



**Far North  
District Council**



# **AGENDA**

## **Extraordinary Council Meeting**

**Thursday, 13 June 2019**

**Time:** 2.30 pm  
**Location:** Council Chamber  
Memorial Avenue  
Kaikohe

**Membership:**

Mayor John Carter - Chairperson  
Cr Tania McInnes  
Cr Ann Court  
Cr Felicity Foy  
Cr Dave Hookway  
Cr Colin (Toss) Kitchen  
Cr Sally Macauley  
Cr Mate Radich  
Cr John Vujcich  
Cr Kelly Stratford

**COUNCIL MEMBERS REGISTER OF INTERESTS**

<b>Name</b>	<b>Responsibility (i.e. Chairperson etc)</b>	<b>Declaration of Interests</b>	<b>Nature of Potential Interest</b>	<b>Member's Proposed Management Plan</b>
Hon John Carter QSO	Board Member of the Local Government Protection Programme	Board Member of the Local Government Protection Programme		
	Carter Family Trust			
Felicity Foy	Director - Northland Planning & Development	I am the director of a planning and development consultancy that is based in the Far North and have two employees.		<p>I will abstain from any debate and voting on proposed plan change items for the Far North District Plan.</p> <p>I will declare a conflict of interest with any planning matters that relate to resource consent processing, and the management of the resource consents planning team.</p> <p>I will not enter into any contracts with Council for over \$25,000 per year. I have previously contracted to Council to process resource consents as consultant planner.</p>
	Flick Trustee Ltd	I am the director of this company that is the company trustee of Flick Family Trust that owns properties on Weber Place, Seaview Road and Allen Bell Drive.		
	Elbury Holdings Limited	This company is directed by my parents Fiona and Kevin King.	This company owns several dairy and beef farms, and also dwellings on these farms. The Farms and dwellings are located in the Far North at Kaimaumau, Bird Road/Sandhills Rd, Wireless Road/ Puckey Road/Bell Road, the Awanui Straight, Allen Bell Drive.	
	Foy Farms partnership	Owner and partner in		

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
		Foy Farms - a farm in three titles on Church Road, Kaingaroa		
	Foy Farms Rentals	Owner and rental manager of Foy Farms Rentals for 6 dwellings on Church Road, Kaingaroa and 1 dwelling at 64 Allen Bell Drive, Kaitaia, and one property at 96 North Road, Kaitaia		
	King Family Trust	This trust owns several titles/properties at Cable Bay, Seaview Rd/State Highway 10 and Ahipara - Panorama Lane.	These trusts own properties in the Far North.	
	Previous employment at FNDC 2007-16	I consider the staff members at FNDC to be my friends		
Partner Felicity Foy	Employed by Justaplumber Taipa			
	Friends with some FNDC employees			
Dave Hookway	Resident shareholder in Kerikeri Irrigation			Declare if issues arise.
	Shareholder in Farmlands.			Declare if issues arise.
	Employee – Northland District Health Board – Public Health Unit – Health Improvement Advisor		Am employee have no personal gain.	Declare employment should issues concerning the Northland DHB arises.
	On property in Waipapa West Rd.		Possible issues relating to the street or zoning.	Declare when appropriate.
Colin Kitchen	No form received			
Tania McInnes	Director – GBT Ventures Ltd	Company not currently operational		Will notify Council if company becomes operational.
	Member of Northland Conservation Board		Conservation matters not aligned with Council policy.	Will notify Council should a perceived conflict arise.
	Trustee – Northland Youth Education Trust		No perceived conflicts	Will notify Council should a perceived conflict arise.
	Founder – Bay of Islands Women's Nexus	No perceived conflicts. An informal organisation		

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Own a section on Seaview Road, Paihia 0200			
	Having worked within the organisation in the early 2000's, I know a number of staff, none of which I am close with.			
Mate Radich	No form received			
Ann Court	Waipapa Business Association	Member		
	Warren Pattinson Limited	Shareholder	Building company. FNDC is a regulator and enforcer	No FNDC Controls
	Kerikeri Irrigation	Supplies my water		No EM intervention in disputes
	Top Energy	Supplies my power		No other interest greater than the publics
	District Licensing	N/A	N/A	N/A
	Top Energy Consumer Trust	Trustee	crossover in regulatory functions, consenting economic development and contracts such as street lighting.	Declare interest and abstain from voting.
	Ann Court Trust	Private	Private	N/A
	Waipapa Rotary	Honorary member	Potential community funding submitter	Declare interest and abstain from voting.
	Properties on Onekura Road, Waipapa	Owner Shareholder	Any proposed FNDC Capital works or policy change which may have a direct impact (positive/adverse)	Declare interest and abstain from voting.
	Property on Daroux Dr, Waipapa	Financial interest		
	Flowers (I get flowers occasionally)	Ratepayer 'Thankyou'	Bias/ determination? Pre-	Declare to Governance
	Coffee and food	Ratepayers sometimes 'shout' food and beverage	Bias or pre-determination	Case by case
	Consider all staff my friends	N/A	Suggestion of not being impartial or pre-determined!	Be professional, due diligence, weigh the evidence. Be thorough, thoughtful, considered impartial and

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
				balanced. Be fair.
		My husband is a builder and may do work for Council staff		
Warren Pattinson (Husband)	Warren Pattinson Limited	Director	Building Company. FNDC is a regulator	Remain at arm's length
	Air NZ	Shareholder	None	None
	Warren Pattinson Limited	Builder	FNDC is the consent authority, regulator and enforcer.	Apply arm's length rules
	Kurbide Rod and Custom Club (unlikely)	President NZ Hot Rod Association	Potential to be linked to a funding applicant and my wife is on the decision making committee.	unlikely to materialise but would absent myself from any process as would Ann.
	Property on Onekura Road, Waipapa	Owner	any proposed FNDC capital work in the vicinity or rural plan change. Maybe a link to policy development.	Would not submit. Rest on a case by case basis.
	Worked with or for Mike Colebrook and Kelvin Goode	Paid employment	N/A	N/A
Sally Macauley	Chairman	Northland District Health Board	Matters pertaining to health issues re Fluoride and freshwater as an example.	Declare a perceived conflict.
	Chairman	Oranga Tamaraki - Ministry of Vulnerable Children- Northland Community Response Forum	Matters pertaining to this ministry	Declare a perceived conflict.
	Judicial Justice of the Peace	Visitations to Ngawha Prison	Matters pertaining to Judicial Issues re Ngawha Prison	Declare a perceived Interest
	The Turner Centre	FNDC Representative	Observer, acknowledging FNDC financial contribution.	Note FNDC partnership
	Trustee	Kaikohe Education Trust	Providing students laptops - possible request for written support to funders	Declare a conflict
	Executive member	Kaikohe Business Association	Matters pertaining to request for written support to funders.	
	Chairman	Bay of Islands Arts Festival Trust	Issues pertaining to the application of support funds	Declare a conflict of interests
	Trustee	Bay of Islands Radio	Issues pertaining to the	Declare a conflict

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
		Marine	application of support funds	of interests
	Secretary/Trustee	Kerikeri International Piano Competition	Issues pertaining to the application of support funds	Declare a conflict of interests
	Trustee/Director	Kaikohe Community and Youth Trust	Possible application of support funding	Declare a conflict of interests
	Commercial	Palmer Macauley Offices- Kerikeri and Kaikohe	Infrastructural matters with FNDC	Declare a conflict
	Private property of which there would not be any conflict.			
	Paihia, Kerikeri, Kaikohe			
Peter Macauley (Husband)	Senior Partner	Palmer Macauley		
	Peter Macauley	Barristers and Solicitors- Kerikeri, Kaikohe and Mangonui	Legal matters with FNDC	
	Director/Trustee			
	St John NZ Priory Chapter	St John Priory Chapter	Legal matters with FNDC	Declare a conflict
	Senior Partner	Peter Macauley- Palmer Macauley Barristers and Solicitors Kaikohe, Kerikeri AND Mangonui	Legal matters with FNDC	Declare a conflict
	St John NZ	Priory Trust Board	Writing of policies and legal matters as an example	Note Interests
	Lions Club of Kaikohe	Director	Legal matters etc	Note Interests
	Kaikohe Rugby Club	Patron	Legal Matters	
	Viking Rugby Club, Whangarei	Life Member	Legal Matters	
	Private Property			
	Kerikeri, Paihia - no contents.			
John Vujcich	Board Member	Ngati Hine Health Trust	Matters pertaining to property or decisions that may impact of their health services	Declare interest and abstain
	Board Member	Pioneer Village	Matters relating to funding and assets	Declare interest and abstain
	Director	Waitukupata Forest Ltd	Potential for council activity to directly affect its assets	Declare interest and abstain
	Director	Rural Service Solutions Ltd	Matters where council regulatory function impact of company	Declare interest and abstain

