



**I give notice that
an Ordinary Meeting of Council will be held on:**

Date:	Tuesday, 30 May 2017
Time:	1.30pm
Location:	Council Chamber 72 Lake Terrace Taupo

AGENDA

MEMBERSHIP

Chairperson Mayor David Trewavas

Deputy Chairperson Cr Rosie Harvey

Members

- Cr John Boddy
- Cr Zane Cozens
- Cr Barry Hickling
- Cr Rosanne Jollands
- Cr Tangonui Kingi
- Cr Anna Park
- Cr Christine Rankin
- Cr Kirsty Trueman
- Cr John Williamson

Quorum 6

**Gareth Green
Chief Executive Officer**

Order Of Business

1	Apologies	
2	Conflicts of Interest	
3	Confirmation of Minutes	
3.1	Ordinary Council Meeting - 26 April 2017	3
3.2	Extraordinary Council Meeting - 16 May 2017	4
4	Receipt of Minutes	
4.1	Ordinary Turangi/Tongariro Community Board Meeting - 11 April 2017	5
4.2	Ordinary Turangi/Tongariro Community Board Meeting - 9 May 2017	6
4.3	Extraordinary Turangi/Tongariro Community Board Meeting - 18 May 2017	7
4.4	Ordinary Mangakino/Pouakani Representative Group Meeting - 18 April 2017	8
4.5	Ordinary Taupo Airport Authority Committee Meeting - 1 May 2017	9
4.6	Ordinary Audit & Risk Committee Meeting - 15 May 2017	10
5	Policy and Decision Making	
5.1	Request for Extension for the District Bulk Haulage Contract TDC/1314/109	11
5.2	Adoption of fees and charges 2017/18	14
5.3	Otumuheke Hot Stream Cultural and Ecological Enhancement Project	15
5.4	Council's April Performance Report	23
5.5	Standard & Poor's (S&P) - Annual Credit Rating Review	25
5.6	Council Engagements June 2017 and Conference Opportunities	28
5.7	Members' Reports	29
6	Confidential Business	
6.1	Confirmation of Confidential Portion of Ordinary Council Minutes - 26 April 2017	30
6.2	Receipt of Confidential Portion of Minutes - Turangi/Tongariro Community Board - 11 April 2017	30
6.3	Receipt of Confidential Portion of Minutes - Turangi/Tongariro Community Board - 9 May 2017	30
6.4	Receipt of Confidential Portion of Minutes - Turangi/Tongariro Community Board - 18 May 2017	30
6.5	Receipt of Confidential Portion of Minutes - Taupo Airport Authority Committee - 1 May 2017	31
6.6	Receipt of Confidential Portion of Minutes - Audit & Risk Committee - 15 May 2017	31
6.7	Appointment To Enterprise Lake Taupō Board	31
6.8	Appointments To Destination Lake Taupō Board	31
6.9	Receipt of Confidential Portion of Minutes - Performance Monitoring Group - 21 March 2017	31

3.1 ORDINARY COUNCIL MEETING - 26 APRIL 2017

Author: Tina Jakes, Democracy & Community Engagement Manager

Authorised by: Brian Fox, Group Manager: Corporate and Community

RECOMMENDATION(S)

That the minutes of the Council meeting held on Wednesday 26 April 2017 be confirmed as a true and correct record.

ATTACHMENTS

1. Council Meeting Minutes - 26 April 2017 

3.2 EXTRAORDINARY COUNCIL MEETING - 16 MAY 2017

Author: Tina Jakes, Democracy & Community Engagement Manager

Authorised by: Brian Fox, Group Manager: Corporate and Community

RECOMMENDATION(S)

That the minutes of the extraordinary Council meeting held on Tuesday 16 May 2017 be confirmed as a true and correct record.

ATTACHMENTS

1. Council Meeting Minutes - 16 May 2017 

4.1 ORDINARY TURANGI/TONGARIRO COMMUNITY BOARD MEETING - 11 APRIL 2017

Author: Tina Jakes, Democracy & Community Engagement Manager

Authorised by: Brian Fox, Group Manager: Corporate and Community

RECOMMENDATION(S)

That Council receives the minutes of the Turangi/Tongariro Community Board meeting held on Tuesday 11 April 2017.

