

# Komiti o te Kaporeihana me ngā Whakahaere Corporate and Operations Committee



## Mēneti Wātea | Open Minutes



Minutes of a meeting of the Corporate and Operations Committee held in the Te Aroha Council Chambers, 35 Kenrick Street, Te Aroha on Wednesday 26 August 2020 at 9.00am.

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### Ngā Mema | Membership

#### **Koromatua | Mayor**

Ash Tanner

#### **Koromatua Tautoko | Deputy Mayor**

Neil Goodger

#### **District Councillors**

Donna Arnold

Caitlin Casey

Teena Cornes

Bruce Dewhurst

James Sainsbury

Russell Smith

Kevin Tappin (Chair)

James Thomas

Adrienne Wilcock

Sue Whiting



## Ngā whakapāha | Apologies

### Kaimahi i reira | Staff Present

Name	Title	Item No.
Don McLeod	Chief Executive Officer	
Michelle Staines-Hawthorne	Corporate Strategy Manager	7.2, 7.3, 8.1, 8.2, C1
Stephanie Glasgow	Committee Secretary and Corporate Administration Officer	
Niall Baker	Senior Policy Planner	7.1
Karl Pavlovich	Water & Wastewater Manager	7.2
Fiona Vessey	Group Manager Service Delivery	7.2, C1
Manaia Te Wiata	Group Manager Business Support	7.2, 7.3, 8.1
Ann-Jorun Hunter	Policy Planner	7.3
Niall Baker	Senior Policy Planner	7.3
Sandra Harris	Senior Policy Planner	7.3
Larnia Rushbrooke	Deputy Finance Manager	8.1
Danny Anglesey	Finance and Business Manager	8.1
Debbie Darby	People and Wellness Manager	8.3
Kelly Reith	People, Safety and Wellness Manager	8.3, 8.4
Kate Stevens	Health & Safety Facilitator	8.4

### I reira | In Attendance

	Time In	Time Out
Chloe Blommerde – Stuff Reporter, Waikato Times	9.00am	11.12am
Annette Bolstad	9.45am	10.30am
Janice Townsend	9.45am	10.30am
Steve Darby	9.45am	10.30am
Madison Darby	9.45am	10.30am
Jayden Darby	9.45am	10.30am
Breanna Darby	9.45am	10.30am

**1 Whakatūwheratanga o te hui | Meeting Opening**

Councillor Kevin Tappin declared the meeting open at 9.00am.

**2 Ngā whakapāha | Apologies**

There were no apologies.

**3 Pānui tāpiritanga take | Notification of Urgent Business**

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

- (a) The local authority by resolution so decides; and
- (b) The presiding member explains at the meeting, at a time when it is open to the public,-
  - (i) The reason why the item is not on the agenda; and
  - (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

- (a) That item may be discussed at that meeting if-
  - (i) That item is a minor matter relating to the general business of the local authority; and
  - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
  - (iii) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

**4 Whākī pānga | Declarations of Interest**

There were no declarations of interest.

**5 Whakaaetanga meneti | Confirmation of minutes**

**COMMITTEE RESOLUTION**

That the minutes of the meeting of the Ordinary Meeting of the Corporate and Operations Committee held on Wednesday, 22 July 2020, be confirmed as a true and correct record of the meeting.

**Moved by: Cr C Casey**  
**Seconded by: Cr A Wilcock**

**CARRIED**

## 6 Public Forum

There were no public speakers.

## NGĀ PŪRONGO A NGĀ ĀPIHA | OFFICER REPORTS

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7 Pūrongo me whakatau | Decision Reports

## Appointment of Electoral Officer

CM No.: 2329128

### Rāpopotonga Matua | Executive Summary

Every Council must have an appointed Electoral Officer (EO) at all times, in accordance with Section 12 of the Local Electoral Act 2001 (the Act). This report seeks Council approval for the appointment of Council's EO being Mr Warwick Lampp of Electionz.Com Limited.

An EO, unless he or she dies, resigns, is dismissed from office, or becomes incapable of acting, remains in office until his or her successor comes into office.

#### COMMITTEE RESOLUTION

**That:**

- 1. The information be received.**
- 2. In accordance with Section 12 of the Local Electoral Act 2001, Council appoints Mr Wawrick Lampp of Electionz.Com Limited as Electoral Officer, replacing Mr Dale Ofoske.**
- 3. Council notes the Deputy Electoral Officer will be appointed by the Electoral Officer.**

**Moved by: Cr D Arnold**  
**Seconded by: Cr R Smith**

**KUA MANA | CARRIED**

#### Horopaki | Background

Prior to the 2019 elections Council had an in-house EO and Deputy Electoral Officer (DEO). For the 2019 elections Council appointed an external EO, Dale Ofoske, from Independent Election Services Limited.

Looking toward to the 2022 elections it is now appropriate for Council to confirm the appointment of its EO. It is recommended the existing arrangement of an external EO be continued.

Section 12 of the Local Electoral Act 2001 requires at all times for the Council to have appointed an EO to exercise the powers and duties associated with this position.

The Electoral Officer is responsible for conducting every election or poll within the district relating to the Mayor and Councillors. Their responsibilities as detailed in the Local Electoral Act 2001 are:

- a) The compilation and certification of electoral rolls
- b) The publication of any public notice relating to elections and polls and the calling of nominations, required to be given
- c) Receiving nominations, candidate profile statements, and deposits required to be paid
- d) Issuing and receiving ordinary and special votes and other official documents
- e) The processing and counting of votes
- f) The declaration of results
- g) Receiving returns of electoral donations and expenses
- h) Investigating possible offences and reporting alleged offences to the Police

The EO is also responsible for keeping returns of donations and expenses in the EO's office, or other place appointed by the local authority chief executive, for seven years, and to make them publicly available for inspection.

Other non-statutory tasks include reporting to the local authority on electoral matters, including post-election reports, and providing statistical and other information on elections and polls to the Department of Internal Affairs.

The EO is authorised to appoint the Deputy Electoral Officer and delegate or engage any person to carry out those powers or duties.

The EO is required to make a declaration to undertake this role, and they remain in office until vacating the position and a successor is appointed.

The Chief Executive must not be appointed to act as an EO, Deputy Electoral Officer or other electoral official unless the Council is satisfied that no other course of action is reasonably practicable in the circumstances.

### Proposal

Tenders were sought from companies to provide the elections support. Following this procurement process Council staff accepted a proposal by Electionz.Com to provide election services for the local body elections in 2022.

Benefits to Council of appointing an external EO are to:

- fully utilise the considerable experience and knowledge of the company in electoral matters and provision of a service independent of Council;
- be able to respond quickly to electoral queries (from the council, candidates and the public generally) without the need to go elsewhere for answers or guidance;
- be able to respond to and communicate authoritatively with the media on any electoral matter or concern;
- manage any operational electoral issues that may arise and deal with these expediently.

A number of other councils and District Health Boards send returned voting documents out of the district for processing and counting and between 2004-2016 Council contracted vote counting services to Electionz.Com.

Therefore, it is recommended Warwick Lampp of Electionz.Com Limited as be appointed as Councils EO. Mr Lampp is an experienced EO having conducted many elections. Electionz.com provided EO services for 33 councils in 2019. Within the Waikato region, Warwick Lampp acts as EO for Waikato DHB, South Waikato, Otorohanga, Taupo, and Waipa District Councils.

Section 13 of the LEA requires that every EO appoint a Deputy Electoral Officer (DEO). The deputy will act as electoral officer if the electoral officer dies, resigns, is dismissed, or becomes incapable.

It is proposed that a Council staff member will act as the Deputy EO as the on-site support and liaison for the elections. It is proposed that the EO will delegate particular functions and duties to the Deputy EO, for example receiving nominations as the EO will not be based on-site. This appointment is formalised as part of the contractual arrangement with electionz.com.

Council staff will undertake training as and when available so the Deputy EO is able to step up at any time. In the event necessary, the deputy EO has the full powers of an EO and must continue to act until the EO regains capability or a new EO is appointed.

