option B. M Mendonca agreed that he felt that this was the best way to present the business case.

Moved: (Ewen / Cummings): *that the Council:*

1. *Authorise Chair Birchfield to sign the document called **Kawatiri – Deep and Swift, Proposal to Hon Nanaia Mahuta, Minister of Local Government, Co-Investment in Westport's Resilience on behalf of the West Coast Regional Council.***

Carried

5.1 Supplementary Paper – Westport Business Case

R Vaughan then spoke to the supplementary paper which asks Council to agree to amend the business case to correct costings, cost apportionment and minor editorial matters, and realignment of the proposed bank (option B). The supplementary paper to this agenda item was distributed to Councillors on 27 June 2022 via email and a hard copy was provided to members at the meeting on 28 June 2022.

She noted the four additional amendments that would now be made to the supplementary paper sought by Councillors at the meeting.

Cr Coll McLaughlin again raised her preference for additional wording in the proposed resolutions to make room for any changes adopted by Buller District Council at their meeting. The Chair said he felt this was already covered by the proposed resolutions. Cr Magner asked whether resolution 2 could be amended to specifically provide for any decisions made by Buller District Council. R Vaughan said it would be difficult to do this without risking the integrity of the business case but wording might be possible around further discussion on non-structural items or cost sharing.

H Mabin asked for clarification on specifically what Council is seeking to do in terms of a new recommendation. R Vaughan said that what BDC would discuss was hard to anticipate. M Mendonca advised that he did not anticipate any substantive change, from his understanding of discussions with Buller. Any substantial changes would have to come back to WCRC. The Chair and Cr Ewen said they were comfortable with what they heard. Cr Coll McLaughlin said she was now satisfied and no longer sought amended wording for the resolution.

Moved: (Cummings/Magner): *that the Council:*

1. *Receive the report.*
2. *Agree to amend the draft Business Case to correct costing, cost-apportionment, and minor editorial matters.*
3. *Agree to recommend that Minister Mahuta adopt the inland alignment of the proposed ring-bank located close to the current limit of the Westport's urban area (Option B).*

Carried

5.2 Draft Quarry Tender Documents

H Mabin introduced Keri Harrison from Tui Creek Consulting and James Bell, Council staff member. Ms Harrison spoke to the report, outlining that she and James had been tasked with reviewing the quarries, both active and inactive.

Ms Harrison and J Bell visited Blackball Quarry yesterday. Ms Harrison's recommendation was to decommission the quarry as it was no longer needed, but some safety aspects exist which need to be addressed prior to closure. There were potential issues with a rock face and proximity to the road. She advised that a decommissioning plan would be needed including a geotechnical report, to address this. There are new regulations coming out at the end of July which will have a legal requirement to assess geotechnical issues within quarries. In response to a question from Cr Cummings, J Bell said that a geotechnical report would be needed before options to address it could be assessed. Cr Ewen asked whether the widening of the road could possibly be the cause of the problem. K Harrison said that potentially the vibration from machinery doing the widening may have destabilised it and caused the face to move quicker than it otherwise would. Cr Ewen asked whether GDC had consulted with Council prior to widening the road. Cr Coll McLaughlin noted that this issue was urgent, if there was a public safety aspect and a geotechnical report should be obtained as soon as possible. Cr Magner agreed it was appropriate timing to move on it now.

There was some discussion on Kiwi Point Quarry. J Bell advised that MBD had tidied up the site well and had removed a lot of material. J Bell confirmed it had not moved much since Kiwirail had put in monitoring points. K Harrison said that earlier geotech reports on the quarry identified an issue of moderate risk, and so works on the section of the quarry face would bring it down to low risk. This face remains a hazard that needs addressing. Her recommendation is to decommission Kiwi Quarry. It has access issues, and it has naturally regenerated/rehabilitated. Decommissioning will require reassessment of the hazards, to address any liabilities and make it safe.

Cr Ewen advised that Kiwirail had asked him for some history of the area around the Kiwi rail bridge. He advised them to do a risk assessment and that there was a shaft in the area, from a coal mine active from 1924-1929. Cr Cummings said you could see evidence of mines from the river level.