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
			services	
	Director	Kaikohe (Rau Marama) Community Trust	Potential funder	Declare interest and abstain
	Partner	MJ & EMJ Vujcich	Matters where council regulatory function impacts on partnership owned assets	Declare interest and abstain
	Member	Kaikohe Rotary Club	Potential funder, or impact on Rotary projects	Declare interest and abstain
	Member	New Zealand Institute of Directors	Potential provider of training to Council	Declare a Conflict of Interest
	Member	Institute of IT Professionals	Unlikely, but possible provider of services to Council	Declare a Conflict of Interest
	Member	Kaikohe Business Association	Possible funding provider	Declare a Conflict of Interest
Mike Edmonds	Chair	Kaikohe Mechanical and Historic Trust	Council Funding	Decide at the time
	Committee member	Kaikohe Rugby Football and Sports Club	Council Funding	Withdraw and abstain
Adele Gardner	N/A - FNDC Honorarium			
	The Far North 20/20 , ICT Trust	Trustee		
	Te Ahu Charitable Trust	Trustee		
	ST Johns Kaitaia Branch	Trustee/ Committee Member		
	I know many FNDC staff members as I was an FNDC staff member from 1994-2008.			
Partner of Adele Gardner	N/A as Retired			
Terry Greening	Greening Family Trust	Beneficiary		Highly unlikely to interface with FNDC
	Bay of Islands Walking Weekend Trust		Potential of seeking funds	Step aside from any requests or decisions regarding requests
	Russell 2000 Trust (Chairman)			Trust is about to wind up.
	Russell Centennial Trust (Chairman)	Manages Russell Museum	Seeks funds from council	Step aside from any requests or decisions regarding requests
	Residence at Kaha Place,	Nil	Nil	N/A

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Russell			
Terry Greening (Wife)	Greening Family Trust	Beneficiary	N/A	N/A
	Residence at Kaha Place, Russell			
Cr Kelly Stratford	Office manager at Kinghans.			
	Denture assistant at Kawakawa denture Services self-employed as book keeper Kelly@ksbookkeeing.net	None	None	
	KS Bookkeeping and Administration	Business owner, bookkeeping and development of environment management plans for clients.	None perceived	I'd step aside from decisions that arise, that may have conflicts.
	Kinghans Accounting	Office Administration	None perceived	I'd step aside from decisions that arise, that may have conflicts.
	Waikare Marae Trustees	Trustee	May be perceived conflicts	Case by case basis
	Kawakawa Business & Community Association	Committee member/newsletter editor and printer	None perceived	If there was a perceived conflict, I will step aside from decision making
	Bay of Islands College	Parent elected trustee	None perceived	If there was a perceived conflict, I will step aside from decision making
	Karetu School Bay Cosmos Soccer	Parent elected trustee. Committee member and coach	None perceived	If there was a perceived conflict, I will step aside from decision making
	Property in Waikare and Moerewa			If there was a perceived conflict, I will step aside from decision making
	Coffee and food	Ratepayers sometimes 'shout' food and beverage	Bias or pre-determination	Case by case
Kelly Stratford (Husband)	Puketona Junction Café 39 Gillies Café	Barista & Chef Barista	N/A	N/A
	Property in Moerewa		N/A	N/A



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**Far North District Council**  
**Extraordinary Council Meeting**  
**will be held in the Council Chamber, Memorial Avenue, Kaikohe on:**  
**Thursday 13 June 2019 at 2.30 pm**

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**Order Of Business**

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**1 PRAYER****2 APOLOGIES AND DECLARATIONS OF INTEREST**

Members need to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to review the matters on the agenda and assess and identify where they may have a pecuniary or other conflict of interest, or where there may be a perception of a conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the meeting or of the relevant item of business and refrain from participating in the discussion or voting on that item. If a Member thinks they may have a conflict of interest, they can seek advice from the Chief Executive Officer or the Team Leader Governance Support (preferably before the meeting).

It is noted that while members can seek advice the final decision as to whether a conflict exists rests with the member.

**3 DEPUTATION**

No requests for deputations were received at the time of the Agenda going to print.

**4 MAYORAL ANNOUNCEMENTS**

## **5 INFRASTRUCTURE AND ASSET MANAGEMENT GROUP**

### **5.1 UNBUDGETED EXPENDITURE REQUEST: ROBERTSON STREET RUSSELL - STORMWATER UPGRADE**

**File Number:** A2454529

**Author:** Troy Smith, Assistant Engineer

**Authoriser:** Andy Finch, General Manager - Infrastructure and Asset Management

#### **PURPOSE OF THE REPORT**

To advise Council and seek a decision on proposed remedial stormwater options for Robertson Street, Russell. This would be unbudgeted capital expenditure in 2019/2020.

#### **EXECUTIVE SUMMARY**

During recent years, residents of Robertson Street have had to endure significant uncontrolled stormwater flows, damaging both the road and private property. These occur on average 4 to 5 times a year and create a hazardous situation for pedestrians and road users. The narrow width of the road creates additional dangers.

The existing road drainage system is unable to cope with the volume and velocity of the stormwater flow. In order to protect the public and their assets, Council are seeking approval to upgrade the existing stormwater services in Robertson Street to a more appropriate size.

Investigations into resolving this problem have just been completed, and staff are now recommending that Council approve the \$210,750 stormwater upgrade as additional capital expenditure for 2019/2020. If however, there is appetite for a different option, there are several provided.

#### **RECOMMENDATION**

**That Council approve the unbudgeted expenditure of \$210,750 in the 2019/2020 Annual Plan to deliver Option 3 as a stormwater upgrade to Robertson Street, Russell. To include the installation of a new 450mm stormwater pipeline, concrete swale drain and collection points for the entire length of Robertson Street.**

#### **1) BACKGROUND**

Many communities in the Far North district are affected by flooding from overland flow. Often the public system is either non-existent or under developed. This issue affects Robertson Street residents in Russell, as well as other road users and the connecting Matauwhi Road.

Council have been contacted a number of times from a number of residents' expressing concerns with hazardous conditions due to stormwater flows down Robertson Street in Russell.

In March 2018 the first RFS highlighted the maintenance aspects of the issue, with one note stating "The stormwater is badly eroding the side of the road due to a lack of established drains/culverts"; also touching on the temporary effects of any current efforts to repair the damage, mainly through the use of metal fill. This request was closed in July 2018 stating that there is no funding in the current year but the Robertson Street roadside drainage will be reviewed the following financial year 2018/2019.

In May 2018 an RFS covered similar issues to the above request however contains some comprehensive discussion regarding the 'Robertson Street – Stormwater Upgrade' project between staff and Robertson Street spokesperson Steve Wood.

In October 2018 there was further correspondence between Robertson Street spokesperson Steve Wood, elected members and Council staff. It also holds information regarding onsite consultation

with the affected parties, which has been conducted to ensure the 'Robertson Street - Stormwater Upgrade' project caters for all concerns.

The following is a summary of staff investigations and actions taken to date.

Due to the slope of the hillside, a large amount of surface water is directed towards and collected on Robertson Street; one of the main concentration areas being the T- intersection of Gould Street, Brind Road and Robertson Street. The problem is demonstrated by regular surface flooding of the roads and into private property.

The current Council stormwater assets are limited in capacity and incapable of collecting and directing the stormwater in a controlled manner.

These existing services are unable to cope with the amount and velocity of stormwater as it flows down the street. The Council road, private property and other assets are being damaged as a result. This also creates a hazardous situation for pedestrians and road users.