## Ngā Take/Kōrerorero | Issues/Discussion

Section 14(2) of the LEA requires every EO, deputy EO and electoral official to complete and maintain a current declaration before exercising any powers or undertaking any duties under the LEA or regulations.

Declarations must be signed on or after 1 February 2022 and are intended to reinforce the importance of the security and secrecy requirements for elections management. Penalties (financial and up to six months' imprisonment) apply for any breaches.

Warwick Lampp signs one declaration for all Councils that he is contracted as EO for. This will be completed by 15 February 2022 at the latest.

The territorial authority EO is the EO for any licensing trust in its area (Sale and Supply of Alcohol Act s310). There is currently no licensing trust in this area.

A District Health Board must appoint a constituent territorial authority EO as its EO (New Zealand Public Health and Disability Act schedule 2 cl. 9B). Warwick Lampp is the EO for Waikato DHB.

The statutory principles in section 4 of the Act include public confidence in electoral processes through elections being managed independently from the elected body.

### Appointment of the EO

Section 14(1) of the Act provides that the EO shall act independently, with neither the Chief Executive nor the Council able to direct the EO (or the DEO or electoral officials) in undertaking their role, he is responsible to the Council for his performance and to the courts in any recount of votes or inquiry. Candidates for election or a current elected member cannot be appointed or act as electoral officials.

Apart from the above requirements, there are no other restrictions on the appointment of an EO. The appointee may be a Council officer but does not have to be.

The EO is not required to be a council officer, nor must they perform all electoral functions themselves. Legislation also allows an EO to delegate almost any role or power to another person but must retain overall responsibility.

## Mōrearea | Risk

Election risks will be discussed with the Audit and Risk Committee in the approach to the 2022 elections.

## Ngā Whiringa | Options

There three options are available to manage local elections:

1. Appointing an in-house EO and undertaking all functions including vote processing/counting internally. An example of this is Kapiti Coast District Council (population 56,000) who do vote counting/processing in-house and have done so for at least the last 4 elections. They employ a team of about 10 on a fixed term contract to process the voting papers well as utilising some Council staff if necessary. They feel this works effectively for them. Staff understand both Whanganui and Grey District Council also do their own.
2. Appointing an internal EO and only contracting out the vote processing functions (as occurred prior to the 2019 elections).

3. Appointing/contracting an external EO with entire election management responsibility and only performing administrative/public facing roles locally (nominations, special votes etc.) which is what we did for the 2019 elections.

Almost all Councils around New Zealand follow option 2 or 3. It is recommended that Option 3 be pursued. We do not have the resource to undertake Option 1 or 2 at this stage.

### **Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations**

The legal requirements are covered elsewhere in this report.

### **Ngā Pāpāhonga me ngā Wātaka | Communications and timeframes**

The Waikato District Health Board and Waikato Regional Council will be advised of Council's appointment decision.

#### Key dates for the 2022 Election

Key dates include:

- Nominations Open – Friday 15 July 2022
- Nomination Day (nominations close) – Friday 12 August 2022 at 12 noon
- Voting period – Friday 16 September – Saturday 8 October at 12 noon
- Election Day – Saturday 12 October with voting closing at 12 noon

### **Ngā take ā-lhinga | Consent issues**

There are no consent issues.

### **Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes and consistency with Council Vision**

**Theme:** Healthy Communities

**Community Outcome:** We encourage community engagement and provide sound and visionary decision making.

### **Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source**

#### **i. Cost**

The majority of the budget is spent on costs relating to the EO, vote processing and third party costs (such as postage). There are additional internal costs for advertising (our own promotion of the elections).

Electionz.Com have a fee of \$14,690 to act as Electoral Officer. This does not include vote processing costs or third party costs. The total contracted costs of the 2022 triennial election are estimated to be around \$140,000 but we cannot say exactly as the third party costs are unknown at this time.

Approximately 50% of the \$140,000 estimated total election costs will be shared with the Waikato Regional Council and Waikato District Health Board. If there is no election for Waikato District Health Board (as occurred in 2019) this will impact our cost share.

No funding is currently provided for participation in any online voting trial and the current budget assumes the current postal voting method will be used.

#### **ii. Funding Source**

Funding for elections is provided in the Long Term Plan. The proposed Long-Term Plan 2021-31 budget for the triennial elections is \$165,000, with \$55,000 funded each year.



### Ngā Tāpiritanga | Attachments

There are no attachments for this report.

### Ngā waitohu | Signatories

Author(s)	Niall Baker <b>Senior Policy Planner</b>	
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Approved by	Michelle Staines-Hawthorne <b>Corporate Strategy Manager</b>	
	Don McLeod <b>Chief Executive Officer</b>	

# Three waters service delivery reform/stimulus programme - Memorandum of Understanding and Funding Agreement

CM No.: 2332929

## Rāpopotonga Matua | Executive Summary

In July 2020, the Government announced a \$761 million funding package to provide post COVID-19 stimulus to maintain, improve three waters infrastructure, support a three-year programme of reform of local government water service delivery arrangements (reform programme), and support the establishment of Taumata Arowai, the new Waters Services Regulator.

A Joint Central/Local Government Three Waters Steering Committee has been established to provide oversight and guidance to support progress towards reform, and to assist in engaging with local government, iwi/Māori, and other water sector stakeholders on options and proposals.

The reform programme is designed to support economic recovery, and address persistent systemic issues facing the three waters sector, through a combination of:

- stimulating investment, to assist economic recovery through job creation, and maintain investment in water infrastructure renewals and maintenance; and
- reforming current water service delivery, into larger scale providers, to realise significant economic, public health, environmental, and other benefits over the medium to long term.

Initial funding from the stimulus package will be made available to those councils that agree to participate in the first stage of the reform programme, through a Memorandum of Understanding (MoU), Funding Agreement, and approved Delivery Plan. The MoU must be signed by the end of August 2020, with the Funding Agreement and Delivery Plan submitted and approved by the end of September 2020.

## COMMITTEE RESOLUTION

### That Council:

1. **Agrees to participate in the initial stage of the reform programme, and sign a Memorandum of Understanding (MoU);**
2. **Agrees to sign the Funding Agreement.**
3. **Nominates the Chief Executive of the Council as the primary point of communication for the purposes of the MoU and reform programme.**
4. **Agrees to the allocation of regional funding based upon the formula used to calculate the direct council allocations, as recommended by the Waikato Mayoral Forum.**
5. **Notes that participation by two-thirds of territorial authorities within the Waikato region is required to access the regional allocation.**
6. **Notes that the MoU and Funding Agreement cannot be amended or modified by either party, and doing so would void these documents.**
7. **Notes that participation in this initial stage is to be undertaken in good faith, but this is a non-binding approach, and the Council can opt out of the reform process at the end of the term of the agreement.**

**Moved by: Mayor A Tanner**  
**Seconded by: Cr J Thomas**

**KUA MANA | CARRIED**

## Horopaki | Background

### Issues facing the three waters system, and rationale for reform

Over the past three years, central and local government have been considering the issues and opportunities facing the system for regulating and managing the three waters (drinking water, wastewater, and stormwater).

The Government Inquiry into Havelock North Drinking Water – set up following the serious campylobacter outbreak in 2016 – identified widespread, systemic failure of suppliers to meet the standards required for the safe supply of drinking water to the public. It made a number of urgent and longer-term recommendations to address these significant systemic and regulatory failures.

The Government's Three Waters Review highlighted that, in many parts of the country, communities cannot be confident that drinking water is safe, or that good environmental outcomes are being achieved. This work also raised concerns about the regulation, sustainability, capacity and capability of a system with a large number of localised providers, many of which are funded by relatively small populations.

The local government sector's own work has highlighted similar issues. For example, in 2014, LGNZ identified an information gap relating to three waters infrastructure. A 2015 position paper, argued for a refresh of the regulatory framework to ensure delivery of quality drinking water and wastewater services, and outlined what stronger performance in the three waters sector would look like.