K Harrison then discussed Inchbonnie Quarry. She confirmed the Council had no stockpiled rock there, but the contractor has stockpiled rock there, about 6-7000 tonne. Up to 100,000 tons has been removed by the contractor in 18 months. The volume extracted and the returns needs to be improved, to be transparent for the ratepayer. Ms Harrison felt that the site is well run operationally, and she is happy with the safety and the operations, and the communication was good. Ms Harrison and Mr Bell recommend that a 10,000 ton stockpile be kept there at all times, for Council use. They also propose that Council caps the private extraction volume, and reassesses it annually. She suggested a charging framework for private extraction whereby the production cost and a royalty is charged, and that the royalty be increased over time.

Ms Harrison said that Camelback will be much the same as Inchbonnie, well run operationally, but financial management of it can be improved.

Ms Harrison advised that the Quarry Management Plans have all been updated, to take account of all new regulations. Tender documents will also include stringent reporting requirements. In response to a question from Cr Ewen, Ms Harrison confirmed that the new H&S regulations will be in place from 1 July, with enforcement starting soon after. Volume reconciliation and validation systems are important to provide for quarry planning and LTPs. Cr Challenger asked whether there was any issue with Inchbonnie going over the boundary? Staff responded that they were not aware of that. K Harrison said she was impressed with how well run the site was.

Okuru Quarry had not been used for a while. No rock has been taken in the last two and a half years but the site is tidy. It has a DoC Access Agreement being worked through at the moment.

In response to a question from Cr Coll McLaughlin, K Harrison confirmed that the draft tenders rolled all operational quarries in to one. Cr Challenger said that it should be possible to tender for one, two, or all quarries. This provides more scope for a wider pool of tenderers.

There was some discussion on the importance of those running the quarries being engaged in the Te Tai o Poutini Combined Plan process, to ensure there is enough provision in the proposed Plan for ongoing operations.

K Harrison advised that the proposal was to allow the Inchbonnie contractor a period of approximately 4 weeks to remove their stockpiled rock, during the tender process. Their on-site buildings would be allowed to remain at present.

Cr Magner asked whether consideration should be given to having an interim lease or holding agreement for the rock stockpiles? Cr Challenger said that Council could give them to the end of July, or until the tender is awarded.

Moved: (Coll McLaughlin/Challenger): *that the Council:*

1. *Receive this paper and note the attachment; and*
2. *Authorise staff to contract a geotechnical assessment of Blackball Quarry; and*
3. *Authorise staff to undertake a review of Kiwi Quarry.*

Carried

5.3 Draft Annual Plan 2023

H Mabin took her report as read. Cr Ewen said he was concerned about the 12.3% increase and that the Council should stick to the 10% increase as contracted with the community, and cut its cloth to suit.

H Mabin advised that it was not too late revert back to 10% and redraft the rates resolution. She said this was achievable before 30 June.

Cr Ewen sought clarification of the rent paid by VCS. H Mabin confirmed that they paid \$12,000 for each site.

Cr Ewen said that government has increased its requirements, and this has badly impacted ratepayers. Cr Cummings agreed that the government should have paid for much of the work required, including for the Te Tai o Poutini Combined Plan process which the Coast is trialling for them. Cr Ewen felt that Council should tighten its belt. Cr Hill agreed that if it was do-able, Council should do it.

Cr Magner asked the Chief Executive what the risks were of cutting the budget to 10%, and whether that would impact critical pieces of work such as the IT upgrades. Cr Challenger said that they did not want to be burdening the ratepayers but there were things that needed to be done, upgrades, etc. His concern was that

the Council did not have rates rises in the past, which they now need to make up for. He does not want to give ratepayers a shock again in the future, so Council needs to ensure it is doing what it needs to do, to avoid that.

Cr Ewen asked how much 2.5% equated to. H Mabin responded that she thought the figure was close to \$95,000, on the figures she had seen for the general rate.

Cr Coll McLaughlin said she thought Cr Ewen's points were all valid. She noted that the LTP did include the LTCI figure but this may not have been explicit, and that since the LTP process they have discovered additional costs they need to meet. She said that she felt she could not support reducing it to a 10% increase given the work they have to do and the cost increases in the global context. However she agreed with Cr Ewen that the mandate for 12.3% was shaky given it was not clear in the LTP.

