



**ROTORUA
LAKES COUNCIL**
Te Kaunihera o ngā Roto o Rotorua

Kaupapataka

Agenda

NOTICE OF AN ORDINARY MEETING OF COUNCIL

Date: Wednesday 26 April 2023

Time: 9.30am

Venue: Council Chamber

MEMBERSHIP

Chair Mayor Tapsell

Deputy Chair Cr Kai Fong

Members

- Cr Barker
- Cr Brown
- Cr Kereopa
- Cr Lee
- Cr Maxwell
- Cr O'Brien
- Cr Paterson
- Cr Wang
- Cr Waru

Quorum 6

NGĀ TUKUNGA HAEPAPA A TE KAUNIHERA

COUNCIL DELEGATIONS

Type of Committee	Council Committee
Subordinate to	N/A
Subordinate Committees	<ul style="list-style-type: none"> • District Licencing Committee • Audit and Risk Committee
Legislative Basis	Schedule 7 s30 (1) (A), Local Government Act 2002 Committee delegated powers by the Council as per Schedule 7, s32, Local Government Act 2002
Purpose	The purpose of the Council is to make decisions on all matters that cannot be delegated, that it has not delegated or that it has had referred to it by staff or a committee.
Reference	01-15-016
Membership	Mayor (Chair) Deputy Mayor (Deputy Chair) All councillors
Quorum	6
Meeting frequency	Monthly
Delegations	<ul style="list-style-type: none"> • the power to make a rate • the power to make a bylaw • the power to borrow money, or purchase or dispose of assets, other than in accordance with the Long-term Plan • the power to adopt a long-term plan, annual plan, or annual report • the power to appoint a chief executive • the power to adopt policies required to be adopted and consulted on under the LGA 2002 in association with the long-term plan, or developed for the purpose of the local governance statement • the power to adopt a remuneration and employment policy • the power to set and support strategies in measures related to emergency matters. • all the powers, duties and discretions under the Civil Defence Act for the proper operation and administration of the approved Civil Defence Plan; such delegation to be executed solely within the defined policy guidelines as determined from time to time by the Council and subject to the Financial limits imposed by the approved Council estimates. <p>Additional responsibilities retained by the Council committee:</p> <ul style="list-style-type: none"> • Advise and support the mayor on the development of the long-term plan and annual plans • Approval of long-term plan or annual plan consultation documents, and supporting information and consultation process prior to consultation • Approval of a draft bylaw prior to consultation

	<ul style="list-style-type: none"> • Resolutions required to be made by a local authority under the Local Electoral Act 2001, including the appointment of the electoral officer • Adoption of, and amendment to the Committee Terms of Reference, Standing Orders and Code of Conduct • Relationships with the Te Tatau o te Arawa board, including the funding agreement • Monitor the overall financial management and performance of the council • Make financial decisions required outside of the annual plan budgeting processes • Approve the council’s insurance strategy and annual insurance placement for Council • Write-offs • Acquisition of property in accordance with the Long-term Plan • Disposals in accordance with the Long-term Plan • Review the Chief Executive’s performance annually and establish performance targets for each year • Undertake a performance review at the end of the first term of appointment as required by Schedule 7, clause 35 of the Local Government Act 2002. Undertaken no less than 6 months before the date on which the chief executive’s contract of employment for the first term expires.
Relevant Statutes	All the duties and responsibilities listed above must be carried out in accordance with the relevant legislation.
Limits to Delegations	Powers that cannot be delegated to committees a per the Local Government Act 2002 Schedule 7 S32.

