

Draft Significant Forecasting Assumptions – 2025 to 2034

Financial estimates form part of the Long Term Plan. These estimates are based on assumptions about future conditions and events, which may or may not occur. A financial estimate’s quality is therefore dependent on the appropriateness, completeness and reasonableness of the underlying assumptions as well as on the underlying information. Actual results may differ from these assumptions and variations may be material. The information in these financial statements is initially for the purpose of Council consulting with the community on the spending priorities outlined in the Long Term Plan.

The Local Government Act requires these assumptions to be disclosed. This allows the readers to make their own judgement on the assumptions’ quality and reliability. To further assist readers make an informed judgement, it is also necessary to provide information about the sensitivity (to change) of financial estimates.

The Local Government Act describes these financial estimates as being based on assumptions that ‘involve a high level of uncertainty’.

The Long Term Plan must clearly identify:

- All the significant forecasting assumptions and risks underlying the financial estimates
- The assumptions of the Council concerning the useful lives of significant assets and the sources of funds for future replacement of those significant assets.

- In any case where significant forecasting assumptions involve a high level of uncertainty, the fact of that uncertainty and an estimate of the potential effects of that uncertainty on the financial estimates must be provided.

The assumptions made in preparing the forecasts are discussed below:

1. Useful Lives of Significant Assets

The following table lists the estimated economic life of Council’s significant assets and will be applied to the planned asset acquisitions in this Plan:

Class	Asset	Life (years)
Operational	Buildings	5-50
	Computers/electronic office equipment	3-5
	Fixtures, fittings and equipment	5-50
	Plant (vehicles)	5
	Library lending matter (excluding special collections)	7
	Special Collections	Not depreciated
Infrastructural	Transport Management:	
	Street lighting	5-47
	Kerb, channel and footpath	5-100
	Bridges and Culverts	18-80
	Pavement surface	3-19
	Pavement structure	5-80
	Stormwater	5-100
	Water Supply:	
	Collection and storage	2-80
	Local distribution	5-80
	Wastewater:	
	Reticulation system	5-80
Pumping and treatment	5-80	
Restricted	Buildings and Other	6-25

NOTE: It is assumed that assets will be replaced at the end of their useful lives

Risk: Useful lives of assets are greater (or less) than the estimate

Likelihood: Low. Asset management plans are in place for significant assets, with the assets condition monitored and assets well maintained.

Impact: That the current ratepayers will contribute more (or less towards the cost of those assets than other generations of ratepayers. Council endeavours to achieve inter-generational equity for the cost/renewal of assets over their useful lives

2. Sources of Funds for Future Replacement of Significant Assets

Council had fully funded depreciation on all its significant assets (being roading, water and wastewater infrastructure and networks), up until 30 June 2023. From 1 July 2023, following consultation with the community Council reduced the level of depreciation funding, as a mechanism to reduce the significant rates increase, due to the high inflationary impacts. This reduced funding of depreciation (to 65% of depreciation expense) was a temporary approach, with the intention for Council to gradually return to fully funding depreciation on significant assets. The depreciation funds are put into reserves and used for the replacement of significant assets.

However, some buildings are considered non-strategic, and the depreciation is not funded, mostly because the level of utilisation is significantly below the buildings' capacity. As a result, it is unlikely these buildings would be replaced in their present form. Also, their replacement may be by rented accommodation or by buildings funded by way of loans and/or grants. The advantage of not funding depreciation on these buildings is that the community is not rated for depreciation on assets that are unlikely to be replaced with buildings of equivalent value.

Buildings that are unlikely to be replaced in their present form and therefore their depreciation is not funded, include: Council Buildings

(including Town Hall, Concert Chamber, Library/Museum and Offices), Tarawera Park Amenity Building, Recreation Centre, Swimming Pool, Depot and Pensioner Houses.

Other sources of capital funding include NZTA subsidies, as outlined in assumption No. 5, and internal loans.

Risk: That the community wants the non-strategic assets renewed in their present form and there are no other funding sources available for their renewal

Likelihood: Medium

Impact: Minimal. That Council will need to raise loans to fund the renewals to these non-strategic buildings

3. Revaluation of Non-current Assets

Council is required per accounting policies that Infrastructural assets (including land and buildings) are revalued on a three-yearly basis. The last revaluation was as at 30 June 2022. Under the current policy, revaluations will occur as at 30 June in the years 2025, 2028, 2031 and 2034.

