



**The Extraordinary Meeting of the
Kawerau District Council will be
held on Wednesday 10 April 2024
commencing at 1.00pm**

A G E N D A

GUIDELINES FOR PUBLIC FORUM AT MEETINGS

1. A period of thirty minutes is set aside for a public forum at the start of each Ordinary Council or Standing Committee meeting, which is open to the public. This period may be extended on by a vote by members.
2. Speakers may address meetings on any subject. However, issues raised must not include those subject to legal consideration, or be issues, which are confidential, personal, or the subject of a formal hearing.
3. Each speaker during the public forum is permitted to speak for a maximum of three minutes. However, the Chairperson has the discretion to extend the speaking time.
4. Standing Orders are suspended for the duration of the public forum.
5. Council and Committees, at the conclusion of the public forum, may decide to take appropriate action on any of the issues raised.
6. With the permission of the Chairperson, members may ask questions of speakers during the period reserved for public forum. Questions by members are to be confined to obtaining information or clarification on matters raised by the speaker.

**The Extraordinary Meeting of the Kawerau District Council
will be held on Wednesday 10 April 2024
commencing at 1.00pm**

A G E N D A

Opening Prayer

Apologies

Leave of Absence

Declarations of Conflict of Interest

Public Forum

1 Adoption of Consultation Document for the proposed Kawerau District Council Annual Plan 2024 / 25 (Group Manager, Finance and Corporate Services) (110400)

Pgs. 1 - 6

Attached is a report on the Adoption of Consultation Document for the Proposed Kawerau District Council Annual Plan 2024 / 25

Recommendations

1. *That the report "Adoption of Consultation Document for the Proposed Kawerau District Council Annual Plan 2024 / 25" be received.*
2. *That Council adopt the draft 2024/25 estimates and the proposed rates for the Consultation Document; and*
3. *That Council adopts the Consultation Document for the Annual Plan 2024 / 25, as presented / with any amendments as appropriate, for commencement of the special consultative procedure from 12 April 2024, with submissions closing at 5.00 p.m. on Tuesday 14 May 2024.*

2 Exclusion of the Public

Recommendation

That the public is excluded from the following part of the proceedings of this meeting, namely:

1. Business Proposal

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

<i>General Subject of the matter to be considered</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under section 48(1) for the passing of this resolution</i>
<i>1. Business Proposal</i>	<i>Maintain the effective conduct of public affairs through the free and frank expression of opinions.</i>	<i>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48 (1) (a) (i)</i>

This resolution is made in reliance on Section 48(1) (a) of the Local Government Official Information & Meetings Act 1987 and the particular interest or interests protected by Section 7 (2) (b) (i) of that Act.

M Godfery
Chief Executive Officer

Z:\KDC Taxonomy\Governance\Democratic Services\Meetings\Extraordinary Council\Agenda's\Extraordinary 2024.04.10.docx

Meeting: Extraordinary Council

Meeting Date: 10 April 2024

Subject: **Adoption of Consultation Document for the proposed Kawerau District Council Annual Plan 2024/25**

File No.: 110400

1 **Purpose**

The purpose of this report is to confirm the draft budget and proposed rates which are included in the 2024/25 Annual Plan Consultation Document. Also, to consider and adopt the Consultation Document which will then be submitted for public consultation.

2 **Annual Plan Consultation Document**

At the Extraordinary Council meeting on 20 March 2024, Council resolved to prepare an Annual Plan 2024/25 and an Annual Plan Consultation Document 2024/25 under the options provided to Local Authorities under clauses 48 and 49 of Schedule 1AA of the Local Government Act 2002 (inserted by the Water Services Acts Repeals Act 2024).

Also, at this Extraordinary meeting Council adopted the draft budget 2024/25 and proposed rates for inclusion in the preparation of the Annual Plan Consultation Document for 2024/25.

Council decided on a proposed rate increase of 15.1% for the Consultation Document (as reported below on 20th of March 2024).

The overall proposed rate increase is shown in the following table:

Rates	2023/24	2024/25	Difference	
	\$	\$	\$	%
General Rates	11,770,850	13,592,230	1,821,380	15.5%
Targeted Rates:				
Water Supply	195,200	210,000	14,800	7.6%
Wastewater	378,080	430,000	51,920	13.7%
Refuse Collection	594,080	665,330	71,250	12.0%
Total Rates	\$12,938,210	\$14,897,560	\$1,959,350	15.1%

The draft budget for the Annual Plan 2024/25 is as follows:

