

THE WEST COAST REGIONAL COUNCIL

MEETING OF THE NEIL'S BEACH RATING DISTRICT

ON

29th May 2024, at 2pm

At The Hanger, Neils Beach Air Strip

AGENDA

1. Welcome
2. Apologies
3. Minutes of last meeting
4. Matters Arising
5. Financial Update
6. Annual Works Report
7. Election of Committee
8. Managers Update (*verbal report*)
9. Terms of Reference (*verbal report*)
10. Impairment
11. Classification/Review (*verbal report*)
12. General Business
 - 12a. Flood Protection Management Bylaws (*verbal report*)

Please let WCRC know if there is anything you would like discussed at this meeting that is not on the agenda by **Friday 24th May 2024**. Please contact Lillian Crozier (lillian.crozier@wrc.govt.nz) or Shanti Morgan (shanti.morgan@wrc.govt.nz) with your queries.

THE WEST COAST REGIONAL COUNCIL
MINUTES OF THE ANNUAL MEETING OF THE
NEILS BEACH RATING DISTRICT
HELD AT THE HANGER BARN BAY FISHING CO
ON 18TH APRIL 2023, COMMENCING AT 1PM.

PRESENT (Rating District Members)

G. Dowie, G. Robson, J. Sutton, A. Piercy, N Kagan.

IN ATTENDANCE (Staff)

Cr B. Cummings,
C. Munn, J. Bell,

APOLOGIES

M. Petrie, C. Hughes, S. Bell, J. Dibben, Cr A. Campbell, Cr P. Haddock, Cr P. Ewen, L. Crozier (Staff).

Movers -/- Carried

Welcome and Minutes of the Last Meeting

Cr B. Cummings welcomed rating district members to the meeting and introduced himself and council staff. J. Bell advised he has been covering the Southern Area Engineer role and C. Munn has been Acting Infrastructure Manager.

Cr B. Cummings asked everyone to take a minute to read the minutes since they have only just received the mailout.

Moved: *"That the minutes of the previous Annual Meeting held on 20th August 2020, be adopted as a true and correct record of that meeting."*

Movers J Sutton/-A Piercy Carried

MATTERS ARISING

The last meeting was zoom meeting. C. Munn apologised for the late mailout and requested email addresses for members to improve communication in the future. Rating District members would prefer meeting notification a month in advance.

Cr B. Cummings asked if the actions related to the Lake Mary Quarry had been done? J Sutton advised that a slip had occurred that crossed a road. R. Beal got a resource consent, and two moxie type dump trucks in Okuru to fix the road between Okuru and Haast were engaged to trucking material from the slip. The trucks carted material along beach and constructed at least 500meters of seawall including a little bit to stop the sea coming in the access road. They spent \$13,000 for the whole job and did ten times what we did for the \$15,000 building the original bund. The reason was local access to the right machines for the job, and WCRC permission to operate on the beach, avoiding all slow and expensive road transport, and giving us the ability to cart and place large 30 ton loads quickly, to stop the sea coming in the village beach access near the strip, good tides which

meant they we didn't have to stop work due to the tides. The project went like clockwork and was a win win.

There was discussion resource consent for opening the river mouth. Cr B. Cummings asked if the Rating District would like enquires made into resource consents for opening the mouth. Everyone was in agreement. J. Bell advised Council cannot approve consents to itself and the regulatory is independently outsourced.

Three pictures were circulated of the bush between the end of the runway and the sea, after the big blow out.

FINANCIAL REPORT

J. Bell spoke on the financial report for the period of 1st July 2021 to 30th June 2022. He advised that the Neils Beach Rating District had an opening balance of \$4,120.96 with a total revenue of \$16,007.48, less expenses of \$250.00 for a closing balance of \$19,878.49.

Income of \$10,000 was received from the Westland District Council as a contribution to works.

Movers J Sutton/A Piercy Carried

ANNUAL WORKS REPORT

J. Bell spoke to the Annual Works Report. No works had been undertaken in the 2021-2022 year and no works were planned in the current year. A provision of \$5,000 had been made for unforeseen maintenance if required.

Movers –/ - Carried

RATES 2023/ 2024

J. Bell advised that the balance of the rating district account at the beginning of the 2023-2024 financial year was likely to be \$20,000.

He proposed rates strike of \$5,262.00 which included \$5,000 of rates and \$262.00 of Engineering Cost Recovery.

Moved: *"That rate strike for Neils Beach Rating District is \$5,262.00 Excl GST for the 2023-2024 financial year."*

Movers G Robson/J Sutton Carried - Carried

ELECTION OF OFFICERS

Moved: *"That the committee, be namely:
A. Piercy
G. Robson,
S. Metcalf,
J. Sutton,
G. Dowie,
M. Petrie and
P. Turvey be appointed as the committee for the 2023/2024 financial year."*

Moved: *"That J. Sutton is re-elected as Spokesperson, for the 2023-2024 financial year."*

GENERAL BUSINESS

C. Munn advised that the Flood Protection Management Bylaws were in the process of being renewed, and these will be notified in the near future.

Rating district members discussed the promotion of more planting along the beach front. J. Bell said we could talk to WCRC biosecurity people about what is recommended to plant and confirm that DOC would be happy with.

There was discussion around what signs should be put up to stop the removal of dead trees from the beach.

Action Points for follow up.

- Issues with people removing driftwood from the beach which helps to stabilise the beach.
- Requested that WCRC investigate obtaining a resource consent to cut the mouth and confirm a cost.
- Discussed undertaking further beach planting to stabilise the beach. James used the drone to capture some imagery.

