

MINUTES OF A MEETING OF THE WAIMAKARIRI DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBER, 215 HIGH STREET, RANGIORA, ON TUESDAY, 8 FEBRUARY 2023, COMMENCING AT 9AM.

PRESENT

Mayor D Gordon (Chairperson), Deputy Mayor N Atkinson, Councillors A Blackie, B Cairns, J Goldsworthy, T Fulton, N Mealings, P Redmond, J Ward and P Williams.

IN ATTENDANCE

J Millward (Acting Chief Executive), G Cleary (Manager Utilities and Roothing), C Brown (Manager Community and Recreation), T Tierney (Manager Planning and Regulation), S Hart (General Manager Strategy, Engagement and Economic Development), S Salthouse (General Manager Organisational Development and Human Resources), K Simpson (3 Waters Manager), J McBride (Roading and Transport Manager), K Waghorn (Solid Waste Asset Manager), C Roxburgh (Water Asset Manager), K LaValley (Project Delivery Manager), J Recker (Stormwater and Wastewater Manager), G MacLeod (Community Greenspace Manager), P Eskett (District Libraries Manager), T Sturley (Community Team Manager), M Greenwood (Aquatics Manager), R Hawthorne (Property Manager), M Bacon (Development Planning Manager), W Taylor (Manager Building Unit), W Harris (Planning Manager), B Charlton (Environmental Services Manager), S Nichols (Governance Manager), A Keiller (Chief Information Officer), H Street (Corporate Planner – Policy and Strategy), T Kunkel (Governance Team Leader), K Rabe (Governance Advisor), and E Stubbs (Governance Officer).

Meeting Adjournments:

The meeting adjourned at 10.20am for refreshments and reconvened at 10.35am.

The meeting adjourned at 1pm for lunch and reconvened at 1.42pm.

The meeting was adjourned at 3.34pm for refreshments and reconvened at 3.45pm.

The public excluded portion of the meeting occurred from 12.50pm to 12.58pm (Item 6.1).

1. APOLOGIES

Moved: Councillor Atkinson

Seconded: Councillor Goldsworthy

THAT an apology for absence be received and sustained from Councillor R Brine.

CARRIED

2. CONFLICTS OF INTEREST

No conflicts of interest were declared.

3. OVERVIEW AND FINANCIAL STRATEGY

Overview - Jeff Millward (Acting Chief Executive and General Manager Finance and Business Support)

J Millward provided an introduction to the Draft Annual Plan budgets and spoke to a Powerpoint presentation.

The timetable was outlined, then assumptions and policies were touch upon. J Millward commented on other councils whom may be taking the process of an Annual Plan lightly with regard to consultation, the impacts of the changing financial environment and growing pressures on low rates, high levels of service and increased costs.

J Millward commented on the district growth and the economic growth numbers being medium to high. There was no change to the Revenue and Financing Policy which had adjustment to Depreciation, and the Rating Policy had no change other than minor adjustments to UAGC's. There are large rate movements in Pegasus and Rangiora due to the revaluations. The Treasury interest rates were spoken of with forecasts and interest rates. It was commented on the recommendations to the Council regarding on how the Depreciation will be funded over the next five years and the impacts on the Council finances.

J Millward acknowledged that this financial period is not comparable to the last 10 years with Covid induced markets and unrest around the world. The financial markets are still uncertain, along with supply chain impacts on business, inflation not under control, along with changes in local and central government creating uncertainty. The Council has no option but to absorb the inflation. Depreciation funding resulted in \$400m added on the books and the impacts of future funding was spoken of and the strategies needed to reduce the spikes. J Millward commented on savings over the last three years of 6%.

Business and Economic Research Ltd (BERL) are an economic forecaster that Councils utilise their information. Several graphs were explained showing figures set during the LTP and the realistic figures being approximately a 10.6% gap on cost adjusters. Local government inflation is slightly above CPI. This meant that the Council should have rated at 7.6%. The Council has managed to have the lowest rates in Canterbury for the last two years, with some predictions for normality in 2027.

A presentation slide of ANZ Bank data was explained showing pressure on debt rises. The low cost interest rate hedges were holding the Council in good stead currently. J Millward explained the District Revaluation, noting commercial areas were hit hard in the last LTP however this time there is a reduction for that area.

J Millward discussed the district growth provision with 4,800 new dwellings estimated over the next ten years and that is where Development Contributions are sourced. The overall estimated population for the district, based on medium to high projections is 78,400 in 2031.

J Millward summarised options available to the Council which included passing on the inflationary effects, which would be unpalatable to the community as inflation was already 7.3% making the true rate a 14.4% rate rise. Management have looked for savings, with staffing levels and training held back and expenses trimmed for the last three years, without significantly reducing levels of service. Funding strategies have been reviewed and where possible impacts have been moderated or spread over a number of years – such as the earthquake debt, stadium, capital expenditure. Fees and charges, development contributions and grants/subsidies have all been reviewed. The growth projections have also been reviewed and set to 700 but maintained the average of 480 over ten years. J Millward commented on the uncertain times and relooked at savings to cushion the effects on the community. He outlined areas where the Council had looked for savings, noting there are some risks with all assumptions. Some long term loans had been pushed out and in significant areas of expenditure the costs had been spread out to reduce the spikes. It was noted that the Library and Pools patronage have not returned to pre-covid levels, particularly in aquatic areas so adjustments in funding has occurred. Strategies have been reviewed but it will take time. Staff levels have remained low and training budgets were slashed when covid occurred and these have not increased since.

Management believe there were no other viable options to reduce the rates from 14.4% until management had a review of the Depreciation rates and deferred it by spreading over five years which has brought the average rate movement down to 6.9%. This is the rate in the budget papers currently. J Millward provided another example with electricity costs being locked in to low rates and although it had added \$800,000 to the budget, without the astute secured rate the electricity costs could have seen an increase of \$3m. J Millward commented briefly on the UAGC, recreation adjustments as unchanged and minor effects on the Roding fund.

J Millward recapped on options and savings. Reducing the rates down from 14.4% to 6.9% was reiterated and the effects of pushing the Depreciation over the next five years amend the rates to 5.3%, 5.3%, 5% and mid 4% in future years. A slide of expenditure by activity was explained which is total cost including depreciation. Total expenditure for the year is 14.36%. Then removing depreciation and adjustments it brings the rates to 6.9%. A graphic demonstrated the smoothing of the capital expenditure over the next 10 years. In the later years library growth and roading costs are added to meet additional demands of the community.' Two slides explained that by removing \$6m depreciation now and adding it back in later it smooths the overall impact on the community.

J Millward commented that the average rates over the last 20years is 4.5%, however Councils are continuing to be hit with government changes, inflation, climate change and natural disasters. The key breakdown of the rates calculation of 6.9% was reiterated. The option round earthquake funding with suspension for one year would push out the loan repayment and it was explained that between the earthquake loan and depreciation was the only other option to reduce rates to 6%. Management were well aware of the community costs with 7.35% inflation and this proposal created a buffer. With a little bit more of a tweak the rate will come down to 5.95% but J Millward cautioned on the on-flow in the outer years of delaying loans. The matter is for the Council consideration and debate through this meeting. All rates mentioned are average for the district as rate samples of the different areas of the community where explained. Urban around 7-8% and Oxford-Pegasus is 10-14%. Pegasus were significantly higher because of the revaluation figures mentioned earlier in the meeting.

A slide explaining the total debt, new and repaid debt was spoken of. The Treasury limits and insurances for natural disaster such as Alpine Fault magatude 8 (AF8) was explained with the Council sitting under all limits and abiding by the associated Policies.

J Millward commented on the key consultation subject matters being investment to remain chlorine-free; stormwater upgrades, contracted inflation and depreciation and earthquake funding. Matters that will be included in the consultation document as information will be the government reforms, climate change and sustainability, community facilities, rubbish and recycling, There are future discussions yet to be had with regard to the Canterbury Museum and Christchurch Stadium which may have impacts on future rates.

Members questions occurred from 9.56am.

Mayor Gordon thanked J Millward for a clear explanation of the complex financial situation.

Councillor Redmond enquired, on factoring in growth what may be the impact on rates if growth is less. J Millward said that would depend on how much less growth. Currently growth at 700 is 2.5%, which is not big numbers nor significant. Staff were taking a long term approach over the 10 years of 480 homes which is lower than the current 700 homes.