In response to the above, staff have developed a stormwater improvement project which would collect and re-direct the stormwater flow, reducing the damaging affect it has on private property and public assets. Additionally, by piping the open roadside drain, the road will be able to be widened. The wider road will allow safer traffic movements up and down Robertson Street.

In late 2018, after initial planning had begun, the residents contacted Mayor Carter and Community Board Chair Terry Greening to express their concerns regarding the stormwater flows and resulting problems. As a result the local Community Board Chair Terry Greening attended several community engagement meetings with the Robertson Street residents and staff members. Mayor Carter has continued to express his interest in a positive solution.

More recently the project itself has taken form as staff have planned and designed the stormwater upgrade.

The remedial work would include installation of a new 450mm diameter stormwater pipeline down the northern side of Robertson Street for a length of 150 metres with several manholes and drop structures. Additionally, above the pipeline, a 170 metre length of new 700mm wide concrete channel will be installed. This work could be divided into two sections in order to reduce the unbudgeted capital expense, by submitting the second, less critical section, into the future Long Term or Annual Plans.

If divided into two sections, described as Stage 1 and 2; Stage 1 would include all work from the driveway entrance of No. 11 Robertson Street and down to the intersection of Baker Street. Stage 2 would then include all work above the entrance of No. 11 to the intersection of Brind Road.

There is also a portion of budgeted work (hence not part of the budget requested but is dependent on the result) which includes three new road crossing culverts to transfer the water on the southern side, into the new pipeline. The road will also be widened by an extra 1.4 metres due to the additional space as a result of the pipe installation. These could be completed in unison with the proposed project for efficiency purposes.

An overview plan of the proposed project is attached to this report as attachment 1.

## **2) DISCUSSION AND OPTIONS**

Four options were selected for review.

- Option 1 Council does not complete any remedial work for stormwater.
- Option 2 Council installs a new stormwater pipeline and swale drain for the lower, more critical half of Robertson Street (Stage 1) as additional capital expenditure. With the remaining work (Stage 2) to be submitted into the Long Term Plan 2021/2031.
- Option 3 Council installs a new stormwater pipeline and associated works for the entire length of Robertson Street as additional capital expenditure. (Recommended option).
- Option 4 Council submits the Robertson Street project into the Long Term Plan 2021/2031 in its entirety.

Of the four reviewed options, staff consider that Option 3 would be the most appropriate action. Below is a complete review of the four options.

### Option 1

The Far North District Council does not complete any stormwater improvement work for Robertson Street. The existing road drains will then remain along with their problems.

Pros: There will be minimal expenditure on council's behalf.

Cons:

- Ongoing road and property damage during heavy rainfall remains.
- There will be increased maintenance expenditure and Council cost.
- Residents and vehicle traffic will have to endure the hazards of uncontrolled stormwater flows.
- An on-going lack of stormwater infrastructure in the area which residents could otherwise connect into.

### Option 2

The Far North District Council will install a new 450mm diameter stormwater pipeline and swale drain for the lower, more critical half of Robertson Street as unbudgeted capital expenditure. This is from the driveway entrance of No. 11 Robertson Street and down to the intersection of Baker Street (Stage 1).

The installation of an additional pipeline and swale above this section, from the entrance of No. 11 to the intersection of Brind Road, will then be submitted into the Long Term Plan 2021/2031 (Stage 2).

Pros:

- This will control and convey the most hazardous water currently affecting the residents and road users.
- Immediate relief will be provided.
- There will be a reduction in maintenance expenditure and Council cost.
- The design and plans are already completed for the works.

Cons:

- There will still be a slight amount of erosion and exposed stormwater flows along Robertson Street.
- This option will cost \$96,615.91 in unbudgeted capital expenditure. Initially, the 2<sup>nd</sup> most expensive of the four options.
- A further sum of \$114,134.09 will be submitted into the LTP 21-31 for installation of the additional pipeline.

### Option 3 (recommended option)

The Far North District Council will install a new 450mm stormwater pipeline, concrete swale drain and collection points for the entire length of Robertson Street, on the north eastern side, as unbudgeted expenditure.

Pros:

- This will control and convey an estimated 90% of the hazardous water currently affecting the residents and road users.
- Immediate relief will be provided.
- There will be a reduction in maintenance expenditure and Council cost.
- The project can be completed as one, allowing more efficient use of Council time and funding.

Cons:

- This option will cost \$210,750 in unbudgeted capital expenditure. Initially, the most expensive of the four options.

#### **Option 4**

The Council will submit the Robertson Street project into the Long Term Plan 2021/2031 in its entirety.

Pros:

- Upon completion, this will control and convey an estimated 90% of the hazardous water currently affecting the residents and road users.

Cons:

- For the period between the present and when the installation is completed, the following effects will incur:
  - Ongoing road and property damage during heavy rainfall remains.
  - Residents and vehicle traffic will have to endure the hazards of uncontrolled stormwater flows.
  - A continual lack of stormwater infrastructure in the area which residents could otherwise connect into.
  - There will be increased maintenance expenditure and Council cost.
- A sum of \$210,750 plus inflation will be submitted into the LTP 2021/2031 for installation of the entire Robertson Street project at a time to be determined by the Council.

#### **Reason for the recommendation**

Option 3 is the staff recommendation to Council. This provides maximum immediate relief to the residents and road users of Robertson Street. Although this option consists of the highest unbudgeted capital expenditure sum, delaying the work will only result in further damage to public and private property as well as the risk to community safety.

Option 2 is a feasible option on the count that it still provides immediate relief to the worst affected section of Robertson Street. The unbudgeted capital cost is reduced allowing the budgetary impact to be dispersed.

By separating the Robertson Street project into 2 individual parts, additional costs will be incurred through multiple site setups, reinstatements and Council time in administration and project management which could otherwise be saved.

Option 1 is not preferred given the large impact uncontrolled stormwater flows have on the surrounding environment (property and people).

Option 4 will also allow the existing hazards to continue until work is completed in line with the Long Term Plan 2021-31. This is not preferable from the residents and staff point of view given the potential for harm.

### **3) FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION**

The Long Term Plan 2018/2028 includes a total of \$14.1m over 10 years for stormwater projects, with \$4.4m spread over the first three years. The first three years includes funding for a number of stormwater improvements which are top priority.

Examples of what the first three years of the Long Term Plan 2018/28 includes are:

- Station Road Kaikohe pipeline (pending additional information) - \$1.2m.
- Plunket Street Kawakawa outlet construction - \$180k (\$50k 2019 and \$130k carried forward).

- Pembroke Street Kawakawa and surrounding stormwater pipeline - \$460k.
- Commerce Street Kaitaia pipeline - \$340k.
- Minor capital projects - \$600k per year.

This project has not been specifically identified within the Long Term Plan 2018-2028 as it is an emerging issue over this financial year (2018-19).

Due to the significant issues experienced and described by the residents, the recommendation is to approve the work as additional capital expenditure. If required, a few select projects within the later years of the Long Term Plan 2018-2028 can be deferred to balance the overall budget.

As part of understanding the financial implications of this proposal, there is also an associated cost for maintenance of the pipeline. Staff have estimated the ongoing maintenance costs to be in range of \$2,000 a year.

Maintenance costs will be minimal due to a steep estimated grade of the pipeline. This will result in fewer blockages however any inlet points will need to be checked occasionally.

## ATTACHMENTS

1. **Robertson Street Russell Attachment 1 - Proposed Project - A2485188** [↓](#) 

**Compliance schedule:**

Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

1. A Local authority must, in the course of the decision-making process,
2. Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
3. Assess the options in terms of their advantages and disadvantages; and
4. If any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna and other taonga.

This section is subject to Section 79 - Compliance with procedures in relation to decisions.

