



**The Ordinary Meeting of the  
Kawerau District Council will be held  
on Tuesday, 15 December 2020  
in the Council Chamber commencing  
at 9.00am**

## **AGENDA**

### **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 Ordinary Meeting of the Kawerau District Council  
will be held on Tuesday 24 November 2020  
in the Council Chamber commencing at 9.02am**

**Present:** His Worship the Mayor M J Campbell  
Deputy Mayor F K N Tunui  
Councillor W Godfery  
Councillor B J Julian  
Councillor C J Ion  
Councillor D Sparks  
Councillor A Rangihika  
Councillor R G K Savage  
Councillor S Kingi

**In attendance:** Chief Executive Officer (R George)  
Manager, Planning, Compliance & Capability (C Jensen)  
Manager, Operations & Services (H van der Merwe)  
Manager, Finance & Corporate Services (P Christophers)  
Communications Manager (T Humberstone)  
Customer Service Officer (B McGregor)

**Apologies**

Nil.

**Leave of Absence**

Nil.

**Opening Prayer**

His Worship the Mayor/Chief Executive Officers PA Pari Maxwell opened the meeting with a prayer.

**Public Forum**

Brett Pacey

Brett asked Council to better inform the community about what they can and cannot recycle.

**Action item**

Council to put additional information in the next newsletter.

Alistair Holmes

Alistair mentioned that the sound in the Council Chambers is still a concern.

**Declarations of Conflict of Interest**

Nil.

**1 CONFIRMATION OF COUNCIL MINUTES**

**1.1 Ordinary Council – 27 October 2020**

**Resolved**

**Councillors Sparks/Rangihika**

**Correction:** Action Item - Pg 2, Change Fenton Street to Fenton Mill Road.

*That the Minutes of the Ordinary Council meeting held on 27 October 2020 is confirmed as a true and accurate record.*

**2 RECEIPT OF COMMITTEE MINUTES**

**2.1 Regulatory and Services Committee – 10 November 2020**

**Resolved**

**Councillors Ion/Julian**

*That the Minutes of the Regulatory & Services Committee meeting held on 10 November 2020 is confirmed as a true and accurate record.*

**2.2 Audit and Risk Committee – 17 November 2020**

**Resolved**

**His Worship the Mayor/Councillor Tunui**

*That the Minutes of the Audit & Risk Committee meeting held on 17 November 2020 is confirmed as a true and accurate record.*

**2.3 Creative Communities Committee – 18 November 2020**

**Correction:** Action Item – Requested that apologies are recorded for Councillor Julian, Maryanne Tamatea, Barbara Morgan & Councillor Kingi attending at 1.45pm.

**Correction:** Action Item - Councillor Godfery to sign the minutes as the Chair.

**Resolved**

**Councillors Godfery/Julian**

*That the Minutes of the Creative Communities Committee meeting held on 18 November 2020 is confirmed as a true and accurate record.*

**3 Action Schedule (101120)**

**Action Item** - Pg 14 Councils Risk Maturity Improvement Programme, change estimated time of completion to early 2021.

**Resolved**

**Councillors Ion/Kingi**

*That the updated Action Schedule of resolutions/actions requested by Council is received.*

**4 His Worship the Mayor's Report (101400)**

**Resolved**

**His Worship the Mayor/Councillor Tunui**

*That His Worship the Mayor's report for the period Wednesday 21 October 2020 to Tuesday 17 November 2020 is received.*

**5 Annual Plan Performance for 3 Months ended 30 September 2020 (Manager, Finance and Corporate Services) (110400)**

Council discussed the report 'Annual Plan Performance for 3 Months ended 30 September 2020'.

**Resolved**

**Councillors Kingi/Savage**

*That the report "Annual Plan Performance for the 3 months ended 30 September 2020" is received.*

**6 Membership of Local Government Funding Agency (LGFA) (Manager, Finance and Corporate Services) (206700)**

Council discussed the report 'Membership of Local Government Funding Agency (LGFA).

**Resolved**

**Councillors Sparks/Rangihika**

1. *That the report "Membership of Local Government Funding Agency" is received.*
2. *That Council confirms its intention to join LGFA as a borrower.*
3. *That Council approves the following documents in relation to Council's accession to LGFA:*
  - *Accession Deed to Multi-Issuer Deed*
  - *Stock Issuance Certificate*
  - *Debenture Trust Deed*
  - *Security Stock Certificate*
  - *Officer's Certificate*
  - *Registry Customer Agreement*
  - *Accession Deed to Notes Subscription Agreement*
  - *Chief Executive Certificate*
4. *That Council authorises the Mayor and Deputy Mayor to execute the following documents:*
  - *Debenture Trust Deed*
  - *Registry Customer Agreement*
  - *Accession Deed to Multi-Issuer Deed and*
  - *Accession Deed to Notes Subscription Agreement*

5. That Council delegates the Chief Executive to execute the following documents:

- Security Stock Certificate – in relation to the Multi-Issuer Deed
- Stock Issuance Certificate – in relation to the Security Stock Certificate

6. That Council delegates the Chief Executive to execute such other documents and undertake such other steps as necessary to give effect to the above recommendations with notification to elected members.

**7 Adoption of Annual Report and Summary for the year ended 30 June 2020 (Manager, Finance and Corporate Services) (201000)**

Due to Audit NZ not completing the audit of these documents, Council agreed to defer the item until 15 December 2020.

**8 Exclusion of the Public**

**Resolved**

**Councillors Sparks/Kingi**

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

1. Confirmation of Minutes of the Kawerau District Council Meeting (Confidential) – 27 October 2020.

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:

<b>General Subject of the matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48(1) for the passing of this resolution</b>
1. Confirmation of Minutes of the Kawerau District Council Meeting (Confidential) – 27 October 2020.	Maintain the effective conduct of public affairs through the free and frank expression of opinions.	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)

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.

Following the resumption of open meeting.

**Meeting closed 9.44am**

M J Campbell

**Mayor**

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## Action Schedule

Meeting Date	Resolution / Action Requested	Action	Status	Comments	Estimated Completion Date
R&S 12.02.19	<p><b>Monthly Report - Finance &amp; Corporate Services</b></p> <p>Advise Council whether insurance will be paid for the bridge repair work <u>26.05.20</u> Staff were asked to contact Council's lawyers and request arbitration.</p>	MFCS	In progress	<p>Council's lawyers sought further information from consultant (Opus) regarding whether the bridge could have been repaired in situ or required removal.</p> <p>Opus have completed the report and Council's lawyers have written to Trident's Insurers.</p>	Ongoing
Council 30.04.19	<p><b>Action Schedule</b></p> <p>Councillor Kingi noted the poor lighting between the Rautahi Marae drive-way to the other side of the Cosmopolitan Club</p>	MOS	In Progress	<p>Investigation was completed in August.</p> <p>Trust Horizon funding awarded to install new streetlights.</p>	2020/2021 Financial Year
R&S 16.07.19	<p><b>Earthquake Prone Buildings</b></p> <p>The Committee expressed a desire to understand what was required for Rautahi Marae and then to discuss the issues with Trustees.</p>	MPCC	In Progress	<p>A report on CDEM status will be provided to a Council workshop. Council can then determine their next steps.</p>	February Workshop 2021
A&R 17.12.19	<p><b>Review of Revenue and Financing Policy</b></p> <p>Amend Council's Revenue and Financing Policy for 2021/22 so that it matches the practice adopted by Council.</p>	MFCS	In Progress	<p>Council will review the Revenue and Financing Policy as part of the preparation of the 2021 – 31 Long Term Plan</p>	During 2020/21
A&R 04.02.20	<p><b>Council's Risk Maturity – Improvement Programme</b></p> <p>Arrange KPMG to review Council's Risk Management Maturity profile once the tasks in progress/underway are completed.</p>	MFCS	In Progress	<p>There are still a couple of tasks remaining. Following their completion, a further review will be undertaken.</p>	February 2021