Order of Business

1	Karakia Whakapuaki - Opening Karakia.....	5
2	Ngā Whakapāha - Apologies	5
3	Whakapuakitanga Whaipānga - Declarations of interest	5
4	Ngā Take Whawhati tata kāore i te Rārangi Take - Urgent Items not on the Agenda..	5
5	Te Whakaū i ngā Meneti - Confirmation of Minutes	6
	5.1 Council Meeting Minutes (draft) 29 March 2023	6
	5.2 Council Meeting Minutes (draft) 5 April 2023	12
6	Pūrongo Kaimahi - Staff Reports	15
	6.1 Financial Performance for the nine months ending 31 March 2023.....	15
7.	He whakataunga kia hoki atu te aronga o te hui hai hui tūmatawhānui - Resolution to move into public excluded (to consider and adopt confidential items).....	20
8.	Te Karakia Whakamutunga - Closing Karakia.....	21

1 Karakia Whakapuaki - Opening Karakia

TŪTAWA MAI

Tūtawa mai i runga
Tūtawa mai i raro
Tūtawa mai i roto
Tūtawa mai i waho
Kia tau ai te mauri tū
Te mauri ora, ki te katoa
Hāumi e. Hui e. Tāiki e!

TŪTAWA MAI

I summon from above
I summon from below
I summon from within
I summon the surrounding environment
The universal vitality and energy to infuse and
enrich all present
Enriched, unified and blessed

2 Ngā Whakapāha - Apologies

The Chair invites notice from members of:

1. Leave of absence for future meetings of the Rotorua Lakes Council; or
2. Apologies, including apologies for lateness and early departure from the meeting, where leave of absence has not previously been granted.

3 Whakapuakitanga Whaipānga - Declarations of interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

4 Ngā Take Whawhati tata kāore i te Rārangi Take - Urgent Items not on the Agenda

Items of business not on the agenda which cannot be delayed

The Chair will give notice of items not on the agenda as follows:

Matters Requiring Urgent Attention as Determined by Resolution of Rotorua Lakes Council

The Chair shall state to the meeting.

1. The reason why the item is not on the agenda; and
2. The reason why discussion of the item cannot be delayed until a subsequent meeting.

The item may be allowed onto the agenda by resolution of the Rotorua Lakes Council.

s.46A (7), LGOIMA

Discussion of minor matters not on the agenda.

Minor Matters relating to the General Business of the Rotorua Lakes Council.

The Chair shall state to the meeting that the item will be discussed, but no resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Rotorua Lakes Council for further discussion

s.46A (7), LGOIMA

5 Te Whakaū i ngā Meneti - Confirmation of Minutes

5.1 Council Meeting Minutes (draft) 29 March 2023

01-15-016
RDC-1373429

Minutes (draft)

Council meeting held Wednesday 29 March 2023 at 9.30am
Council Chamber, Rotorua Lakes Council

MEMBERS PRESENT: Mayor Tapsell (Chair)
Cr Kai Fong (Deputy Chair), Cr Barker, Cr Kereopa, Cr Lee, Cr Maxwell,
Cr O'Brien, Cr Paterson, Cr Wang, Cr Waru

MEMBERS PRESENT VIA AUDIO VISUAL: Cr Brown

STAFF PRESENT: G Williams, Chief Executive;
T Collé, Deputy Chief Executive, Organisational Enablement;
J.P Gaston, Deputy Chief Executive, District Development;
O Hopkins, Deputy Chief Executive, District Leadership & Democracy;
S Michael, Deputy Chief Executive. Infrastructure & Environmental Solutions;
A Pewhairangi, Deputy Chief Executive, Community Wellbeing;
G Rangi, Deputy Chief Executive, Te Arawa Partnership;
N Michael, Senior Communications Advisor;
D Cossar, Governance & Democracy Manager;
G Kieck, Corporate Planning and Strategy Manager;
T Rutherford, Executive of Communications, Mayor's Office;
S Kelly, Strategic Lead – Urban Development Partnerships
D Jensen, Director of Finance
G Konara, Governance Support Advisor.

The meeting opened at 9.30am.

The Mayor welcomed elected members, media, staff and members of the public.

1 KARAKIA WHAKAPUAKI OPENING KARAKIA

Cr Paterson opened the meeting with a Karakia.