Compliance requirement	Staff assessment
State the level of significance (high or low) of the issue or proposal as determined by the <a href="#">Council's Significance and Engagement Policy</a>	This report has a moderate / low level of significance. Residents of Robertson Street and vehicle traffic at the intersection of Robertson Street and Matauwhi Road will benefit. It could prevent significant erosion of the road and residential properties.
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	This adheres to our current priorities from the Infrastructure Strategy 18-48, working on infrastructure resilience and improvements to infrastructure.
State whether this issue or proposal has a District wide relevance and, if not, the ways in which the appropriate Community Board's views have been sought.	This issue has district wide relevance as the solution could potentially be unbudgeted expenditure for the district. This puts it above the community board's delegation but input and approval by the board is important to us and the community.
State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water.	There are no specific implications for Maori or Maori assets. The community as a whole are able to provide input through staff, or their local elected members.
Identify persons likely to be affected by or have an interest in the matter, and how you have given consideration to their views or preferences.	Residents of Robertson Street and vehicle traffic at the Robertson Street and Matauwhi Road intersection will be affected. Council are working with community members as well as elected members and are willing to consider all views and preferences.
State the financial implications and where budgetary provisions have been made to support this decision.	There is a reasonably high expenditure associated with this solution and funding is being sort through additional capital expenditure or admittance into the Long Term Plan 2021-2031.
Chief Financial Officer review.	The Chief Financial Officer has reviewed this report





## 5.2 TE RAUPO ROAD, OFF STATE HIGHWAY 11

**File Number:** A2500313

**Author:** Andy Finch, General Manager - Infrastructure and Asset Management

**Authoriser:** Shaun Clarke, Chief Executive Officer

### PURPOSE OF THE REPORT

A request was recently received from an Elected Member to investigate opportunities to repair and/or upgrade Te Raupo Road. This report outlines the findings of this investigation making recommendations on the way forward.

### EXECUTIVE SUMMARY

- Te Raupo Road has been an on-going issue for Council for a number of years
- The first 1700m is a paper road which is not maintained by Council
- The final 300m connecting Te Raupo Road to the Taumarere to Opuia cycle trail is in private ownership
- Council has previously approved expenditure to upgrade the road, then passing responsibility for maintenance to adjoining landowners
- Council subsequently resolved for staff to work with adjoining landowners to find a solution for future maintenance of the road; subsequent discussions identified that any cost sharing arrangement would not be acceptable to landowners
- The existing bridge crossing the Kawakawa estuary has an existing posted weight restriction which precludes emergency vehicles
- Landowners are currently using a section of the cycle trail to access the Te Raupo peninsular
- The cost of basic repairs to Te Raupo Road to bring it up to a trafficable condition is \$15,000
- The cost of a full upgrade of Te Raupo Road is \$889,000
- Any Council funded work approved for Te Raupo Road is unbudgeted.

### RECOMMENDATION

#### That Council:

- Approves the unbudgeted operational expenditure to undertake basic repairs to Te Raupo Road to bring it up to a trafficable condition, to a maximum cost of \$15,000**
- Subject to written approval from both the Bay of Islands Vintage Railway Trust and KiwiRail, along with appropriate agreements with each landowner, consents to the Pou Herenga Tai Twin Coast Cycle Trail Trust allowing landowners to temporarily access the existing cycle track to gain access to the Te Raupo peninsular.**

### 1) BACKGROUND

Te Raupo Road is located off State Highway 11 between Kawakawa and Opuia, near the intersection with Ridgen Road.

It is a metalled paper road which is not maintained by Council. The total length of the legal road is approximately 1700m with a further 300m of road on private property (Brown Family Trust). It is understood that Council has, in the past, taken access by agreement along the whole length of Te Raupo Road for the construction of the Taumarere to Opuia cycle trail. (Attachment 1).

The road comprises a bridge crossing the mouth of the Kawakawa estuary at the State Highway end known to Council as bridge T49. This was constructed by the Brown Family Trust. Following a structural inspection and assessment undertaken by Opus in January and February 2017 (Attachment 1), Council had concerns about the structural integrity of the bridge and a weight

restriction posted of 1800kg per axle which limits the use of the bridge to vehicles no larger than an SUV. This excludes emergency response vehicles. It is probably that this weight restriction is not complied with.

The road services a total of seven users:

1. Three properties with access directly from Te Raupo Road
2. Two properties with access from Te Raupo Road but also with alternative access, although not vehicular
3. One property with no access from Te Raupo Road and only legal water access, but with informal arrangements for access to Te Raupo Road
4. One road user (The Council) for access to the cycle trail.

There are ongoing issues with access to these properties, particular as some property owners use the existing rail corridor from opposite Opuia Business Park to obtain access. This effectively means vehicles are using a short length of the Taumarere to Opuia cycle trail illegally which raises Health and Safety concerns. Council continues to implement physical measures to prevent this access.

A meeting of the Infrastructure Committee held on 12 June 2014 considered a report (Attachment 2) and resolved that:

#### **5.7. Te Raupo Road - off State Highway 11**

Item 3.6 of the agenda, document number A1460417, pages 69-74 refers.

Reason for the resolution

To find resolution to an issue of property access that has arisen as a result of the development of the Twin Coast Cycle Trail – Pou Herenga Tai.

Resolved

Vujcich/Radich

***THAT the Infrastructure Committee makes the following recommendation to Council:***

***THAT 2 km of Te Raupo Road, off State Highway 11 be upgraded, at an estimated cost of \$94,000, to a standard suitable to be maintained;***

***AND THAT locked gates preventing access across the rail corridor (cycle trail) be reinstated;***

***AND THAT Council then hand the maintenance of the road to the adjoining landowners to be maintained in accordance with Policy 4103.***

Carried

Subsequently works to the value of \$63,978 plus GST were undertaken to upgrade Te Raupo Road. There is no record that this resolution was formally communicated to the property owners.

A further report was considered by Council on 14 September 2017 (Attachment 2) to determine a request from property owners for Council to take over the future maintenance for Te Raupo Road. Six options were considered:

**Option 1** - Council to take on maintenance responsibility for the road and bridge as is – no upgrade to bridge, obtain Right of Way (ROW) across Brown family Trust land to cycleway.

**Option 2** - Require the users to upgrade both the road and bridge to a standard acceptable to Council; split the cost, Council take responsibility for maintenance and obtain the 300m length of private road.

**Option 3** - Require Council to fund cost to upgrade bridge and road.

**Option 4** - Investigate option of alternative access to State Highway bypassing the bridge, combine with road upgrade and funding options under option 2 and 3.

**Option 5** - Status Quo, no upgrade of bridge and road, users and residents remain responsible for maintenance.

**Option 5A** - Status Quo, no upgrade of bridge and road, residents remain responsible for maintenance plus negotiate with an affected landowner for alternative access.

**Option 6** - Explore a combination of offered options with residents to find a mutual way forward.

Under each of these options resulting in the transfer of responsibility for maintenance to Council, there was an underlying need for agreement with the Te Raupo Trust for access over the of land from where the public road finishes to the joining point of the cycle trail corridor (approximately 300m). This is still a matter that needs resolution.

It was resolved that Council agrees to option six, to explore a combination of offered options with residents to find a mutual way forward.

There was a subsequent meeting with property owners on 5 April 2018. The general view of the landowners is that the shared cost between the six landowners and Council was not acceptable. It would appear that there has been little further progress since this time.

An alternative access route to Te Raupo Road, running between the causeway on State Highway 11 (opposite the Opuia Business Park) and the Te Raupo peninsular (approximately 350m), has been assessed. The estimated cost of this alternative (\$1.2m), along with environmental considerations relating to the existing mangroves, would suggest that this alternative is not practicable.

The request that Council takes over responsibility for the maintenance of Te Raupo Road has previously been tested against Council Policy 4103, Limits of Council Responsibility for Formation /Maintenance of Roads. The criteria in the policy are not met.

Currently landowners are taking access to the Te Raupo peninsular using the cycle track from opposite the Opuia Business Park. A number of initiatives to physically prevent this have proven unsuccessful in the past. The Pou Herenga Tai Twin Coast Cycle Trail Trust, who manages the cycle trail on behalf of Council, is proposing installing an automated gate opposite the Opuia Business Park to stop general vehicle access onto the cycle trail. Subject to approval from KiwiRail, the Bay of Islands Vintage Railway Trust (BOIVRT) and health and safety assessments, the Te Raupo Peninsula residents will be provided with a code to access the gate and utilise the cycle trail until the PGF funds are secured. An individual agreement would need to be arranged by the Cycle Trail Trust with each landowner.

A further consideration is that a special purpose company, Northland Adventure Experience Limited (NAX Ltd), has been established to develop and deliver a Provincial Growth Fund (PGF) bid for the extension of the Bay of Island Vintage Railway from Taumarere to Opuia, including the replication of the existing cycle trail that would otherwise be lost. The PGF application scope will include the upgrade of Te Raupo Road.

