

**MINUTES OF WESTERN BAY OF PLENTY DISTRICT COUNCIL
PROJECTS AND MONITORING MEETING NO. PMC24-2
HELD IN THE COUNCIL CHAMBERS, 1484 CAMERON ROAD, TAURANGA
ON TUESDAY, 4 JUNE 2024 AT 9.30AM**

1 KARAKIA

Whakatau mai te wairua	Settle the spirit
Whakawātea mai te hinengaro	Clear the mind
Whakarite mai te tinana	Prepare the body
Kia ea ai ngā mahi	To achieve what needs to be achieved.
Āe	Yes

2 PRESENT

Cr D Thwaites, Cr A Sole, Cr T Coxhead, Cr G Dally, Mayor J Denyer, Cr M Grainger, Cr A Henry, Cr R Joyce, Cr M Murray-Benge, Deputy Mayor J Scrimgeour and Cr A Wichers.

3 IN ATTENDANCE

J Holyoake (Chief Executive Officer), R Davie (Deputy CEO/General Manager Strategy and Community), C Crow (General Manager Infrastructure Services), A Curtis (General Manager Regulatory Services), L Balvert (Communications Manager), C McLean (Director Transportation), P Watson (Reserves and Facilities Manager), P Mickleson (Corporate Performance Manager), K Little (Operations Manager), A Carey (Financial Business Partner Lead), G Golding (Governance Manager), S Prendergast (Project Engineer), H Wi Repa (Governance Systems Advisor) and R Leahy (Governance Advisor).

VIA ZOOM

P Renouf (Commercial Business Analyst).

OTHERS

13 Members of the Public;
C Luxton MP; and
S Henderson (Independent Member Audit, Risk and Finance Committee).

4 APOLOGIES

Nil

5 CONSIDERATION OF LATE ITEMS

Nil

6 DECLARATIONS OF INTEREST

Nil

7 PUBLIC EXCLUDED ITEMS

Nil

8 PUBLIC FORUM

Mike Williams, Kirsten Warbrooke, Alan Doddwell – Work Road/SH2 Action Group

Representatives from the Work Road/SH2 Action Group were in attendance to discuss their concerns with wire barriers on State Highway 2. They made the following comments:

- A group of residents from Work Road were concerned about proposed barriers that would be put in place by NZTA Waka Kotahi.
- They requested that Council advocate on their behalf to NZTA Waka Kotahi to stop barriers being put across intersections on State Highway 2.
- The proposed barriers would force drivers travelling southbound on State Highway 2 who want to access Work Road to travel an additional seven kilometres to do so. The alternative to this would be to travel to the end of the barrier to U-turn in a less safe section.
- They requested a two year moratorium on the works by NZTA Waka Kotahi until the effects of installation of wire barriers could be assessed and included up-to-date data.
- They proposed that an alternative design including a gap in the wire barrier at intersection which would enable drivers to access Work Road in a safer manner. The design could be used for Lund Road and Turner Road.

Mr Williams responded to pātai as below:

- They had suggested to NZTA Waka Kotahi that the funding for the wire barriers on State Highway 2 be reallocated to another road that was in greater need of safety measures.
- Fire and Emergency Services had been approached by the group, however, they accepted NZTA Waka Kotahi's proposal.

Mayor James Denyer clarified that he had written a letter to the Minister for Transport and shared the Group's concerns and ideas.

Mr Bruce McCabe – Ōmokoroa Residents and Ratepayers Association

Mr Bruce McCabe, President of Ōmokoroa Residents and Ratepayers Association was in attendance to discuss his concerns with Council's Elderly Housing. He made the following comments:

- The Ōmokoroa Residents and Ratepayers Association was of the belief that elder housing in the district had become a cost to ratepayers and was not a ringfenced activity, contrary to the policy.
- The expenditure of \$4.6million of Better Off Funding for elder housing had resulted in an opportunity cost to ratepayers as it could have been used for other projects for ratepayers. Mr McCabe was of the belief that the Better Off Funding could have been used to fund three waters projects, which would now be funded by loans.
- Mr McCabe stated that the Ōmokoroa Residents and Ratepayers Association had been charged for a Local Government Official Information Act (LGOIMA) request.
- The Ōmokoroa Residents and Ratepayers Association queried how Council would rectify the alleged policy breach for funding Elderly Housing.
- Mr McCabe requested that the 'Elder Housing – Ringfenced activity update' report lay on the table until his concerns were clarified and rectified.