2 NGĀ WHAKAPĀHA APOLOGIES

None

**3 WHAKAPUAKITANGA WHAIPĀNGA
DECLARATIONS OF INTEREST**

None

**4 NGĀ TAKE WHAWHATI TATA KĀORE I TE RĀRANGI TAKE
URGENT ITEMS NOT ON THE AGENDA**

None

Attendance: Cr Waru joined the meeting at 9.34am

**5 TE WHAKAŪ I NGĀ MENETI
CONFIRMATION OF COUNCIL MINUTES**

5.1 MINUTES OF COUNCIL MEETING HELD 22 FEBRUARY 2023

Resolved;

- 1. That the minutes of the Council meeting held 22 February 2023 be confirmed as a true and correct record.**

Moved: Cr Kai Fong

Seconded: Cr Wang

CARRIED

**6. PŪRONGO KAIMAHI
STAFF REPORTS**

6.1 FINANCIAL PERFORMANCE FOR THE EIGHT MONTHS ENDED 28 FEBRUARY 2023

RDC-1370494

Resolved:

- 1. That the report titled “Financial Performance for the Eight Months ended 28 February 2023” be received.**

Moved: Cr Lee

Seconded: Cr Barker

CARRIED

Thomas Collé overviewed the report and spoke to a presentation titled “Rotorua Lakes Council - Financial Update - February 2023” (Attachment 1).

Further resolved:

- 2. That staff will continue to identify options for cost-savings in order to achieve approved budgets.**
- 3. That any residual operational deficit will be offset against underspends in capital renewals, funded through depreciation.**

4. That any residual operating deficit will not be funded through external borrowing.

Moved: Cr Waru

Seconded: Cr Wang

CARRIED

6.2 2023 LOCAL GOVERNMENT NEW ZEALAND (LGNZ) CONFERENCE

RDC-1372598

Resolved:

1. That the report titled “2023 Local Government New Zealand (LGNZ) Conference” be received.

Moved: Cr Maxwell

Seconded: Cr Waru

CARRIED

Oonagh Hopkins overviewed the report.

Further resolved:

2. That Council determine that the following two councillors attend the 2023 LGNZ conference:
i) Cr Kereopa
ii) Cr Paterson

3. That Council note that the Te Tatau o Te Arawa board will appoint their representative to attend the conference.

Moved: Cr Maxwell

Seconded: Cr Waru

CARRIED

Recorded against: Cr Lee

6.3 PROPOSED LAND DEVELOPMENT AND ROAD REALIGNMENT – 61 KAWAHA POINT ROAD

RDC-1364362

Resolved:

1. That the report titled “Proposed Land Development and Road Realignment – 61 Kawaha Point Road” be received.

Moved: Cr O’Brien

Seconded: Cr Brown

CARRIED

Jean-Paul Gaston and Stephanie Kelly overviewed the report and spoke to a presentation titled “Development and road realignment - 61 Kawaha Point Road” (Attachment 2).

Further resolved:

2. That the Council declares the land at 61 Kawaha Point Road, being Lot 3 DPS 22550 (“the land”) to be surplus, and approves the land for development and disposal using a request for proposals process.
3. That the Council delegates the Chief Executive Officer and the Chairperson of the Community and District Development Committee to dispose of the land to the successful party on conclusion of the request for proposals process.
4. That the Council notes that to achieve an optimal development outcome for the land at 61 Kawaha Point Road, that the unformed road known as Frank Street extension will be realigned using Section 114 and 116 of the Public Works Act 1981 prior to the request for proposals process commencing.
5. That the Council approves in-principle, the development of a new sportsfield on Boielle Park for the use of the Waikite Rugby and Sports Club Inc., subject to the Club committing to the development of their existing Number 2. Field.
6. That the new sports field on Boielle Park will be funded using Financial Contributions and proceeds from the disposal of other Council land currently being progressed.

Moved: Cr Wang

Seconded: Cr Maxwell

CARRIED

6.3 LOCAL GOVERNANCE STATEMENT 2022 – 2025

RDC-1367119

Resolved:

1. That the report titled “Local Governance Statement 2022 – 2025” be received.

Moved: Cr Waru

Seconded: Cr Lee

CARRIED

Oonagh Hopkins overviewed the report.