Councillor Mealings sought to clarify the Depreciation smoothing, being all of depreciation or parts. J Millward commented that Depreciation spikes were removed on a carried book value of \$1.9b which had increased to \$2.3b. The inflation etc has impacted like never seen previously however the Council could get back on track in five years. The figures to be clarified however it was funding only small amount in current year. In a supplementary question Councillor Mealings enquired if the debt funding with the earthquake loan had any impact on the Standard & Poors rating. J Millward responded that it should not, if this action was only undertaken once, however if the Council continue to do that then it would impact on future Standard & Poors ratings. J Millward spoke of equating depreciation to the life of the asset value and by delaying one year it pushes matters out 2½ years. He spoke of the earthquake loan for 26 years however cautioned pushing it out to far for too long. The original loans of 2012 have been added to and it was still prudent to stay within 25years.

Councillor Blackie referred to a slide on the financial strategy and levels of service. J Millward responded that if the Council wish to maintain levels of service it would need to smooth out the rate or reduce the level of service to stay within the 6% rate range.

Councillor Cairns referred to the impact on revenue from government impacts of funding services like libraries and UV on water. J Millward commented on NZTA capped limits and Council absorbing costs of contracting increases. Salaries were subsidised for a level of time and now the government had withdrawn that source so the Council was trying to off-set costs. Managers will explain when the budgets are discussed during the day what the impacts of covid and reduced numbers of patrons mean in areas such as aquatics and libraries. There is a greater reduction of subsidies from government funding. The Shovel ready / stimulus packages are to come forward however the flip side is increased depreciation and costs.

Councillor Atkinson expressed concerned about smoothing and what effect in years to come as there is always a consequence of cutting services and budgets, enquiring what are the effects in the later years. J Millward spoke of the status quo, however there has been a change in level of service requirements, pools have changed, climate change and drainage – there is always a trade-off. Traditionally cost inputs that affect councils are higher than CPI. Outside effects such as government impacts are ongoing. The Council has to do measures such as drainage improvements to cope with climate change. There will be increases in figures shown and staff have factored in as much as possible and continue to do incremental changes to improve community assets.

Councillor Fulton referred to cost of funds and recent increase in hedging of increase of rates, and is there any potential advantage. J Millward commented on the Treasury adviser (Bancorp) that the Council use and spoke of interest rate hedges that go out 10years to try and predict future payments. This is why the increase has gone from 3.75% to 4.35%. Without hedging the Council rates would be 5-6% higher. It was acknowledged there was a complication of 3 waters, so the Council was setting new debt, within the policy thresholds and taking advantage of cheaper rates, which included \$40m maturing over the next year.

The budget introduction concluded at 10.15am with a short adjournment. The meeting resumed at 10.35am with the Mayor moving to the budget reporting section of the meeting where each unit presented reports followed by operational budgets before proceeding to the next unit. The order that operational units presented information to the Council was:

- Utilities and Roading
- Community and Recreation
- Regulation and Planning
- Strategy, Engagement and Economic Development
- Finance and Business Support
- Management

At this time the budgets were received Proforma, subject to debate and would be confirmed at the end of the meeting.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

CARRIED

4. MEMO/ REPORTS

Utilities and Roothing Unit

4.1 2023/24 Capital Works Programme Review – G Cleary (General Manager Utilities and Roothing) and K LaValley (Project Delivery Manager)

G Cleary introduced the report as providing an overview of the Capital Works Programme, which comprised of a significant portion of the budget. He noted that there was also regular reporting throughout the year to the Audit and Risk Committee on the progress of the Capital Works Programme. An iterative process was carried out with Asset Managers to ensure careful consideration of the Council's ability to deliver the programme, including consideration of the landscape within which they were operating. In addition, there was a process of prioritisation and matching resource availability with projects.

G Cleary explained the drivers of the programme, which included:

- statutory drivers, for example the requirement to meet Drinking Water Standards
- growth, including both catchup and anticipation, and
- level of service, such as expectation from the community regarding the non-chlorination of drinking water.

Other factors included stakeholder expectations, external funding requirements, project progress, and benefits. Regarding benefits, G Cleary explained that while assessing each project against the four wellbeings had always been part of the consciousness, the assessment process was now treated more transparently.

K LaValley provided an overview of the high-level resourcing assessment which had been carried out, noting that 40% of each resource time had been allocated, and the remaining time was available for the potential impact of reform and unexpected events such as flooding. The cushion provided was 20% higher than previously allowed and reflected the uncertainty of the current climate. However, the assumption of successful recruitment and retention was a risk in aligning what resources were available with what was required to deliver the programme.

G Cleary provided an overview of the roading budget delivery methodology, including developer-driven, Project Development Unit and consultants. He explained that if staff believed developers were being too ambitious in expectation of delivery, they would push out the budget with the understanding that they could bring it back to the Council for earlier approval if necessary rather than not deliver on a project which reflected poorly on the Council.

G Cleary noted that the Council had been successful with its Walking and Cycling funding application and, as such, was gearing up resources to deliver the project. There was also work underway in east Rangiora, of which a large proportion was developer-driven. Work would also be carried out to meet Central Government mandates regarding speed limits around schools.

G Cleary further advised that the budget included \$2 million for a carpark land purchase in the 2023/24 financial year. However, as staff were no longer confident that the acquisition would proceed within the timeframe (negotiations had the potential to be prolonged), it was believed to be prudent to push it out to the 2024/25 financial year.

In summary, G Cleary commented that he believed the Capital Works Programme could be satisfactorily resourced and that the contingency had been stepped up this year due to several factors, including the uncertain environment around government reforms.

Councillor Atkinson asked what the pushing out of the potential \$2 million expenditure for car parking would have for future years. J Millward believed it would have a negligible effect to shift the impact from next year to the following year.

Councillor Blackie referred to the consultant delivery of \$3 million and asked how much of the amount was for expertise brought in and how much was peer review. G Cleary advised that the \$3.2 million was not spent on consultants. However, it referred to \$3.2 million spent on the Capital Programme that would be delivered with the assistance of consultants. It was more of a capacity issue due to the spike in programming that required extra resources.

Councillor Mealings asked for clarity on the property ownership of the car parking as she understood that the Council already owned the property. She was concerned about the price of the land escalating if that was not the case. It was agreed to discuss the car parking when the General Manager Strategy, Engagement and Economic Development, S Hart was in attendance.

Councillor Williams referred to the high bar required to remove the need for water chlorination and asked if staff should be investigating other options. G Cleary commented that a report on the proposed water treatment upgrades was included in the agenda.

Moved: Councillor Ward

Seconded: Councillor Fulton

THAT the Council:

(a) **Receives** memo no. 230117005232 for information.

CARRIED

At this time, Item 5.1 "Roading and Transport" was taken. The Minutes have been recorded in the order of the Agenda.

4.2 **2023/24 Development Contributions Schedules and Policy for Consultation with Draft Annual Plan** - K LaValley (Project Delivery Manager)

K LaValley took the report as read, noting the significant increase in land value had caused the calculated contribution value amount to fall below the allowable cap. The calculation was as follows; the maximum value for reserves must not exceed the greater of (a) 7.5% of the value of the additional allotments created by a subdivision and (b) the value equivalent of 20 square metres of land for each additional household unit or accommodation unit created by the development. Accordingly, the current residential reserves contribution was capped at 7.5% of the district's average value of residential allotments, which was \$337,000 based on the 2022 valuation.

K LaValley also tabled an additional recommendation (e) which dealt with the District Roading Development Contribution.

Councillor Williams queried the variation of values shown for Rangiora between 3.4% and zero and enquired if it would not be a better approach to keep contributions consistent throughout the area. K LaValley stated that development contributions were designed specifically for each area and the services each would require, therefore for new developments the contributions would be higher.

In response to Councillor Williams inquired about contributions for new developments in rural areas, which would require road improvements to gravel roads, K LaValley noted that improvements to the roading network would fall under the financial contributions.

Councillor Mealings enquired how unplanned developments were charged. K LaValley noted that the Council calculated the contribution once the development plans were available.

THAT the Council:

- (a) **Receives** Report No. 230119006153.
- (b) **Approves** the Draft 2023/24 Development Contribution Schedules as per Attachment i for consultation with the 2023/24 Annual Plan.
- (c) **Notes** that the recommended changes to the Development Contributions had been reflected in the draft Annual Plan for 2023/24 and beyond.
- (d) **Notes** that a separate report would be presented to the Council on the recommended changes to the Development Contribution Policy.
- (e) **Approves** the draft District Roding Development Contribution be set at \$12,055 including GST and the establishment of the Outer East Rangiora Roding (Eastern Link Road) development contribution area with the development contribution set at \$3,849 including GST for consultation with the 2023/24 Annual Plan.