	Annual Plan	Long Term Plan	Draft Annual Plan
	2023/24	2024/25*	2024/25
Revenue			
Total Rates	12,938,210	12,655,620	14,897,560
Grants & Subsidies	5,596,530	630,450	4,827,850
Petrol Tax	65,000	70,000	65,000
Interest Revenue	97,530	32,570	52,330
Other Revenue	2,802,160	2,329,430	2,536,660
Total Revenue	21,499,430	15,718,070	22,379,400
Expenditure			
Personnel costs	6,579,380	6,059,320	7,626,980
Depreciation	3,973,210	3,711,610	4,345,100
Finance	177,500	177,310	395,000
Other Expenditure	**11,553,390	6,080,240	7,667,820
Total Expenditure	22,283,480	16,028,480	20,034,900
Net Surplus (Deficit) (\$)	(784,050)	(310,410)	2,344,500
Rate Increase (%)	8.2%	3.8%	15.1%
Capital Budget	6,727,700	5,333,500	6,546,980

The reason for the overall operational surplus is due to the better off funding grants & subsidies income to fund the Stoneham Park Development, which for 2024/25 is \$3.5 million.

** Please note that for 2023/24 the expenditure on the Stoneham Park Development was included under Other Expenditure of \$4.14m. For the 2025/26 year this expenditure of \$3.5m has been classified as Inventory, which more fairly reflects the capital development expenditure and the section inventory being developed. This movement also impacts total expenditure, which when compared to 2023/24 shows a decrease due to this change in treatment.

The reasons for the increase in the rates required compared to the previous year are as follows:

- Personnel costs have increased due to the inflationary pressures and the tight labour market having a greater impact on personnel costs for the 2023/24 year. These increases also flow onto the 2024/25 year, with the further additional inflationary impacts budgeted for 2024/25. There are also additional staff budgeted for Governance Support, Engineering, Policy Planning, Solid Waste and finance administration. The additional personnel costs for solid waste recycling, however is offset by a reduction in contracting costs, as this process will be completed in-house.
- Depreciation expenditure for 2024/25 of \$4,345,100, is an increase of \$371,890 (9.4%) on last year. In the 2023/24 budget, Council consulted with the community and decided to increase the level of depreciation not funded across all assets to 35%. For the 2024/25 budget the level of depreciation not funded has been set at 30%, allowing Council to gradually start increasing the level of depreciation funded. The overall impact of increased funding for depreciation is \$300,430.

- Finance Costs have increased by \$217,500 due the interest expense on loans uplifted to fund the water reticulation renewals. Council will borrow a further \$2m in 2024/25 to fund the next stage of the water reticulation renewals, increasing the total water loans to \$6m by 30 June 2025.
- For the 12 months to 30 June 2023, the annual inflation rate was 6.0% and eased slightly to 4.7% at 31 December 2023. Inflationary effects and resource availability continue to have an impact on Council, with increasing operational costs in all areas including water maintenance, refuse disposal and cartage, insurance, civil defence costs, election expenses and electricity.
- Also impacting the rates requirement for 2024/25 is a reduction in Government Subsidies to fund the Spatial Plan development costs of \$120k, and a reduction in interest income.

Capital expenditure for 2024/25 is \$6,546,980 (\$6,727,700 for 2023/24). Appendix 1 has a summary of the Capital Projects.

Council is proposing to increase most fees and charges for 2024/25, to reflect the impact of increasing costs for service delivery.

Rates Impact

While the overall budgeted rates increase is 15.1%, individual properties will have rate increases different to this, as the average increase will vary depending on the value of individual properties.

The Uniform Annual General Charge (UAGC) is a minimum charge per property. To smooth the impacts of the rates increase, Council proposes increasing the Uniform Annual General Charge (UAGC) from \$850 to \$950.

Annual Plan Consultation Document and Engagement Plan

For the consultation documents for 2024/25 Council will have a cost effective A3 brochure detailing all the key Annual Plan information which will be delivered to every household. In addition, there will be an A4 brochure with the same key information available for public meetings and this document will be available on Council's website. The Annual Plan submission form will be included in Council's Pānui/Newsletter, in the A4 brochure and be available on Council's website. As the Consultation Document is currently with the designer for finalisation of the consultation document, the final document will be presented at the Council meeting.

Proposed Annual Plan 2024-2025 Community Engagement Meetings:

Thursday, 11 April 10am - Industrial Symbiosis Kawerau (ISK) Board Meeting

Friday, 12 April 1:30pm - Grey Power Kawerau, Concert Chamber

Tuesday, 16 April 10am - 'Drop In' public session at Rangi Delamere Centre

Thursday, 18 April 5:15pm -Public Meeting and presentation, Concert Chamber

Tuesday, 23 April 10am - Public Meeting and presentation, Rautahi Marae

Thursday, 9 May 10am - 'Drop In' public session at the Kawerau Markets, Circus Paddock

Note: Suitable meeting times with Tangata Whenua Ngāti Tūwharetoa (BOP) Settlement Trust and Tūwharetoa ki Kawerau Hauora, and also the Kawerau Principals' and Board of Trustees' are yet to be confirmed.