Council approved the incorporation of a registered limited-liability company and the holding of 24% of the shares in NAX Ltd at its meeting of 13 December 2018. However, it also resolved that:

**iii) The company may not expose the Council to financial liabilities without agreement**

NAX Ltd requires land security between Kawakawa and Opuia to underpin the PGF submission. However, Land Information New Zealand (LINZ) manages the land associated with the section of the cycle trail between Bridge 12 and Opuia. This is land banked for Treaty Settlements. LINZ



require NAX Ltd to consult with Tangata Whenua before a lease for the use of the land will be granted. LINZ also requires NAX Ltd to be guided by the wishes of Tangata Whenua.

NAX Ltd, in seeking the support of Tangata Whenua for the PGF application, has been advised that access for landowners to the Te Raupo peninsular is required through an upgrade of Te Raupo Road. Landowners would then use Te Raupo Road to access the State Highway rather than the cycle trail.

A meeting of the Bay of Islands Vintage Railway Trust held on 8 April 2019 resolved that (Attachment 3):

- That the upgrade of Te Raupo Road should be an urgent undertaking by Far North District Council, and at Council's expense. Such an upgrade to be completed by 31<sup>st</sup> July, 2019.

Subsequent conversations between The Pou Herenga Tai Twin Coast Cycle Trail Trust and John Law representing NAX Ltd have confirmed that "There is no need to do an upgrade to Te Raupo Road now until the PGF funding is secured".

Any sunk costs incurred in the preparation of the PGF bid, along with any other costs incurred, are generally not refundable through the PGF process.

## 2) DISCUSSION AND OPTIONS

There are currently two ways for landowners to gain access to the Te Raupo peninsular from the State Highway, namely over Te Raupo Road or traversing the cycle track. Despite previous Council investment to upgrade the road, land owners have not undertaken any subsequent maintenance and the road now is difficult to traffic and there are structural concerns with the existing bridge T49 crossing the mouth of the Kawakawa estuary.

A number of land owners are currently using the cycle track to gain access to the peninsular, despite previous Council efforts to physically prevent this. The Pou Herenga Tai Twin Coast Cycle Trail Trust is now seeking to formalise this arrangement with landowners, but they also require the written agreement of both KiwiRail and BOIVRT.

There are potentially a number of issues for Council to consider in respect of this proposal and before providing consent to the Cycle Trail Trust:

1. Normal road rules apply. If there were to be an accident and a person is injured ACC will pick up all the costs surrounding the injury. If there is loss of property and the driver of the vehicle caused the accident he/she will be liable in the first instance. The Cycle Trail Trust, more than the Council, may have some exposure from a health and safety point of view as the operators of the cycle trail.
2. A nuisance may be considered as being created by Council by consenting to the use of motor vehicles on the cycle trail. However, this can be mitigated by a number of steps to reduce any potential harm:
  - (a) Having an agreement that the users be limited with strict access control.
  - (b) An agreed low speed limit of say 30kph
  - (c) Clearly visible signage warning cyclist of the potential of coming across a motorist.
  - (d) An agreement that the cyclists have right of way.
  - (e) Access to the cycle trail by vehicle must be stressed to be a privilege not a right and any complaints if found to be justified can result in the immediate cancellation of the right of access.
3. There is a high probability that if anyone sued the motorist, Council will be joined to the proceedings, notwithstanding a low probability of success. The problem is that the Council is seen to have deep pockets and a finding of 10% of the blame could result in Council carrying the entire claim if the motorist has no money or assets.
4. There is also a risk of reputational damage to the cycle trail as a tourist attraction and Council if there is an accident.

The other concern is that consent would create a precedent. When negotiating and constructing the trail there were numerous request by different people along the cycle trail to access the track for walking dogs, horse trails, off road motor cycles and vehicle access. All of these were strongly resisted at the time.

NAX Ltd is currently preparing a PGF submission for the extension of the Bay of Island Vintage Railway from Taumarere to Opuia, including the replication of the existing cycle trail. This submission will include the upgrade of Te Raupo Road.

Accordingly, there would be little benefit in Council investing unbudgeted capital to undertake the full upgrade of Te Raupo Road and replace the bridge across the estuary at this time. Any costs incurred would not be recoverable through the PGF process.

There is also the residual issue of the length of private road which connects the public road to the cycle trail. As a minimum there would need to be a legal agreement in place that gave the general public access to this length of private road before public funds could be expended on maintenance. Preferably a right of way easement or agreement to have the road vest in Council is needed to ensure public access.

However, Council could elect at this time to spend an unbudgeted Operational sum of \$15,000 for the cost of repairs to bring the road up to a basic trafficable condition. This includes removing vegetation, reinstatement of potholes, the application of additional road metal and regrading. This would provide some relief to landowners and encourage them to use Te Raupo Road in preference to the cycle track.

### **Reason for the recommendation**

The issue of the maintenance of Te Raupo Road has been ongoing for a considerable period of time with no satisfactory conclusion for Council or residents.

The road and associated bridge do not meet the minimum requirements of Council's Council Policy 4103, Limits of Council Responsibility for Formation /Maintenance of Roads.

There is increasing pressure from NAX and the Pou Herehga Tai Twin Coat Cycle Trail Trust to find a resolution to the issue, particularly as Te Raupo peninsular residents are currently driving along the existing cycle trail to access their properties.

However, there would be little benefit to Council investing in a full upgrade of Te Raupo Road whilst this is the subject of a proposed PGF submission by NAX Ltd. In the interim period basic repairs are proposed.

### **3) FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION**

There are no budgets included in the Long Term Plan for Te Raupo Road.

The 2017 Council report included approximate costs for replacing the existing bridge and a full upgrade of Te Raupo including sealing. The estimated costs reported then are reproduced below, but adjusted for inflation.

- |                      |           |
|----------------------|-----------|
| • Bridge Replacement | \$209,000 |
| • Road Upgrade       | \$679,250 |

The total unbudgeted investment required is therefore \$888,250. It is unlikely that NZTA subsidy would be achievable for this work and therefore the full cost would accrue to Council. If rated District Wide then the increase in operational costs associated with depreciation and interest would be:

Depreciation

Only 34% of depreciation is funded on the basis that NZTA will contribute 66% to future renewals.

Road upgrade \$679,250

The average weighted life of a road would be 15 years therefore depreciation would be \$45,283 of which 34% would be “funded” and this would equal \$15,396.

Bridge replacement \$209,000

The average weighted life of a bridge would be 80 years therefore depreciation would be \$2,612.50 of which 34% would be “funded” and this would equal \$888.

Therefore total “funded” depreciation would be \$16,284.

Interest per annum on the total sum of \$888,250 would be \$35,530 based on a rate of 4%.

This would be a total operational impact of \$51,814 or 0.06% on the total rate to rate increase.




If the upgrade cost were to fall to landowners and Council, then the individual contributions would be approximately \$127,000. The rate impact would equal to depreciation as above plus \$5,080 for interest per annum on Council’s share of \$127,000. Total impact \$21,364 or 0.02% on the total rate to rate increase

If Council elected to maintain the road and bridge, the annual increase in operational costs for maintenance, structural inspections, and recovery of staff time would amount to approximately \$5,000 to \$10,000 annually. Resealing would be required every 10 to 15 years at a cost of approximately \$50,000. The initial operational impact of up to \$15,000 for maintenance as per the resolution would be 0.019% on the total rate to rates increase

Reconstruction may be required at some point in the next 25-30 years at a rough order cost of \$200,000.

If the road were part of the FNDC road network these costs would not be separately budgeted for. The road would simply be part of the overall optimisation of available funds to deliver the agreed level of service.