Meeting Date	Resolution / Action Requested	Action	Status	Comments	Estimated Completion Date
Council 26.05.20	<b>Results of 2020 NRB Survey</b> Elected Members agreed to review the way in which Council engages community satisfaction.	CEO	Pending	The Leadership Team will review how to measure community satisfaction for 2022-2023 and report to Council.	March 2021
R&S 16.06.20	<b>Monthly Report – Operations &amp; Services</b> Elected Members requested a report on the downstairs ladies toilets.	EM	In Progress	Minor works will commence in December. A full report will be provided to Elected Members in February.	February 2021
R&S 16.06.20	<b>Maurie Kjar Memorial Pool</b> Further discussion is needed and possible input from the community on the new hours.	PRM	In Progress	A workshop will be held with Elected Members in February.	February 2021
R&S 16.06.20	<b>KDC Traffic Calming Measures</b> Elected Members requested a report to Council on the safety aspects of speed humps around Kawarau schools.	EM	In Progress	A report will be provided to Elected Members in February.	February 2021
R&S 14.07.20	<b>Monthly Report - Operations &amp; Services</b> Elected Members requested an update on the status of CCTV cameras, where vandalism had been occurring and a mobile camera be put in the carpark behind the Library. <b>R&amp;S 13.10.20 Monthly Report – Economic &amp; Community Development</b> The Manager, Operations & Services to investigate the logistics in the installation of a mobile camera at the Community gardens.	MFCS/ MOS	In Progress	A verbal update was provided to Elected Members. A mobile camera has been installed in an area subject to repeated vandalism. A workshop will be held with Elected Members to discuss mobile cameras.	Completed  February 2021
A&R 17.11.20	<b>Occupational Health and Safety Management System Status Report</b> The Committee requested an update on the outstanding recommendations for Firmin Lodge facility – health and safety observations.	HSO/ EM	In Progress	The outstanding recommendation was a speedhump installed at Firmin Lodge, which will take place in February 2021.	February 2021

Meeting Date	Resolution / Action Requested	Action	Status	Comments	Estimated Completion Date
A&R 17.11.20	<b>Treasury Report</b> The Committee requested an update on Council's Treasury Policy.	MFCs		Staff will update the Treasury Policy as part of the 2021-31 Long Term Plan	February 2021

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OC: Ordinary Council  
A&R: Audit & Risk Committee  
MPCC: Manager, Planning, Compliance & Capability  
EC: Extraordinary Council  
MOS: Manager, Operations & Services  
ECDM: Economic & Community Development Manager  
R&S: Regulatory & Services Committee  
MFCS: Manager, Finance & Corporate Services



**Meeting** Council  
**Meeting Date:** 15 December 2020  
**Subject:** His Worship the Mayor's Report  
**File No.** 101400

## 1 **Purpose**

The purpose of this report is to outline meetings, functions and events that I have hosted, attended and/or participated in from the period Wednesday, 18 November to Tuesday, 8 December 2020. I have also included upcoming meetings to Tuesday 22 December 2020.

### November

- Asaleo Care Planting Day
- LGNZ Rural and Provincial Meeting, Wellington
- Mayors Taskforce for Jobs AGM Meeting, Wellington
- Opened the African's Cultural Festival held at Firmin Lodge
- Council Meeting
- Welcomed the Bay of Plenty Cross Government Agency groups to Kawerau

### December

- Mayors Taskforce for Jobs Recovery Programme Meeting, via Zoom
- Regulatory & Services Committee Meeting
- Council Meeting
- Council Workshop
- Catch-up with Tuwharetoa Kaumatua Te Haukakawa (Boycie) Te Rire
- Civil Defence Emergency Management Group Meeting, Whakatane

## 2 **RECOMMENDATION**

That His Worship the Mayor's report for the period Wednesday, 18 November to Tuesday, 22 December 2020 be received.



Malcolm Campbell, JP  
**Mayor**



**Meeting:** Council

**Meeting Date:** 15 December 2020

**Subject:** Proposed Insurance Policies for 2020/21

**File No:** 201000

## 1 **Purpose**

At its meeting on 17 November 2020, the Audit & Risk Committee considered a report on proposed insurance policies for 2020/21. The Audit & Risk Committee resolved to receive the report and that a further report go to Council, which highlights:

- The re-insurance process
- If the excesses are appropriate
- If there are other policies (insurance), that should be added
- Assessment of benefit of using brokers and if there were cheaper options.

## 2 **The Re-Insurance Process**

Appended is a report from BOPLASS Ltd outlining the Insurance Renewal Programme for 2020. This report was considered by the BOPLASS Board at its meeting on 4 December 2020. It outlines the process that was undertaken and a commentary on the insurance market.

## 3 **The Level of Excesses**

The excess levels were reviewed during the renewal process and were considered appropriate when considered alongside premium increases for lower excesses. A lower excess will apply to the residential units as required by the statutory supervisor, although this results in higher premiums. A Material Damage excess of \$10,000 has been lowered to \$2,000 for the residential units. Council has yet to receive the additional costs resulting from lowering this excess, however it is anticipated that this will not be a significant increase.

## 4 **Other Insurance Policies**

Staff do not consider that there are further policies that should be added. During the renewal process, the following policies were considered by staff.

Policy	Cover	Cost (excl. GST)	Reason for not taking out a policy
Personal Injury Cover	The Council receives the benefits under this policy.	\$2,566	Of limited use. There is no cover if the person dies or cannot work through illness.

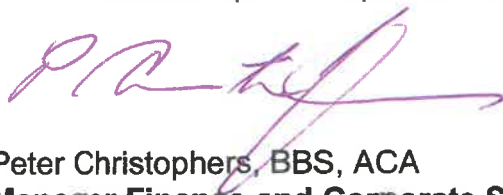
Policy	Cover	Cost (excl. GST)	Reason for not taking out a policy
	The intent of this policy is to provide cover to the Council in the event that one of the Insured people dies through an accident. It provides some funds to the Council for the costs of holding a by-election (for the Councillors) and recruitment costs (for the senior employees covered by the policy).		
Contract Works Cover	Contract cover for the Retirement units during the build phase.	n/a	Generation Homes cover this with Builders risk insurance until handover is completed. At this stage the units will be covered under Council material damage policies.

## 5 Assessment of the benefit of using brokers

Council's brokerage fee for the 2020/21 renewal programme was \$9,615, a 10.6% decrease on the previous year's brokerage fee. The attached renewal report outlines the benefits of the BOPLASS approach. Staff consider that this approach is the most efficient and cost effective. It is highly unlikely that Council could achieve these results on its own.

## 6 RECOMMENDATION

That the report "Proposed Insurance Policies for 2020/21" be received.



Peter Christophers, BBS, ACA  
**Manager Finance and Corporate Services**

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15 November 2020

**BOPLASS Ltd***“COUNCILS PARTNERING FOR VALUE AND SERVICE”*

**Report to BOPLASS Ltd Board  
4 December 2020**

**BOPLASS Insurance Renewal Programme Report  
International and New Zealand Markets 2020**

**BACKGROUND**

In 2010 BOPLASS and MW LASS undertook an inter-LASS combined tender process for the procurement of insurance brokerage services. This tender was subsequently awarded to Aon NZ Ltd as the combined insurance brokers for both LASS companies.

The BOPLASS-Aon initiated collective model for local government below ground insurance cover started in 2013 with recommendations for LASS councils to explore direct insurance placements into international markets, predominantly due to the difficulty of securing competitively priced capacity within local markets. BOPLASS has worked closely with MW LASS and Waikato LASS in further developing this local government insurance programme. This inter-LASS initiative has returned significant savings and remains in place today.

Since inception, the model has become a popular choice with 68 councils from across the country now participating. The total worth of insured assets has grown from \$4 billion at inception to its current value of \$60 billion. This popularity has necessitated that the collective be split into 9 groups based on geography and risk profile.

