



SOUTH WAIRARAPA DISTRICT COUNCIL

Kia Reretahi Tātau

Agenda

**ORDER PAPER FOR AN ORDINARY MEETING
TO BE HELD IN
Supper Room, Waihinga Centre, Texas Street
Martinborough
ON
17 December 2020**

**MEMBERSHIP OF COUNCIL
HIS WORSHIP THE MAYOR
Mr Alex Beijen**

Deputy Mayor Garrick Emms

Cr P Colenso
Cr R Fox
Cr L Hay
Cr B Jephson

Cr P Maynard
Cr A Plimmer
Cr R Vickery
Cr B West

**RECOMMENDATIONS IN REPORTS ARE NOT TO BE CONSTRUED AS
COUNCIL POLICY UNTIL ADOPTED BY COUNCIL**



SOUTH WAIRARAPA DISTRICT COUNCIL MEETING

Agenda 17 December 2020

NOTICE OF MEETING

A meeting will be held in the Supper Room, 62 Texas Street, Martinborough and will commence at 12.30pm. The meeting will be held in public (except for any items specifically noted in the agenda as being for public exclusion).

SWDC Affirmation

We pledge that we will faithfully and impartially use our skill, wisdom and judgement throughout discussions and deliberations ahead of us today in order to make responsible and appropriate decisions for the benefit of the South Wairarapa district at large.

We commit individually and as a Council to the principles of integrity and respect, and to upholding the vision and values we have adopted in our Long Term Plan strategic document in order to energise, unify and enrich our district.

Open Section

- A1.** Apologies
- A2.** Conflicts of interest
- A3.** Acknowledgements and tributes
- A4.** Public participation

As per standing order 14.17 no debate or decisions will be made at the meeting on issues raised during the forum unless related to items already on the agenda.

- A5.** Actions from public participation
- A6.** Extraordinary business

B. Decision Reports from Chief Executive and Staff

- B1.** Adoption of Annual Report 19/20 Pages 1-2
- B2.** Externally Funded Projects – Approval to Proceed Pages 3-6
- B3.** Increase of Service - Martinborough Transfer Station Pages 7-8

SOUTH WAIRARAPA DISTRICT COUNCIL

17 DECEMBER 2020

AGENDA ITEM B1

ADOPTION OF THE 2019/20 ANNUAL REPORT

Purpose of Report

To present for adoption the 2019/20 Annual Report, and 2019/20 Summary Annual Report.

Recommendations

Officers recommend that Council:

1. *Receives the Adoption of the 2019/20 Annual Report.*
2. *Adopt the 2019/20 Annual Report (to be tabled).*
3. *Adopt the 2019/20 Summary Annual Report (to be tabled).*
4. *Delegate to the Mayor and Chief Executive to correct minor grammatical and other errors.*
5. *Delegate to the Mayor and Chief Executive authority to sign these reports.*

1. Executive Summary

The Draft Annual Report has been previously circulated and discussed at a workshop on 16 December 2020.

Audit New Zealand has completed their review of the Annual Report and the underlying information.

It is important to note the Annual Report, and the correctness of the disclosures, internal controls and the detection of fraud are SWDC's responsibility.

The audit process is at a high level and provides an opinion on whether the financial statements show a true and fair view of the operations for the year ended 30 June and as at that date. The audit is not designed to specifically look for fraud or irregularity.

2. Discussion

The Annual Report has been delayed this year. Audit NZ has been working with Wellington Water Ltd and also Palmerston North Council (after hours call centre) on several of the non-financial performance indicators. These issues will be resolved prior to adoption of the Annual Report.

Audit NZ is also reviewing Council decision made in February 2020 to delay conducting a customer survey, as it affected the ability to report of some non-financial performance measures.

Note 29 provides an explanation of the key budget vs actual variances.

A “representative copy” of the annual report and summary will be tabled on the 17 December 2020, once adopted a final copy will be published.

Contact Officer: Katrina Neems, Chief Financial Officer

Reviewed By: Harry Wilson, Chief Executive Officer

SOUTH WAIRARAPA DISTRICT COUNCIL

17 DECEMBER 2020

AGENDA ITEM B2

EXTERNALLY FUNDED PROJECTS – APPROVAL TO PROCEED

Purpose of Report

To update Councillors on two projects funded by Central Government, outline key risks to the Council and to approve Council entering into the contracts to deliver the projects.

Recommendations

Officers recommend that the Council:

1. *Receive the Provincial Growth Fund Projects – Approval to proceed*
2. *Note the potential financial risk for Council in the projects, and*
3. *Delegate authority to the Chief Executive to enter into the contracts for the projects.*

1. Executive Summary

In May 2020, the Government announced that funding from the Provincial Growth Fund (PGF) and the Infrastructure Reference Group (IRG) would be used to support New Zealand's economic recovery from the effects of the COVID-19 pandemic. SWDC were successful in securing funding for the renovation of community facilities and the War Memorial in Featherston.

In addition, the Wairarapa Trails Action Group applied to the IRG, through the Provincial Development Unit (PDU), for funding to construct improved cycleways, including a cycle bridge over the Tauherenikau River. This application was successful and has been allocated \$1.36m to proceed. As the bridge will be constructed within the South Wairarapa District, officers propose that SWDC assume responsibility for the project.

Part of the PGF funding was also made available for the renovation of marae across the country. As the marae was not a registered legal entity with an ability to enter into the funding agreement, SWDC supported Hau Ariki marae in Martinborough in applying for funding to install a sprinkler system, improve kitchen facilities, the installation of water tanks and other facility improvements. This application was successful and has been allocated \$371,000 to proceed.