## ATTACHMENTS

1. **Te Raupo Road Plan - A2501087** [↓](#) 
2. **Council Report 12 June 2014 - A2501126** [↓](#) 
3. **2019.04.08 BOIVRT resolution re Rail Corridor - A2501440** [↓](#) 

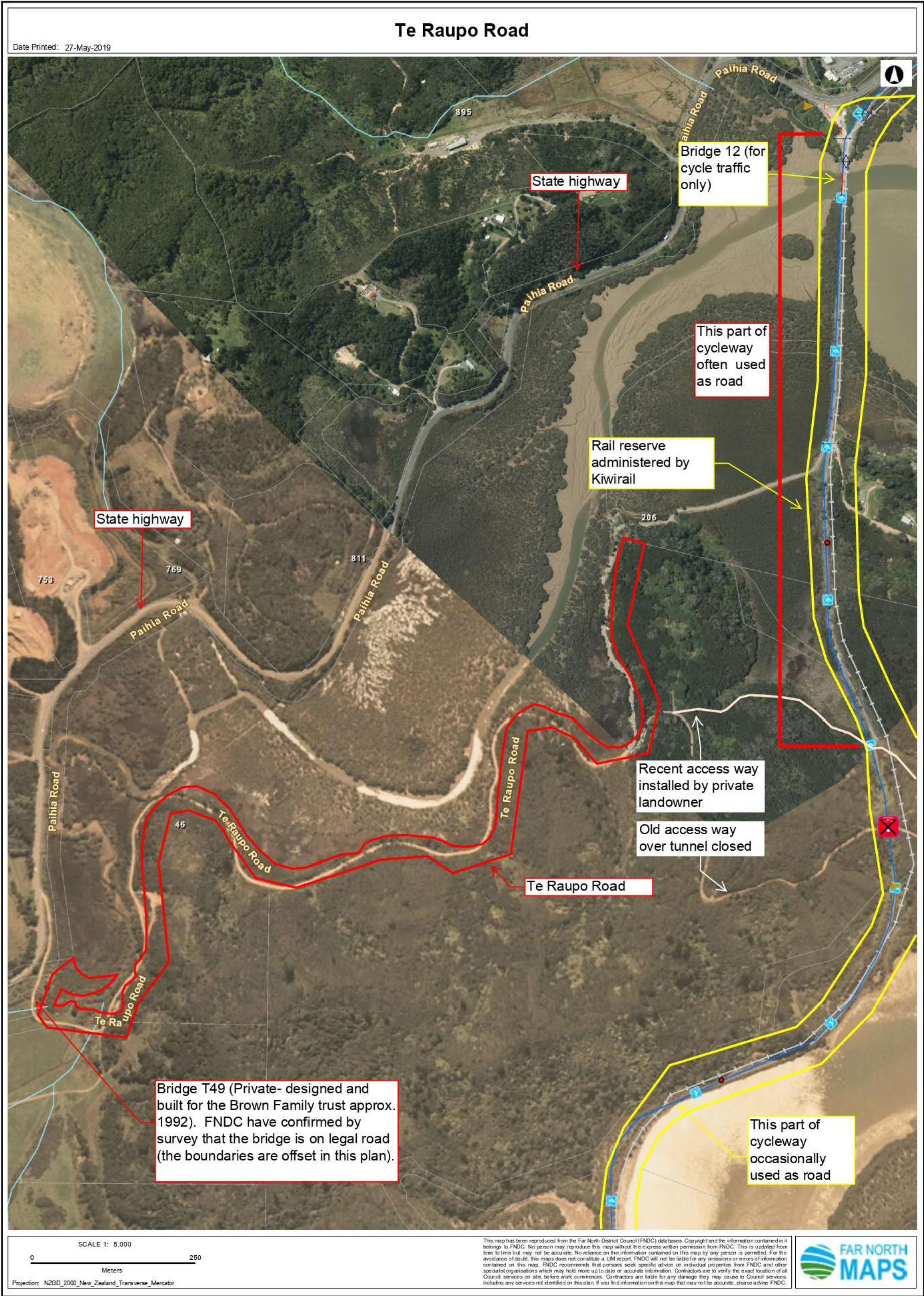
**Compliance schedule:**

Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

1. A Local authority must, in the course of the decision-making process,
  - a) Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
  - b) Assess the options in terms of their advantages and disadvantages; and
  - c) If any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna and other taonga.
2. This section is subject to Section 79 - Compliance with procedures in relation to decisions.

Compliance requirement	Staff assessment
State the level of significance (high or low) of the issue or proposal as determined by the <a href="#">Council's Significance and Engagement Policy</a>	Low significance
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	Policy 4103, Limits of Council Responsibility for Formation /Maintenance of Roads.
State whether this issue or proposal has a District wide relevance and, if not, the ways in which the appropriate Community Board's views have been sought.	Local relevance only
State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water.	As identified in the report content.
Identify persons likely to be affected by or have an interest in the matter, and how you have given consideration to their views or preferences.	Existing residents taking access from Te Raupo Road
State the financial implications and where budgetary provisions have been made to support this decision.	Detailed in report
Chief Financial Officer review.	The Chief Financial Officer has reviewed this report









## Item: 3.6

**MEETING:** INFRASTRUCTURE COMMITTEE - 12 JUNE 2014  
**Name of Item:** TE RAUPO ROAD  
**Author:** Ross Green – Acting General Manager - Infrastructure and Asset Management  
**Date of report:** 30 May 2014  
**Document number:** A1460417

**Executive Summary**

The purpose of the report is to outline a situation that has developed with the maintenance of Te Raupo Road and its effects on the Cycle Trail.

**Recommendation**

***THAT the Infrastructure Committee recommends to Council:***

***THAT locked gates preventing access across the rail corridor (cycle trail) be reinstated with one property owner being given a key for emergency access if required;***

***OR***

***THAT 2 km of Te Raupo Road be upgraded to a standard suitable to be maintained at an estimated cost of \$94,000 and that Council resolves to take over maintenance of Te Raupo Road.***

**1) Background**

Te Raupo Road is off State Highway 11 between Kawakawa and Opuā, near the intersection with Ridden Road. Attached is a plan (Attachment 1) showing the location of the road.

The road is the legal access to three properties. However, it is more convenient for the property owners to cross the rail corridor to access their residences. The use of this access across the corridor is also made because the Council does not maintain Te Raupo Road which has fallen into disrepair.

The use of the rail corridor as access has already resulted in 2 "near miss" incidents for riders on the cycle trail.

Locked gates have been constructed to prevent vehicles crossing, but these have been removed and thrown away resulting in Council asking the Police to intervene.

Rocks were installed to prevent vehicle access once the gates were removed but these were rolled clear.

A letter has been received from one of the property owners with frontage to Te Raupo Rd, saying that he is looking after a sick grandchild and needs vehicle access across the cycle way, primarily in case of a medical emergency (Attachment 2).

To access the properties via crossing the rail corridor the residents just need to come from the State Highway 11, as shown on Attachment 1.

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## 2) Discussion and options

The options that appear open to Council to prevent any future car versus cyclist incident include:-

1. Reinstate the gates and have Police monitor the situation and be called in should the gates be removed again. The person who has the sick grandchild would be given a security key that would not be able to be copied. The cost of this option will be relatively low but there would be no guarantee that the gates would remain undamaged.
2. Put some other form of barrier to vehicles that cannot be removed without the use of mechanical means. This may be in the form of steel bollards well fixed into the ground.

This would prevent the person with the sick grandchild being able to use the access in an emergency, except perhaps for pedestrian access to an ambulance waiting at the highway. This option would restrict emergency access should cycle trail users require it. This option has been discounted.

3. The third option would be for Council to upgrade Te Raupo Road to a standard suitable to be maintained and take over maintenance of it.

The length of Te Raupo Road is 2km and an estimate has been obtained for an upgrade of \$94,000. There would then be an ongoing maintenance cost as for other metal roads. If Council does take over a road for maintenance, the requirement is that the residents bring it up to standard, but given the financial circumstances of the residents in this case this is unlikely to happen. Some of the residents insist that Council should be maintaining the road, however the required resolution to maintain it has never been passed and the RAMM data records the road as "private".

The road is likely to meet all the criteria under Policy 4112 for Council to maintain it, except for the requirement that it be handed over to a standard acceptable for maintenance.

A formed and maintained Te Raupo Road would allow the grandfather with the sick child and the other residents to access their properties without crossing the cycle trail.

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**3) Financial implications and budgetary provision**

The costs of the options could be funded as follows:

Option 1 - This could be funded from the maintenance provision for the Cycle Trail in the 2014/15 Annual Plan.