**West Coast Regional Council
Neils Beach District Financial Accounts
For the 12 Months to 30 June 2023**

		2022/23 YTD
Reserve Opening Balance 1 July 2022		19,878.44
Opening adjustments and transfers:		
2021/22 Internal Interest transferred to Hokitika Loan RD		(529.97)
Revised Opening Balance		19,348.47
Add Incomings:		
Internal interest income / (expense)	406.40	
Rates	5,254.08	
Total Incomings		5,660.48
		25,008.95
Less Outgoings:		
Advertising	(58.00)	
Staff Time	(256.00)	
Total Outgoings		(314.00)
Reserve Balance at 30 June 2023		24,694.95

West Coast Regional Council – Neils Beach Rating District

Annual Works Report on Rating District Assets

1. Maintenance works carried out from 1 July 2022 to 30 June 2023

No works carried out

Total Maintenance Works for the 2022 / 2023 Financial Year:	\$0.00
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2. Capital works carried out from 1 July 2022 to 30 June 2023

No works carried out

Total Capital Works for the 2022 / 2023 Financial Year:	\$ 0.00
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3. Administration (other expenditure)

Advertising	\$58.00
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Total other expenditure for the 2022 / 2023 Financial Year:	\$58.00
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4. Future Works to be carried out to 30 June 2024

No works scheduled.

Allow for unforeseen maintenance of sacrificial bund	\$ 5,000.00
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Total works estimated for the 2023 / 2024 financial year	\$ 5,000.00
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5. Neils Beach Rating District financial balance

The balance in the rating district account at the beginning of the 2024/25 financial year is likely to be approximately \$30,200. This is approximately \$5,000 more than expected because to date during 2023/24 no funds were spent on unforeseen maintenance.

A target balance for the 'prudent reserve' for this rating district is yet to be established. \$30,000 is suggested, which is approximately the forecasted balance.

A prudent reserve should be immediately available for urgent emergency works that may be required following a major coastal event.

It is therefore likely the current reserve will only cover a portion of the actual cost of the potential damage that could occur.

6.

6. Proposed maintenance rates for the 2024 / 2025 financial year

Rates Maintenance	\$ 5,000.00
Prudent Reserve (yet to be formally assigned)	\$ n/a
Engineers Cost Recovery	\$ 262.00
Infrastructure Insurance	\$ n/a
Resource Consents	\$2,316.00
Total:	\$ 7,398.00

The Council recommend a maintenance rate strike of \$ 7,398.00 excluding GST.

7. General Business

- a) Prudent Reserve
- b) Bund drainage
- c) Resource Consent
- d) Coastal rezoning
- e) Plantings

MEMORANDUM

Subject: Impairment of Rating District infrastructure assets and the associated implications for the Community, Rating Districts, and Regional Council?

Impairment is **unexpected damage** to the asset (*e.g. unscheduled damage due to a flood*), whereas depreciation is based on expected / scheduled wear and tear over the useful life of the asset based on either the straight-line or diminishing value methods.

Impairment can occur because of an unusual / one-time event (*e.g. flood event or earthquake*), and/or damage that impacts an asset (*e.g. the potential impact of climate changes leading to flood protection assets no longer being fit for purpose from a design or level of service perspective*).

Generally accepted accounting principles (GAAP) and PBE IPSAS 21: Impairment of Non-Cash-Generating Assets require **assets be tested for impairment regularly** (*i.e. WCRC complete impairment testing annually*) to ensure the asset values recorded on Councils balance sheet are not overstated. Impairment exists when an asset's fair value is less than its carrying value (or book value) on the balance sheet.

A summary of implications to WCRC due to a flood protection asset impairment event follows:

1. There would be no impact to rating district financials in the event of impairment nor would there be any more or less rates required because of it. There are however accounting impacts at an all of Council level, but no impact to rate or funding requirements *in the first instance*. There could be flow on impacts around restoring assets back to fit for purpose state.
2. It would impact Council books with asset values would go down, and there would be an accounting 'loss' that would potentially make it appear Council was in the red at the end of the financial year but would cost no cash or outgoings. It is purely an accounting book loss.
3. Impairment event could trigger a capital investment decision needed if asset levels of service are to be remediated back to a fit for purpose state, and that *would* require money from community, or the repayment of debt should the RD agree to major works on their assets. That would be no different to current practices today about levels of service (LOS) with community even without impairment. Same process would apply.
4. Impairment would impact on the community around what (LOS) they are going to accept (and Council would maintain) from their assts going forward, and any downward change in LOS should be formally documented and agreed in writing. This would be the most real world significant and strategic impact to Council and RD from a risk perspective if an impairment event were to happen.
5. The implications for a RD not accepting a Council proposal to remediate the assets back to acceptable LOS would heighten the risk to Council as it relates to their legislative duties of care around river management and flood protection. It is uncertain what sort of legal defence the Council could offer by allowing communities to drop levels of service knowing that the impact could be significant to life and property in the event of a flood scenario.
6. There would likely be insurance implications to Council assets (premiums go up due to heightened risk or become uninsurable), but also could impact private property holders who may be suddenly considered now in a high-risk area if the flood protection assets are no longer deemed fit for purpose (particularly pertinent considering the insurance retreat is already well documented elsewhere given climate change assumptions).
7. There could be impacts to planning and consents for various activities at a Regional Plan or District Council level that may no longer allow building or development in affected areas. This could impact property market values significantly and create a strong drag effect on economic development.