The BOPLASS renewal programme has primarily been staged out of Lloyds in London but, more recently, opportunities have been explored in the Asian and Bermudan markets – with good interest received from both markets. This year COVID-19 travel restrictions dictated that renewal negotiations be undertaken via video conference. The relationships formed over recent years have allowed the LASS group to retain its presence in the international markets at a time when direct access has become restricted.

In early September 2020, Stephen Boyle (BOPLASS), Craig Grant (MW LASS), Blair Bowcott (Waikato LASS) and senior Aon representatives met in Auckland to present to local and international underwriters. Leveraging off existing relationships we were able to promote, inform and renew the combined below ground insurance portfolios for the collective. While our focus was on the 29 councils represented within the LASS group, our messaging to the underwriters still supported the New Zealand local government collective as a whole. However, we strive to differentiate the uniqueness of the LASS groups and their respective risk profiles.

The LASS-Aon collective model for the member councils is as follows:

- BOPLASS                      9 members      (8 currently participating in infrastructure placements)
- MW LASS                      9 members      (includes 3 members from HBLASS)
- Northland                      4 members
- Waikato LASS                      8 members

Despite COVID restrictions in London, 18 syndicates received our presentation (down from 30 syndicates last year). Singapore and New Zealand markets were also represented.

New to the market this year was interest from four of the larger companies in the New Zealand insurance market: AIG, Chubb, QBE, and Berkshire Hathaway. Their historical concerns around asset management maturity within local government have been somewhat negated by the

advances made primarily by the LASS collective and all four companies expressed interest in participating in our infrastructure programme.

Insurance cover for councils is, broadly speaking, separated into two key groups of activities: above ground cover (e.g. buildings, liabilities and motor vehicles) and below ground cover (e.g. 3 waters and flood protection). Prior to 2013, all BOPLASS cover was only sought from local markets.

## **MARKET POSITION 2020**

The international insurance market continues to harden as predicted with premiums expected to continue to rise for the foreseeable future. Recent past events like the Californian wild-fires, COVID-19 impacts and other major losses, including the recent 12 American hurricanes, have collectively reduced global insurance capital (capacity). On the New Zealand front, local issues like the declaration by some councils of a Climate Emergency, the 3-Waters Reform, legislation changes, 60/40 cost share uncertainty, the South Island earthquakes, and the BOP flood claims are all front of mind amongst underwriters.

The London markets have had, in recent times, year on year financial losses which have resulted in them now moving away from higher risk accounts and undertaking a review of underwriting performance and discipline. In response to this pressure, Lloyds has placed a cap on capacity availability to their underwriters. Lloyds has reduced its syndicate numbers by approximately 25% over the past 2 years. With less capacity to sell by the underwriters, the price of insurance cover goes up. Additional pressure has also been placed on the London markets through some of the large USA insurers exiting a number of accounts, with those accounts now looking to London for placement.

In the current market, insurance syndicates remain supportive of those clients with longevity and commitment to London. Additionally, good data and reliable information provides significant advantage over others. Underwriters are no longer able to quote new business and also have restrictions on renewals. However, many of them advised us that they will continue to support our collective and London capacity has been set aside for us.

## **GLOBAL BROKING CENTRES**

There are three Global Broking Centres (GBC's) located in London, Singapore and Bermuda. Asian Pacific countries, which includes New Zealand, are entitled to use any of these three GBC's. Having access to these markets allows our collective to work with our brokers to:

- i) Gain in-depth knowledge of local markets globally and how best to access them,
- ii) Allows for the ability to coordinate the global capacity between the three GBC's,
- iii) Allows us to fill capacity gaps (we have previously struggled to fill some layers using just London),
- iv) Allows for the driving of greater market competition,
- v) Allows us to future proof against any change to the 60/40 model, and
- vi) Ensures that at the time of claim, we have a relationship with the markets.

Currently, we access London markets and have a small amount of capacity sourced from Bermuda. Bermuda is typically more expensive but is a market we are developing relationships in as it may be a critical option if London capacity becomes overly restrictive in the future.

## **ASIAN MARKETS**

The LASS collective has historically limited its core business to London and benefited from direct insurance and the 'softer' markets. While Singapore has traditionally focused on the re-insurance markets, last year we explored opportunities (on behalf of the LASS councils) to engage directly with the Singapore markets (in a similar manner to how we have undertaken in London). As their focus has traditionally been on buildings and not civil works our portfolio was new to them and we were able to generate strong interest. Our LASS representatives were the

only group of New Zealand councils to present directly into these markets. While we did not source any capacity from Asian markets last year, we generated strong interest in our programme and it was pleasing to see Asian syndicates represented at this year's presentations. It is our intention to continue to build on the interest we have generated and capture Asian capacity into future renewals.

Having the ability to work outside London provides alternative capacity options should capacity in London become further restricted. This also allows us to create more competition in the pricing. Furthermore, building relationships with the Asian markets at a time when we are not in a distressed state will help support improved capacity options if we need to seek alternative options in the future.

It appears there are a number of distressed buyers now trying to access the Singapore markets. The fact that we are not a distressed buyer, coupled with the good data we are providing, should support continued interest in the LASS programme from the Asian markets.

## **NEW ZEALAND MARKETS**

New Zealand markets have historically been difficult to access due, in part, to capacity availability, cost of cover, and their perception that councils' asset management maturity was lacking. Furthermore, the level of information and data available to underwriters has also been lacking. Over the past few years the LASS collective model has made significant positive improvements in asset and data management which has been noticed locally.

The scale of our collective has also become attractive to the local markets. In fact, during our presentations a comment was made by one of the larger insurers that they will no longer write below ground cover for individual New Zealand councils, but they are supportive of the LASS model due to the spread of assets and diversified risk.

This year four syndicates attended our presentations in person. They were all complimentary of the progress being made around best practice asset management including long term planning, asset geospatial capture, reinstatement valuations, and loss modelling.

It is intended to retain options to replace any expensive overseas capacity with local capacity.

## **IMPORTANCE OF RELEVANT DATA**

Natural disasters in New Zealand remain a concern for overseas markets, so accurate data is essential. The presentations we provided to the underwriters summarised our insurance package proposal including the risk mitigation detail of our high performing councils. This information included:

- i) Council functions and structure,
- ii) Our current state of play including the Government 60/40 model,
- iii) Risk management approaches,
- iv) Enhancing asset planning,
- v) Future river management planning,
- vi) Creating resilient communities, and
- vii) Renewal details.

This level of detail was well received by all markets and was recognised as being aligned to best practice. However, the risk mitigation detail we presented is not reflective of all member councils. There is a need to better align all councils to a common standard of risk mitigation and asset reporting.

## **BOPLASS COUNCILS' DATA**

Improved valuation data and processes have been implemented by a number of BOPLASS councils, which is great news. In terms of valuation accuracy, we are now ahead of many other councils in the country.

With the emergence of a difficult global insurance market, the reliance on accurate data has become that much more important to underwriters. Accurate data from councils was the number one issue raised by them in our previous presentations (e.g. geospatial data, valuations, replacement programmes etc). The second biggest issue was the inability of councils to directly connect their data links into those of the underwriters. Currently our data is transferred manually into the underwriters modelling tools, which can be time consuming and costly. We are working with our brokers on improving these processes.

The degree of asset management maturity across the region remains varied. For example, revised valuation data for some councils is not filtering through to the Schedule of Values. In these cases, last year's data had to be applied to this year's renewals.

It is important that all BOPLASS member councils continue to develop and deliver best practice data to avoid a risk premium factor being added to the premiums.