Both central and local government acknowledge that there are many challenges facing the delivery of water services and infrastructure, and the communities that fund and rely on these services. These challenges include:

- Underinvestment in three waters infrastructure in parts of the country, and substantial infrastructure deficits. For example, it is estimated that between \$300 to \$570 million is required to upgrade networked drinking water treatment plants to meet drinking water standards; and up to \$4 billion is required to upgrade wastewater plants to meet new consent requirements. These deficits are likely to be underestimates, given the variable quality of asset management data.
- Persistent funding and affordability challenges, particularly for communities with small rating bases, or high-growth areas that have reached their prudential borrowing limits.
- Additional investment required to increase public confidence in the safety of drinking water, improve freshwater outcomes, and as a critical component of a collective response to climate change and increasing resilience of local communities.

COVID-19 has made the situation even more challenging. Prior to COVID-19, territorial authorities were planning on spending \$8.3 billion in capital over the next five years on water infrastructure. However, COVID-19 is likely to cause significant decreases in revenue in the short term. As a result, borrowing will be constrained due to lower debt limits that flow from lower revenues, and opportunities to raise revenue through rates, fees and charges will be limited.

#### Progress with three waters regulatory reforms

Good progress is already being made to address the regulatory issues that were raised by the Havelock North Inquiry and Three Waters Review. The Government is implementing a package of reforms to the three waters regulatory system, which are designed to:

- improve national-level leadership, oversight, and support relating to the three waters – through the creation of Taumata Arowai, a new, dedicated Water Services Regulator;
- significantly strengthen compliance, monitoring, and enforcement relating to drinking water regulation;
- manage risks to drinking water safety and ensure sources of drinking water are protected;
- improve the environmental performance and transparency of wastewater and stormwater networks.

Legislation to create Taumata Arowai had its third reading on 22 July 2020 and received royal assent on 6 August 2020. This new Crown entity is currently being built, and will become responsible for drinking water regulation once a separate Water Services Bill is passed (anticipated mid 2021).

However, both central and local government acknowledge that regulatory reforms alone will not be sufficient to address many of the persistent issues facing the three waters system. Reforms to service delivery and funding arrangements also need to be explored.

#### Overview of proposed approach to three waters investment and service delivery reform

At the recent Central/Local Government Forum, central and local government leadership discussed the challenges facing New Zealand's water service delivery and infrastructure, and committed to working jointly on reform. A Joint Central/Local Government Three Waters Steering Committee has been established to provide oversight and guidance to support this work.

Central and local government consider it is timely to apply targeted infrastructure stimulus investment to enable improvements to water service delivery, progress service delivery reform in partnership, and ensure the period of economic recovery following COVID-19 supports a transition to a productive, sustainable economy.

In July 2020, the Government announced an initial funding package of \$761 million to provide post COVID-19 stimulus, support a three-year programme of reform of local government water service delivery arrangements, and support the establishment and operation of Taumata Arowai.

The reform programme is designed to support economic recovery, and address persistent systemic issues facing the three waters sector, through a combination of:

- stimulating investment, to assist economic recovery through job creation, and maintain investment in water infrastructure renewals and maintenance; and
- reforming current water service delivery, into larger scale providers, to realise significant economic, public health, environmental, and other benefits over the medium to long term.

While the Government's starting intention is for publicly-owned multi-regional models for water service delivery (with a preference for local authority ownership), final decisions on a service delivery model will be informed by discussion with the local government sector and the work of the Joint Steering Committee.

Further information on the reform objectives, and the core design features of any new service delivery model, are provided in pages 3 to 4 of the MoU.

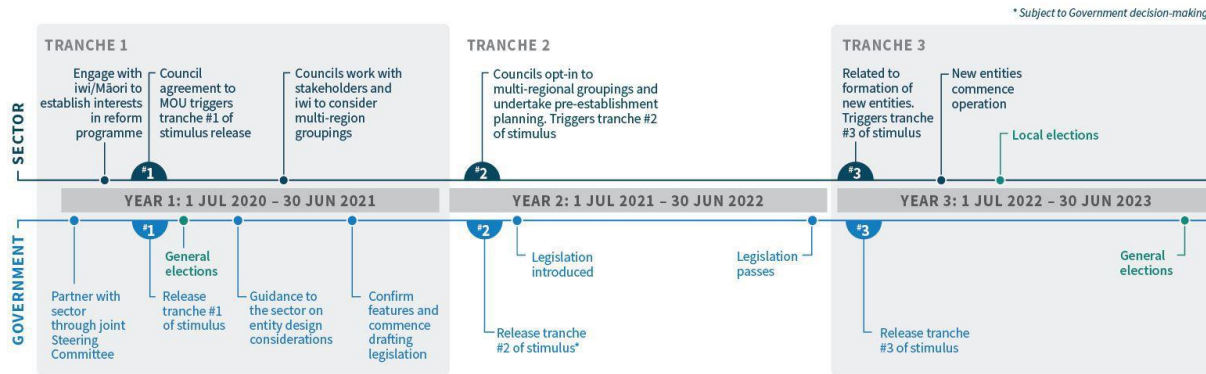
#### Reform process and indicative timetable

As noted above, this is a three-year programme to reform three waters service delivery arrangements, which is being delivered in conjunction with an economic stimulus package of Crown investment in water infrastructure. The reform programme will be undertaken in stages.

The initial stage is an opt in, non-binding approach, which involves councils taking the actions and signing the documents described below (MoU, Funding Agreement, and Delivery Plan).

Councils that agree to opt in by the end of August 2020 will receive a share of the initial funding package. Any further tranches of funding will be at the discretion of the Government and may depend on progress against reform objectives.

An indicative timetable for the full reform programme is provided below. While this is subject to change as the reforms progress, and subject to future Government budget decisions, it provides an overview of the longer-term reform pathway.



### Allocation of the investment package

The Government has determined a notional allocation framework based on a nationally-consistent formula. The general approach to determining each authority's notional allocation is based on a formula that gives weight to two main factors:

- The population in the relevant council area, as a proxy for the number of water connections serviced by a territorial authority (75 per cent weighting)
- The land area covered by a local authority excluding national parks, as a proxy for the higher costs per connection of providing water services in areas with low population density (25 per cent weighting).

The investment package is structured into two components:

- A direct allocation to each territorial authority, comprising 50% of that territorial authority's notional allocation; and
- A regional allocation, comprising the sum of the remaining 50% of the notional allocations for each territorial authority in the relevant region

See the attached Notional Funding Allocation table for the allocation of funding across New Zealand. The relevant allocations for Council are:

- \$2.47 million (excluding GST) direct allocation
- \$33.3 million (excluding GST) regional allocation

The purpose of the Government's regional allocation is to establish collective participation by councils in the reform programme. Each regional group of councils has until 30 September to agree on how best to apportion the regional funds to the individual territorial authorities that make up the region.

The Steering Committee has recommended a preferred approach to the allocation of regional funding, being the same formula that is used to determine the direct allocations to territorial authorities. The Waikato Mayoral Forum has recommended that this method be used to allocate the regional funding – as per the attached report.

### **Ngā Take/Kōrerorero | Issues/Discussion**

The initial stage of the reform programme involves three core elements:

- Memorandum of Understanding;

- Funding Agreement;
- Delivery Plan.

Initial funding will be made available to those councils that sign the MoU, and associated Funding Agreement, and provide a Delivery Plan. This initial funding will be provided in two components: a direct allocation to individual councils, and a regional allocation. The participating councils in each region are required to agree an approach to distributing the regional allocation.

## **Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations**

### Memorandum of Understanding

A MoU has been developed by the Steering Group, for each council to enter into with the Crown. This is a standardised document, which cannot be amended or modified by either party.

Signing the MoU commits councils to:

- engage in the first stage of the reform programme – including a willingness to accept the reform objectives and the core design features set out in the MoU;
- the principles of working together with central government and the Steering Committee;
- work with neighbouring councils to consider the creation of multi-regional entities;
- share information and analysis on their three waters assets and service delivery arrangements.

At this point, this is a voluntary, non-binding commitment. It does not require councils to commit to future phases of the reform programme, to transfer their assets and/or liabilities, or establish new water entities.