CARRIED

4.3 **UV Treatment Strategy and Rationale** – C Roxburgh (Water Asset Manager)

C Roxburgh introduced the report, advising that the incorporation of Ultra-Violet (UV) treatment projects on all the Council's water supplies was first included in the Council budgets as part of the 2018/19 28 Long Term Plan. With the recent release of the Drinking Water Quality Assurance Rules (DWQAR), staff now had the confidence to recommend that these projects proceed.

C Roxburgh outlined the rationale for the UV projects, noting the significant challenges in gaining and maintaining compliance through other means. Even with chlorination, the alternative to UV treatment was regular monitor source water for coliform, to ensure that source water was free from all coliforms and E. coli at all times, and to construct a sanitary (raised) bore head. He commented that currently none of the Council's bore heads met the sanitary bore head requirements.

Only the Oxford Urban-Rural No.2 supply could possibly gain compliance without the UV treatment, as this scheme could potentially achieve bacterial compliance with chlorine treatment. However, due to the ongoing risk of losing protozoal compliance if coliforms were detected, this approach was not recommended.

Councillor Cairns referred to the legislation requiring the Council to have two barrier and asked if the Council even had a choice. C Roxburgh confirmed that the legislation had a multibarrier approach, then again, it could be argued that the first barrier was the source and the second was UV treatment. However, if the source was poor, then a two-treatment barrier was required.

Councillor Williams asked about future requirements and believed that the Waimakariri District's water supplies were excellent if compared to other districts. It was therefore, a viable approach to push out the installation of UV treatment to a later date. C Roxburgh confirmed that the recommended work was needed for the Council to meet the current regulations.

Councillor Williams questioned if the bores were brought up to standard previously, why were they now no longer complied with regulations. C Roxburgh explained that in 2018 the Council was required to carry out work to meet 'secure status'. However, there was now new rules that the Council had to be complied with.

Councillor Williams further asked whether the Council could defer the UV treatment since it was already considered far ahead of other councils in terms of water supply. G Cleary confirmed that the standards had changed with immediate effect, and UV treatment would bring the Council back into compliance, hence the UV treatment could not be deferred. Water supplies were required to be chlorinated, unless an exemption was granted. Staff was recommending UV treatment whether water supplies had chlorine or not. The issues raised was previously discussed with the Regulator.

Councillor Redmond enquired if the bore heads needed to be also raised. C Roxburgh advised that the UV treatment would be sufficient in terms of meeting rules. G Cleary added that in the case of a chlorine exemption, a raised bore head may be required due to the high bar set for an exemption.

Councillor Mealings sought clarity if the debt associated with UV treatment projects would be transferred if the Three Waters Reform proceeded. C Roxburgh replied yes, and as such, saving money now would not benefit local communities as the work may have a lower priority within a larger entity.

Councillor Fulton asked whether the Council had considered a plan for public communication as it was anticipated there would be negative public feedback. G Cleary advised that it was clear the majority of the public did not wish for chlorination, and it was therefore essential to bring the public on the UV journey.

Councillor Fulton asked if there was a risk that the public may think the new treatment was a precursor to the fluoridation of supplies. G Cleary advised that the need for fluoridation was not a Council decision, however, staff wished to future-proof design and equipment.

J Millward commented that Taumata Arowai was taking a risk by not enforcing chlorination on Council supplies while they worked through the exemption process. The community risk was low, both Taumata Arowai and the Council accepted the risk. G Cleary signalled that the amount of capital work required to achieve chlorine exemption was more than previously anticipated.

Councillor Atkinson enquired if bore heads were raised and chlorine was applied, did it eliminate the need for UV treatment. G Cleary did not believe that the need for UV treatment would be removed as chlorination was a requirement unless the Council had an exemption, UV treatment was required, and the bore head may need to be also raised. Councillor Atkinson asked for a rough estimate of raising bore heads and C Roxburgh replied it was in the several hundreds of thousands.

Moved: Mayor Gordon

Seconded: Councillor Redmond

THAT the Council:

- (a) **Receives** Report No. 221202209325.
- (b) **Notes** that UV was recommended to be installed on all the Council's water supplies for the following reasons:
 - i. For any scheme that did not use chlorine (i.e. those where exemptions were sought), UV was the required method to achieve bacterial compliance with the DWQAR, and;
 - ii. For schemes that did have chlorine, UV was also recommended based on the challenges in obtaining and maintaining compliance with the bacterial and protozoal requirements without it.
- (c) **Approves** the recommended approach that UV be prioritised in 2023/24 for the schemes where chlorine exemptions were sought (Rangiora, Kaiapoi, Woodend-Pegasus, Oxford Urban and Cust), as well as at McPhedrons Road on Oxford Rural No.1 due to this scheme having no storage tanks at the headworks and therefore being unable to obtain bacterial compliance without UV.

- (d) **Approves** the remaining schemes (West Eyreton-Summerhill-Poyntzs Road and Ohoka) having UV installed within the 2024/25 financial year, to bring all schemes up to compliance.
- (e) **Notes** that while there had been signals that UV would be required to meet future standards since the 2018-28 Long Term Plan was produced, it was only since July 2022 with the 2022 DWQAR being released that this need had been confirmed.
- (f) **Approves** the provision of \$360,000 of design budget in 2022/23 to be brought forward from the 2023/24 financial year from the District UV account (split proportionally between the relevant projects within this cost centre) to allow for the design and tendering to progress within the current financial year, to allow for construction to be completed in 2023/34 for the first stage.
- (g) **Notes** that as this work was a capital project, it would be loan funded, and the rating implications would take effect from the year after the capitalisation of the first stages, being July 2024 with District Water rates forecast to increase from \$35 per connection to \$70 per connection.
- (h) **Circulates** this report to the Community Boards for their information.

CARRIED

Mayor Gordon referred to the partnership arrangement with the Regulator, and part of that discussion had been UV treatment. The Council had been clear about its communities' opinion on chlorination, except where there was a known risk. The Council needed to do all it could to protect communities. The Waimakariri District Council was a benchmark Council that took advice from experts to ensure communities stayed safe and connected. He had fronted communities and Select Committees on the topic of chlorination. He was persuaded by consistent testing and the ability to 'turn on' chlorine at a moment's notice. However, he believed that a briefing on the result of the Cust exemption application was needed.

Councillor Redmond supported the comments of the Mayor and noted that the community had clear expectations around non-chlorination. UV treatment was essential for gaining exemptions. The Council was also obliged to provide safe drinking water, and UV treatment enhanced that ability. In terms of risk, it was clear Taumata Arowai did not wish to accept much risk.

5. BUDGETS

5.1 Roothing and Transport

J McBride thanked J Millward and G Cleary for setting the scene for the budget report. She provided an overview of the key issues for roading.

The first was maintenance, operations and renewals with cost escalations in the Roothing Maintenance Contract of 8% in the 2021/22 financial year and 14.8% in 2022/23. While the budget could absorb smaller increases, multiple significant increases would begin to impact levels of service to the community. J McBride noted that the Waka Kotahi co-funding share was already set, and there was little opportunity for extra funding from Waka Kotahi.

J McBride outlined the three options available to help fund the shortfall. Firstly, fully funding the gap for renewals and maintenance equating to an additional \$1.28 million of funding. Secondly, to only fund maintenance, which was an additional \$665,000. Thirdly, to fund limited renewals activities and all maintenance activities, which was an additional \$1.058 million. The third option was recommended as it balanced the risk and need of the roading network.

The second key issue was from the National Land Transport Programme (NLTP) 2021-24, in the area of Low-Cost Low-Risk funding, where the Council had endorsed funding for just 50% of its requested projects. The Council had agreed to decrease spending in some areas and continue with some critical projects to the point where they would be ready for tender if funding became available. At this stage, funding seemed unlikely, it was thus recommended that the budgets for several projects be moved out to the following three-year funding period.

The third key issue was the successful application for Better Off Funding for Transport Choices. Funding needed to be brought forward to the 2023/24 financial year to allow for the provision of walking and cycling facilities. Two-thirds of the project was externally funded, with the Council required to fund a third.

Other noteworthy issues were the progress of three property sales and a Roding Administrator position subject to the approval of Council funding.

J McBride highlighted proposed changes to the approved budget, including cost escalation for drainage maintenance to remove high shoulder, increased power costs, Waimakariri Gorge Bridge repairs, school safety improvements and walking and cycling delivery.

Looking to the future, several changes in legislation have created issues that were likely to require further consideration as part of the next Long Term Plan (LTP) process, including school safety improvements, speed management plans and emissions reduction. In addition, high-level estimates for the balustrade of the Williams Street Bridge in Kaiapoi were approximately \$750,000 to \$800,000 compared to the current available budget of \$225,000. There was also a need to construct the Eastern Link Road earlier than indicated in the LTP. J McBride also flagged the River Road upgrade, for which the current estimate was higher than the budget.