Option 2 – This could be treated as capital expenditure as it would be a new gate. This would have to be factored into the funding budgets for the cycle trail.

Option 3 - The cost of upgrading Te Raupo Road would need to be met from unsubsidised roading budgets and ongoing maintenance from the subsidised maintenance budget.

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**4) Reason for the Recommendation**

Three options have been presented for consideration by the Committee.

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Manager: Ross Green – Acting General Manager - Infrastructure and Asset Management

Attachment 1: Plan showing Te Raupo Rd & access across the rail corridor - Document number A1463875

Attachment 2: Letter regarding access - Document number A1463876

Compliance schedule:

Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

The decision-making process has sought to —

- identify all reasonably practicable options for the achievement of the objective of a decision; and
- assessed those options by considering—
  - the benefits and costs of each option in terms of the present and future interests of the district or region; and
  - the extent to which community outcomes would be promoted or achieved in an integrated and efficient manner by each option; and
  - the impact of each option on the local authority's capacity to meet present and future needs in relation to any statutory responsibility of the local authority; and
  - any other matters that, in the opinion of the local authority, are relevant; and
- if any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.

Relationship with existing policies and Community outcomes	Relationship with Policy 4112 – The Formation and Maintenance of Roads
Possible implications for the relationship of Maori and their culture and traditions with their ancestral land, water, site, waahi tapu, valued flora and fauna, and other taonga	None known.
Views or preferences of persons likely to be affected by, or to have an interest in the matter, including persons with disabilities.	None know.
Does the issue, proposal, decision or other matter have a high degree of significance as determined under the Council's policy 2116?	Low
If the matter has a Community rather than a District wide relevance has the Community Board's views been sought?	No, District wide relevance.
Financial Implications and Budgetary Provision. Financial Controller review	The Financial Controller has reviewed this report

Infrastructure Committee  
12 June 2014

CONFIRMED

**5.6. Waste Management and Minimisation**

Item 3.5 of the agenda, document number A1442116, pages 45-67 refers.

Reason for the resolution

To provide time to evaluate Council's strategy and bylaws around waste management and minimisation and to integrate community views.

Resolved

Vujcich/Collard

***THAT the Infrastructure Committee makes the following recommendation to Council:***

***THAT the current Contracts 7/09/600 – Northern and Southern (for the Provision of Waste Management and Minimisation Services), be extended by 12 months;***

***AND THAT a new 'Solid Waste Bylaw' is drafted to replace the current Collection and Transportation of Waste and Diverted Material Bylaw and Disposal of Solid Waste Bylaw;***

***AND THAT further strategies be developed and recommended by the Infrastructure Committee for the next Long Term Plan.***

Carried

**5.7. Te Raupo Road - off State Highway 11**

Item 3.6 of the agenda, document number A1460417, pages 69-74 refers.

Reason for the resolution

To find resolution to an issue of property access that has arisen as a result of the development of the Twin Coast Cycle Trail – Pou Herenga Tai.

Resolved

Vujcich/Radich

***THAT the Infrastructure Committee makes the following recommendation to Council:***

***THAT 2 km of Te Raupo Road, off State Highway 11 be upgraded, at an estimated cost of \$94,000, to a standard suitable to be maintained;***

***AND THAT locked gates preventing access across the rail corridor (cycle trail) be reinstated;***

***AND THAT Council then hand the maintenance of the road to the adjoining landowners to be maintained in accordance with Policy 4103.***

Carried

**5.8. Cycle Trail Update and Financing Issues**

Item 3.7 of the agenda, document number A1460418, pages 75-79 refers.

Reason for resolution

Further funding is required to complete the cycle trail and one possible source is the Government.

Document number A1466520

**Proposal in light of the conflict of interest and use over the Railway Corridor between Te Raupo Road and Bridge 12 at Opuā.**

**To: Far North District Council, Pou Herenga Tai Cycleway Trust.**

As agreed by Resolution of the Bay Of Islands Vintage Railway Trust during their meeting on 8<sup>th</sup> April, 2019.

Situation:

The following reiterates or adds to the discussion of 2<sup>nd</sup> April regarding the letter from Johnson Davis.

1. The lease of the railway corridor is with Bay Of Islands Vintage Railway Trust (BOIVRT).
2. The Deed of the lease established 20 January 1993 states the purpose as being:
  - To provide tourist attractions for the district of the Bay Of Islands within New Zealand
  - To preserve the rail line between Kawakawa and Opuā including the operation of the tourist rail line
  - To obtain necessary leases and licences to operate the tourist rail line.
3. In view of the above, the Vintage Railway Trust is extremely concerned that it must not be put into a situation that places the lease and the accompanying benefits to the region at any risk. Use of any portion of the railway corridor by vehicles unauthorised by the Trust puts the lease in jeopardy.
4. The Vintage Railway is totally committed to the sub lease of a portion of the rail corridor to enable permanent use for the Pou Herenga Tai Cycleway to be put into effect. This is a core component of the Railway's Business Case and of the current application to the Provincial Growth Fund (PGF).

During the BOIVRT meeting on 8<sup>th</sup> April, 2019, it was resolved that:

1. BOIVRT requires that no decisions – written or oral – relating to the use of the railway corridor can be entered into without the formal approval and/or the involvement of BOIVRT as the owner of the Lease.
2. That FNDC / Cycleway Trust should provide a written guarantee to BOIVRT that all accidents of any sort to cyclists or pedestrians resulting from the use of the railway corridor be the sole responsibility of FNDC / Cycleway Trust.
3. That all signage, etc, relating to the use of the Railway Corridor must first be approved by BOIVRT.
4. That the upgrade of Te Raupo Road should be an urgent undertaking by Far North District Council, and at Council's expense. Such an upgrade to be completed by 31<sup>st</sup> July, 2019.

Please confirm that you agree to the above comments and conditions within 5 working days.



## **6 CORPORATE SERVICES GROUP**

### **6.1 ADDITIONAL BUDGET FOR UNSUBSIDISED ROAD SEALING**

**File Number:** A2521211

**Author:** Janice Smith, General Manager - Corporate Services (Acting)

**Authoriser:** Andy Finch, General Manager - Infrastructure and Asset Management

#### **PURPOSE OF THE REPORT**

To seek direction from elected members in relation to the provision of additional budget for unsubsidised road sealing.

#### **EXECUTIVE SUMMARY**

- The draft annual plan for 2019/20 already includes provision for additional road sealing of \$2m, of which \$1m is unsubsidised.
- The current provision would achieve approximately 6.5km of additional seal.
- The NTA will be seeking approval to bid for additional funding via the NZTA Dust Mitigation Initiative (DMI), Provincial Growth Fund (PGF) and Tourism Infrastructure Fund (TIF) programmes.
- Any funding secured via the programmes mentioned would increase the effectiveness of Council's local share by 66% (50% for TIF)
- Elected members have indicated that they would welcome a discussion relating to additional budget in 2019/20 for unsubsidised road sealing.
- It is recommended that the request for additional funding for unsubsidised road sealing be declined.
- Any decision made to increase funding also needs to be considered alongside the wider capital programme and future rate increases as the rate limit within the financial strategy will be breached and if \$3m per year was approved, the available headroom for borrowing would be \$70m at its lowest point (based on current asset information).
- Funding beyond 2019/20 would trigger an LTP amendment due to significance as assessed by the Significance and Engagement Policy, particularly with regard to the change in levels of service being both major and long term.

#### **RECOMMENDATION**

That Council :

- a) Decline the request for additional budgetary provision for unsubsidised road sealing for 2019/20 and beyond.
- b) And that the issue of additional funds for road sealing be revisited once the outcome of any bids for DMI, PGF and TIF are known.

#### **1) BACKGROUND**

In recent weeks, elected members have indicated that a discussion concerning additional sealing of roads in the Far North would be welcomed. At deliberations for the 2018/28 Long Term Plan (LTP) an additional \$1m per annum was provided for unsubsidised road sealing for the full 10 years of the plan.

## 2) DISCUSSION AND OPTIONS

The \$2m that is provided in year 2 of the LTP (2019/20) will provide approximately 6.5kms of road sealing within the District. The NTA is currently developing a matrix to determine which roads are priority and this will be reported back to Council at the 27 June meeting. The current length of the unsealed road network is 1,650km.