The MoU is effective from the date of agreement until 30 June 2021, unless terminated by agreement or by replacement with another document relating to the reform programme.

A legal opinion by Simpson Grierson, commissioned by SOLGM on behalf of the Steering Committee, advises that the MoU does not contain any explicit triggers for consultation under the Local Government Act 2002.

### Funding Agreement

Council has been allocated \$2.47 million by the Crown, if it opts in to the reform programme. A further \$33.3 million has been allocated to the Waikato Region to agree an appropriate distribution between participating Councils. This funding will be provided as a grant, which does not need to be repaid if the Council does not ultimately commit to reform at later stages of the process.

There are several options for how the regional funding could be allocated between councils. The joint central-local government Three Waters Steering Committee preferred approach is to apply the same formula<sup>1</sup> used to calculate the direct allocations. Under this approach, the Council would receive an additional \$2.47 million (approx.) contributing to a total funding allocation of \$4.94 million (approx.)

It is recommended that the Council agrees to that its share of the regional allocation should be \$2.47 million (approx.), noting that participation by two thirds of territorial authorities within the region is to access the regional funding.

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<sup>1</sup> Applying a 75% weighting for population and a 25% weighting for land area, excluding national parks.

The Funding Agreement is one of the mechanisms for accessing the funding package. Like the MoU, it is a standardised document, for agreement between each council and the Crown. It cannot be amended.

The Funding Agreement guides the release and use of funding. It sets out:

- the funding amount allocated to the Council;
- funding conditions;
- public accountability requirements, including the Public Finance Act;
- reporting milestones.

While there is some local flexibility around how the funding can be applied, the Government has indicated that this investment is intended to support economic recovery, enable improvements in water service delivery, and progress the service delivery reform programme.

The Funding Agreement will be supplemented by a Delivery Plan, which is the document that sets out how the grant funding is to be applied by the Council.

#### Delivery Plan

The Delivery Plan is the other mechanism for accessing the funding package. This Delivery Plan must show that the funding allocation is to be applied to operating and/or capital expenditure relating to three waters infrastructure and service delivery, and which:

- supports economic recovery through job creation; and
- maintains, increases, and/or accelerates investment in core water infrastructure renewal and maintenance.

The Delivery Plan is a short-form template, which sets out:

- a summary of the works to be funded, including location, estimated associated costs, and expected benefits/outcomes;
- the number of people to be employed in these works;
- an assessment of how the works support the reform objectives in the MoU;
- reporting obligations.

The Delivery Plan will be supplied to Crown Infrastructure Partners (and other organisations as agreed between the Council and Crown), for review and approval. Crown Infrastructure Partners will monitor progress against the Delivery Plan, to ensure spending has been undertaken with public sector financial management requirements.

#### **Ngā Pāpāhonga me ngā Wātaka | Communications and timeframes**

The MoU is the 'opt in' to the first stage of the reform and stimulus programme. The MoU needs to be signed and submitted by the end of August 2020. The Funding Agreement and draft Delivery Plan need to be submitted by the end of September 2020, with the final delivery plan approved end of October 2020, to access the stimulus funding.

Councils that do not opt in by the end August 2020 deadline will not receive a share of the stimulus funding. Councils will still be able to opt in to the reform programme at a later date, but will not have access to the initial funding package, retrospectively.

Expenditure will need to commence before 31 March 2021, and must be completed before 31 March 2022.



### Ngā take ā-lhinga | Consent issues

Depending on the projects that are put forward, resource and building consent may be required.

### Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

The funding would come from Central Government as outlined above. Any cost overruns on a project would be Council's responsibility. Any flow on costs (depreciation, operating etc.) would be Council's responsibility.

### Ngā Tāpiritanga | Attachments

- A. Three Waters - Memorandum of Understanding
- B. Three Waters - Notional Funding Allocations
- C. Three Waters - Funding Agreement
- D. Three Waters - Frequently Asked Questions
- E. Three Waters - Grant Funding Guidance
- F. Three Waters - Delivery Plan
- G. Mayoral Forum - Report on Three Waters reform

### Ngā waitohu | Signatories

Author(s)	Michelle Staines-Hawthorne <b>Corporate Strategy Manager</b>	
	Karl Pavlovich <b>Water &amp; Wastewater Manager</b>	

Approved by	Don McLeod <b>Chief Executive Officer</b>	
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## 2021-31 Long Term Plan update

CM No.: 2321672

### Rāpopotonga Matua | Executive Summary

Council is required to prepare and adopt a Long Term Plan under the Local Government Act 2002 (LGA) every three years.

The purpose of this report is to provide an update to the Committee on the Long Term Plan project. At the time of writing the Audit Arrangement Letter and Fees from Audit NZ had not yet been received.

The Committee may wish to provide feedback or comment on the proposed timeline and project outline.

## COMMITTEE RESOLUTION

That:

1. The information be received.
2. Council approves the following new policies, subject to budgets set by the Long Term Plan 2021-31, and effective from 1 July 2021;
  - Multi and Annual Community Grants Policy
  - Natural and Built Environment Fund Policy
  - Waste Minimisation Grants Policy
3. Council revokes the following existing policies effective 30 June 2021;
  - Community Grants Policy
  - Long Term Grants Policy
  - Significant Natural Features Policy
  - Heritage Buildings and Protected Trees Funding Assistance Policy
  - Community funding for Resource Consent Policy
4. Council approves the Waste Minimisation Grant Policy in principle, subject to adoption of the Waste Management and Minimisation Plan 2021 currently being developed.
5. Views on the Long Term Plan 2021-31 project were provided.

Moved by: Cr A Wilcock

Seconded by: Cr S Whiting

**KUA MANA | CARRIED**

### Horopaki | Background

Council is required to prepare and adopt a Long Term Plan under the LGA. The Long Term Plan sets out the activities, budgets, Financial Strategy and key financial policies of the Council for the next 10 years and the Infrastructure Strategy for the next 30 years. The Long Term Plan is required to be updated every three years, with the last Long Term Plan being approved in 2018 (available online <https://www.mpd.govt.nz/plans/long-term-plan>).

The Long Term Plan:

- describes the type of district our communities have told us they want – our community outcomes
- identifies the key projects to take place over the next 10 years
- provides an overview of each activity we will carry out and the services we will provide for the next ten years
- determines how much this will cost and how we will fund it.

We also do it to give our community the opportunity to have a say on where we are heading and to ensure our planning is robust. In completing the plan, we are required to do a number of things, including:

- take a sustainable development approach and promote community interests
- carry out our business in a clear, transparent and accountable manner
- operate in an efficient and effective manner, using sound business practices
- take into account community views by offering clear information and the opportunity to present views
- provide opportunities for Māori to contribute to decision making
- collaborate and co-operate with other agencies and councils to achieve desired outcomes.

The Long Term Plan is a complex document covering all activities of Council, major strategic documents, financial policies, auditing and a large consultation component with the community.

The Long Term Plan must be adopted prior to 30 June 2021. The project timeline for a Long Term Plan is typically 18 months or more, and involves staff across the whole organisation, Councillors and the community. A high level overview of the timeline is set out under Communication and Timeline below.

## **Ngā Take/Kōrerorero | Issues/Discussion**

### Grants

Council provides several community funding assistance and grant schemes. The current schemes included in the 2018-28 Long Term Plan are;

- Community Grants (ward grants)
- Long Term Plan Grants
- Resource Consents funding assistance for community groups
- Heritage Buildings and Protected Trees funding assistance
- Significant Natural Features funding assistance

The uptake of some of these grants varies from year to year with some grants consistently being oversubscribed and others not fully allocated, suggesting that the current criteria may not meet the requirements of our communities.