Mayor Gordon thanked J McBride for her report on a busy work programme. He noted the shortfall in funding from Waka Kotahi and asked if J McBride believed advocacy through avenues such as the Mayoral Forum would assist. J McBride commented that ongoing advocacy would help, and while it may not change this NLTP it may assist going forward.

Mayor Gordon questioned the property being prepared for sale, and J McBride advised that staff were currently looking at land requirements as part of the Mass Rapid Transit business case.

Councillor Mealings enquired if school safety improvements funding was for speed signage. J McBride replied that 25 schools would be assessed for signage and marking requirements, including a number on busy roads requiring electronic variable lights.

Councillor Ward referred to the Eastern Link Road which was deemed to be a State Highway and asked if work could continue on the project. G Cleary advised that staff had been in active conversation with the main developer and continued to work on the project.

Councillor Williams noted the increased power costs for lighting and questioned if costs should not be decreasing with Light-emitting Diode (LED) replacement. He asked if the Council were still paying for incandescent lighting rather than LED. J McBride undertook to confirm the lighting rates and provide that information to Councillors. She believed the replacement programme needed to proceed faster to see reduced lighting costs. She would bring options to the LTP regarding accelerating the replacement programme and other options, such as dimming lights after midnight.

Councillor Atkinson asked if the Council should consider deferring the Kaiapoi Bridge balustrades and amenity lighting projects considering the current inflationary environment, as they were not essential projects. J McBride agreed that could be an option, and she would need to confirm if any minor maintenance was required.

Councillor Redmond asked what the rate effect would be if the Kaiapoi balustrade projects were deferred. J Millward advised that it would be minimal at around 0.1%.

Councillor Blackie asked about the 500% increase in street cleaning budget and J McBride advised it was a longstanding agreement that had not been adjusted for a long time.

With S Hart present, Mayor Gordon asked about the impact of deferring the carpark property purchase. S Hart advised that while staff were investigating options, there was uncertainty about whether it would progress in the financial year. He noted that after Covid, there had been no increase in parking demand, so there was no immediate urgency to provide extra parking. Through the LTP staff would come back with options, including technology.

Councillor Mealings asked for clarification on land ownership in the area north of High Street, and S Hart confirmed that the Council owned some of the land but not all.

Moved: Councillor Atkinson

Seconded: Councillor Redmond

THAT the Council:

- (a) **Approves** the draft budget for the 2022 -2023 annual plan.
- (b) **Notes** that cost escalations for road maintenance were expected to be in the order of 14% for the period through to 1 November 2022 and this level of cost escalation had not been planned for in the Long Term Plan.
- (c) **Notes** that an allowance of \$1.158M has been made for the increased cost of Maintenance and for some Renewals activities to partially fund the shortfall.
- (d) **Approves** for inclusion in the Draft Annual Plan, consultation on additional unsubsidised budget of \$1,058,000 in the 2023/24 financial year to cover the shortfall in Maintenance, Operations and Renewals funding to inform a decision around future levels of service.
- (e) **Notes** that where Low Cost Low Risk funding had not been received from Waka Kotahi NZ Transport Agency, that the affected projects had been moved out to future years and would be considered as part of the next Long Term Plan process.
- (f) **Notes** that funding of \$1,240,000 had been included over 2023/24 and 2024/25 for School Speed Signage to allow for the requirements of the Setting of Speed Limits Rule May 2022 to be met.
- (g) **Notes** that further funding would be required to meet Emissions Reduction targets, which was not currently included in the Long Term Plan.
- (h) **Approves** moving the budget of \$3,000,000 for Land Purchase for Carparking in 2023/24 out to the 2024/25 year.
- (i) **Approves** inclusion of the Eastern Link Road in years 2028/29 to 2030/31 at a total budget of \$35,000,000.
- (j) **Defers** the Williams Street Balustrade project and Town Centres Amenity lighting and consider as part of the Long Term Plan.

CARRIED

Councillor Atkinson believed it was prudent to look at each project critically due to the inflationary spike.

Councillor Redmond believed there needed to be more focus on core activities rather than those that were 'nice to have'.

5.2 **Solid Waste**

K Waghorn explained that the main impact on the Solid Waste budgets had come from an expected 4.2% CPI increase, generally across-the-board, plus:

- High CPI adjustments to collections and facilities operations contracts
- High CPI increases to organics and greenwaste disposal charges.
- Landfill disposal charges had the triple impact of high CPI, ETS cost increases, the \$20/tonne increase to the landfill levy and transportation to landfill rising by 10%.
- A reduction in incoming landfill waste from a group of private bin collectors which would increase the fixed-costs per-tonne component of the gate charges.
- Introduction of a Ministry for Environment (MfE) \$10 per tonne landfill levy on all materials going into cleanfill sites plus additional monitoring and reporting requirements.
- Late advice (received yesterday) about an increase to recycling processing charges from \$185 to \$210 per tonne. It was proposed to increase the commercial recycling gate charge to \$241.50 per tonne to cover the full costs for processing commingled recycling from collection companies.

In the Kerbside Collection Account, the increases would result in increases to targeted rates for kerbside recycling by 10.6% over the 2022/23 financial year budgets but within 0.6% of Annual Plan forecasts. Rubbish bags would increase by ten cents (from \$3.60 to \$3.70), which was ten cents below forecast due to lower bag supply costs. The recycling processing charge would increase the net deficit from \$223,000 to \$114,100, which could be funded out of surplus.

In the Waste Minimisation Account, overall operating costs were projected to be as forecast in the last Annual Plan budgets, except for increased recycling costs.

In the Disposal Account, the main impacts were on gate charge income, most of which were reducing despite proposed gate charge increases, owing to lower landfill tonnages (loss of group of collectors, plus potential impact of a decrease in economic activity), lower weights in kerbside rubbish bins, lower weights/volumes of cleanfill and increase to commercial recycling gate charge as increase fee from \$212.75 to \$241.50.

The main impacts on operational costs were increased costs for hazardous wastes and recycling (higher usage, increased recycling processing charges), lower costs for landfill disposal (lower tonnages, offsetting per-tonne disposal increases), higher costs for greenwaste disposal (increase in tonnages and disposal costs), lower costs for transport (lower tonnages, offsetting higher transportation charges) and higher facilities operations costs (contract CPI adjustments, not dependent on tonnages).

Staff also proposed that the discounted general waste charge be officially disconnected from an annual tonnage, consistent with how this has been applied in recent years and that it be limited to private collectors who signed a Waste Acceptance Agreement and the Rangiora Salvation Army.

Councillor Williams asked about the move away by private contractors for greenwaste and if there was then a cheaper option. K Waghorn advised that the greenwaste went to the Living Earth plant, and she was unaware of what private contractors did.

Councillor Williams enquired if food waste was removed from the organics bins, would there be a better value option to eliminate greenwaste? K Waghorn advised that it would cost considerably more to send food waste to landfill than greenwaste. Councillor Williams requested that further information on costs be sent to Councillors.

Councillor Redmond asked how Southbrook Transfer Station charges compared to the Christchurch City transfer station charges. K Waghorn did not have the exact fees, however, commented that the Council tried to be in line with Christchurch City as to not lose customers.

Councillor Atkinson questioned if the number of Christchurch customers using Southbrook Transfer Station was tracked and K Waghorn advised it was not.

Councillor Cairns commented that during his attendance on bin audits he had observed how bad residents could be at sorting waste and asked if \$10,000 was enough for education. K Waghorn advised that there was \$80,000 available for audits which would continue for a number of years. Education could be managed with that amount and there was the potential to reassess during the LTP.

Councillor Ward asked if less food waste going down the sink was better for the sewer outlets. G Cleary commented that there were other drivers for food waste in the organics bin rather than just financial, including keeping the same service level as Christchurch, reducing confusion around waste streams. However, he agreed that kitchen waste was a considerable burden to wastewater treatment plants.

Mayor Gordon asked about the reference to the Salvation Army and K Waghorn explained that they were the only exemption to a discounted charge.

Moved: Councillor Atkinson Seconded: Councillor Cairns

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan.
- (b) **Approves** changing the acceptance criteria for applying the Refuse Disposal discount from being tied to an annual quantity of waste disposed of at Southbrook Resource Recovery Park, to being available to private collection companies and to the Rangiora Salvation Army as long as these businesses meet specified conditions.
- (c) **Approves** an increase to commercial recycling gate charge from \$212.75/tonne to \$241.50/tonne.