The following is the timeframe for the special consultative process and adoption of the Annual Plan:

- Adoption of 2024/25 Annual Plan Consultation Document – 10 April 2024
- Consultation period – 12 April 2024 to 14 May 2024
- Hearing and consideration of submissions – 22 May 2024
- Deliberations and consideration of submissions – 29 May 2024
- Adoption of 2024/25 Annual Plan and setting of rates – 26 June 2024

3 Options for Consideration

Council has two options in relation to the draft Consultation Document (CD), as outlined below:

Option One: Consult on the draft CD as presented

Council may be satisfied that the document as drafted meets the requirements for an annual plan CD and adequately reflects the proposals for the coming financial year.

Option Two: Consult on an amended CD

Council may wish to adopt the draft Consultation Document subject to some amendment(s).

4 Significance and Engagement

Staff propose a consultation period from 12 April to 14 May 2024 with specific consultation initiatives including:

- Distributing the CD to every household in the district.
- Sending a copy of the CD and invitation to make a submission to Council's consultation partners and any other nominated organisations.
- Including articles in the Council newsletter.
- Undertaking community engagement meetings during consultation period.
- To hear and consider submissions at Extraordinary Council meetings on 22 May and to deliberate and consider submissions on 29 May 2024.
- Adopt Annual plan and accompanying rates resolution – 26 June 2024.

5 Financial Considerations

Development of the Kawerau District Council Annual Plan 2024/25, including the process of the special consultation procedure, can be met within existing estimates.

6 Legal Considerations

As Council intends to adopt the transitional option provided by the Government to prepare an Annual Plan for 2024/25, there is a requirement to use the special consultative procedure for the development of the Annual Plan, which Council plans to undertake from 12 April to 14 May 2024.

Council must adopt supporting information and be satisfied that the consultation document concisely and simply sets out what is proposed for inclusion in the annual plan.

7 Conclusion

It is appropriate that Council now considers the draft Consultation Document, makes any further amendments it considers necessary and adopts the document to commence the special consultation procedure.

8 RECOMMENDATIONS

1. That the report "Adoption of Consultation Document for the proposed Kawerau District Council Annual Plan 2024/25" be received; and
2. That Council adopt the draft 2024/25 estimates and the proposed rates for the Consultation Document; and
3. That Council adopts the Consultation Document for the Annual Plan 2024/25, as presented/with any amendments as appropriate, for commencement of the special consultative procedure from 12 April 2024, with submissions closing at 5.00 p.m. on Tuesday 14 May 2024.



Lee-Anne Butler, CA, BMS

Group Manager Finance & Corporate Services

Z:\KDC Taxonomy\Governance\Democratic Services\Meetings\Extraordinary Council\Reports\R-Council Adoption of CD for Proposed Annual Plan 2024-25 - LAB.docx

Appendix 1 - Capital Expenditure

The following table lists the capital expenditure items for 2024/25.

Activity	Asset	2024/25
Economic Development	Firmin Lodge & i-site	\$12,000
Roading	Hardie Ave Flood Mitigation	\$1,000,000
	Kerb Replacement	\$84,000
	Street Light Upgrade	\$62,000
	Reseals	\$135,000
	Pavement Treatment	\$75,000
	Minor Safety Improvements	\$40,000
	Footpath Repairs	\$160,000
	Stormwater Catch-pit renewal	\$60,000
	Photocell Sensory	\$15,000
	School Zone Speed Management	\$120,000
	Reseal Carparks	\$30,000
	Other	\$41,900
Stormwater	Renewals	\$772,300
Water Supply	Pipework Renewals	\$2,000,000
	Tobies	\$50,000
	Valves Refurbishment	\$75,000
	UV Tubes Replacement	\$15,000
Waste Management	Wastewater pipework	\$765,000
Refuse Disposal	Concrete Apron and Electric gate	\$15,000
	Asbestos Site	\$150,000
	Recycling Bins	\$50,000
Leisure & Recreation	Library stock	\$77,000
	Library furniture and fittings	\$6,600
	Library Building	\$16,000
	Museum Computer Software	\$22,000
	Maurie Kjar Aquatic Centre	\$76,000
	Ron Hardie Recreation Centre	\$90,000
	Town Hall	\$2,900
	Concert Chamber	\$14,500
	Sportsfields and Amenity Buildings	\$90,400
	Playgrounds	\$4,020
	Cemetery – Sexton Shed & gate	\$10,000
Overheads	Computers & Document Management	\$125,000
Plant	Vehicles	\$249,200
Buildings	Depot & District Office	\$36,160
		\$6,546,980