The effect of the revaluations has been estimated using the forecasts of price level change adjustors prepared by Business and Economic Research Limited (BERL) from the latest revaluation per the Annual Report to 30 June 2022. At the time of preparing the Long Term Plan no new revaluation figures were available.

Risk: That the actual revaluation and the consequential depreciation expense is materially different to the Long Term Plan projections.

Likelihood: Medium

Impact: Low. Council will amend the depreciation budgets accordingly in the preparation of each Annual Plan to reflect any increases in depreciation following the revaluations.

Likelihood: Medium

Impact: Minimal. There is sufficient capacity in the infrastructure to cope with a much higher population than current.

4. Projected Growth Change Factors (population and development)

The census in 2023 put Kawerau’s population at 7,610, a 2% increase (2018 census 7,460). Further population projections provided by Statistics New Zealand indicate Kawerau’s projected population in 2033 will be between 8,000 – 8,500. Previous projections had the population declining after a couple of years of small growth. However, due to a number of factors including: the impact of COVID-19, increased cost of housing in other centres, more job opportunities (in the wider area) and ongoing economic development initiatives, the population is projected to continue to have a small rise for at least the next 12 years.

Council remains optimistic of the future growth potential within the district. The recent Local Government Commission’s decision to approve a boundary reorganisation has unlocked new land for industrial development, a Council housing development project progresses positively, new industrial investment enquiries continue and all boost confidence for growth and increasing the rating base.

Also, the lower cost of living and increased quality of life when compared to living in larger centres, are other reasons why the district will continue to be a desirable place to live.

The existing infrastructural network has capacity for a District population of at least 10,000. Growth is monitored to determine any potential additional demand on infrastructural services. It is not anticipated that the current level of service will change over the period of the 2025 - 2034 Long Term Plan.

Risk: That the population projections are not correct

Table: Population of Kawerau District *

Year	Population
2022	7,760
2026	8,266
2028	8,370
2033	8,630
2038	8,760
2043	8,900
2048	8,960
2053	8,971

* Source for 2024 onwards – Population Forecast – MR Cagney BOP Housing needs research – ‘Medium’ assessed projections have been used.

5. Inflation

The forecasts in this Plan have been adjusted for inflation using projections of price level change adjustors specifically for local government by Business and Economic Research Limited (BERL) and are listed in the table below.

Table: Inflation adjusters: Percent change per annum

Year ending	Roading	Property	Water	Energy	Staff	Other
June 2026	3.0%	3.0%	5.6%	5.6%	3.5%	2.7%
June 2027	3.0%	2.9%	5.4%	5.4%	3.3%	2.6%
June 2028	3.0%	2.7%	4.9%	4.9%	2.8%	2.6%
June 2029	2.8%	2.4%	4.6%	4.6%	2.6%	2.2%
June 2030	2.7%	2.4%	4.3%	4.3%	2.4%	2.1%
June 2031	2.4%	2.2%	3.3%	3.3%	2.2%	2.1%
June 2032	2.4%	2.2%	3.0%	3.0%	2.1%	2.0%
June 2033	2.4%	2.1%	2.4%	2.4%	2.0%	2.0%
June 2034	2.3%	2.1%	2.3%	2.3%	1.9%	1.9%

Source: BERL Oct 2024

Risk: That the actual inflation adjusters are different to what is projected

Likelihood: Medium

Impact: Low. Inflation assumptions are reviewed each year and Council will amend its budgets as part of preparing each annual plan if required to reflect the impact of inflation movements. Council has used data from BERL, a reputable experienced Local Government provider. However, with a changing global economy, it is difficult to judge the inflationary impacts that will occur.

6. New Zealand Transport Agency (NZTA) Subsidy Rates

NZTA contributes significantly to the costs of maintaining and renewing roads. The assumption has been made that when roads are due for renewal, NZTA will contribute towards the cost on the currently agreed rates.