CARRIED

5.3 **Water**

C Roxburgh provided a brief overview of the water budgets, noting that while the Annual Plan intended to remain as consistent with the LTP as possible, a number of factors generated the need to make changes. These included the acceleration of UV treatment budgets, increase in drinking water sampling budgets, increase in water conservation and leak detection budgets and the amendment to growth projects to cover east Rangiora. Many drivers were out of the Council's control, and staff had tried to phase in increases.

Councillor Williams if the testing laboratory would not be a valuable asset to retain in light of the increased amount of water testing required, and was there an option to increase the scope to include other councils such as the Hurunui District Council. C Roxburgh explained that the laboratory was only accredited for E Coli testing and the new rules required many different tests that the laboratory was not able to perform. Staff had investigated different options and found it was more cost efficient to use an external laboratory. In addition, resources were busy just on sample collection.

Moved: Mayor Gordon Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan.

CARRIED

At this time, Item 6.1 "Upgrades to Woodstock Road Part of Oxford Rural No. 1 Scheme" was taken. The Minutes have been recorded in the order of the Agenda.

5.4 Wastewater

K Simpson provided an overview of changes. Regarding rating impact, there was an increase of 0.8% to the Eastern Districts Sewer Scheme and 5.1% to the Oxford Scheme. Operation changes included increased septic tank cleaning costs in Mandeville and increased influent sampling costs on the Rangiora and Oxford Schemes. In terms of capital works, the fundamental changes were a new project for the Oxford Waste Water Treatment Upgrade and an Oxford Step Screen Replacement. The Merton/ Priors Roads project had been deferred. In addition, a budget had been brought in for servicing the Bellgrove development in East Rangiora.

K Simpson noted that changes to future year budgets included the Oxford Waste Water Treatment Plant. LTP issues included the Kaiapoi Capacity Upgrade project, Taumata Arowai signalling that they would focus on wastewater and the expiry of the Ocean Outfall Discharge Consent in 2039.

Councillor Williams referred to the Bellgrove development and asked if the contributions covered the additional sewer requirements or if ratepayers were subsidising the subdivision. K Simpson replied that all the wastewater upgrades in that area were growth funded and solely for the development in northeast Rangiora. Over the next four years, it would include installing additional pump stations and rising mains.

Councillor Williams referred to the high costs of addressing the ocean outfall water quality and questioned when the costs would be provided for in the budget. K Simpson advised that the budget provided in the LTP was to scope the scale of work required and was a crucial point in the infrastructure strategy.

Councillor Redmond asked if the Three Waters reform had accelerated the need to work on the ocean outfall, and K Simpson advised no, the current consent extended to 2039.

Councillor Fulton referred to the upgrade work planned for Oxford and enquired about growth projections for the town. K Simpson advised that there were currently around 1000 properties, and while significant growth was not expected, the treatment plant was already operating near capacity and, as such, required the upgrade.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

(a) **Approves** the draft budget for the 2023-2024 Annual Plan.

CARRIED

5.5 Drainage

K Simpson took the report as read and introduced J Recker, the new Stormwater and Wastewater Manager. He noted that some of the operational increase was due to seasonal fluctuations, including additional budgets for drainage improvement works identified by the Flood Team following the flood events of 2021 and 2022.

A new 3 Waters Compliance Officer role was required to manage discharges from high-risk sites into the stormwater reticulation network. This function used to be covered by Environment Canterbury (ECan) and would be transferred to the Council shortly. In addition, a district-wide drainage rating review would be undertaken as part of the 2022/23 Annual Plan process.

Councillor Blackie queried why the Clarkville Rural Drainage increase was set for 1.2%, as he was under the impression that this had been set at 10% for ten years. K Simpson concurred that the Clarkville Rural Drainage had set an increase of 10% for ten years to provide an emergency fund. That was unchanged, however, the 1.2% was an additional increase to cover maintenance costs.

Councillor Atkinson questioned the difference in the figures between Rangiora and Kaiapoi, noting that Kaiapoi's figures were proportionally higher than Rangiora's. K Simpson explained that the Council had recently constructed a significant amount of infrastructure in Kaiapoi. Also, Kaiapoi's stormwater pipes were old and required regular flushing.

Councillor Williams observed that the Government's Better off funding would cover the box drain at Tuahiwi and therefore queried why the project was included in the budget. K Simpson stated that currently, the Three Waters Reform was on hold, and there was no certainty when this fund would materialise. However, the Council could be refunded at a later stage for any work undertaken.

Councillor Williams also raised concern regarding the proposed Ashley Street pipe upgrade, as he believed that the pipework was sufficient to handle any excess water during a flooding event and believed that only the sump work should be carried out. K Simpson agreed to bring a report on the matter to the Utilities and Roading Committee meeting prior to the Council deciding on the matter.

Councillor Fulton queried why the Mandeville resurgence channel upgrade budget had increased. K Simpson advised that this project had been delayed and that there had been an increase in design work and construction costs. Councillor Fulton also queried if the project would cross private land, to which K Simpson replied that the redesign had relocated the channel within the current road reserve.

Councillor Mealings enquired if the box drain project had to be completed within a specific timeframe to receive the Government funding, and K Simpson confirmed there was a five-year deadline.

Councillor Goldsworthy enquired if savings made with specific projects could be used throughout the district rather than localised. K Simpson said this issue should be addressed with the proposed change to the rating system.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan.
- (b) **Approves** the revised wording for stormwater discharge approvals as set out in Section 5.

CARRIED

5.6 **Stock Water Races**

K Simpson took this report as read, and Councillor had no questions on this item.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan.

CARRIED

5.7 **Utilities and Roading Overheads**

G Cleary spoke to the report, stating that the 12.1% increase was for increased salary costs to enable three new positions to be created and for a budget for non-chargeable development work done by the Project Delivery Unit.

Councillor Williams queried why developers were not charged for the work carried out by Council staff. G Cleary replied that some work was more administration and cost for resource consents which could not be charged to the developers. If these costs were passed on to developers, it would cost more in administration processes to recover the costs than the budget that had been requested.

Councillor Williams also queried that if the Three Waters reform continued, would the new positions be transferred to the central entity. G Cleary agreed that would be the case, however, if the Three Waters reform did not eventuate, these positions would still be required to cover the work required in the future.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan.

CARRIED

5.8 **Project Delivery Unit**

K Simpson took this report as read, and Councillor had no questions on this item.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan.

CARRIED

5.9 **Water Unit**

K Simpson took the report as read.

Councillor Williams enquired about equipment cost increases and K Simpson stated that the corporate account managed replacement and repaired equipment.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan.

CARRIED

5.10 **Libraries and Local Museums**

P Eskett spoke to the report, which requested an increased budget for creating two new library assistant positions to cover weekend shifts. P Eskett noted that staffing numbers had stayed the same since 2011, however, the number of library patrons and programmes offered by the library service had increased. She stated that foot traffic on Saturdays and Wednesdays had risen by 37.8% and 44.3%, respectively. Staff on Saturdays were impacted by not being able to take breaks as required, which was a health and safety concern.

P Eskett also requested funding for new fit-for-purpose furniture and fittings, noting that due to the delay of the Library upgrade, many of the furnishings needed to be improved, and often there needed to be more chairs for patrons to use.

Councillor Williams enquired if a recession was a good time to replace furniture. P Eskett replied that the library was becoming a hub for wellbeing, especially with the older generation. However, much of the furnishings needed to be more suitable for older people who struggled to get out of low chairs.

Councillor Cairns questioned the power costs as these seemed to have dropped since the last budget. P Eskett noted that an anomaly had occurred, and the Finance Unit had rectified this, and the figures were indeed correct.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan.

CARRIED

5.11 Aquatic Facilities

M Greenwood spoke to this report, acknowledging the increase in fees and charges, however, noting that there had been increases in staffing and electricity costs. He advised that the Council recruited and trained staff, however, most only stayed a short time and it was a continual battle to retain staff. On average, the expenses were static but the income had decreased.

Councillor Atkinson recognised the impact of Covid on the facilities and encouraged staff to look at different options to assist with staffing shortfalls and promote patronage. J Millward believed that the facilities needed to offer more, such as hydro slides and more relevant equipment/play areas, to compete with other facilities in Christchurch. Councillor Atkinson encouraged staff to consider strategic planning for submission to the LTP.

Councillor Williams asked if the power consumption could be reduced by reducing the pool temperature by one degree. M Greenwood explained that the older demographic would not be able to tolerate colder temperatures which would negatively impact the number of people using the pools. In fact, staff were often requested to increase the temperature of the pools.

Councillor Fulton noted the competition by Christchurch facilities yet queried if there was any data to support this supposition. C Brown noted that Christchurch's QEII facility was full to capacity most weekends as they offered far more than just a pool.