A revised community funding and grant framework was workshopped with Council in July. This framework links the various grants policies to Council's community outcomes and the Community Wellbeing (social, economic, environmental and cultural) as provided for within the Local Government (Wellbeing) Act 2019. The proposed new policies as attached to this report are;

1. Multi and Annual Community Grants Policy
2. Natural and Built Environment Fund Policy
3. Waste Minimisation Grants Policy

The Community Grants and the Long Term Plan Grants have been merged into one Policy called Multi and Annual Community Grants, with the criteria for each set out in the accompanying schedules. These grants are intended for community organisations providing services and activities to our local communities, with a maximum grant allocation of \$2,000 for the Annual Grant and \$20,000 per year for the Multiyear Grant. The Annual Grant will be open for applications twice every year, with the relevant ward Councillors considering and making decisions on applications. Applications for the Multiyear Grant will be open alongside the consultation for the Long Term Plan in March/April, with decisions on each application made by the full Council at a Hearing in May.

It should be noted that funding for Hamilton Waikato Tourism, Matamata Public Relations, and Morrinsville Chamber of Commerce, Sport Waikato and education groups funded from the waste minimisation levy (such as EnviroSchools) are excluded from this Policy. Funding requests from

these organisations will be considered by Council on a case by case basis as part of the budget setting process for the Long Term Plan 2021-31.

The Natural and Built Environment Fund replaces the current funding available for Significant Natural Features, Resource Consents and Heritage Buildings and Protected Trees. There are no funding rounds for this grant, and applications will be assessed by the District Planner/Corporate Strategy Manager.

The Waste Minimisation Grant is a new grant to support the environmental wellbeing of our community and encourage innovation and community-led waste minimisation. Subject to the adoption of the Waste Management and Minimisation Plan 2021 (currently being developed), this grant will be funded from the Waste Minimisation Levy. It is proposed that the Solid Waste officer is given delegated authority to assess and allocate funding for this grant.

### 3 Waters Review

Taumata Arowai—the Water Services Regulator Act 2020 establishes Taumata Arowai as a Crown water regulatory body that will administer and enforce a new drinking water regulatory system and carry out other functions relating to improving the environmental performance of wastewater and stormwater networks.

A complementary Bill, the Water Services Bill, also gives effect to the Government's package of regulatory reforms, which are intended to address issues highlighted by an inquiry into Havelock North drinking water, and in the Three Waters Review.

Central government has announced under sweeping reforms in which the government will give \$761 million to councils to kick start a programme to reorganise water assets as independent publicly-owned bodies.

Central Government have announced regional allocations of the \$761 million as a Three Waters stimulus and reform funding for councils. Of the \$761m, an allocation of \$51 million will go to support Taumata Arowai, the new water regulator with \$30 million to help non-council rural water supplies to meet costs in the face of the new regulatory regime for drinking water.

Councils that agree to participate in the Three Waters Services Reform programme will be eligible to access a portion of the investment package which is structured into two components:

1. A direct allocation to each council, comprising 50 per cent of its notional allocation; and
2. A regional allocation, comprising the sum of the remaining 50 per cent of the notional allocations for each council in the relevant region.

The regional allocation component is to encourage Councils to collaborate with each other.

Councils must sign up to a Memorandum of Understanding by 31 August to access their allocation, with each regional group of councils having until 30 September 2020 to agree on how best to apportion the regional funds to the individual territorial authorities that make up the region.

<b>Three Waters Investment Package: Regional allocations</b>	
<b>Region</b>	<b>Funding allocation (\$m)</b>
<b>Northland</b>	\$28.26
<b>Waikato</b>	\$66.61
<b>Bay of Plenty</b>	\$42.23
<b>Gisborne</b>	\$11.04

Hawke's Bay	\$50.00
Taranaki	\$17.89
Manawatū-Whanganui	\$40.54
Wellington	\$59.80
Tasman-Nelson-Marlborough	\$28.02
West Coast	\$15.25
Canterbury	\$100.00
Otago	\$41.20
Southland	\$22.31

The Government is seeking that Councils think strategically about how they could aggregate service delivery in the water space to be able to gain the advantages of creating scale and the opportunities it would provide in terms of investment into the water service system.

Comparative examples overseas have been presented as models of best practice and to highlight the benefits of having that type of scale and resilience. The system operating in northern Tasmania, Australia was one such example.

The 3 Waters review and Memorandum of Understanding was initially discussed with elected members on 5 August 2020.

This issue is subject of a separate report on the agenda.

Council will need to disclose this work as part of the assumptions in the LTP.

#### Forecasting Assumptions

Work is underway to prepare the forecasting assumptions for the Long Term Plan. With the current Covid-19 situation, some of our assumptions will come with a high degree of uncertainty, as the full impact, both locally and globally, of the Covid-19 remains unknown. The Draft Forecasting Assumptions will be reported to Council in October.

#### Maori involvement in decision making and Maori outcomes

The LTP includes a section on Maori involvement in decision making. A Te Mana Whenua Forum hui was held at Silver Fern Farms Event Centre Tuesday 11 February 2020 to discuss iwi aspirations and how the Forum sees Maori having involvement in Council decision making processes going forward. A summary of the discussions from that Hui was presented to the Forum in March, and feedback provided.

The feedback from the Forum was provided to Council in April. Council endorsed the proposed changes to the Heads of Agreement. Due to the current Covid-19 pandemic and response, no further discussions between Council and Forum have occurred.

Staff have prepared a revised draft heads of agreement and work programme based on the feedback from the Hui in February. This was discussed with the Te Mana Whenua Forum at their June meeting.

An iwi liaison resource has been discussed with Council and included in the draft budgets. Staff will work through with the Forum the details around this.

#### Council updates and milestones to date

The following is a summary of Council's workshops and decisions to date in relation to the Long Term Plan 2021-31;

*Vision and Outcomes* – Council approved to continue with the current vision and outcomes for the Long Term Plan.

*Financial Strategy* – Council provided strategic direction for the Financial Strategy and set tentative financial prudence benchmark limits. Due to the Covid-19 situation, these are being reviewed and Council is currently considering how to engage with the wider community in determining what the Financial Strategy should be for the Long Term Plan.

Further work on the Financial Strategy has been placed on hold until results of pre-consultation are known and reported back to Council for direction.

*Activity Plans* – The various activity plans that makes up the Activity Group section of the Long Term Plan is being workshopped and reported to Council on an ongoing basis. To date the following Activity Plans have been endorsed by Council;

- Strategy and Engagement
- Consents and Licencing
- Water
- Wastewater
- Stormwater
- Community Facilities and Property
- Roading

The remaining Activity Plans will be reported to Council in September. A range of workshops are planned for September 2020 to cover Levels of Service, Performance Measures and Budgets.

*Policy review* – Council adopted the Significance and Engagement Policy with no changes on 22 July 2020.

#### Population Projections

Infometrics Limited has prepared the population projections for our district to 2051. The Medium Growth Projections scenario was adopted by Council 13 May 2020.

#### Pre-Consultation

Results of Pre-Consultation topics booked in for Workshops in coming weeks.

#### *Your Voice Your Vision*

As at 11 August 2020 the top 3 which would require business case:

- Build a stage in the Matamata Civic Centre (136 votes)
- Swap Park dog park (110 votes). Note, there is another idea for a Te Aroha Dog Park, so could potentially be combined as one Business Case?
- Destination playground in Matamata (66 votes). Note, Council may wish to reflect on this as part of the Open Spaces Strategy feedback, potential for one in each town)

#### *Open Spaces Phase 1 & 2*

We are reviewing our Open Spaces Strategy – the strategy that guides what types of parks and spaces we provide, how many there are, where they are located, and how we look after them for the next 30 years. This strategy will then feed in to our Long Term Plan, and influence how we develop and manage our open spaces for years to come.

For Phase 1 we ran an online survey in July, asking our community about their vision for the places where they 'play' – this provided guidance on the issues and opportunities we need to address in the Parks and Open Spaces Strategy.

We received almost 200 responses to the survey – with the key themes being:

- Playgrounds
- Dog parks/exercise areas
- Cycleway
- Connected communities/walking tracks
- Horse trails



We've taken all that feedback and developed some responses/options for Phase 2. We have asked the Community whether we are on the right track by completing a second short survey and would like to know if we're on the right track.

#### *Trash Talk*

In 2023 we will be reviewing the current contract for the collection and management of rubbish and recycling within the district. We have put some options to the community.