The agreed subsidy rates are:

Financial Assistance Rate	%
1 July 2025 to 30 June 2026	75%
1 July 2026 to 30 June 2027	75%

For the purposes of providing estimates this subsidy rate has been used. The budgeted land transport subsidies for the period of this plan are outlined in the table below:

Table: Budgeted land transport

2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
608,700	608,700	1,111,443	1,138,895	1,167,500	1,250,663	1,280,215	1,310,775	1,397,985

Risk: Reduction in subsidy rate

Likelihood: Low for the next two years as (recently reviewed by NZTA). Thereafter the risk is considered moderate, as dependent on the funds that will be available.

Impact: See table below

Sensitivity in subsidy revenue to a 5% change in subsidy rates

The following table shows the impact to revenue if there is a 5% change in the subsidy rates:

2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
40,580	40,580	74,096	75,926	77,833	83,378	85,348	87,385	93,199

Council would continue the existing level of service if the subsidy rate was reduced by up to 5%. The shortfall would be funded from rates, which would add up to a further 0.3% increase to Council's rates for 2025/26.

If NZTA stopped subsidising roading entirely, Council would need to consult with the community about different service levels and the costs of maintaining roads at those different levels. If the projected subsidy for 2025/26 had to be funded from rates, this would add a further 4.2% to total rates and up to 7.2% in 2033/34. Council considers this to be unlikely.

7. New Zealand Transport Agency (NZTA) Funding for Stormwater

NZTA up until 30 June 2024 contributed towards the cost of stormwater operating and capital costs, on the basis that this activity is solely to address stormwater that comes from the roads and also impacts the roading network. From 1 July 2024 onwards NZTA will no longer subsidise capital expenditure for stormwater, however NZTA will continue to provide subsidy on operational expenditure at the same

subsidy rate as roading of 75%. This funding is confirmed for the three year period to 30 June 2027.

The assumption has been made for the Long Term Plan that NZTA will continue to fund the operational costs at the same rate of 75%.

For the purposes of providing estimates, this subsidy rate has been used.

The budgeted stormwater subsidies for the period of this plan are outlined in the table below:

2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/23	2033/34
39,000	31,500	23,950	24,610	25,270	25,880	26,500	27,140	27,750

Risk: NZTA will cease providing subsidy for stormwater costs

Likelihood: Low for next two years, medium for long term as NZTA will review for the period 1 July 2027 onwards.

Impact: If NZTA remove the subsidy from 1 July 2027 onwards, Council would consult with the community regarding rating for this additional cost. The cost on rates equates to 0.1% so not a significant impact.

8.Expected Interest Rates on Borrowing

During the period of the Long Term Plan Council anticipates it will raise \$6 million in additional external loans (\$6 million as at 30 June 2025) for water pipe renewals and has included the cost of this borrowing in the estimates.

Council has also established reserves to fund renewal. Internal borrowing is used for new capital works or for renewals where there are insufficient reserve funds available. The primary objective of funding internally is to use reserves efficiently and create operational savings by eliminating the interest rate margin between investments and borrowing externally. The parameters applying to Council’s internal loans are:

- The term will be determined after considering the useful life of the new capital project and the availability of reserve funds over the anticipated term of the internal loan.
- Principal amounts are repaid in monthly instalments. Amounts are agreed upon at the commencement of the loan and determined on a table mortgage basis.
- Interest is charged to the activity centre based upon the average rate of Council’s investments on the date it resolves to lend internally.
- Council has the ability to reset interest rates annually during the preparation of the Long Term Plan or Annual Plan

It is anticipated that external borrowing will be done through Local Government Funding Agency (LGFA), and internal borrowing will be from Council’s depreciation reserves. The expected interest rates on internal borrowing is forecasted interest rates for investments and the interest rate for external borrowing is the rate which LGFA is currently lending funds. The table below shows the respective interest rates:

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Interest rate (external)	6.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Borrowing (\$)	8,000,000	10,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000

Risk: Change in rate

Likelihood: Medium

Impact: See table below

Sensitivity in interest expense to a 1% change in interest rates (external)

2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
80,000	100,000	100,000	120,000	120,000	120,000	120,000	120,000	120,000

NB There is no risk to a change in the interest rate for internal borrowing as this is set by Council