## **AON CLIENT TREATY**

When we present to London and Singapore, we present to a number of underwriting companies (18 syndicates via Zoom this year and an unknown number of remote syndicates) who compete amongst each other for our business. No one syndicate provides cover for the entire combined package. Instead, each syndicate presents their best price for the percentage of cover they are prepared to insure, and we must then select a number of syndicates to provide the necessary cover. From our perspective, if price was the only deciding factor we would try and load all our cover on the cheapest syndicate. However, risk, syndicate limits and other factors necessitate us to spread the cover across a number of syndicates. Clearly, the more we can load on to the lower priced syndicates, or create competitive tension through the programme being over-subscribed, this will lower our premiums.

As a result of the scale of business Aon was taking to London a number of Lloyds syndicates have agreed to join an Aon initiated treaty between themselves and Aon called the Aon Client Treaty (ACT). This unique product, that is only available through Aon, provides additional capacity to any placing slip provided from the Lloyds London (and now Singapore) markets. This is an automatic binding arrangement that Aon can apply strategically and means that lower price capacity can be maximised, reducing the use of more expensive capital for a significant percentage of the total placement. This is a long-term agreement with these syndicates meaning the cost savings are guaranteed for the foreseeable future.

## **GLOBAL PLACEMENT FACILITY**

This initiative is in its second year of running with our LASS collective and has been set up because of our large account placement. Unlike the Aon Client Treaty, which was initiated by Aon, this arrangement has been set up by Lloyds.

It amounts to a small group of syndicates (currently 7) chosen from those markets whom have the most appetite for our book and hence are most competitive. By forming this group, it:

- Provides leverage and capacity to the most competitive lead terms available (allows more of the programme to be placed at best terms).
- Allows for much more efficient use of market and brokers' time and allows Aon to get more business placed. For us it provides a much faster turnaround and confirmation of placement than would otherwise be available.
- Negates business issues that may otherwise cause bottlenecks, as they get 'waved' through in the interest of the larger account volume placed.
- Allows use of markets that do not traditionally write facultative business.

This is very good facility for BOPLASS councils to have access to as it means guaranteed support and simpler processes.

## **BENEFITS OF THIS YEAR'S SYNDICATE ENGAGEMENT**

As previously mentioned, the markets continue to harden, international markets are not taking on new clients, and clients considered to have poor history or high risk are being refused access to the markets. Additionally, syndicates are still trying to understand the impacts of COVID-19 which is placing uncertainty in the markets. Despite these challenges, the good news is that BOPLASS councils remain well-respected within these markets, with a good track record, and we continue to have capacity reserved for us at competitive rates. Although the markets are under pressure to increase rates, the following have helped to offset these increases:

- Earlier in the year BOPLASS and MW LASS representatives met with the Lloyds team during their visit to New Zealand with the aim of updating them on our programme and maintaining the strong relationship that has formed.
- The long-standing relationship we have formed with the markets proved to be key in the face of COVID-19 and we continued to make the effort to keep those relationships in place by presenting this year's renewals via video conference. Due to the established relationships we were able to present our continued risk management 'journey' to familiar faces that already had a good understanding of us and our organisations.
- The impact of ACT and the Global Placement Facility available to our councils continues to reduce the premium cost over what would otherwise be offered.
- The initial valuation reviews we have completed provided increased confidence to the underwriters and is reflected in our pricing. We intend to continue to provide improvements in valuation data to help reduce uncertainty for the underwriters, allowing them to refine their rating model. Without this - 'uncertainty costs' will be included in the premiums.
- BOPLASS is a returning customer with proven loyalty to Lloyds.
- To reduce over reliance on a single market, and to create further competitive tension, we are also developing opportunities in the Bermudian, Asian and New Zealand markets.
- The flooding element is difficult for Lloyds to assess. The data being provided by our councils is extremely helpful in further educating the underwriters on our local risks. Flooding exposure and mitigation methods are now better understood through our presentations. We expect the uncertainty loading factor to be reduced.
- Loss modelling, valuation methods and resiliency plans were presented to demonstrate risk management and through life asset management. Again, we expect the uncertainty loading factor to be reduced.
- Outside the USA, Lloyds rarely sees the level of detail being provided by our local government collective.

## **RENEWAL OUTCOMES**

Presentations into the international markets this year, to provide information on our collective infrastructure insurance programme and to encourage participation in the programme, have once again proven to have been very beneficial, albeit somewhat more challenging via Zoom. Additionally, achieving local market participation for BOPLASS councils has been a vote of confidence for our insurance programme as local insurers have previously been hesitant to participate in local authority underground infrastructure insurance. The provision of additional capacity achieved through their participation has introduced further competitive tension into the overall programme and has helped mitigate some of the impacts of the market increases that we have seen in the international markets over the last two years.

While the London markets have loyally held capacity for our councils, this year there was not the excess capacity achieved in other years and therefore less competitive tension. However, our programme was fully subscribed, at competitive rates, and with full coverage provided for all councils.

Total declared values across the BOPLASS councils have increased by 12.21% since 2019. This increase has been predominately driven by improved valuation data and, to a lesser extent,

additional assets. The increase in total declared values has naturally had an impact on the total premiums for 2020.

The overall group premium has increased from \$1,955,395 to \$2,505,630. This increase is made up of \$185,062 in increased values and \$365,173 as a market increase.

This means that at a group level the effective rating increase has been an average of 14%. This is significantly lower than the 15%-20% we had been advised to budget for and well below rates being applied to similar organisations.

We have been advised by our brokers to anticipate premium increases of 20%-25% for at least the next two years while capacity remains constrained and underwriters continue with their cautious approach.

In addition to our continued work within the local and international markets to promote the collective LASS insurance programme, options are being reviewed for changes to the structure of the insurance programme to give consideration to alternative risk transfer for councils and options to offset the forecast increases in premiums.

## **RECOMMENDATION**

***THAT the BOPLASS Insurance Renewal Programme Report dated 15 November 2020 be received.***

S. Boyle  
**BOPLASS Ltd**

**Meeting:** Council

**Meeting Date:** 15 December 2020

**Subject:** Request for Alleyway Closure - Fenton/Pollen Streets

**File No:** 408140

## **1 Purpose**

The purpose of this report is to consider the application from the property owners at 22 Pollen Street to close the alleyway that adjoins their property following consultation with the community.

## **2 Background**

Council received the request to close this alleyway due to ongoing problems with disputes and abuse occurring in the alleyway. Council resolved to support the application for closure and seek community feedback on the proposal to close the alleyway.

Notices have been put either side of the alleyway as well as a notice being included in the Council newsletter. The period for submitting on this proposal closed Friday 4 December 2020.

Staff contacted the Police to see if there were any issues with this alleyway and whether they supported its closure. The Police have not indicated their support or otherwise for the proposal to close this alleyway. They have had no reported occurrences in this area in the last six months.

Council received 49 submissions on the proposal to close this alleyway. 3 people supported it being closed (this included the original application), but 46 requested that it remain open.

## **3 Options Considered**

The options available to Council are:

1. Keep the existing alleyway open and undertake improvements to the alleyway to make it safer and more attractive, or
2. Close the alleyway as requested by the adjoining owners.

## **4 Policy and Plan Considerations**

Council has a policy of closing alleyways for community safety reasons where residents do not regularly use the alleyways. This alleyway appears to be one that is regularly used by residents.

The closure of certain alleyways within Kawerau support the achievement of Council's community visions, in particular 'A Safe and Healthy Community'.

## **5 Significance and Engagement**

Requests from the community to close alleyways are usually supported by the Police.

Council has kept alleyways open in the past where the community has submitted against a proposal to close.

The proposal to close this alleyway is supported by the adjoining property owners but a number of users have asked that it remains open.

## **6 Financial Considerations**

The budget for alleyway closures is \$3,300 and there has been nothing spent to date. This will cover the cost of the physical work (removing the path and putting a fence at each end).

## **7 Legal Considerations**

The option of closing alleyways and issuing a 'Licence to Occupy' agreement is less time consuming and a more economical option than a formal stoppage. This method of closing alleyways also gives Council the option of re-opening the alleyway should this be necessary in the future.