Councillor Ward enquired if staff had investigated utilising Surf Lifesavers after school on weekdays as they were already trained. M Greenwood agreed that this would be a good solution, especially during the winter months, however, most surf lifesavers preferred the surf and were reluctant to work at indoor facilities.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan.

CARRIED

5.12 Community Development

T Sturley noted that the work fluctuated depending on what programmes were being carried out and what emergencies were being dealt with. Currently, the team had a part-time administrator, however, with the increase in population, programmes, the impact of Covid and the flooding events of 2021 and 2022 there was a need for a full-time administrator.

Councillor Williams queried the salary allocation and was told that the Unit's remuneration had been reviewed and found to be below market rate and had been adjusted accordingly.

Councillor Redmond enquired if the secretarial support offered to groups such as Waimakariri Health and Wellbeing would be impacted. T Sturley replied that secretarial support was provided for the broader network.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan.
- (b) **Notes** that any significant changes to levels of service or performance measures were to be provided within a separate report provided to the Council.

CARRIED

5.13 **Greenspace and Community Facilities**

G McLeod spoke to the report, commenting that most increases were due to compliance requirements. The Pines Beach playground was located in a regularly flooded area, which required the playground to be closed. The playground, therefore, needed to be relocated to a more suitable area.

There was no progress on the purchase for land for a community facility in Ravenswood, however, negotiations were underway to acquire land in Pegasus and a report on this matter would be submitted the Community and Recreation Committee shortly.

Councillor Williams noted the grant to the Southbrook Sports Club, and he understood it to be a one-off grant. G McLeod replied that the grant had not been paid last year and that this was just a placeholder as staff investigated the options for a partnership with the Club.

Councillor Williams held the opinion that it was unnecessary to have community facilities at both Ravenswood and Pegasus and believed that it would free up considerable funds for other uses if only one centre were developed. C Brown replied that a feasibility study had been undertaken, which indicated that the best option would be to have both facilities. He would include the study with the report to be submitted to the Community and Recreation Committee.

Councillor Redmond enquired if the water and wastewater services for the new development at the airfield would be required this financial year and if some of the cost could be offset when the new development came online. G McLeod noted that this was a compliance matter that could not wait.

Councillor Cairn noted that the income received from the airfield was not close to the expenditure and enquired if it was not time to increase fees and charges. G McLeod stated that many of the airfield users were hobbyists and did not have the financial resources to pay for increased fees. Councillor Atkinson acknowledged that the Council was scheduled to have a briefing on the airfield shortly and requested that the briefing be held at the airfield to enable newer members a chance for a site visit.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan.
- (b) **Notes** the overall increase for Operational Budget was \$46,548.
- (c) **Notes** the overall increase for Capital Budget was \$598,080.

CARRIED

5.14 Community and Recreation Overheads

C Brown took this report as read, and Councillor had no questions on this item.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan.

CARRIED

5.15 Earthquake Recovery and Regeneration

C Brown took this report as read, and Councillor had no questions on this item.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan.
- (b) **Notes** that external funding provisions for the proposed Kaiapoi Community Hub Trust's development of buildings and associated facilities on site were not included in this budget and commentary.

CARRIED

5.16 Property, Housing for the Elderly, Camping Grounds

R Hawthorn took the report as read, noting the only changes were for additional accommodation for Corporate Enterprise and seismic strengthening for the Kaiapoi Subway outlet, which would be carried out when the lease expired later in the year.

In response to a query from Mayor Gordon regarding the accommodation for Corporate Enterprise, R Hawthorne advised that the tenancy was on a month-by-month rental and that the building was not ideal for the purpose, hence staff were investigating more suitable premises.

Councillor Redmond queried the budget set aside for legal fees, and R Hawthorne replied that, at times, there were disputes and lease issues that required legal advice.

Councillor Redmond also noted the power costs. R Hawthorne confirmed the figures were correct and the power usage at the Rangiora building had, in fact, dropped since the refurbishment, however, the increase in the charge rate offset this.

Councillor Atkinson confirmed that any sale of the property would be at market rate and R Hawthorne agreed.

Councillor Williams queried the increase to the seminar and training budgets. R Hawthorne acknowledged that he had neglected to increase these budgets for several years, which had now been rectified. He noted that new staff had been hired and it was essential that they have the training opportunities for growth in their field.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan.

CARRIED

5.17 **Planning, Regulation and Environment Management Overhead**

T Tierney took this report as read, and Councillor had no questions on this item.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan.

CARRIED

5.18 **Planning Unit**

T Tierney advised that the Planning Unit was monitoring the number of resource consent applications being processed and received to evaluate if the potential financial recession and the changes in the development level influenced the number of applications being received. She noted the change to budget for additional discounts required by the Resource Management Act, 1991 to provide for the likely event that some discounts on fees may need to be given in the first half of 2023/24 for those rural subdivision applications that were being processed when the proposed District Plan was notified. The question was whether the Council should actively budget for the possibility of discounting fees or deal with the cost as and when required. T Tierney confirmed that there was usually sufficient funding in the budget to deal with the matter.

W Harris commented that there had yet to be an indication that the number of residential resource consent applications was declining. Currently, the number of applications received by the Council was consistent with the number received last year. Therefore, the Council was budgeting for an increase in resource consent income based on the previous three to four years' trends. T Tierney further advised that the Planning Unit had reviewed its fees and charges to reflect inflation and ensure consistency. As a result, the proposed revised fees and charges would increase the Council's revenue.

Councillor Atkinson questioned if it would be better if the discounting of fees were deficit funded as and when required. J Millward confirmed that the proposed \$50,000 for the discounting of fees had not been provided for in the current budget and recommended that it not be included as the exact amount required had yet to be finalised.

Councillor Blackie enquired about what had been done to ensure that the Senior Planner vacancies were filled as soon as possible. T Tierney explained that the position description and remuneration packages had been reviewed to ensure they were more market-related. The Council was also proactively working with recruitment agencies to shoulder-tap possible interested candidates.

Councillor Williams requested that the projected Resource Consent indicated in the budget document be corrected.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan.

CARRIED

The Mayor commended the Planning Unit for the work they have been doing and the consistent positive feedback they have been receiving from members of the public.

5.18 Development Planning Unit

M Bacon pointed out the variations between the forecasted 2023/24 budget and the actual 2023/24 Annual Plan Budget. The primary reason for the deviation was that the forecasted 2023/24 budget was prepared on the assumption that hearing would commence in the second half of 2022. However, the overall District Plan Review Programme had been delayed, and hearings were only expected to commence mid-2023. He noted the new line items primarily associated with external consultants, commissioner disbursements, hearing expenses and legal advice related to the District Plan Review Programme hearings phase. Consultant costs were expected to rise as the Council has not successfully filled vacant positions in the Team and due to additional responses that the Council was expected to provide.

Councillor had no questions on this item.

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan.

CARRIED

Mayor Gordon thanked M Bacon for his leadership, noting that the Development Planning Unit would be busy during 2023 with hearings and other District Planning work.

5.20 Building Unit

T Tierney reported that the number of building consent applications for new dwellings had declined. The Council would be carefully monitoring this trend during the financial year due to the potential impact on revenue predictions for the next financial year, which was based on current numbers. She acknowledged that the nature of the building industry was cyclical, however, she believed that Councillors should take note of this downward trend. She also highlighted the Building Unit's current reliance on external consultants for processing building consents, which would hopefully be reduced in future.

W Taylor advised that the Council's bi-annual International Accreditation New Zealand (IANZ) assessment was set for May/June 2023. He noted that the Council had not met the statutory requirement to inspect pool barriers once every three years. Budget provision had therefore been made for a new full-time Compliance Officer to enable the Council to discharge its statutory duties and provide additional inspection resources for the Building Inspectors.

W Taylor highlighted that proposed increase in the fees and charges, which was consistent with the proposed fees and charges of other district councils. In addition, the possibility of charging for the inspection of pool barriers was being investigated. Currently, the cost of inspections was being borne by ratepayers, and the level of compliance was low. It was hoped that paying an inspection fee may result in a higher compliance level. In conclusion, W Taylor noted that the budget for CCC Extension should be corrected to reflect \$2,535.

Councillor Atkinson enquired about the methods to be used to communicate the proposed increases in fees and charges to the community and interested parties. He suggested that a report be submitted to Council to advise how this significant fee rise would be communicated to the public. T Tierney noted that investigation had shown that there was much work that the Building Unit was not being paid for. Hence the significant increase in fees. However, the proposed fees and charges aligned with those of neighbouring councils. She confirmed that a Communications Plan would be drafted to ensure all interested parties were advised of the proposed increase in fees and charges.