Further resolved:

2. That the Council resolves to approve for public release the Rotorua Lakes Council Local Governance Statement 2022-2025 as circulated in a separate document.

Moved: Cr Waru

Seconded: Cr Kai Fong

CARRIED

7 HE WHAKATAUNGA KIA HOKI ATU TE ARONGA O TE HUI HAI HUI TŪMATAWHĀITI RESOLUTION TO MOVE INTO PUBLIC EXCLUDED

Resolved:

1. That Council move into Public Excluded session.

Moved: Cr Kai Fong

Seconded: Cr Waru

CARRIED

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing of this resolution
CONFIDENTIAL MINUTES OF THE COUNCIL MEETING HELD 22 FEBRUARY 2023	Please refer to the relevant clause/s in the open meeting minutes.	Good reason for withholding exists under Section 48(1)(a).
INFRACORE LIMITED STRATEGIC DIRECTION	Maintain legal professional privilege.	Section 48(1)(a) Section 7(2)(g)
	Maintain effective conduct of public affairs through protection of such members, officers, employees and persons from improper pressure or harassment.	Section 48(1)(a) Section 7(2)(f)(ii)
	Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.	Section 48(1)(a) Section 7(2)(h)

This resolution is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Sections 6 or 7 of the Act or Sections 6, 7 or 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above (in brackets) with respect to each item.

The meeting adjourned at 10.43am and resumed at 11am in public excluded session

OPEN SESSION

**12 TE KARAKIA WHAKAMUTUNGA
CLOSING KARAKIA**

Cr Paterson closed the meeting with a Karakia.

The meeting closed at 12.19 pm.

To be confirmed at a Council meeting on 26 April 2023

.....
Chair

Note 1: Rotorua Lakes Council is the operating name of Rotorua District Council

Note 2: Attachments to these minutes are available on request or on Council's website: [click here](#)

5.2 Council Meeting Minutes (draft) 5 April 2023

01-15-016
RDC-1376313

Minutes (draft)

**Council meeting held Wednesday 5 April 2023 at 11am
Council Chamber, Rotorua Lakes Council**

MEMBERS PRESENT: Mayor Tapsell (Chair)
Cr Kai Fong (Deputy Chair), Cr Barker, Cr Brown, Cr Kereopa, Cr Lee,
Cr Maxwell, Cr O'Brien, Cr Paterson, Cr Wang, Cr Waru

STAFF PRESENT: G Williams, Chief Executive;
T Collé, Deputy Chief Executive, Organisational Enablement;
J.P Gaston, Deputy Chief Executive, District Development;
O Hopkins, Deputy Chief Executive, District Leadership & Democracy;
S Michael, Deputy Chief Executive. Infrastructure & Environmental
Solutions;
A Pewhairangi, Deputy Chief Executive, Community Wellbeing;
G Rangī, Deputy Chief Executive, Te Arawa Partnership;
I Tiriana, Manager Communications;
D Jensen, Director of Finance;
D Cossar, Governance & Democracy Manager;
G Kieck, Corporate Planning and Strategy Manager;
T Rutherford, Executive of Communications, Mayor's Office;
I Brell Governance Support Advisor.

The meeting opened at 11am.

The Chair, Mayor Tapsell welcomed elected members, staff and members of the public.

1 KARAKIA WHAKAPUAKI OPENING KARAKIA

Cr Waru opened the meeting with a Karakia.