9. Climate Change and Natural Disasters

NIWA's climate change projections for New Zealand projects the following for the Bay of Plenty Region:

- the projected Bay of Plenty temperature changes increase with time, and future annual average warming spans a wide range, 0.5-1.0°C by 2040, and 1.0-3.5°C by 2090;
- the area closest to the East Cape warms the least, with annual warming of 1.5-2.0°C compared with 2.5-3.5°C for most of the region under RCP8.5 by 2090;
- the average number of hot days and extreme hot days is expected to increase with time and scenario, with the largest increase in the central part of the region and the least increase in the eastern hill country;
- the number of frost days is expected to decrease throughout the region, with the largest decreases expected in inland areas;
- the number of heavy rain days (i.e. days where the total precipitation exceeds 25mm) is projected to see little change for most of the Bay of Plenty region by 2040. By 2090, reductions in heavy rain days are projected for the Raukumara Ranges in particular, with small reductions across most of the region;
- extreme, rare rainfall events are projected to become more severe;
- drought potential is projected to increase across the Bay of Plenty;
- annual mean wind speed is projected to slightly decrease in the Bay of Plenty, but there is a mixed direction of change for different seasons.

These projections aren't dissimilar to the climate change data that international and national bodies have produced since the previous LTP. Council considers how the latest climate change data and projections may affect the integrity of the LTP; the services council has to carry out, and Kawerau district in the future.

Council acknowledges that extreme weather events are likely to occur over the period of the Long Term Plan. However, it is anticipated that the district's infrastructure has sufficient capacity to cope with the changing weather patterns and there will be minimal risk of significant costs or changes to levels of service arising from these weather events.

The planned costs included in this plan exclude any possible financial implications of natural disasters.

Risk: There is a risk that the predictions on climate change as provided by the International Panel on Climate Change and the MfE are over or under estimated. There is also a risk the impacts of climate change for Council activities will be more significant than planned for. It is unlikely the risk will be lower than planned for.

Likelihood: Moderate

Impact: Where the impacts of climate change have a potential implication for Council services, options for adaptation will be identified and a planned programme will be prepared.

Council for 2024/25 budgeted and incurred capital works expenditure to determine engineering works required for the high water table levels in Hardie Ave, which are impacting roading infrastructure. This is the first capital works that could be attributed to the change in weather events, due to the high water table levels. Where there is particular concern for immediate remediation work with regards to Climate Change these will be identified and work planned. However, at this stage there are no immediate plans, other than the Hardie Ave project which

is underway. It is likely that any additional operating and capital expenditure will possibly be required outside the nine year life of this plan. As Climate Change is likely to be gradual, the impacts will be longer term than the current plan. We will need to balance the needs and expectations of our community so it is able to finance the forecast costs for addressing climate change.

At this stage, assessing the financial implications of adapting to the effects of climate change is ongoing. They will be refined in subsequent plans as investigations are progressed.

Insurance

Council has assumed that it will be able to obtain insurance cover for all existing policies (which includes cover for assets that are damaged due to severe weather events) over the period of this Plan and that the cost will be similar, plus inflation.

Risk: That an extreme weather event causes significant damage.

Likelihood: Medium

Impact: Could be significant. Council has put in place all reasonable mitigations to reduce the impact of natural disasters.

10. Societal Changes

It is acknowledged that there will be some minor societal changes over the period of the Long Term Plan. As with the rest of the country the district's population will be getting progressively older and more people will be receiving some form of government benefit. However, Council has assumed that there will not be a significant change to the makeup of the district's population over the period of the Plan, and therefore has not made any provision for additional (or reduced) services.

Risk: That there will be a significant change in the societal makeup of the district requiring different Council services.

Likelihood: Low

Impact: Minimal. Most of the current council services will still be required even if there was a significant societal change.

11. Resource Consents

During the period of the Long Term Plan 2025 – 2034, Council will be renewing the resource consents that it holds for: disposing of waste onto land (Rapid Infiltration Basins), taking water for the purpose of providing drinking water to residents, taking water from the Tarawera River to irrigate sports fields, taking water from the Ruruanga Stream for the irrigation of sports fields and taking and discharging geothermal steam into the Ruruanga Stream for heating the swimming pool.