As at 11 August 2020:

- 180 of respondents (93.3%) told us they prefer Option 1 (A small (80L) wheelie bin for rubbish, collected weekly, funded through rates).
- 151 respondents (92.1%) preferred that Council provides three crates or a multi compartment bin - collected weekly (one each for paper, plastics/tin and glass).
- 99 respondents (70%) told us they prefer Council did not collect food waste,
- 82 respondents (56.9%) preferred Council develop resource recovery centres in Matamata and/or Morrinsville and close the Waihou Transfer Station. 108 respondents (81.8%) supported the zero waste aspiration.

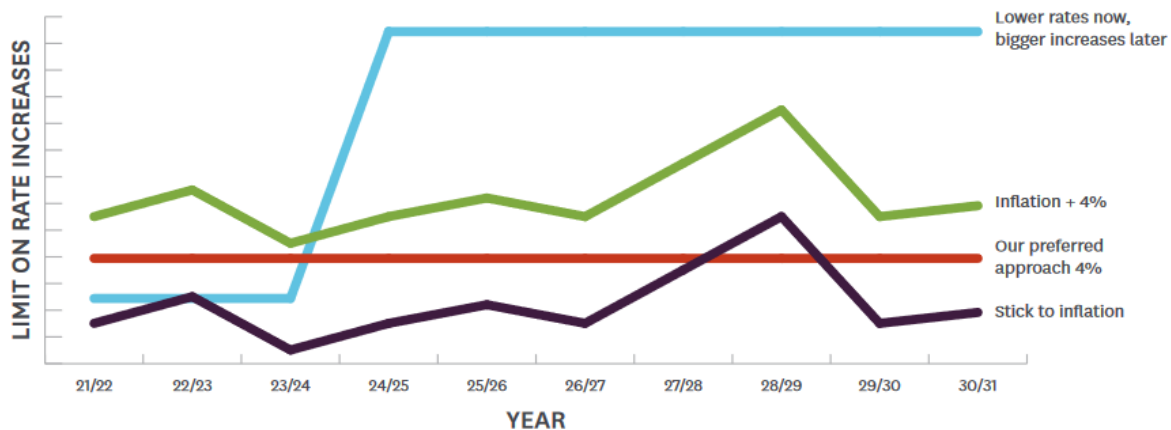
The actual results of the consultation will be known once closed and these will be discussed with the Solid Waste Working Party on 26 August 2020 and Council in more detail.

#### *Rates/Debt*

Council proposing to continue to deliver current services, and continue to make steady improvements to deliver on its vision. We think this will require annual rates increases of around 4%. Three other options shown below have been put out for consultation. Alongside this topic is a question on whether Council should maintain its reserves (a conservative approach) or borrow externally, and spend some of the reserves. Results are not available on how these have been tracking but Council will be updated at the meeting.



## OPTIONS FOR LIMITS ON FUTURE RATES INCREASES



### Infrastructure / Capital projects

Council discussed some proposed Capital projects for the following activities:

- Stormwater
- Wastewater
- Water
- Roothing
- Open Spaces and Parks
- Community Facilities and Property

In the 3 Waters space the capital projects are related to compliance, growth and Resilience. In the wastewater area it is mainly about ensuring that our Wastewater plants meet consent conditions and allowing for additional upgrades when new consents are required. There is also some additional work proposed to improve some of the reticulation to reduce the infiltration of stormwater into our wastewater network.

For water it is mainly around upgrading our plants to meet the Drinking Water Standards, to allow for growth in our towns and increase the water supply and improving the resilience of the network.

For stormwater the only projects are around investing in some improvements into the current network where we need to.

For Roothing the capital projects are mainly associated with Growth and upgrading some of the existing Roads or some new roads. These projects are proposed to be funded by the developers. Safety is another priority and Council is looking to invest in making some of our Roads safer. The proposal is to invest in our high risk roads where the most benefit can be achieved. The work needs to be approved by the NZ Transport Agency so staff are working with them. Council is also looking to focus on Cycle friendly towns and increasing the width of some of the footpaths to allow for Shared pathways.

In the Community Facilities Area Council is looking to plan ahead and provide for the upgrade of some of the current toilets, plan to complete a Master plan and work on the Morrinsville Recreation Ground and investigation what the Morrinsville Office and Event Centre will look like in the next 20 years.

Council also has indicated it wants to investigate covering the Morrinsville Pool and allow for some playground upgrades throughout the district.

### Consultation Document

Consultation documents are expected to concisely and clearly present the significant issues, plans, and projects that council intends to include in its LTP presenting the key choices and implications clearly to the community.

The Local Government Act 2002 (LGA) states that a consultation document's purpose is to provide an effective basis for public participation in local authority decision-making processes relating to the content of an LTP. A good consultation document should not attempt to summarise the contents of the LTP. It should describe the key issues proposed for the LTP, while

Identifying our key consultation issues early will help focus the LTP preparation. It will also give the framework to prepare an effective consultation document.

Some potential / emerging topics for the Consultation Document are:

- Elderly person housing?
- Morrinsville Pool/Recreation Ground / Events Centre?
- Cycle-friendly towns and pedestrian malls?
- Te Aroha Spa Development 'Plan B' (in the absence of central government funding)?
- Solid Waste – future of refuse and recycling (linking with the proposed new Waste Management and Minimisation Plan)

### **Mōrearea | Risk**

A risk register is maintained for the Long Term Plan project. This is reported to the Audit and Risk Committee quarterly. Covid-19 added as significant risk to forecasting assumptions. This will need to be closely monitored.

Staff have also completed an LTP Health Check / self-assessment using a framework provided by the Society of Local Government Managers (SOLGM). The overall assessment is that the LTP project is on track.

### **Ngā Whiringa | Options**

Council can choose to adopt the policies for community funding assistance as attached to this report or subject to amendments.

Council is invited to provide feedback and comments on the Long-Term Plan project.

### **Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations**

#### Requirement for a Long Term Plan

The preparation of the Long Term Plan is a requirement under the Local Government Act 2002. [Schedule 10](#) of the LGA sets out the requirements for a LTP. The LTP must include information about;

- Community Outcomes
- Groups of Activities
- Capital Expenditure for groups of activities
- Statement of service provision
- Funding impact statement for groups of activities
- Variation between territorial authority's longer term plan and assessment of water and sanitary services and waste management plans
- Council controlled organisations
- Development of Māori capacity to contribute to decision-making processes

- Financial strategy and Infrastructure Strategy
- Revenue and financing policy
- Significant and engagement policy
- Forecast financial statements
- Financial statements for previous year
- Statement concerning balancing of budget
- Funding impact statement
- Rating base information
- Reserve funds
- Significant forecasting assumption

Local Government Wellbeing Amendment Act 2019

The Local Government Wellbeing Amendment Act 2019 came into force in May 2019, re-introducing the four well-beings into legislation. This means Council must promote the social, economic, environmental and economic wellbeing of communities in the present and for the future. Council must report on how we are contributing towards the well-beings.

Mayoral Powers

Under LGA [s41A](#), “it is the role of a mayor to lead the development of the territorial authority’s plans (including the long-term plan and the annual plan), policies, and budgets for consideration by the members of the territorial authority.”

Council policies and strategies

As part of the preparation of the Long Term Plan, Activity and Asset Management Plans will be checked against Council’s key strategic and policy documents and wider regional and national documents for strategic fit. The preparation of the Long Term Plan may lead to the review of some Council policy documents.

**Ngā Pāpāhonga me ngā Wātaka | Communications and timeframes**

The Long Term Plan project is one of Council’s key opportunities to engage with our communities to find out what their aspirations and priorities are. The LTP is subject to the special consultative process under the LGA ([s83](#)). The special consultative process is a structured one-month submission process with a hearing for those who have submitted and wish to speak to their submission.

The Long Term Plan project timeline also provides for a ‘pre-consultation’ process with the community referred to as the Right Debate where Council can ask for feedback on key issues it is considering for the Long Term Plan.

The timeline for the project centres on key dates for completion of the draft documents in December 2020, auditing in January / February 2021 and consultation in March / April 2021. The below table provides a summary of key milestones and timelines.