2 NGĀ WHAKAPĀHA APOLOGIES

None

3 WHAKAPUAKITANGA WHAIPĀNGA DECLARATIONS OF INTEREST

None

4 NGĀ TAKE WHAWHATI TATA KĀORE I TE RĀRANGI TAKE URGENT ITEMS NOT ON THE AGENDA

None

5 TE WHAKAŪ I NGĀ MENETI CONFIRMATION OF COUNCIL MINUTES

5.1 MINUTES OF COUNCIL MEETING HELD 22 MARCH 2023

Resolved

- 5. That the minutes of the Council meeting held 22 March 2023 be confirmed as a true and correct record.**

Moved: Cr Paterson

Seconded: Cr Waru

CARRIED

6. PŪRONGO KAIMAHI STAFF REPORTS

6.1 ADOPT DRAFT ANNUAL PLAN 2023-2024

RDC-1374775

Resolved

- 1. That the report Adopt Draft Annual Plan 2023-2024 be received.**

Moved: Cr Kai Fong

Seconded: Cr Waru

CARRIED

Oonagh Hopkins and Thomas Collé overviewed the report and spoke to a presentation titled 'Draft Annual Plan 2023/24.'

Further resolved

- 2. That Council approve to go to public consultation from 11 April to 12 May based on a proposed rates increase of 7.2%, a capital works programme of \$141 million and borrowing of \$51 million.**

Moved: Cr Kai Fong

Seconded: Cr Lee

CARRIED

Recorded against: Cr Paterson

Attendance: Cr Waru left the meeting at 11.55am and rejoined at 12.13pm.

The Chair ruled that the only matter in the public excluded session is to adopt the confidential minutes of the previous meeting and as there are no corrections or discussion required there is no requirement to move to Public Excluded.

**9 TE WHAKAŪ I NGĀ MENETI (ngā take matatapu)
CONFIRMATION OF MINUTES (confidential items)**

9.1 CONFIDENTIAL MINUTES OF COUNCIL MEETING HELD 22 MARCH 2023

Resolved

- 1. That the confidential minutes of the Council meeting held on 22 March 2023 be confirmed as a true and correct record.**

Moved: Cr O'Brien

Seconded: Cr Wang

CARRIED

**10 TE KARAKIA WHAKAMUTUNGA
CLOSING KARAKIA**

Cr Waru closed the meeting with a Karakia.

The meeting closed at 12.27pm

To be confirmed at a Council meeting on 26 April 2023

.....
Chair

Note 1: Rotorua Lakes Council is the operating name of Rotorua District Council

Note 2: Attachments to these minutes are available on request or on Council's website: [click here](#)

6 Pūrongo Kaimahi - Staff Reports

01-15-016
RDC-1381325

ROTORUA LAKES COUNCIL

Mayor
Members
COUNCIL

6.1 Financial Performance for the nine months ending 31 March 2023

Report prepared by: David Jensen, Director of Finance

Report reviewed by: Thomas Collé, Deputy Chief Executive - Organisational Enablement

Report approved by: Geoff Williams, Chief Executive

1. TE PŪTAKE PURPOSE

The purpose of the report is to provide information on Council's financial performance for the nine months ended 31 March 2023.

2. HE TŪTOHUNGA RECOMMENDATION

1. That the report "Financial Performance for the Nine Months ended 31 March 2023" be received.

3. TE MATAPAKI DISCUSSION

➤ Council's Operating Environment

Council's operating environment contains several key challenges, which is having a significant impact on Council's financial position. These pressures include costs associated with Emergency Housing, Plan Change 9, the impact of severe weather events and inflation.

While Rotorua fared better than most of our regional neighbours through Cyclone Gabrielle in March, there were still significant costs incurred to Council infrastructure. This was predominately felt in Council's roading budgets with \$500k of unplanned operational expenditure through March required to bring our roading network back to a safe and useable standard. Overall roading operational budgets are \$1.5m over budget year to date as we continue to experience significant weather events across Rotorua including the July flooding, Cyclone Hale and Cyclone Gabrielle.