Although delivery of the projects will be managed by the Greytown Trails Trust (GTT) and Hau Ariki marae, respectively, Council is required to enter into agreements with the Ministry of Business, Innovation and Employment (MBIE) to access the funding. This agreement outlines that, should the cost of delivering the projects be more than that allocated, then Council will be liable for delivering the projects as described in the application form and for any additional costs in excess of the funding allocated.

While it is intended that Council will, in turn, transfer that obligation to cover any cost overruns onto the GTT and the marae, and having officers maintain active involvement in, and oversight of, the projects to avoid the likelihood of this happening, a residual risk to Council remains.

2. Discussion

2.1 Scope of works – Tauherenikau Cycle Bridge Project

Funding of \$1.36m has been approved by the PGF to cover:

- Suspension bridge construction
- Trail site and vegetation clearance
- Trail construction and surface laying
- Drainage
- Planting
- Other works including fencing, signage, seating, car parking and other public facilities.

Funding for the maintenance of the bridge and related infrastructure will need to be considered as part of the LTP process

2.2 Scope of works – Hau Ariki marae

Funding of \$371,000 has been approved by the PGF to cover:

- Install a sprinkler system
- Construct a firewall
- Water tank installation
- Repair of the storage shed
- Kitchen renovations
- Glass repair
- Renovation of ladies' toilets

2.3 Key risks and mitigations

In entering into the agreements with MBIE for these projects, Council are agreeing to the following clause:

- 3.3 **Overruns:** The Parties acknowledge that the Funding in clause 3.1 (Schedule 1) is the Total Maximum Amount Payable by the Ministry for the Project, and that the Recipient will be liable for all cost overruns in relation to the delivery of the Project. The Ministry will not be liable for any cost overruns. The Recipient will carefully monitor the likelihood of cost overruns through its budgeting and reporting process, and will notify the Ministry as soon as it is aware that there is a likelihood that Project Costs will exceed the Total Maximum Amount Payable under this Agreement.

As would be expected, the agreements also specify that the scope of the original application is delivered.

As a result of these clauses, Council may be exposed to financial risk, should the cost of delivering the projects exceed the agreed funding amount. At this time it is difficult to quantify what that could be but the likelihood of it eventuating is considered moderate-low and will be mitigated by:

- Contracting with the GTT and Hau Ariki marae for the fixed amount of funding to deliver the project scope. (Despite this, here remains the possibility that the entities is unable to meet this obligation and Council will remain subject to the agreement with MBIE to deliver the project and pay for cost overruns.)
- Having GTT and Hau Ariki marae agree fixed price quotations from experienced and trusted contractors to deliver the works. These agreements will also be reviewed by Council officers.
- Ensure appropriate project contingencies are included in the funding to allow for some project overrun.
- Having the SWDC Amenities Manager monitor the works being undertaken and having the GM Partnerships and Operations in a project governance and MBIE liaison role. This will provide visibility of progress and any issues can be identified and managed early in the process.
- Having the project progress and any emerging issues reported to the Council Assets and Services Committee at its regular meetings.

The social, cultural and economic benefits to our local communities of the two projects are considered to be high and the successful delivery of them will significantly enhance the opportunities available to local residents and visitors alike.

3. Conclusion

Despite the mitigations proposed, above, the risk to Council is moderate-low but still possible. However, given the benefits to our community, it is considered appropriate that Council agree to the clause and manage the risk appropriately.

Contact Officer: Euan Stitt, GM Partnerships and Operations

Reviewed By: Harry Wilson, CEO

SOUTH WAIRARAPA DISTRICT COUNCIL

17 DECEMBER 2020

AGENDA ITEM B3

INCREASE IN SERVICE - MARTINBOROUGH TRANSFER STATION

Purpose of Report

To obtain Council approval to increase the service hours of the Martinborough Transfer Station.

Recommendations

Officers recommend that the Council:

1. *Receive the Increase in Service - Martinborough Transfer Station Report.*
2. *To consider and approve the increase in service of the Martinborough Transfer Station.*

1. Discussion

Currently the Martinborough Transfer Station opening hours are:

Wednesday 1.00pm – 3.00pm
Saturday 10.00am – 4.00pm
Sunday 10.00am – 1.00pm

Martinborough Transfer Station is the only refuse/recycling station in the SWDC district. The operation of the weighbridge and increase in patronage is resulting in congestion at the site and build-up of traffic. In addition, the inconsistent opening times can frustrate users of the site, particularly when ratepayers outside of Martinborough travel distances to the site to find it closed.

Officers propose to increase the hours of the Martinborough Transfer Station to the following:

Wednesday 10.00am – 4.00pm
Saturday 10.00am – 4.00pm
Sunday 10.00am – 4.00pm

This gives standard opening hours across all three days for the ratepayers and allows ratepayers time to load and travel to the station outside of Martinborough during the week and weekends. It also spreads the incoming volume of refuse over three whole days to the station to free up the weighbridge.

If Council agree, officers propose that the increase in service take effect from 1 January 2020 in order to cover the busy Christmas period.

1.1 Consultation

There are no consultation requirements associated with the proposed increase in service levels.

1.2 Legal Implications

There are no legal implications associated with this proposal.

1.3 Financial Considerations

There is an increase in costs due to an extra 11 hours over the three days to a total of \$2,656.90 per month or \$31,882 per year.

This financial year has only 6 months remaining from the 1st of January 2021 so the financial impact for this financial year will be \$15,941. This will be an unbudgeted cost as the cost has not been included in the annual plan.

Contact officer: Bryce Neems, Amenities and Solid Waste Manager

Reviewed by: Karen Yates, Policy and Governance Manager