Licences to Occupy are short term (up to 5 years) and need to be reviewed at the end of each term.

## **8 Appendix**

- Plan of Fenton/Pollen Street alleyway.
- Letter requesting closure of alleyway
- Submissions (including petition) from residents regarding proposal to close alleyway
- Letter form Police concerning proposal to close alleyway

## **9 RECOMMENDATION**

1. That the report "Request for Alleyway Closure – Fenton / Pollen Streets" be received.
2. That Council determine whether to close or keep alleyway open.

  
Peter Christophers  
**Manager Finance & Corporate Services**

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# Appendix 1 – Plan Of Fenton/Pollen Streets Alleyway



## Appendix 2 – Letter requesting closure of alleyway

7/6/2020

Untitled document - Google Docs

Brent Mitchell  
22 Pollen St  
Kawerau 3127

06/07/2020

Kawerau District Council  
Islington St  
Kawerau 3127

To whom it may concern,

I am putting in a request to have an alleyway closed between Pollen St and Fenton St, due to some issues arising from its use ie. motorbikes trying to get through, individuals urinating in it, people annoying the neighbours dogs, rubbish left in there, etc, the neighbours on the opposite side at number 24 are keen for this to go ahead also. Could we have the process required initiated please.

Regards  
Brent Mitchell

Appendix 3 – Submissions to close the alleyway

I Debbie Service would like the ally way between Pollen street and fenton street to Remain open as I use it Daily and my Neighbours kidds use it Daily

Thankyou  
from Debbie Service  
Debbie

34 Pollen street  
0226270191



**Paula Webb**

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**From:** Paula Webb on behalf of Kawerau DC  
**Sent:** Friday, 4 December 2020 1:55 PM  
**To:** Paula Webb  
**Subject:** FW: Pollen St Alleyway Closure

*Nāku i roto i ngā mihi* (Kind regards)

*Paula Webb*  
Corporate Services Manager

**From:** Carla Russell <[REDACTED]>  
**Sent:** Friday, 4 December 2020 10:09 AM  
**To:** Kawerau DC <kaweraudc@kaweraudc.govt.nz>  
**Subject:** Pollen St Alleyway Closure

Hi,

I am against the alleyway being closed.  
Leave it open, its not harming anyone.

**Carla Russell**  
[REDACTED]

PETITION TO KAWERAU DISTRICT COUNCIL

IN SUPPORT OF KEEPING OUR ALLEY WAY OPEN

BY POLLEN, FENTON & VOGEL STREET RESIDENTS

KAWERAU DISTRICT COUNCIL

24 NOV 2020

RECEIVED

- It is used daily by residents to walk into town.
- It is a quicker route for our children to come and go to Schools, Kohanga and town amenities, like the swimming pool and library.
- It came in handy when a fire occurred in our street last year and both road entrances were closed off. Residents were still able to get to town through the alley way.
- It is used extensively in the summer as residents usually walk along the fenton street reserve for exercise and enjoyment.

No	Pollen Street No	Residents Names	Phone Number	Signature
1	16	Arona & Charlotte Paul	020 4096 4459	
2	18	Richan Merriner	0204212015	Cyber
3	14	Phil / Kim	0223031261	Phil
4	8	Hana / May	022197391	H. Beattie
5	7	Pollen St	027-0904690	J Ruri
6	7	Pollen St	0272200577	J Ruri
7	6	6 pollen st	0211554527	A.C.C.
8	6	Pollen st	02102216124	Kelishalen
9	4	POLLERY	0273015630	P. LeRan
10	34 Vogel St	Cir Pollery	0273752534	K E Durr
11	27	Michael	0276124572	MV
12	19	Kelley	0221832435	K
13	37E	WIREMUTERA	0211095055	W.P.
14	29	Typhoon Streets	021190080	W.P.
15	17	Paula Roberts	02100725247	PR
16	33	Renee Simpson	0223248811	R.S.

PETITION TO KAWERAU DISTRICT COUNCIL

IN SUPPORT OF KEEPING OUR ALLEY WAY OPEN

BY POLLEN, FENTON & VOGEL STREET RESIDENTS

17	213	River Road	0226250220	J. J. King
18	17	Pollen St.	07929599	J. King
19		1377 main street	027282830	J. King
20	27	Ballance St	02041748605	MB
21	36	Vogel st	0273142619	A. Keato
22	36	Vogel st	0273690249	Janet
23	34	Vogel St	0272497407	The J
24	50	Pollen St	0225304625	Tom
25	25	Pollen St	02041919732	R. Kolar
26	21	Pollen St	0218243631	J. King
27	40	Pollen St	0211550249	J. King
28	29	Pollen St	0214988803	W. King
29	19	Pollen St	073234009	R. Matekura
30	19	pollen street	073234009	King
31	31	pollen street	02113118151	King
32	37	vogel street	0212024836	King
33	41	Vogel street	0278686820	King
34	48	Pollen St	0212508902	King
35	48	Pollen St	027252810	King
36	42	Pollen St	0212551196	King
37	19	pollen st	02108754066	King
38	19	Pollen St	02108781965	King

PETITION TO KAWERAU DISTRICT COUNCIL

IN SUPPORT OF KEEPING OUR ALLEY WAY OPEN

BY POLLEN, FENTON & VOGEL STREET RESIDENTS

39	15	Pollen St Gricey	3237073	<i>[Signature]</i>
40	18	<del>Pollen St</del>	<del>027223555</del>	<del><i>[Signature]</i></del>
41	4	Jan Pollen St	021078666	<i>[Signature]</i>
42	20	Pollen St	0225270104	<i>[Signature]</i>
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**Paula Webb**

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**From:** rrtioke [redacted]  
**Sent:** Tuesday, 24 November 2020 6:56 PM  
**To:** Kawerau DC  
**Subject:** objection to closure of alleyway

Our whanau wish to express our view regarding the KDC 'Request for closure of Alleyway Fenton Street to Pollen street'.

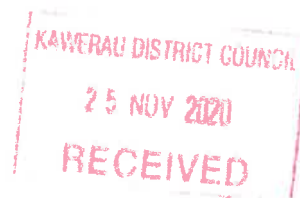
We strongly disagree with the proposed closure, we live nearby and know that the alleyway is used often by many families and tamariki.

We have noticed on local Facebook groups that many also disagree - as FB is a current medium for many community members to express views and opinions it is important that our local council take heed of this. Submissions can risk limiting feedback.

I understand and hear that for some the alleyway has become problematic because of vandalism, noise etc. This could be easily mitigated by the KDC investing in and installing small devices to record and track. Surely this would ensure that the unacceptable behaviours of a very small number does not outweigh the rights and privileges of others- i.e kawerau residents and ratepayers.

**Nga mihi.**  
**Des and Jeanette Tioke**

Sent from my Galaxy





**Paula Webb**

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**From:** Sheryl Laws Patangata  
**Sent:** Wednesday, 25 November 2020 3:27 PM  
**To:** Kawerau DC  
**Subject:** Fenton St Pollen St alleyway closure

**Re: request to close the Fenton & Pollen Street alleyway.**

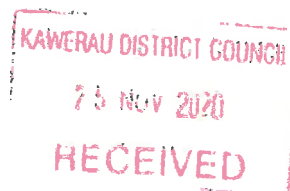
Kia ora koutou

I am writing this as a concerned aunty to 3 nephews who use the alleyway between Pollen Street and Fenton Street every day to go Tarawera High school and home again.

If the alleyway were to close these young boys and many of their friends and other students would have to walk a further distance to school. I live in Hobson Street and very seldom hear any disturbances from that alleyway. The boys have said they would be unhappy if the alleyway were to close and I'm sure their friends would feel the same. Not to mention also the elderly and mothers with prams who walk through there as a shortcut to town.

On their behalf please do not close the alleyway.