➤ Update on Council's 2022/23 Year End Financial Position

Through late 2022, Council staff undertook a review of forecast income and expenditure which identified a potential significant operating deficit, recognising pressures achieving certain revenue targets and increases in Council's forecast expenditure as a result of the operating pressures noted above. This was revised downwards in January 2023 through a series of cost saving initiatives including the deferral of recruitment for vacant roles, delaying or cancelling planned expenditure with contractors and to increases in revenue targets to meet the changing market conditions. Council's financial position has continued to stabilise as cost saving initiatives have constricted expenditure across the business, and revenue has performed ahead of initial forecasts. While cost saving measures have been effective in reducing Council's forecast operating deficit, additional events such as Cyclone Gabrielle have placed significant pressure on Council budgets. The operating deficit as at 31 March 2023 is \$742k, up from \$423k in February 2023, due mainly to costs associated with Cyclone Gabrielle.

Within the \$25.8m year-to-date deficit shown for March, \$24.1m relates to the receipt of subsidies attached to capital projects and \$947k relates to lower than budgeted capital revenue from developers, leaving \$742k as the current operational deficit.



Staff remain committed to cost saving initiatives designed to deliver a full year operating result within the approved Annual Plan budget and controls remain in place to restrict Council expenditure for the remainder of the financial year. Any residual operational deficit will be offset against underspends in capital renewals as approved by Council on the meeting on 29 March 2023.

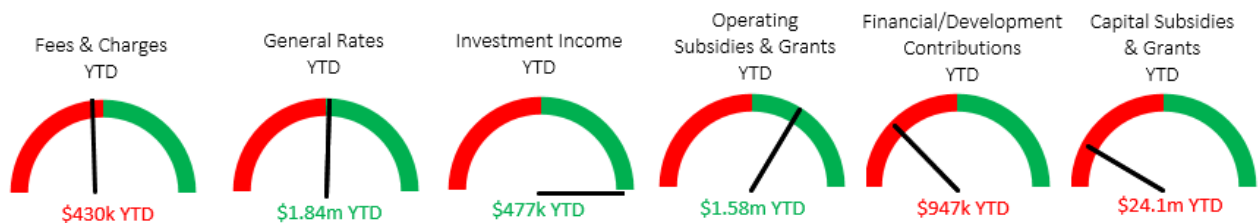
➤ Year to Date Financial Performance

As at 31 March 2023, Council has an operating surplus of \$307k compared to a budget surplus of \$26.1m. Most of the variance to budget continues to be related to revenue from capital subsidies due (\$24.13m) which is linked to delivery milestones of key capital projects. The balance (\$2.5m) relates to lower than budgeted development and financial contribution revenue from developers (\$947k) and an operational deficit of \$742k.

Our capital works programme expenditure is currently at \$66.56 against a budget of \$102.2m. The lower than budgeted spend is predominantly related to the timing of key projects and planned infrastructure renewals.

Figures in \$000's	Actual	Budget	Variance - Favorable / (Unfavorable)
Income			
Fees & Charges	13,272	13,703	(430)
Rates	90,884	89,047	1,837
Investment Income	890	413	477
Development & Financial Contributions	826	1,772	(947)
Subsidies & Grants - Capital	10,570	34,695	(24,125)
Subsidies & Grants - Operational	5,715	4,136	1,579
Total Income	122,158	143,766	(21,608)
Opex			
Administration Expense	2,805	2,849	44
Finance Cost	115	285	170
Maintenance	888	1,303	415
Operating Expenses	52,932	47,868	(5,064)
Staff Costs	24,100	24,199	99
Utilities	2,116	2,248	131
Depreciation	31,522	31,522	
Interest Cost	7,372	7,372	
Total Opex	121,851	117,646	(4,205)
Total Operating Surplus / (Deficit)	307	26,120	(25,813)