Mayor Gordon asked if a gradual increase in the fees and charges had been considered. T Tierney commented that the Building Unit carried a very high overhead which will need to be covered. So, a gradual increase could be considered, however, it would mean more ratepayer funding.

Mayor Gordon noted that there would be a public outcry about the proposed increases. He asked if the Building Unit were ready to deal with the possible backlash. W Taylor noted that the proposed hourly rate reflected the time the Building Unit spent on work. An analysis showed that the Building Unit was not recovering costs and was underfunded in some areas. In addition, it was found that commercial work was not price sensitive, but, the amount of work was extensive and time-consuming. However, the residential market was price sensitive, and some backlash was anticipated.

T Tierney suggested that the Building Unit draft a spreadsheet with a couple of scenarios of staging the proposed fees and charges increases for discussion at the Council's Fees and Charges Workshop. It was agreed that the spreadsheet should include potential changes if the number of building consent applications declined and also a comparison to other councils.

Councillor Ward enquired if most of the building consents in the Ravenswood and Bellgrove subdivisions had been approved. W Taylor advised that there was no backlog of applications in Ravenswood and applications from Bellgrove were only expected from June 2024.

Councillor Mealings questioned how many hours, on average, were spent on processing a Building Consent application. W Taylor explained that the Building Unit mainly dealt with the collation of Project Information Memorandums (PIMS) and compliance checks. Compliance checks took approximately 1.6 hours because of the complexity of the subdivisions. The compilation of PIMS usually took about 3.65 hours, and compliance with the Medium Density Residential Standards (MDRS) added ±650 hours per annum to the process. W Taylor clarified that the Administration Fee was \$169.

Councillor Redmond asked if the proposed fee for the inspection of pool barriers would cover the cost of the new full-time Compliance Officer. W Taylor confirmed that the fees were expected to cover about half the cost of employing a full-time Compliance Officer. T Tierney verified that a full-time Compliance Officer would still be needed, even if the number of building consent applications declined.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan subject to a further discussion of the proposed increase in fees and charges.

CARRIED

Mayor Gordon applauded the work being done by the Building Unit and the positive feedback received.

5.21 **Environmental Services Unit**

T Tierney advised that the growth in population in the district had increased the demands for compliance enforcement, hence the request for an additional full-time Compliance Officer. Although there would be no costs to ratepayers, it should not be misinterpreted as a revenue-gathering exercise. She also noted that the error in the income from Dog Registration Fees reflected in the budget, which was expected to be between \$743,000 to \$745,000 and was not expected to decline.

B Charlton reported that the Council had replaced the plastic dog tags with metal tags, which has increased the amount spent on dog tags. However, it was expected that the metal dog tags would save costs in the long run. Also, the Ministry of Primary Industries (MPI) inspected the Council's Dog Pound, and it was recommended that the dogs' comfort be improved. The Council, therefore, increased the maintenance spent on the dog pound by \$24,000. It was expected that the MPI would also recommend the appointment of a director for the Dog Pound. B Charlton further noted the steep increase in service requests dealing with compliance concerns. The Council would not be able to keep up in future if the increase in demand continued as projected.

T Tierney highlighted that currently, the Council was outsourcing its Environmental Health Food Services work. The Environmental Services Unit had undertaken a Section 17(a) review to establish the cost-effectiveness of outsourcing this work and was investigating the possibility of bringing this work in-house.

In response to a question from Mayor Gordon, B Charlton explained that metal dog tags were more durable and easier to scan. It was also anticipated that the metal dog tags would last for multi-years and would, therefore, not need annual replacement. This would not only save cost but would also save staff time during dog registration.

Councillor Atkinson sought clarity on the \$245 fee for camping grounds. B Charlton clarified that this was a set fee and an hourly rate would only be applicable if the campground was found to be non-compliant.

Councillor Williams inquired if the information on the dog tags could not be embedded on the microchips implanted in dogs. B Charlton advised that the Dog Control Act, 1996, required all dogs to be registered and tagged.

Councillor Blackie commented that the Council issued different colour plastic tags each year, and the colour was a visual indication if a dog had been registered. He assumed that this would not be possible with the new metal tags. B Charlton acknowledged that this was a disadvantage, however, he believed that the advantages of the metal tags still outweighed the plastic tags.

Councillor Fulton noted that the Enforcement Officers primarily dealt with disgruntled public members. He asked if sufficient provision had been made for conflict resolution training and staff wellness. B Charlton agreed that Enforcement Officers were in a risk-based business, the Council was aware that compliance enforcement could be adversarial. All staff, therefore, receive continued training in conflict avoidance. T Tierney advised that the Council was investigating the possibility of issuing Enforcement Officers with body cameras as a defence mechanism.

Mayor Gordon believed that \$65 afterhours call out fee did not reflect the costs involved in realising the dogs from the pound afterhours or over weekends. B Charlton explained that staff went to the dog pound on weekend to feed and water the dogs, owners were contacted and arrangements were made for them to collect their dogs when the dogs were being attended to.

Mayor Gordon questioned if the possibility of relocating the Dog Pound was still under consideration. T Tierney confirmed that the relocation was still an option in the future. Hence, the Council's decision not to spend too much funds on the current pound.

Councillor Mealings asked how much time was spent dealing with free-roaming animals. B Charlton advised that corralling free-roaming animals took little of the Environmental Services Unit's time. He noted that although the Council still had a stockyard, returning the animals to their owners was standard practice.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan.
- (b) **Notes** that any new levels of service / performance measures are to be provided within a separate report provided to the Council.

CARRIED

Mayor Gordon commented that the Environmental Services Unit had one of the most challenging jobs in the Council. He commended B Charlton for the manner that he dealt with the public and the unit has been doing.

5.22 Civil Defense Emergency Management

T Tierney noted that the CDEM Cadet Programme continued to struggle, and the programme review would therefore be discussed with the Council on 28 February 2023. In addition, the need for a new staff position of a full-time Emergency Management Coordinator had been identified, which would enhance the efficiency of the Emergency Management Offices with an appropriate workload distribution.

Mayor Gordon noted that provision had been made to replace the 4WD Mazda Bounty Ute held at the Council's CDEM base to deploy its CDEM volunteers rapidly. He questioned if the possibility of donating the vehicle to the NZRT-12 Response Team had been explored. T Tierney confirmed that the matter was under investigation.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan.

CARRIED

5.23 Strategy, Engagement and Economic Development

S Hart highlighted the following:

- The 8% percent increase in operational expenditure for 'Strategic Projects', which was largely due changes to the way in which of two existing staff positions were funded. No new staff positions had been added within the Unit.
- The large number strategies either being reviewed or developed such as the Integrated Transport Strategy, Natural Environment Strategy, Waimakariri Economic Development Strategy. It was anticipated that most of the strategies would be adopted by the Council during 2023 and the early part of 2024, which would have potential funding implications which would have to be considered in the next LTP.
- The Council had applied for the first tranche of Better off Funding, associated with the Central Government's Three Waters Reform Programme. The Council's first tranche application consisted of seven projects, and if successful, the funds must be expended by June 2027. Expenditure and income lines related to Better off Funding were included within the appropriate budget areas

Councillor Williams enquired if the \$ 1.19 million Better Off Funding expenditure for Climate Change was only for labour or if some of the funding would be spent on physically combating climate change. S Hart explained that most funds would be used to build information. The Council would produce a carbon footprint for the whole district and develop strategies to combat climate change risks. However, approximately \$200,000 of the funding would be allocated to the Integrated Transport Strategy, which included implementation actions. In addition, approximately \$250,000 was earmarked for implementing the Natural Environment Strategy. Some funding would also be spent on assisting local businesses in assessing their carbon footprints.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan.

CARRIED

5.24 **Finance and AIM (Asset Information Management)**

J Millward took the report as read, noting there were no new issues not already identified within the budget.

Councillor had no questions on this item.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan.

CARRIED

5.25 **Customer Services**

J Millward noted the proposed increase in fees and charges. In addition, he explained the need for an additional staff member in the Customer Services Unit.

In response to a question from Councillor Williams, J Millward confirmed that the Council was bounded by law to accept cash payment.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan.

CARRIED

5.26 **Canterbury Museum**

J Millward reported that the Canterbury Museum had indicated that there would be a \$25 million funding shortfall on the Museum's budget, and it was anticipated that the four contributed authorities may be requested to cover the shortfall. However, to date, the Council had yet to be advised how the Museum intended to recover the shortfall.

Councillor Ward sought clarity on what the \$25 million would be spent on, but J Millward noted that no information was available at this time.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2023-2024 Annual Plan.
- (b) **Notes** the commentary was based on projections from the 2022/23 budget provided by the Canterbury Museum.