Description	Start	Finish
Briefing Papers		COMPLETE
Growth Projections	Oct 2019	COMPLETE
Forecasting assumptions	Feb 2020	Oct 2020 UNDERWAY
Revaluation of Assets	Jan 2020	October 2020 UNDERWAY
Community Outcomes Review (if required)	Jan 2020	COMPLETE
Rates Structure	April 2020	COMPLETE
Activity Plans (including budgets)	April 2020	Aug/Sep 2020

Description	Start	Finish
Right Debate (pre-consultation)	April 2020	COMPLETE
Infrastructure and Financial Strategy	April 2020	Oct 2020 UNDERWAY
Asset Management Plans	Feb 2020	Oct 2020 UNDERWAY
Policy Review	April 2020	Oct 2020 UNDERWAY
Council controlled organisation section	July 2020	Nov 2020
Māori participation in decision making	July 2020	Oct 2020 UNDERWAY
Budgets/ Financials/ Notes	July 2020	Dec 2020 UNDERWAY
Document development	July 2020	Dec 2020
Quality checks and administration	July 2020	Dec 2020
Communications Strategy and implementation	Feb 2020	Dec 2020
External Audit Process	Jan 2021	June 2021
Special Consultative Procedure	Jan 2021	June 2021

**Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera |  
Contribution to Community Outcomes and consistency with Council Vision**

The LTP contributes to our all our community outcomes.

**Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source**

The development of and consultation on the Long Term Plan is funded from the Strategy and Engagement Activity Operating budget.

**Ngā Tāpiritanga | Attachments**

- A. Multi and Annual Community Grant Policy
- B. Natural and Built Environment Fund
- C. Waste Minimisation Grant
- D. Grant Financial Reporting/ Accountability Form Template

**Ngā waitohu | Signatories**

Author(s)	Niall Baker <b>Senior Policy Planner</b>	
	Susanne Kampshof <b>Asset Manager Strategy and Policy</b>	
	Ann-Jorun Hunter <b>Policy Planner</b>	

Approved by	Michelle Staines-Hawthorne <b>Corporate Strategy Manager</b>	
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	Don McLeod <b>Chief Executive Officer</b>	
	Manaia Te Wiata <b>Group Manager Business Support</b>	

# Appointment to Regional Connections Committee

CM No.: 2337966

## Rāpopotonga Matua | Executive Summary

Waikato Regional Council (WRC) established a Regional Connections Committee at the beginning of this triennium. WRC has now requested an appointment be made by Council for this committee.

### COMMITTEE RESOLUTION

That:

1. **Mayor Ash Tanner be nominated as the representative and Deputy Mayor Neil Goodger be nominated as the alternate representative on the Waikato Regional Council Regional Connections Committee.**

Moved by: Cr D Arnold  
Seconded by: Cr S Whiting

**KUA MANA | CARRIED**

### Horopaki | Background

Waikato Regional Council established a Regional Connections Committee at the beginning of this triennium. Its objective is to enhance the wellbeing of our communities through the achievement of the goals set out in the Regional Public Transport Plan.

The particulars of its scope of activities are:

- Consider and recommend on matters relevant to the implementation and monitoring of the Regional Public Transport Plan
- Develop the draft Regional Public Transport Plan and recommend it to Council (via the Strategy & Policy Committee) for public consultation (as required)
- Ensure all policy developed in the Regional Public Transport Plan is consistent with the operative Regional Land Transport Plan.

Membership of the committee is:

- three voting members from WRC and The Chair or Deputy Chair of WRC (full voting rights)
- 4 voting members appointed by Hamilton City Council
- 1 voting member from each Territorial Authority by invitation (invitation to be extended to the authority as appropriate and relating to matters under consideration)
- 1 non-voting member from each of the following agencies:
  - Waka Kotahi – NZ Transport Agency
  - Access and Mobility Sector

Current members are:

- Cr A Strange - Chair (Waikato Regional Council)
- Cr A O'Leary - Deputy Chair (Hamilton City Council)
- Cr D MacPherson (Hamilton City Council)
- Cr S Thomson (Hamilton City Council)
- Cr D Tegg (Waikato Regional Council)
- Cr H Vercoe (Waikato Regional Council)
- Cr E Wilson (Hamilton City Council)

- M Flynn - Access and Mobility Representative (Non-voter)
- S Loynes - Waka Kotahi - NZ Transport Agency (Non-voter)
- Cr R Rimmington - Ex Officio (Waikato Regional Council)
- Cr K Hodge - Ex Officio (Waikato Regional Council)

To date the meetings have been focussed on urban transport issues around Hamilton area however the Committee recognises the need to ensure that other communities are included and have the opportunity to have input for collaboration on regional issues.

The Committee is proposing to have two meetings a year that provide for input of a regional focus. The first meeting is proposed for 18 September 2020. The meetings will be held in March and September for following years.

WRC would therefore like to invite either the Mayor or an elected member to participate on this committee. The first meeting will be general in nature and will identify issues for future meetings which may determine which territorial authorities participate for particular matters.

Copies of agendas and minutes to date can be found at

<https://www.waikatoregion.govt.nz/community/whats-happening/council-meetings/agendas-and-minutes-for-council-and-standing-committees/regional-connections-committee-agendas-and-minutes/>

Councillors should note that this committee is different and in addition to the Regional Land Transport Committee. At its meeting in November, Council appointed the Mayor as Council's representative on the Regional Land Transport Committee and in his absence Deputy Mayor, Neil Goodger as the alternate.

### **Ngā Whiringa | Options**

Council could elect to nominate a representative for the committee or decline to do so.

### **Ngā Tāpiritanga | Attachments**

There are no attachments for this report.

### **Ngā waitohu | Signatories**

Author(s)	Stephanie Glasgow <b>Committee Secretary and Corporate Administration Officer</b>	
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Approved by	Michelle Staines-Hawthorne <b>Corporate Strategy Manager</b>	
	Don McLeod <b>Chief Executive Officer</b>	

8 Information Reports

## Draft Annual Report Summary 2019/20

CM No.: 2315627

### Rāpopotonga Matua | Executive Summary

Development of the 2019/20 Annual Report is in full progress. A summary of key financial and performance measure data is presented for Council's information. Audit New Zealand are due to begin the auditing process on 24/8/2020. The final 2019/20 Annual Report and Annual Report Summary in the form of a calendar will be circulated in the agenda for the meeting of 14 October 2020.

Councillors should note that at the time of writing this report New Zealand was subject to lockdown restrictions. Continuation/increasing restrictions may impact the audit process and delay adoption, this will be discussed with Council's auditors and Council updated on any changes.

#### COMMITTEE RESOLUTION

That:

1. The information be received.

Moved by: Cr A Wilcock

Seconded by: Cr C Casey

**KUA MANAI CARRIED**

### Horopaki | Background

Council is required to prepare an Annual Report and Summary Annual Report for the year ended 30 June 2020. These documents are in the process of being prepared, including full financial statements. At this stage, a summary of the key financial information and performance measures for 2019/20 has been circulated for Council's information. The financials presented are a first cut, and they will be subject to further investigation and quality review, before the final audit is conducted, starting on the 24th of August 2020. Any significant changes or issues identified as a result of the quality review or final audit will be reported to Council. The final 2019/20 Annual Report and Annual Report Summary will be circulated in the agenda for the meeting of 14 October 2020, at which time it is intended these documents will be adopted.

We have attached the completed Audit questionnaire that was sent to us asking questions relating to the impact that COVID-19 had on our business.

#### Financials

On-going from last year, this year's financial results reflect the significant level of development and projects that are happening within the district. The draft financial statements show an initial surplus of \$3.662 million – ahead of the budgeted surplus of \$2.347 million. \$6.5 million of the surplus directly related to development in the district, in the form of assets vested in Council through the subdivision process, development contributions received, and higher activity in building and resource consents.

\$1.5 million in Government grant funding was received for the Te Aroha to Matamata cycleway project this year (unbudgeted).