H Mabin noted that 10% rather than 12.3% would not push the Council back in to deficit. She advised that this change would be able to be made to the document, in the time before adoption. Given that information, the Chair asked for an indication of those who were in support of a 10% increase ie excluding the LGCI additional figure of 2.3%, and there was general agreement to that.

There was some discussion on charge out rates and fees and charges, including potential increases in vehicle and fuel costs. H Mabin undertook to investigate whether fees and charges had to be set at the beginning of the financial year or whether they could be modified during the year.

Cr Ewen asked why they did not have sample rates proposals, which they had had in previous years. He felt this was a good window for people to see the impact on their rates for their properties. H Mabin noted this for future.

Moved: (Ewen/Cummings): *that the Council:*

1. *Note that the Annual Plan 2023 has been developed in accordance with the requirements of the Local Government Act 2002; and*
2. *Note the Schedule of Fees and Charges for 2002 as attached effective from 1 July 2022; and*
3. *Authorise the Chief Executive to amend the Annual Plan 2023 to revise the general rates increases to 10% and exclude the LGCI adjustment, and to make inconsequential amendments as required; and*
4. *Adopt the Annual Plan 2023.*

Carried

5.4 Rates Setting – Levies 2022/23

H Mabin noted that, given the previous resolutions, staff would need to re-work the recommendation for this paper. However she took the paper as read, and noted it would be subject to an amendment of the general rate to a 10% total increase, referring to the workings on page 223 of the agenda.

Moved: (Magner/Hill): *that the Council resolve to set and assess the 2022/23 rates as calculated in the following schedule and according to the following conditions, but subject to the revision downwards of Number 1 General Rate to 10% only:*

1. General Rate

The General Rate is used to fund activities that are of public benefit and where no other source of revenue is identified to cover

The General Rate will be a differential general rate in the dollar set for all rateable land within the region and calculated on the Capital value of each rating unit.

Differentials:

Rateable Capital Value in the Buller District Council area to yield 31% of the total general rate.

Rateable Capital Value in the Grey District Council area to yield 39% of the total general rate.

Rateable Capital Value in the Westland District Council area to yield 30% of the total general rate.

	Differential	Estimated rateable Capital Value	Factor per \$ of Capital Value	Calculated Yield	GST Exclusive
Rateable Value of Land in Buller District Local	31%	\$2,626,504,900	0.00047165	\$1,238,802	\$1,077,219
Rateable Value of Land in Grey District Local A	39%	\$2,677,642,500	0.00058204	\$1,558,493	\$1,355,211
Rateable Value of Land in Westland District Lo	30%	\$2,251,815,905	0.00053239	\$1,198,841	\$1,042,470
	100%	\$7,555,963,305		<u>\$3,996,135.00</u>	<u>\$3,474,900.00</u>

Carried

6.0 General Business

H Mabin updated the Council that Mike Beagle has advised her that due to workload he has to stand down and H Mabin is seeking to engage with a new project lead who she is meeting with on Friday. The Terms of Reference for the Council's Infrastructure Committee will then be developed. Maltbys have been appointed as QS for Franz Josef, and Mark Healey from WSP is the engineer to the contract. They have had initial discussions with MBD regarding the construction contract. R Vaughan advised that in relation to the resource consent applications, staff were currently seeking affected party approvals and the consent process was being progressed.

In response to a query from Cr Coll McLaughlin, R Vaughan advised that the tender for the Organs Island work had been extended and was currently out in the tender process.

The Chair adjourned the meeting at 12:34pm.

The meeting resumed at 12:42pm, and moved in to a public-excluded session.

7.0 PUBLIC EXCLUDED ITEMS

Moved (Cummings / Coll McLaughlin) *that the public be excluded from the following parts of the proceedings of the meeting, namely, -*

- *Item 7.1*

Item No.	General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 7 of LGOIMA for the passing of this resolution
Item 7.1	West Coast Regional Council Employee Benefits	The item contains information that is subject to an obligation of confidence	To protect information that is subject to an obligation of confidence section 7(2)(c).

And that

- *Heather Mabin, be permitted to remain at this meeting after the public has been excluded, because of their knowledge on these subjects. This knowledge will be of assistance in relation to the matters to be discussed; and*
- *The Minutes Clerk also be permitted to remain at the meeting.*

Carried

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