*Sheryl Laws Patangata*



**Paula Webb**

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**From:** Vivian Ngatai [REDACTED]  
**Sent:** Monday, 16 November 2020 11:35 AM  
**To:** Kawerau DC  
**Subject:** Closure of Pollen Street/Fenton Street Reserve alleyway

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Dear Kawerau District Council

Please keep the alleyway open. Not only is it convenient for me when walking to town or to the college, it is also convenient for all the children that need to come to the River Rd dairy or to South School. I hope the person who requested closure is not a new arrival into the area because cheek of him/her if it is.

Yours sincerely,  
Viv Ngatai

Sent from [Mail](#) for Windows 10



Ranfury Court  
Private Bag 1004  
KAWERAU 3169  
Phone: (07) 306 9009  
Fax: (07) 323 8072  
Email: [kaweraudc@kaweraudc.govt.nz](mailto:kaweraudc@kaweraudc.govt.nz)  
Website: [www.kaweraudc.govt.nz](http://www.kaweraudc.govt.nz)

File reference: 408140

Date:

Kawerau District Council  
Private Bag 1004  
KAWERAU 3169

Attention: Corporate Services Manager

Name: Pam - Payne - Geoffrey Williams

Address: 24 Pollen St  
Kawerau 3127

**POLLEN STREET / FENTON STREET - Proposed Closure**

- I/we are in favour of the closure of the Pollen Street and Fenton Street alleyway.
- ~~I/we are not in favour of the closure of the Pollen Street and Fenton Street alleyway.~~
- ~~I/we wish the closed alleyway to be incorporated into my/our property.~~
- (Delete lines that are not applicable)
- I/we agree/disagree with the distribution of the alleyway land on the map attached

Any comments regarding the alleyway:

Great to see this happening  
no more kids on our fence  
annoying our dogs -

Signed: *P. Payne*

Date: 16-7-20

Z:\2020\02\CSM\Alleyways\20.07.19.CSM-L-Pollen Street & Fenton Street Alleyway Proposed Closure.BM.docx

**Paula Webb**

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**From:** Janice Kingi <[REDACTED]>  
**Sent:** Tuesday, 24 November 2020 3:51 PM  
**To:** Kawerau DC  
**Subject:** Submission on Closure of Fenton St /Pollen St Alleyway

Janice Kingi  
46 Fenton St  
Kawerau

To Whom it may concern

I am writing this in favour of closing the alleyway. We look straight down the alleyway from our front door. Over the years there has been a lot of problems associated to the alleyway. The main reason I am writing this today is a problem we are having. Over the last 2 months we have had a problem with a college boy who I asked nicely not to drag a stick along our fence which since then on the way home from school if he is a group of other boys, he will throw things at house or kick our fence doing damage. I think this would not be happening if he didn't have the alleyway to shoot thorough out of sight. Today we again had something thrown at the house, on going out they were at the end of the alleyway doing brown eyes soon as they saw hubby start to go over they had time to disappear. I have seen numerous times people shooting thorough it get away from things. I walked down it as well today and was disgusted by all the broken glass etc I saw. As it is one of the last alleyways in Kawerau I strongly agree with the closure.

Thank-you

Janice Kingi

 Virus-free. [www.avast.com](http://www.avast.com)



**Appendix 4 – Letter from police concerning proposal to close alleyway**



30 July 2020

Paula Webb  
Kawerau District Council  
Ranfury Court  
Kawerau 3169

**Proposed Closure – Pollen/Fenton Alleyway, 408140**

Dear Paula

In reply to your letter dated 13 July 2020 requesting comment on any problems Police have been informed of relating to the above alleyway.

A check has been completed on the Police system using a variety of search criteria to locate any occurrences in the past 6 months where the alleyway has been mentioned.

No occurrences have been found.

If you have any questions or queries relating to the above you can contact me directly at the Kawerau Police Station on the number below or e-mail [shane.tailby@police.govt.nz](mailto:shane.tailby@police.govt.nz).

Yours faithfully



Shane TAILBY  
Sergeant  
KAWERAU

**Kawerau Police Station**  
3 Bledisloe Street, PO Box 8, Kawerau, New Zealand.  
Telephone: 07 323 1400. [www.police.govt.nz](http://www.police.govt.nz)



**Meeting:** Council

**Meeting Date:** 15 December 2020

**Subject:** Budget Allocations – Three Waters Reform DIA Grant

**File No.:** 213000

**1 Background**

Staff prepared a Delivery Plan as required by the Department of Internal Affairs (DIA) Three Water Stimulus Grant as was approved by Elected Members at a Regulatory and Services workshop on 15 September 2020. The Delivery Plan was accepted by the DIA and the first tranche of the grant was paid to Council on 4 December 2020. The total awarded grant is \$782,000. The condition of the grant is that the money needs to be spent on additional or new work not already included in the Annual Plan.

The grant needs to be allocated to budgets in order to spend the money. Staff are requesting Council approve these allocations.

The allocations are as follows:

<u>Code</u>	<u>Description</u>	<u>Current budget</u>	<u>DIA Grant</u>	<u>Final Budget</u>
403520 004	Milliscreens	\$ 42,000	\$ 250,000	\$ 292,000
403520 012	WWTP IT	\$ 10,000	\$ 60,000	\$ 70,000
403520 ---	RIB development	\$ -	\$ 70,000	\$ 70,000
3520021022	Wages - WWTP	\$ 15,100 (2020/1)	\$ 15,000	\$ 30,100
3520021022	Wages - WWTP	\$ 15,400 (2021/2)	\$ 15,000	\$ 30,400
406080 ---	Plant	\$ -	\$ 210,000	\$ 210,000
523523 001	BS Contractor	\$ 5,000 (2020/1)	\$ 10,000	\$ 25,000
523523 001	BS Contractor	\$ 5,000 (2021/2)	\$ 45,000	\$ 50,000
303520 002	Video lines	\$ 15,000 (2021/2)	\$ 7,000	\$ 22,000
403001 004	Replace Tobies	\$ 80,000 (2020/1)	\$ 40,000	\$ 120,000
403001 004	Replace Tobies	\$ 75,000 (2021/2)	\$ 45,000	\$ 120,000
6076013060	Consultants	\$ 10,000	<u>\$ 15,000</u>	\$ 25,000
			\$ 782,000	

**2 Options Considered**

The Delivery Plan has been approved by the DIA and any variations will need to be approved by them.

**3 Policy and Plan Considerations**

Allocating these budgets is not contrary to any of Council's Policies and Plans.

#### **4 Legal Considerations**

There are no Legal Considerations with allocating these budgets.

#### **5 Significance and Engagement**

Obtaining the Community's views is not considered necessary.

#### **6 Financial Considerations**

These budgets are fully funded by the DIA and do not require any additional funding from Council or any other agency. These projects are not expected to create any additional long term liabilities.

#### **7 Conclusion**

The Delivery Plan is approved, and the first 50% of the grant has been received. Staff require Council to approve the allocation of funds to allow expenditure.

#### **8 RECOMMENDATIONS**

1. That the report "Budget Allocations – Three Waters Reform DIA Grant" be received.
2. That Council allocate the grant to the listed budget accounts.



Hanno van der Merwe, MSc(Eng), PhD  
**Manager, Operations and Services**

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**Meeting:** Council

**Meeting Date:** 15 December 2020

**Subject:** Town Centre Redevelopment Stage 2: Disability Access Improvement

**File No.:** 409360

## **1 Background**

On 20 October 2020, Kawerau Accessibility Group (KAG) requested a site visit at the Kawerau Hotel to discuss safety concerns for individuals with disability having to cross Glasgow and Plunket Street. KAG requested KDC investigate and redesign the intersection to facilitate safe passage for individuals with disability, on route to the Town Centre.

Further to the site meeting and upon completing the assessment of the intersection, it was determined that raised concrete pedestrian crossings were the most viable solution. It was also determined that the Plunket Street pedestrian crossing could not be constructed without replacing surrounding footpath, kerb and channel.