Mr McCabe responded to pātai as below:

- Land acquired for Elderly Housing, which was a ringfenced activity, should be accounted for so that it was not a cost to ratepayers. The land occupied by elderly housing could have been sold and used to develop other housing.
- A LGOIMA request was made to Council regarding the minimum and maximum rent charged for elderly housing. The rent charged was substantially lower than calculated gross rental that could be charged.
- The Ōmokoroa Residents and Ratepayers Association was charged \$380 for their LGOIMA request.
- Mr McCabe was of the belief that other Councils had spent their Better Off Funding on three waters projects.
- It was Mr McCabe's belief that Council should renegotiate its contract for the Heron Crescent elderly housing development.

9 PETITIONS

9.1 ROCKY CUTTING ROAD PETITION

The Committee considered a report dated 4 June 2024 from the Roading Engineer – East. The report was taken as read:

Staff responded to pātai as follows:

- A road sealing project for Rocky Cutting Road was scheduled for the next four to five years. There was currently no project to widen the road.
 - The potholes that were identified on the road had been fixed.
 - As per Standing Orders, the petition was required to come to the relevant Committee, in this case the Projects and Monitoring Committee.
 - The requests for the upgrades to the road were assessed against the development code. If the traffic volumes of the road had changed then the road would need to be reassessed against the code.
 - As part of the Speed Management Plan process, it was recommended that the speed limit for Rocky Cutting Road be reduced to 60km/h or 80km/h. As a result of discussions through the Strategy and Policy Committee, it was decided that the speed limit for that road remained the same.
 - The Speed Management Plan would be reviewed in three years time, which would be the first opportunity to review the Rocky cutting Road speed limit. If the nature of the road changed then there would be justification to change the speed limit of that road.
 - If the speed limit for Rocky Cutting Road was reduced, this would be an inconsistent approach to other rural roads within the network.
 - It was advised that the installation of a mirror on the Welcome Bay – Rocky Cutting Road could provide a false sense of security for drivers.
 - There was a slip on the road, however, it was not clear if that was caused by drains not being cleared. The drains had been programmed to be cleared in accordance with the Levels of Service.
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RESOLUTION PMC24-2.1

Moved: Cr M Murray-Benge

Seconded: Cr A Henry

1. That the Transportation Engineer's report dated 4 June 2024 titled 'Rocky Cutting Road Petition' be received.
2. That the report relates to an issue that is considered to be of **low** significance in terms of Council's Significance and Engagement Policy.
3. That the Projects and Monitoring Committee does not approve the development and delivery of a seal widening and safety improvements project on Rocky Cutting Road independent of Council's pavement rehabilitation programme.
4. That the Projects and Monitoring Committee recommend that the Rocky Cutting Road speed limit be considered in a future Speed Management Plan review.

CARRIED

10 PRESENTATIONS

Nil

11 REPORTS

11.1 OPERATIONAL RISK AND SCORECARD REPORT QUARTERLY UPDATE ENDING 31 MARCH 2024

The Committee considered a report dated 4 June 2024 from the Management Accountant. The General Manager Infrastructure Services provided a brief overview of the report.

Staff responded to pātai as follows:

- The economic downturn was affecting business as there was a reduction in building consents.
 - The project plan for the Katikati Outfall and a recommendation on the structure for the Katikati Wastewater Advisory Group was being finalised and would go to Council for approval.
 - Building consent for Heron Crescent came from an independent consenting authority as Western Bay of Plenty District Council (WBOPDC) was the applicant.
 - There was a risk of non-compliance with Bay of Plenty Regional Council over the discharge quality of the water from the Katikati Wastewater Treatment Plant, as it did not meet resource consent conditions. Council was in the process of awarding a tender to upgrade the plant which would reduce that risk. Bay of Plenty Regional Council was satisfied, so long as Council progressed upgrades to the treatment plant.
 - The No. 1 Road Pavement Rehabilitation and Seal widening project was delayed due to the termination of the WestLink contract. The stormwater aspect of the project was complex, Council needed to obtain agreement with the landowner to take the additional stormwater. Council was in a good position for negotiations and had satisfied Bay of Plenty Regional Council's concerns with the design.
 - If agreement with the landowner was reached, Council would look at procuring a contractor to start works on No.1 Road in September 2024.
 - The latest design option for No. 4 Bridge had not been considered previously. Additional geotechnical assessment for the site would be required before the pile design was finalised.
 - A multi-criteria analysis for the latest design for No. 4 Road Bridge and the first option was conducted. It found that the latest option provided the best access for the contractor and road users during construction, and reduced the amount of road closures that would be required.
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- Earthworks for the bridge construction could start in September 2024, and once completed the bridge construction would begin. It was intended that all works for the bridge would be completed by the end of February 2025.
- Council was seeking 71 percent subsidy from NZTA Waka Kotahi to reinstate No. 4 Road Bridge.
- It was expected that the stormwater upgrades and first section of the rehabilitation and seal widening of No. 1 Road would be completed before the kiwifruit season.
- The upgrade to the Waihi Beach Wastewater Treatment Plant required an increase to the budget, staff would put forward a submission to the Long Term Plan for this project.
- Mayor James Denyer had written to Central Government Ministers requesting that they reconsidered the decision to delay building Ōmokoroa High School.
- A High Court case regarding the implementation of fluoride was ongoing. Staff would speak to the Ministry of Health about their position before Council could make an informed decision.
- Council had faced some challenges with the current designer for the Te Puke Wastewater Treatment Plant. Staff were seeking a resolution with the designer and clear dates on when they would receive the final design.
- Alternative technology for the Te Puke Wastewater Treatment Plant was being investigated as the technology could significantly reduce the budget and increase the benefit of the overall discharge.
- Staff were looking to implement a procurement strategy that would enable the Ōmokoroa Roundabout to be completed by December 2025.
- Developments undertaken by Kāinga Ora in Te Puke were granted consent on a non-notified basis. Kāinga Ora had made a consent application for Middlebrooke Road development in Katikati, no decision had been made on whether this consent would be notified.