CARRIED

5.27 **Information and Technology Support**

A Keiller advised that the Information and Technology Support Unit's main focus was replacing the Council's Enterprise Software. However, he also highlighted the following other key Information and Technology projects:

- eServices – The continued development of the Council's on-line services that were linked to the Council's website.
- Microsoft 365 – The rollout of Microsoft 365 and its associated management tools to create a suite of productivity tools for staff.

- VendorPanel – The Council was in the early stages of rolling out the procurement management system to standardise the Council's procurement of services and goods through tenders across the organisation.
- Submissions Management – The Council sought a solution to the review of governance, policy, process and the management of submissions.

A Keiller commented that the two major cost centres were the continued increase in software licensing costs and the outsourcing of the Council's data centre.

Councillor had no questions on this item.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2022 -2023 Annual Plan.

CARRIED

5.28 **Governance and Administration Creatives**

S Nichols noted that Councillors were aware that there may be a need for a representation review, which would be conducted from March to October 2024. The budgeted funding would primarily be for the Department of Statistics mapping and public consultation. A report would be submitted to the Council in April 2023 regarding the proposed representation review. She commented briefly on the previously discussed amendments to the elected member's training budget.

S Nichols advised that the Quality and Risk Unit had been moved from the Organisational Development and Human Resources Unit to the Governance Unit, however, there would be no budgetary impact. J Millward commented that the restructuring was needed effectively to deal with the Council's business risk to ensure no negative impact on the Council's insurance.

Mayor Gordon requested that the heading of Mayoral Activities be amended as the budgets did not only pertain to the Mayor. S Nichols undertook to speak to the Finance Unit about breaking down the budget further.

In response to a question from Councillor Williams, S Nichols explained that the Mayoral Activities related primarily to hosting Community Service Awards and Citizenship Ceremonies.

Councillor Williams questioned the budgetary provision for Water Strategy Management Committee Honorarium. S Nichols advised that the Waimakariri Water Zone Committee members were paid an honorarium, which was 50% funded by the Council and 50% by ECan. J Millward further noted that the Water Strategy Management Committee Operations covered the secretarial support provided to the Waimakariri Water Zone Committee. S Nichols would confirm the budget provision for the Water Strategy Management Committee Operations.

Councillor Blackie sought clarity on the payment of Te Kōhaka meeting allowances and the Te Ngai Tūāhuriri meetings. S Nichols noted that the Te Kōhaka meeting allowances were paid to the Te Kōhaka o Tūhaitara Trust members. The Te Ngai Tūāhuriri meetings referred to regular meetings that staff had with Ngai Tūāhuriri representatives about various operational issues.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2022 -2023 Annual Plan.

CARRIED

5.29 District Management

J Millward noted the additional role of an Office Administrator to support the increased workload to the Mayor due to an increase of Mayoral responsibilities as the Chairperson of Zone 5. The Mayor raised various concerns about the sustainability of Zone obligations and activities and believed that the smaller Councils would struggle to keep up.

Councillors had no questions on this item.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2022 -2023 Annual Plan.

CARRIED

5.30 Organisational Development and Human Resources

S Salthouse noted that it had been highlighted throughout the day that the Council was struggling with recruiting qualified staff, which resulted in several critical roles in the Council being vacant for long periods. The Council's turnover had gone from 7% in the past 20% at the end of last year. This had led to a loss in productivity, some larger projects taking longer than expected, and staff's general wellbeing being low. Currently, the Human Resources Unit did not have the capacity to provide specialist recruitment services, and the Council was therefore spending large amounts on recruitment agencies. She commented that the money could be spent internally, hence the need for additional resources that specialise in recruitment to alleviate that risk moving forward.

S Salthouse advised that the challenges with recruitment had resulted in staff wellbeing being the most critical risk on the Health and Safety Risk Register. This came from the pressure of not having key roles filled, which resulted in increased workloads. Staff wellbeing would therefore be Human Resources main priority this year. Although the Council had always stive for a safe working environment, the risk in the decline in staff wellbeing had prompted the Council to enlisted WorkSafe to do a full audit of its health, safety and wellbeing procedures and policies.

Mayor Gordon asked what the current turnover was, and S Salthouse reported that currently, the Council had a turnover of 15.5%, however, December and January were traditionally low turnover months.

Mayor Gordon questioned if the exit interviews had indicated any issues that the Council could address to make it a more attractive employer. S Salthouse noted that an analysis of the exit surveys indicated that people were moving for better remuneration and opportunities for growth and advancement. Some of the aspects were being addressed and the Council was now in a good place regarding remuneration. The other concerns were workplace pressures, workloads and work expectations.

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **Approves** the draft budget for the 2022 -2023 Annual Plan.

CARRIED

6. MATTERS TO BE CONSIDERED WITH THE PUBLIC EXCLUDED

Section 48, Local Government Official Information and Meetings Act 1987

Moved: Mayor Gordon

Seconded: Councillor Ward

THAT the public be excluded from Item 6.1 of this meeting

CARRIED

THAT the public be excluded from the following parts of the proceedings of this meeting. The general subject of the matter to be considered while the public was excluded, the reason for passing this resolution in relation to the 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, were as follows:

Item No	Minutes/Report of:	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
6.1	Report of C Roxburgh (Water Asset Manager) and C Freeman (Water Engineer)	Upgrades to Woodstock Road Part of Oxford Rural No. 1 Scheme	Good reason to withhold exists under Section 7	Section 48(1)(a)

This resolution was 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 which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

Item N°	Reason for protection of interests	Ref NZS 9202:2003 Appendix A
6.1	Protection of privacy of natural persons To carry out commercial activities without prejudice	A2(a) A2(b)ii

CLOSED MEETING

Resolution to resume in Open Meeting at 12.58pm

6.1 Upgrades to Woodstock Road Part of Oxford Rural No 1 Scheme – C Roxburgh

Resolves that the motion and contents of the report, attachment and discussion remain Public Excluded under LGOIMA Section 7 (h) and (i) as the documents contains commercially sensitive information.

CARRIED

The Public Excluded portion of the meeting was held from 12.50pm – 12.58pm for Item 6.1.

OPEN MEETING

7. **BUDGET SUMMARY**

Mayor Gordon noted that the only matter still to be discussed was the possibility of extending the Earthquake Loan to ensure that the proposed rates increase remained under 6%.

Councillor Goldsworthy questioned the long-term effect on interest repayments for future Councils if the Earthquake Loan was extended. J Millward advised that the interest would effectively amount to \$1 million.

Moved: Councillor Atkinson

Seconded: Councillor Blackie

THAT the Council:

- (a) **Approves** the extension of the current Earthquake Loan in a bid to keep the proposed rates increase under six percent.

CARRIED

Mayor Gordon believed that the community would be under much pressure during the next year, and it would be difficult for people on a fixed income to keep up with the overall increase in the cost of living. He, therefore, supported the motion.

Councillor Williams agreed that the proposed rates increase should be kept as low as possible because people would struggle financially once the mortgage rates rose as predicted. He, therefore, also supported the motion. However, Councillor Williams cautioned that the Council should not be perceived as spending funds fruitlessly while the community was struggling financially.

Councillor Atkinson supported the motion, noting that the extension of the Earthquake Loan was not ideal, however, the threat of a recession would cause financial uncertainty. The Council, therefore, needed to try and alleviate some of the ratepayers' financial burdens by keeping the proposed interest rates as low as possible.

8. **CONFIRM RECOMMENDATIONS**

Moved: Mayor Gordon

Seconded: Councillor Atkinson

THAT the Council:

- (a) **That** all budget resolutions with reports be approved and recommended to Council for adoption on 28 February 2023.

CARRIED

Mayor Gordon took the opportunity to thank the Acting Chief Executive, the Management Team and the staff for their work in preparing the budgets. He also extended thanks to Councillors for their input and contribution.

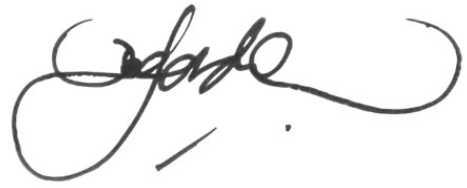
9. **NEXT MEETING**

The Council would meet on Tuesday 28 February 2023 to consider a report on the consultation timeframes of the Draft Annual Plan.

The next ordinary meeting of the Council was scheduled for 1pm on Tuesday 7 March 2023 in the Council Chamber, Rangiora Service Centre, 215 High Street, Rangiora.

THERE BEING NO FURTHER BUSINESS, THE MEETING CLOSED AT 5.50PM.

CONFIRMED



Chairperson
Mayor Dan Gordon

14 March 2023
Date