➤ Income

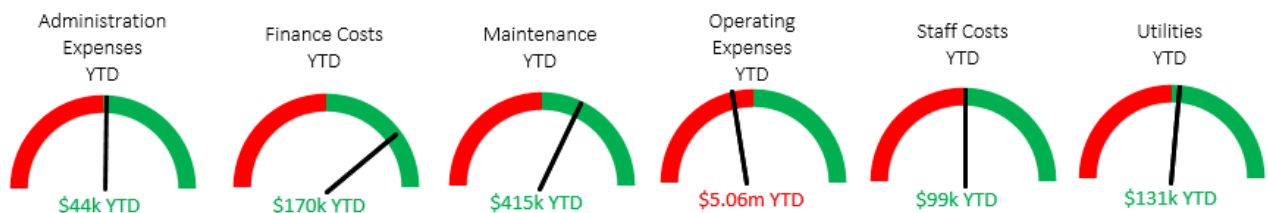


Total Income is tracking unfavourably to budget, with a \$21.6m negative variance to budget. This primarily relates to Capital Grants & Subsidies related to Capital Expenditure. Operating Income is currently \$2.5m ahead of year-to-date budget.

- Fees and charges are direct charges to customers for specific Council services. Council's fees and charges are \$430k behind year-to-date budget due to lower than forecast Subdivision Fees (\$539k lower than budget), Parking Revenue (\$585k), revenue from Regional Council now expected post June (\$385k) and sales at both the Energy Events Centre (\$345k) and Sir Howard Morrison Performing Arts Centre (\$215k). This remains offset by Building revenue being \$1.1m ahead of budget and \$420k unbudgeted Resource Consent revenue due to the on charging of consenting costs to the Ministry of Housing.
- Rate revenue is \$1.8m ahead of year-to-date budget primarily due to higher than budgeted Water by Meter revenue and lower than budgeted rate remissions requested through 2022/23.

- Investment income is revenue received by Council through interest received on term deposits. Investment Income is \$477k ahead of year-to-date budget due to rising interest rates on cash deposits.
- Operating Subsidies and Grants are funds provided from external parties towards Council's operating expenditure. Operating Subsidies & Grants are \$1.6m ahead of year-to-date budget due to the timing of receipts from the Ministry of Environment and other community grants.
- Financial and Development Contributions is revenue paid by developers towards the capital costs required to enable their development. Financial & Development Contributions are \$947k behind year-to-date budget due to lower developer activity year-to-date.
- Capital Subsidies & Grants are funds provided by external parties towards Council's capital projects. Capital Subsidies & Grants are \$24.12m behind year-to-date budget due to the timing of completion of capital works, particularly within the Museum Project, Tarawera Wastewater Scheme and the Lakefront Revitalisation projects.

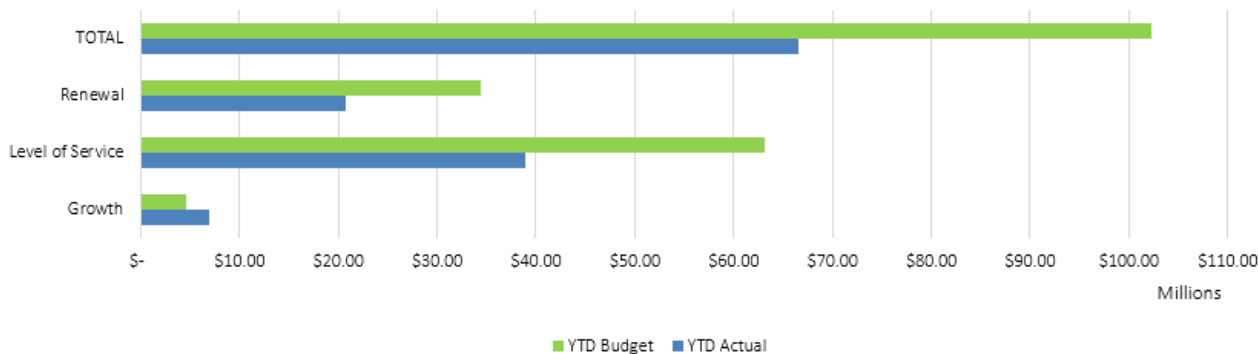
➤ Operating Expenses



Operating Expenses are tracking unfavourably to budget, with a \$4.1m negative variance to budget.