The Water Services Strategic Advisor supported by the General Manager Infrastructure Services provided a presentation on the Infrastructure Capital Programme – 24/25.

Staff responded to pātai as follows:

- Staff would utilise Power BI to report on the progress of projects and highlight areas of concern to improve deliverability.
- Cost savings would come from the upfront procurement strategy and bundling projects.
- The Project Control Group was operational and would focus on processes for implementing the capital works programme. Councillors would still be required to provide high level direction for large projects.

- Project Management Tools could add value by enabling staff to see where a project was at. It also enabled better reporting for the rest of the organisation.
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RESOLUTION PMC24-2.2

Moved: Cr A Henry

Seconded: Cr M Murray-Benge

That the Management Accountant's report, dated 4 June 2024 titled 'Operational Risk and Scorecard Report Quarterly Update Ending 31 March 2024' be received.

CARRIED

12 INFORMATION FOR RECEIPT

12.1 ELDER HOUSING – RINGFENCED ACTIVITY UPDATE

The Committee considered a report dated 4 June 2024 from the Finance Business Partner lead. The report was taken as read:

Staff responded to pātai as follows:

- Council was not breaching the policy, as no ratepayer money had been applied to the current account.
 - The Elderly Housing activity would be reported on through the Annual Report.
 - The actual cost for the completed development at Heron Crescent, including earthworks, would be around \$8 million. Funding from the Ministry for Housing Development would only fund \$4.6 million of the project.
 - There was a commitment to Department of Internal Affairs that any surplus from any projects would go to three waters projects.
 - The waterfall model was used to allocate overheads to activities. The model was prescriptive in terms of what percentage of costs were allocated to each activity.
 - The growth projects in the Long Term Plan were projections from external funding. Council could not rely on this funding and the projects were therefore being removed from the Long Term Plan.
 - The funding received from the Ministry for Housing Development could only be spent on the Heron Crescent project.
 - The Ōmokoroa Ratepayers Association had put through 17 LGOIMA requests on the housing project, the group was only charged for one of these LGOIMA requests.
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- It was clarified that Katikati Beach Road development came under budget at \$1.6 million.
- The balance sheet had been factored in for a loan repayable for 25 years, the cash surpluses could be used to reduce debt or invest.
- Calculations for rent that would be charged for the elderly housing units were currently underway.
- Staff were meeting with Work and Income to discuss the accommodation supplement for the tenants.
- Council could not claim market rent on the elderly housing units. The agreement with Ministry of Housing Development was that Council would not charge more than 80 percent of market rent.
- The cost to refurbish the elderly housing units had been factored into the modelling.

13 RESOLUTION TO EXCLUDE THE PUBLIC

RESOLUTION TO EXCLUDE THE PUBLIC

RESOLUTION PMC24-2.3

Moved: Deputy Mayor J Scrimgeour

Seconded: Cr A Sole

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter 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 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
13.1 - Ōmokoroa Transfer Pipeline	<p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations</p>	s48(1)(a)(i) - 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 would exist under section 6 or section 7

	(including commercial and industrial negotiations)	
CARRIED		

The Meeting closed at 12.55pm.

Confirmed as a true and correct record by Council on 15 August 2024.