Due to geothermal activity in this area, the footpath, kerb and channel had become brittle. Consequently, this requires replacement at the same time the pedestrian crossing is being constructed.

## **2 Options Considered**

### **1. Approve the Town Centre Redevelopment Stage 2**

The attached drawing illustrates the extent of the proposed improvements. The scope of works entail the following:

- Construct a 3m wide raised pedestrian crossing, associated signage and roadmarking in Glasgow Street
- Construct a 5m wide raised pedestrian crossing, associated signage and roadmarking in Plunket Street
- Extend the footpath from Glasgow Street corner to the Plunket Street raised pedestrian crossing
- Demolish and reconstruct the kerb and channel on Plunket Street and within the carpark
- Construct / extend the retaining wall to raise the level of the footpath adjacent to Kawerau Motel
- Construct a new footpath from Stage 1: Town Centre redevelopment boundary to Plunket Street

The table below details the cost estimate for undertaking the upgrades:

Description	Unit	Quantity	Rate	Total
<b>Boundary to Plunket Street</b>				
Excavate, supply and place concrete to footpath and cut to match Town Centre	m <sup>2</sup>	410	\$190	\$77,900
Extend / construct retaining wall	LS	1	\$15,000	\$15,000
Excavate, supply and place kerb and channel and reinstate asphalted areas	m	140	\$200	\$28,000
				<b>\$120,900</b>
<b>Raised Pedestrian Crossing Plunket Street</b>				
Construct 5m wide concrete raised pedestrian crossing	LS	1	\$23,500	\$23,500
Supply and install all signage and associated roadmarking	LS	1	\$5,000	\$5,000
Excavate, supply and place concrete to footpath between Glasgow/Plunket Street	m <sup>2</sup>	41	\$135	\$5,535
				<b>\$34,035</b>
<b>Raised Pedestrian Crossing Glasgow Street</b>				
Construct 3m wide concrete raised pedestrian crossing	LS	1	\$18,000	\$18,000
Supply and install all signage and associated roadmarking	LS	1	\$2,500	\$2,500
				<b>\$20,500</b>
<b>Total</b>				<b><u>\$175,435</u></b>

## 2. Do not approve Town Centre Redevelopment Stage 2

Delay this work until the larger Town Centre Redevelopment has been finalised.

### **3 Policy and Plan Considerations**

Neither of the options are contrary to any of Council's Policies and Plans.

### **4 Legal Considerations**

There are no Legal Considerations with approving or declining to approve the additional expenditure.

### **5 Significance and Engagement**

KDC consulted with Kawerau Accessibility Group prior to preparing this report. This report considers their request and incorporates it into the design.

### **6 Financial Considerations**

The cost of Town Centre Redevelopment and Disability Improvement will not be subsidised through NZTA's Low Cost Low Risk scheme. Therefore, KDC will have to fund the full cost of undertaking the improvements. No allowance has been made for this project within the 2020 – 2021 financial year. Therefore, Council will have to review and ratify the expenditure within 2020 – 2021 or defer it to 2021 – 2022.

### **7 Conclusion**

KDC has an obligation to provide a safe roading network that accommodates all residents and users. The Town Centre Redevelopment and Disability Access Improvements will advance the aesthetic of the surrounding area, but more importantly reduce the risk to all users.

### **8 RECOMMENDATIONS**

1. That the report "Town Centre Redevelopment Stage 2: Disability Access Improvement" be received.
2. That Council approve the expenditure for the Town Centre Redevelopment Stage 2: Disability Access Improvement.

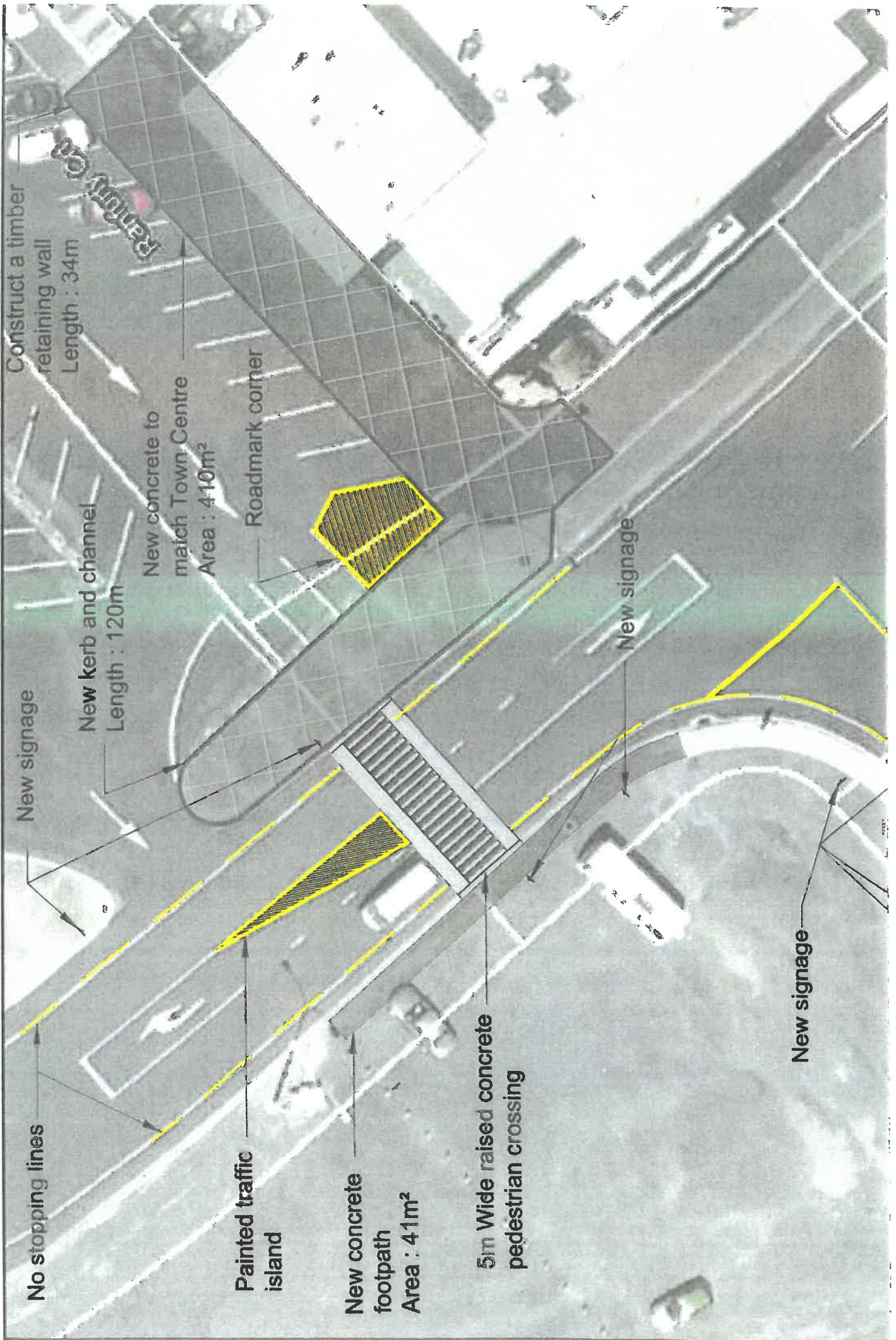


**Andre Erasmus**

**Engineering Manager MBA, MCM, NZCE, NDPM**

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Construct a timber retaining wall  
Length : 34m

New concrete to match Town Centre  
Area : 410m<sup>2</sup>

Roadmark corner

New kerb and channel  
Length : 120m

New signage

New signage

No stopping lines

Painted traffic island

New concrete footpath  
Area : 41m<sup>2</sup>

5m Wide raised concrete pedestrian crossing

New signage



**Meeting:** Council

**Meeting Date:** 15 December 2020

**Subject:** Adoption of Annual Report and Summary for year ended 30 June 2020

**File No:** 201000

## 1 **Purpose**

The purpose of this report is to adopt the annual report and annual report summary for the year ended 30 June 2020 and provide a brief overview of Council's performance for the 2019/20 year.