Council has anticipated that all these consents will be renewed, as to date there has been no indication to the contrary. Also all estimated costs associated with the renewing of these consents and any subsequent conditions for Council that are reasonably anticipated, are included in the figures of the Long Term Plan.

Risk: Resource consents may not be granted or require additional conditions to be met, which will increase the associated costs.

Likelihood: Low

Impact: Council would look at realistic alternatives if consents are not issued or there are costly conditions to be met.

12. Emissions Trading Scheme (ETS)

Council does not own forestry and does not participate in the emissions trading scheme. Council does not operate a landfill, as this was closed in

2006. While Council does have an on-going liability for the maintenance and monitoring of the closed landfill, there are no Emission Trading Scheme cost implications which Council needs to recognise. Council pays an Emissions Trading Scheme fee for the disposal of its waste at Tirohia which is included in the estimates for solid waste disposal.

Risk: That there will be future emissions costs for Council

Likelihood: Low

Impact: Council would need to consider how best to reduce any likely future emissions costs should this occur.

13. External Funding Assumptions

Council has included in the Long Term Plan all significant estimated external funds and the corresponding expenditure when it is considered reasonably certain that Council will receive these funds. Where Council is less than reasonably certain of receiving external funds, the revenue has not been included in the Long Term Plan and the expenditure is only included if Council is prepared to fund the project in total.

Risk: That budgeted external funds are not received.

Likelihood: Medium

Impact: Council would reduce the corresponding expenditure accordingly or consider funding the shortfall from other sources.

14. Significant Ratepayers

There are large Industrial ratepayers within the Kawerau District, who contribute significantly to the total rates of Council. Council has assumed for the purposes of preparing the Long Term Plan that all large Industrial ratepayers will continue to operate over the period of the Long Term Plan

and their values will not change significantly relative to other property values.

Risk: That one or more significant ratepayers closes.

Likelihood: Medium

Impact: Council would need to consider the impact to other ratepayers and whether to reduce services.

15. Council Collaboration

Council is a shareholder in Bay of Plenty Local Authority Shared Services (BOPLASS). BOPLASS has managed to achieve a number of significant savings for members through collaborative procurement projects including: insurance, printing and copying, telecommunications, courier service costs and others. Council has included the lower cost estimates in the Long Term Plan that have resulted from these procurement projects as it is anticipated that these cost savings will continue when new contracts are negotiated.

Risk: That cost savings previously achieved do not continue.

Likelihood: Low

Impact: There would be additional costs for these shared services, but these are not a large portion of Council's total costs.

16. Quality of Asset Data

Council has been undertaking water reticulation renewals which has provided quality data on the quality and life of the new assets. This renewals project is to continue for the next four years.

Council's stormwater, water supply and wastewater reticulation networks have been divided into zones based on the estimated average date at which each zone was developed. Renewal/replacement of reticulation for

each zone is averaged over ten years (apart from water which will be done over a period of 6 years). This allows for the spread of installation dates and different rates of deterioration. Replacement decisions are based on information including the condition, reliability and maintenance of the asset as well as age.

- Risk:** That the asset data is incorrect, and the consequential planned renewals are not correct.
- Likelihood:** High - Council has only undertaken minimal samples of pipes to date but further investigations are planned.
- Impact:** Infrastructure may either be replaced before the end of its useful life or need replacement earlier than programmed. This could result in additional costs for residents.

17. Capital expenditure delivery

The nine-year budget has been developed based on the best available information on the likely timing of capital projects and programmes. The completion of capital projects is impacted by the availability of contractors, as capital works are completed by external contractors. In recent years the impact of Covid19, with increasing costs, materials availability and staffing shortages all contributed to a reduction in the level of capital projects delivered by Council. For the 2023/24 financial year Council completed 73% of major capital projects (prior years comparative 2022/23 = 41%, 2021/22 = 50% and 2020/21 = 86%), which is a return to the expected levels of capital expenditure delivery.

- Risk:** That the actual timing of the capital programme is different from that forecasted.
- Likelihood:** Medium
- Impact:** The financial implications would depend on planned funding sources for the relevant capital expenditure and its associated expenses. The financial impact would therefore

be on funding requirements, borrowings, interest expense, depreciation expense and consequential operating costs. Other areas such as the market's response to the increased programme certainty and any potential further Covid-19 lockdowns are beyond our control.