- Administration expenses cover the day-to-day running expenses of Council. Administration Expenses are tracking largely to budget year-to-date.
- Finance costs is the interest payable on Council's external borrowing. Finance Costs are \$170k under budget year-to-date due to lower than forecast external borrowing.
- Maintenance expenses are the budget provided for planned and reactive maintenance of Council buildings. Maintenance is \$415k under budget year-to-date due primarily to underspends on repairs and reactive maintenance.
- Operating expenses are the costs directly associated with the delivery of Council's operational services. Operating Expenses are \$5.1m higher than year-to-date budget due to costs associated with Emergency Housing (\$620k), additional expenditure on roading contractors following recent flooding events (\$1.5m over year-to-date budget, offset by additional Waka Kotahi subsidies), Plan Change 9 (\$555k), additional expenditure on security contracts (\$486k over budget) and increased insurance premiums (\$406k over year-to-date budget). Council is also experiencing higher than budgeted contractual CPI adjustments on major operational contracts due to current inflation rates, predominantly within Wastewater and Waste Management (\$1.5m YTD).
- Staff costs cover the salaries and wages of Council employees. Staff Costs are \$99k underspent year-to-date representing the difficulties on boarding staff in the current recruitment market.
- Utilities cover the water, power and gas expenses involved in Council operations. Utilities are tracking largely to year-to-date budget.

➤ Capital Expenses



As at 31 March 2022, Council had spent \$66.6m against year-to-date budget of \$102.2m. The full 2022/23 capital programme is \$143.8m.

Renewals expenditure is behind budget primarily due to the timing of commencement of the Aquatic Centre project (\$7.8m behind budget YTD), as well as underspends year-to-date in Water Supply, Active & Engaged Communities activities and Stormwater (which is funded externally by Crown Infrastructure Partners).

Level of Service expenditure is behind budget due to delays in commencing planned expenditure on the Museum (\$6.8m behind budget YTD), as well as underspends year-to-date on the Tarawera Sewerage Scheme (\$5.7m) and the Lakefront Revitalisation project (\$2.6m).

Expenditure on key projects YTD is as follows:

- (i) Sir Howard Morrison Centre: \$8.4m. The centre was opened in February and is fully operational.
- (ii) Rotoiti/Rotoma Sewerage Scheme: \$5.8m. The work programme connecting properties to the scheme continues and a capital rate will set in the upcoming Long Term Plan to recover the costs associated.
- (iii) Wastewater Treatment Plant Upgrade: \$5.3m. Council is engaging in a multi-year project to upgrade major Wastewater Treatment Plant infrastructure and work has commenced through mid-2022/23.
- (iv) Transport Renewals: \$5.9m. This work programme supports the renewal of roading across the district has also funded repair works to date after the damage caused by Cyclone Gabrielle.
- (v) Pukehangi West Stormwater: \$4.9m.
- (vi) Sewage Renewals: \$4.3m.
- (vii) Lakefront Revitalisation: \$4.2m.

4. TE TINO AROMATAWAI ASSESSMENT OF SIGNIFICANCE

The decisions or matters of this report are not considered significant in accordance with Council's Significance and Engagement Policy.

7. He whakataunga kia hoki atu te aronga o te hui hai hui tūmatawhānui - Resolution to move into public excluded (to consider and adopt confidential items)

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing of this resolution
CONFIDENTIAL MINUTES of previous meeting held 29 March 2023	Please refer to the relevant clause/s in the open meeting minutes.	Good reason for withholding exists under Section 48(1)(a).

This resolution is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Sections 6 or 7 of the Act or Sections 6, 7 or 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above (in brackets) with respect to each item.

8. Te Karakia Whakamutunga - Closing Karakia

Kia whakairia te tapu
Kia wātea ai te ara
Kia turuki whakataha ai
Kia turuki whakataha ai
Hāumi e. Hui e. Tāiki e!

Restrictions are moved aside
So the pathway is clear
To return to every day activities
To return to every day activities
Allied, enriched, unified, and blessed