## 2 **Background**

The Local Government Act 2002 requires that councils produce each year an annual report as well as annual report summary and these documents are audited. The annual report must comply with generally accepted accounting practices which includes the public benefit entity accounting standards.

Council, as a tier 2 entity (total expenses are less than \$30 million), has adopted the reduced disclosures regime for the preparation of the annual report. The annual report and annual report summary must be adopted by Council usually within 4 months of the end of the financial year and within a month of adoption the reports must be available to the public. However, legislation has been passed that extended the period councils must adopt their Annual Report and Summary.

At the time of writing this report, Council's auditors had not completed their final check of the annual report and summary and some minor amendments may still be needed.

## 3 **Performance for the year ended 30 June 2020**

Council had an interrupted year with the COVID-19 lockdown impacting on the provision of non-essential services. As a result of this lockdown Council only achieved 55 out of 107 (51%) of its non-financial performance targets for 2019/20. At least 21 of those non achieved targets resulted from the lockdown, and for the other targets not achieved Council was very close to achieving most of them. Council achieved 76% of its targets for 2018/19.

In the Statement of Comprehensive Revenue and Expense, there was a deficit of \$764,132 compared to a budgeted deficit of \$457,920.

The increased deficit for the year was a result of:

- Increased depreciation costs and losses on the disposal of assets \$304k
- Less revenue from the sale of sections than budgeted \$200k
- Additional personnel costs due to Remuneration Authority determination \$92k
- Deferral of the district plan review \$70k

The Statement of Financial Position is close to budget apart from payables which are slightly higher than budget as a result of timing.

The funding impact statement for the whole of council shows that Council had a surplus from operating of \$2.5 mil (compared to a budget of \$1.8 mil) and there was a \$1.5 mil decrease in reserves.

The financial prudence disclosure statements (pages 49 – 54) show that for 2019/20 Council achieved its targets for:

- Rates affordability (income affordability)
- Rates increase affordability
- Debt affordability benchmark
- Debt servicing benchmark
- Operations Control Benchmark

The financial prudence targets not achieved, were:

- Balanced budget benchmark – this displays Council’s revenue as a proportion of operating expenses, which includes depreciation. As Council does not fund the depreciation on all its assets, it is unlikely that Council will achieve the balance budget benchmark.
- Essential services benchmark – which compares the renewal expenditure on network assets to the annual depreciation of these assets. Kawerau is still a relatively young town and a lot of the network assets that were originally installed have yet to reach the end of their useful life. Consequently, the expenditure on renewals currently does not match the annual depreciation for these assets.
- Debt control benchmark – which shows actual net debt (financial assets less financial liabilities) compared to the planned net debt. Council’s financial assets still exceed the financial liabilities however this figure is a lot lower than was budgeted in the Long Term Plan for 2019/20

Overall and considering the impact of COVID-19, it was a fairly good result for 2019/20 with Council still delivering services to a high standard to the community.

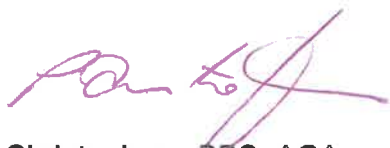
Council is still in a healthy financial position and its infrastructure continues to function well for the community with minimal interruption.

There are a number of capital projects that had to be deferred to the next financial year mostly as result of the lockdown.



#### **4 RECOMMENDATIONS**

1. That the report "Adoption of Annual Report and Summary for the year ended 30 June 2020" be received.
2. That Council adopts the Annual Report and Annual Report Summary for the year ended 30 June 2020.
3. That the Mayor and Chief Executive Officer are delegated to sign the Annual Report for the year ended 30 June 2020 following the adoption by Council.



Peter Christophers, BBS, ACA  
**Manager, Finance & Corporate Services**

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**The Ordinary Meeting of the Kawerau District Council  
will be held on Tuesday, 15 December 2020  
in the Council Chamber commencing at 9.00am**

**A G E N D A**

**Apologies**

**Leave of Absence**

**Opening Prayer**

**Public Forum**

A period of 30 minutes is set aside for public forum at the commencement of this meeting. Each speaker during the public forum section of the meeting may speak for 3 minutes.

**Declarations of Conflict of Interest**

Any member having a “conflict of interest” with an item on the Agenda should declare it, and when that item is being considered abstain from any discussion or voting. The member may wish to remove themselves from the meeting while the item is being considered.

**1 CONFIRMATION OF COUNCIL MINUTES**

**1.1 Ordinary Council – 24 November 2020**

**Pgs. 1 - 5**

**Recommendation**

*That the Minutes of the Ordinary Council meeting held on 24 November 2020 be confirmed as a true and accurate record.*

**2 Action Schedule (101120)**

**Pgs. 7 - 9**

**Recommendation**

*That the updated Action Schedule of resolutions/actions requested by Council be received.*

**3 His Worship the Mayor’s Report (101400)**

**Pg. 11**

**Recommendation**

*That His Worship the Mayor’s report for the period Wednesday 18 November 2020 to Tuesday 22 December 2020 be received.*

**4 Proposed Insurance Policies for 2020/21 (Manager, Finance and Corporate Services) (201000)**

**Pgs. 13 - 20**

Attached is a report outlining the insurance renewal process undertaken by BOPLASS on behalf of Bay of Plenty Councils.

**Recommendation**

1. *That the report "Proposed Insurance Policies for 2020/21" be received.*

**5 Request for Alleyway Closure – Fenton / Pollen Streets (Manager, Finance and Corporate Services) (408140)**

**Pgs. 21 - 35**

Attached is a report asking Councillors to consider a request to close Fenton Street / Pollen Street Alleyway following feedback from the community.

**Recommendation**

1. *That the report "Request for Alleyway Closure – Fenton / Pollen Streets" be received.*

2. *That Council determine whether to close or keep alleyway open.*

**6 Budget Allocations - Three Waters Department of Internal Affairs (DIA) Grant (Manager, Operations and Services) (213000)**

**Pgs. 37 - 38**

Attached is a report on Budget allocations – Three waters Reform Department of Internal Affairs (DIA) Grant.

**Recommendation**

1. *That the report "Budget Allocations – Three Waters Reform Department of Internal Affairs (DIA) Grant" be received.*

2. *That Council allocate the grant to the listed budget accounts.*

**7 Town Centre Redevelopment Stage 2: Disability Access Improvement (Engineering Manager) (213000)**

**Pgs. 39 - 43**

Attached is a report on Town Centre Redevelopment Stage 2: Disability Access Improvement.

**Recommendation**

1. *That the report "Town Centre Redevelopment Stage 2: Disability Access Improvement" be received.*

2. *That Council approve the expenditure for the Town Centre Redevelopment Stage 2: Disability Access Improvement.*

**8 Adoption of Annual Report and Summary for the Year Ended 30 June 2020 (Manager, Finance and Corporate Services) (201000)**

**Pgs. 45 - 47**

Attached is a report highlighting Councils performance for the year to 30 June 2020 and requesting Council adopt the Annual Plan Report and Summary for the year to 30 June 2020.

**Recommendation**

1. *That the report "Adoption of Annual Report and Summary for the year ended 30 June 2020" be received.*
2. *That Council adopts the Annual Report and Annual Report Summary for the year ended 30 June 2020.*
3. *That the Mayor and Chief Executive Officer are delegated to sign the Annual Report for the year ended 30 June 2020 following the adoption by Council.*

**9 Exclusion of the Public**

**Recommendation**

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

1. *The Echo Publication.*

*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:*

<b>General Subject of the matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48(1) for the passing of this resolution</b>
<i>1. The Echo Publication.</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.*