18. Local Government Reforms (excluding three water reforms)

The Government has signalled that as well as the Local Water Done Well reforms, it will also be undertaking a comprehensive review of Local Government, including the priority of getting back to basics, so there could be potential changes. The review into the Future of Local Governments also proposed recommendations that the Government is yet to consider.

There are no definitive statements concerning these reforms, other than the Local Water Done Well. The Long Term Plan has been prepared on the basis that existing services and activities will continue to be provided by Council (business as usual), due to the uncertainties of any of the potential legislative changes. The changes regarding the Local Water Done Well reforms are detailed in a separate point below. Any future changes to legislation will be incorporated into Council's operations as and when required.

- Risk:** Local Government reforms result in Council providing reduced/different activities which could require changes in resources and costs.
- Likelihood:** Low in terms of any immediate impact, as any changes would take some time and consultation before being implemented, except for the Local Water Done Well reforms which are discussed separately below.
- Impact:** Any impact to Council will depend on the extent of legislative change brought about by these reforms. At this time, it is difficult to speculate what these impacts might be.

Council will seek to comply with all legislation prudently and for the community's best interest.

19. Local Water Done Well Reforms

The Government has introduced the new Local Water Done Well legislation. The new Water Services Preliminary Arrangement Act requires Council to develop a Water Service Delivery Plan (WSDP) for Kawerau's delivery of water, wastewater and stormwater activities. Council is in the process of completing the WSDP, which is due for completion by early September 2025, which is following the adoption of this Long Term Plan.

The Long Term Plan anticipates that Council will continue to own and maintain all water, wastewater and stormwater (3 Waters) infrastructure assets and will deliver these services, and essentially continue business as usual. However, the business structure that delivers these services may change for the next Long Term Plan being 2027 to 2037, whereby the structure of delivery may be via an in-house business unit or a regional Council Controlled Organisation (CCO).

The Local Water Done Well legislation also introduces the requirement of an Economic Regulator with pricing and possibly new water quality standards that will be monitored by the Commerce Commission. The requirements of the Economic Regulator are still unknown; therefore this assumption has a high level of uncertainty.

Council has no control over the legislative changes the Government is making with regards to delivery of three waters, however Council will ensure compliance with all requirements, with the priority of delivery of these essential services to the community. The full extent and scale of the changes are still unknown; therefore it is difficult to determine and quantify the financial impacts on Council's operational expenditure, revenue, capital expenditure or debt levels.

Risk: The Local Water Done Well reforms may significantly change the way the three waters services are delivered and funded, with the potential that this change could result

in significant funding and resourcing implications for the rest of the Council.

Likelihood: High

Impact: As at 30 June 2024 the Annual rates revenue collected to maintain and renew the Water \$1.4m, Wastewater \$1.68m and Stormwater \$67k. The carrying value of Council's three waters assets as at 30 June 2024 was Water \$15.96m, Wastewater \$14.33m and Stormwater \$5.97m.

Any impact to Council will depend on the extent of change brought about by these reforms. At this time, it is difficult to speculate what these impacts might be.

20. Possible Impact of Future Legislative Reforms

There are currently a number of legislative reviews underway, including the Resource Management Act, Building Act, Civil Defence Emergency Management Act and Health and Safety Act. As these legislative reviews are still underway, there are no specific details of the impacts and changes they may have on the delivery of Council's services.

There are no definitive statements concerning these possible legislative changes, other than the Local Water Done Well. The Long Term Plan has been prepared on the basis that existing services and activities will continue to be provided by Council (business as usual), due to the uncertainties of any of the potential legislative changes. Any future changes to legislation will be incorporated into Council's operations as and when required.

Risk: That there are significant changes to the legislation that will cause Council to incur additional costs.

Likelihood: High as there are a significant number of legislative reviews underway. However, low impact for the immediate Long Term Plan for years 1 to 3, as legislative changes take time to process.

Impact: Any impact to Council will depend on the extent of legislative changes brought about by the legislation reviews. At this time, it is difficult to speculate what these impacts might be. Council will seek to comply with all legislation prudently and for the community's best interest.

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