This report will consider what could be achieved with additional funding of \$1m, \$2m and \$3m for unsubsidised road sealing in 2019/20.

	Financial Strategy Limits	Draft Annual Plan	\$1m addition	\$2m addition	\$3m addition
Rate increase 20/21	4.7%	3.73%	3.85%	3.98%	4.10%
Borrowing headroom 19/20	\$206m	\$125m	\$123m	\$121m	\$119m
Approx. Seal		6.5km	9.75km	13km	16.25km

The movement in borrowing headroom does not exactly mirror the dollar movement as it is based on actual borrowing values and rounding of those numbers affects the calculation.

Staff were also asked to consider the impact of additional funding for the remainder of the LTP period.

The current draft annual plan position is as follows:

<b>10-year rates impact - current</b>										
Rate to rate increase from previous year	3.07%	3.73%	4.73%	3.86%	2.42%	3.72%	2.96%	3.39%	3.31%	1.73%
Rate limit in financial strategy	4.70%	4.70%	4.70%	4.80%	4.80%	4.90%	5.00%	5.00%	5.10%	5.10%
<b>Difference</b>	<b>2,662,272</b>	<b>3,333,401</b>	<b>4,379,570</b>	<b>3,745,671</b>	<b>2,438,720</b>	<b>3,837,726</b>	<b>3,172,050</b>	<b>3,740,474</b>	<b>3,777,733</b>	<b>2,036,623</b>
<b>Debt/Borrowing</b>										
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Predicted Borrowing \$m	81	103	117	136	148	147	155	159	159	151
Borrowing ceiling \$m	206	213	221	228	233	240	247	254	261	266
Head room to borrowing ceiling \$m	125	109	104	92	85	93	92	95	102	115

The current information indicates that we will breach the rate increase limit in 2021/22 based on current plans and the headroom on the debt ceiling would be at it's lowest point of \$85m in 2023/24.

The following tables indicate the change if the additional funding of \$1m, \$2m and \$3m is applied to the remainder of the LTP period:

<b>10-year rates impact - \$1m per annum</b>										
Rate to rate increase from previous year	3.07%	3.85%	4.85%	3.97%	2.53%	3.82%	3.06%	3.49%	3.40%	0.89%
Rate limit in financial strategy	4.70%	4.70%	4.70%	4.80%	4.80%	4.90%	5.00%	5.00%	5.10%	5.10%
<b>Difference</b>	<b>2,662,272</b>	<b>3,444,068</b>	<b>4,498,474</b>	<b>3,862,985</b>	<b>2,558,620</b>	<b>3,960,265</b>	<b>3,297,411</b>	<b>3,868,848</b>	<b>3,909,322</b>	<b>1,061,975</b>
<b>Debt/Borrowing</b>										
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Predicted Borrowing \$m	83	106	121	141	154	154	163	168	170	162
Borrowing ceiling \$m	206	213	221	229	234	241	248	255	263	268
Head room to borrowing ceiling \$m	123	107	100	88	80	88	85	88	93	105

10-year rates impact - \$2m per annum										
Rate to rate increase from previous year	3.07%	3.98%	4.97%	4.08%	2.64%	3.92%	3.16%	3.58%	3.49%	0.07%
Rate limit in financial strategy	4.70%	4.70%	4.70%	4.80%	4.80%	4.90%	5.00%	5.00%	5.10%	5.10%
Difference	2,662,272	3,554,734	4,617,378	3,980,299	2,678,520	4,082,804	3,422,772	3,997,222	4,040,911	87,327
Debt/Borrowing										
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Predicted Borrowing \$m	85	109	125	146	160	161	171	177	180	174
Borrowing ceiling \$m	206	213	222	229	235	242	249	257	265	270
Head room to borrowing ceiling \$m	121	104	97	84	75	82	78	80	85	96

10-year rates impact - \$3m per annum										
Rate to rate increase from previous year	3.07%	4.10%	5.09%	4.19%	2.75%	4.02%	3.26%	3.67%	3.58%	-0.74%
Rate limit in financial strategy	4.70%	4.70%	4.70%	4.80%	4.80%	4.90%	5.00%	5.00%	5.10%	5.10%
Difference	2,662,272	3,665,401	4,736,282	4,097,613	2,798,420	4,205,344	3,548,133	4,125,596	4,172,501	- 887,321
Debt/Borrowing										
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Predicted Borrowing \$m	87	112	129	151	166	168	179	186	190	185
Borrowing ceiling \$m	206	213	222	230	236	243	250	258	267	272
Head room to borrowing ceiling \$m	119	101	93	79	70	76	72	73	76	87

**Deliverability**

With an ongoing higher funded programme of works, there is the need to consider the market's residual capability (capability beyond the current capital delivery programme) to absorb and effectively deliver on a significantly increased overall annual work load. Growth of the local construction industry will therefore need to be considered in the forward work programmes. As a minimum, a guaranteed forward works programme and maybe the ability to ramp up, as resource and investment is met within the industry. Industry responds favourably to a consistent and stable pipeline of work.

These concerns would be even greater if the increased work programme was for only one construction season. Both the capacity and the desire for the industry to invest in resource and plant would be very challenging.

Council will be asked to consider approving the NTA to bid for additional resources from the Dust Mitigation Initiative (DMI), the Provincial Growth Fund (PGF) and the Tourism Infrastructure Fund (TIF). The bids to the DMI and PGF, if successful, would attract subsidy of 66% and bids to TIF would attract subsidy of 50%. The likelihood of successful bids is currently unknown.

In all three cases, additional local share would be required to support the bids and this means that any additional funding approved for road sealing in association with these bids would see a significant increase in Council's ability to seal roads within the District.

**Significance**

It should also be noted that if a decision was taken to add additional budget over the remainder of the LTP, the cumulative total would breach Council's Significance and Engagement Policy and this would then require consultation with the community and an amendment to the 2018/28 LTP. A decision has been taken that the 2019/20 Annual Plan would not be consulted on therefore any extended funding decision would trigger a Special Consultative Process. A decision could therefore only apply to funding for 2019/20 with any further funding forming part of an LTP amendment for 2020/21 or incorporating into the next LTP.

**Reason for the recommendation**

Adding additional funding for unsubsidised road sealing in isolation of the proposed bids for subsidy will limit the impact that Council funded local share will have on the District. Decisions need to consider the impact on the ability of the NTA and the wider industry to deliver additional work in 2019/20. Any decision made to increase funding also needs to be considered alongside the wider capital programme and future rate increases as the rate limit within the financial strategy will be breached and if \$3m per year was approved, the available headroom for borrowing would be \$70m at its lowest point (based on current asset information). Funding beyond 2019/20 would trigger an LTP amendment due to significance as assessed by the Significance and Engagement Policy, particularly with regard to the change in levels of service being both major and long term.

**3) FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION**

The financial implications are contained within the report

**ATTACHMENTS**

Nil

**Compliance schedule:**

Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

1. A Local authority must, in the course of the decision-making process,
  - a) Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
  - b) Assess the options in terms of their advantages and disadvantages; and
  - c) If any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna and other taonga.
2. This section is subject to Section 79 - Compliance with procedures in relation to decisions.

Compliance requirement	Staff assessment
State the level of significance (high or low) of the issue or proposal as determined by the <a href="#">Council's Significance and Engagement Policy</a>	Currently low but would become high if a decision were taken to fund over the remaining life of the LTP
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	N/A
State whether this issue or proposal has a District wide relevance and, if not, the ways in which the appropriate Community Board's views have been sought.	Community board views have not been sought due to the urgency required for a decision prior to the adoption of the Annual Plan for 2019/20
State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water.	N/A
Identify persons likely to be affected by or have an interest in the matter, and how you have given consideration to their views or preferences.	N/A
State the financial implications and where budgetary provisions have been made to support this decision.	Included in the report
Chief Financial Officer review.	The Chief Financial Officer prepared this report

**7 PUBLIC EXCLUDED****RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATION**

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

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

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48 for the passing of this resolution</b>
<b>7.1 - Supplier Recommendation and request for additional budget for the Animal Care Facility Kaitaia</b>	<p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>7.2 - A Resilient Water Supply for Kaitaia</b>	<p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p> <p>s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

**8 MEETING CLOSE**