Offsetting these areas of gain, were two particular activities where net costs have significantly exceeded budget again this year;

In the Water activity, treatment plant costs were \$1,205,000 higher than budgeted due to significant increases in chemical, power and insurance costs, safety plan costs, additional costs for Topehaehae reservoir profiling, Scada costs and compliance recovery. Reticulation costs were also \$168,000 higher than budget due to increased maintenance.

In Rubbish and Recycling, costs exceeded the budget by \$645,000 for the year due to an increase in the contract price, and additional inflationary increases subsequently agreed by Council. In addition, income from the sale of rubbish bags and transfer station fees were \$559,000 lower than budgeted.

The significant shortfall in funding for these activities has been addressed in the Annual Plan for 2020/21.

Also for 2020, \$1.464 million of non-cash expenses affected the bottom line:

- recognising losses from the valuation of Council's interest rate swap portfolio of \$614,000
- the disposal of assets of \$620,000
- \$230,000 of work in progress related to roading, water and community projects that have been expensed after it has been determined that the preliminary/exploratory work will not result in a capital project.

COVID-19 did have a moderate impact on our results for the final quarter of the year. Community facilities were most impacted by closure during the lock-down, with income down approximately \$170,000 for the year compared to the previous year. Additional costs identified as being directly as a result of COVID-19 amounted to around \$150,000 to June 2020.

Further explanation of significant variances to budget are provided in the attached summary.

The draft balance sheet shows that Council continues to maintain a healthy financial position. Significant variances to the budgeted position are largely as a result of the delay (this year and in prior years) of getting the budgeted capital projects done, and higher than anticipated increases in the valuation of infrastructural assets and assets vested in Council through the subdivision process.

### **Non-financial performance measures**

There are a total of 61 performance measures which Council reports on in the Annual Report, at the time of writing this report we have achieved 28 of these, six are still awaiting information, one was not measured this financial year and four of these were on track before COVID-19 but not achieved after COVID-19. These are detailed in the attached summary document.

## **Analysis**

### **Legal and statutory requirements**

Under Section 98 of the Local Government Act 2002, Council is required to prepare an annual report and summary at the close of each financial year.

### **Impact on policy and bylaws**

There are no policy or bylaw issues.

### **Consistency with the Long Term Plan / Annual Plan**

The Annual Report is designed to report on Councils performance against the Long Term Plan/Annual Plan.

### **Impact on Significance and Engagement Policy**

This issue is not significant in terms of the significance policy.

### **Communication, consultation and decision making processes**

The Annual Report does not involve a process of consultation, but is externally audited with an audit opinion issued.

### **Timeframes**

Council's auditors will be (at this stage) auditing from 24 August 2020. Council's auditors will be present at the Council meeting on 14 October 2020 to present the audit opinion. Councillors should note that at the time of writing this report New Zealand was subject to lockdown restrictions. Continued/increasing restrictions may impact the audit process and delay adoption, this will be discussed with Council's auditors and Council updated on any changes.

The final Annual Report 2019/20 must, under normal circumstances, be adopted no later than 31 October 2020.

Parliament passed legislation on 5 August to extend the statutory reporting time frames by up to two months for organisations with 30 June 2020 balance dates that report under the Crown Entities Act 2004, Crown Research Institutes Act 1992, Local Government Act 2002, Public Finance Act 1989, and State-Owned Enterprises Act 1986.

The legislation extends the reporting time frames for audited annual reports by up to two months. As a result local authorities now have until 31 December 2020 and CCOs until 30 November 2020 to adopt their Annual Report.

Staff have been advised that Annual Reports for all of its CCOs will now be delayed.

Staff are reluctant to delay work on the Annual Report, as this will impact Long Term Plan project timelines.

### **Contribution to Community Outcomes**

The document reports on progress towards our community outcomes.

## **Financial Impact**

### **i. Cost**

The cost of the Annual Report is a budgeted expense (\$15,000) excluding audit fees. Other costs of the project are staff time and audit fees of the Annual Report and Summary.

### **ii. Funding Source**

Budgetary provision for the Annual Report has been included in the Long Term Plan and Annual Plan budgets under the Strategies and Plans activity.

### Ngā Tāpiritanga | Attachments

- A. COVID Audit Questionnaire 2020
- B. Annual Report - Draft Summary 26 August 2020

### Ngā waitohu | Signatories

Author(s)	Ellie Mackintosh <b>Graduate Policy Planner</b>	
	Sandra Harris <b>Senior Policy Planner</b>	
	Larnia Rushbrooke <b>Deputy Finance Manager</b>	

Approved by	Michelle Staines-Hawthorne <b>Corporate Strategy Manager</b>	
	Manaia Te Wiata <b>Group Manager Business Support</b>	
	Don McLeod <b>Chief Executive Officer</b>	

## Staff Long Service Presentation

CM No.: 2326920

### Rāpopotonga Matua | Executive Summary

Debbie Darby in attendance and presented with a Long Service Award in recognition of 20 years' service to Matamata-Piako District Council.

#### COMMITTEE RESOLUTION

That:

1. That the information is received.

Moved by: Cr A Wilcock  
Seconded by: Mayor A Tanner

**KUA MANA | CARRIED**

### Ngā Tāpiritanga | Attachments

There are no attachments for this report.

### Ngā waitohu | Signatories

Author(s)	Stephanie Glasgow <b>Committee Secretary and Corporate Administration Officer</b>	
Approved by	Michelle Staines-Hawthorne <b>Corporate Strategy Manager</b>	
	Don McLeod <b>Chief Executive Officer</b>	

## Health and Safety Monthly Update - July 2020

CM No.: 2333829

### Rāpopotonga Matua | Executive Summary

The Health and Safety report for July 2020 is attached to the agenda. The Health and Safety Team Leader was in attendance to discuss the report with the Committee.

#### COMMITTEE RESOLUTION

That:

1. The information be received.

Moved by: Cr D Arnold

Seconded by: Cr C Casey

**KUA MANA | CARRIED**

### Ngā Tāpiritanga | Attachments

- A. July 2020 Monthly Health and Safety Update

### Ngā waitohu | Signatories

Author(s)	Kate Stevens <b>Health &amp; Safety Facilitator</b>	
Approved by	Kelly Reith <b>Human Resources Manager</b>	

## Chief Executive Officer's Report

CM No.: 2335112

### Rāpopotonga Matua | Executive Summary

The Chief Executive Officer's report for the period ending July 2020, is attached to the agenda.

#### COMMITTEE RESOLUTION

That:

1. The information be received.

Moved by: Cr A Wilcock

Seconded by: Cr C Casey

**KUA MANA | CARRIED**

#### Ngā Tāpiritanga | Attachments

- A. Final CEO Report for July 2020
- B. Council Consents Received - July 2020

#### Ngā waitohu | Signatories

Author(s)	Debbie Burge <b>Executive Assistant to the Mayor</b>	
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Approved by	Don McLeod <b>Chief Executive Officer</b>	
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**9 Public Excluded**

11.12am The public were excluded.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not public available:

**C1 Weathertight and Defective Building Claims Update**

**10 Procedural motion to exclude the public**

**COMMITTEE RESOLUTION**

That the public be excluded from the following part(s) of the proceedings of this meeting.

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

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

**C1 Weathertight and Defective Building Claims Update**

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege. . s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). .	s48(1)(a)  The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

The text of these resolutions is made available to the public who are present at the meeting and form part of the minutes of the meeting.

**Moved by: Cr D Arnold**

**Seconded by: Cr C Casey**

**KUA MANA | CARRIED**

**11 Procedural motion to include the public**

**COMMITTEE RESOLUTION**

That the public be included for the remainder of the meeting.

**Moved by: Cr T Cornes**

**Seconded by: Cr D Arnold**

**KUA MANA | CARRIED**



11.25 am

The Chairperson thanked Members for their attendance and attention to business and declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD  
OF THE MEETING OF KOMITI O TE KAPOREIHANA  
ME NGĀ WHAKAHAERE | CORPORATE AND  
OPERATIONS COMMITTEE HELD ON 26 AUGUST  
2020.

**DATE:** .....

**CHAIRPERSON:** .....  
Councillor Kevin Tappin