ATTACHMENTS

1. Turangi/Tongariro Community Board Meeting Minutes - 11 April 2017 

4.2 ORDINARY TURANGI/TONGARIRO COMMUNITY BOARD MEETING - 9 MAY 2017

Author: Tina Jakes, Democracy & Community Engagement Manager

Authorised by: Brian Fox, Group Manager: Corporate and Community

RECOMMENDATION(S)

That Council receives the minutes of the Turangi/Tongariro Community Board meeting held on Tuesday 9 May 2017.

ATTACHMENTS

1. Turangi/Tongariro Community Board Meeting Minutes - 9 May 2017 

4.3 EXTRAORDINARY TURANGI/TONGARIRO COMMUNITY BOARD MEETING - 18 MAY 2017

Author: Tina Jakes, Democracy & Community Engagement Manager

Authorised by: Brian Fox, Group Manager: Corporate and Community

RECOMMENDATION(S)

That Council receives the minutes of the extraordinary Turangi/Tongariro Community Board meeting held on Thursday 18 May 2017.

ATTACHMENTS

1. Turangi/Tongariro Community Board Meeting Minutes - 18 May 2017 

4.4 ORDINARY MANGAKINO/POUAKANI REPRESENTATIVE GROUP MEETING - 18 APRIL 2017

Author: Tina Jakes, Democracy & Community Engagement Manager

Authorised by: Brian Fox, Group Manager: Corporate and Community

RECOMMENDATION(S)

That Council receives the minutes of the Mangakino/Pouakani Representative Group meeting held on Tuesday 18 April 2017.

ATTACHMENTS

1. Mangakino/Pouakani Representative Group Meeting Minutes - 18 April 2017 

4.5 ORDINARY TAUPO AIRPORT AUTHORITY COMMITTEE MEETING - 1 MAY 2017

Author: Tina Jakes, Democracy & Community Engagement Manager

Authorised by: Brian Fox, Group Manager: Corporate and Community

RECOMMENDATION(S)

That Council receives the minutes of the Taupo Airport Authority Committee meeting held on Monday 1 May 2017.

ATTACHMENTS

1. Taupo Airport Authority Committee Meeting Minutes - 1 May 2017 

4.6 ORDINARY AUDIT & RISK COMMITTEE MEETING - 15 MAY 2017

Author: Tina Jakes, Democracy & Community Engagement Manager

Authorised by: Brian Fox, Group Manager: Corporate and Community

RECOMMENDATION(S)

That Council receives the minutes of the Audit & Risk Committee meeting held on Monday 15 May 2017.

ATTACHMENTS

1. **Audit & Risk Committee Meeting Minutes - 15 May 2017** 

5.1 REQUEST FOR EXTENSION FOR THE DISTRICT BULK HAULAGE CONTRACT TDC/1314/109

Author: Brent Aitken, Asset Manager - Storm Water & Solid Waste

Authorised by: Kevin Strongman, Group Manager, Operational Services

PURPOSE

This report is to seek a one-year extension of Contract TDC/1314/109 District Bulk Haulage.

EXECUTIVE SUMMARY

The District Refuse Bulk Haulage contract comprises the pickup and transport of bulk refuse haulage bins with a specialised Huka truck from district Refuse Transfer Stations and the transport of the bins to the refuse disposal point being the Broadlands Rd landfill.

The contract was awarded for a period of three years commencing July 2014 at a value of \$319,268.00 with the option to extend it for two further periods of one year, subject to satisfactory performance. The contract is a lump sum contract with cost escalations.

The contract is due to expire on 30 June 2017 so it now necessary to either plan for retendering or approve an extension of the contract.

The preferred option is to award a one-year contract extension to Envirowaste Services as they have successfully operated the contract over the past three years and met all contract KPIs.

RECOMMENDATION(S)

That Council approves the 1 year extension of Contract TDC/1314/109 for District Refuse bulk Haulage from 1 July 2017 to 30 June 2018 and that the contract sum be increased by \$107,000.00 to a total value of \$426,628.00 [excl. GST].

BACKGROUND

The District Refuse Bulk Haulage contract transports waste disposed of at the five district Refuse Transfer Stations to the Broadlands Rd Landfill for final disposal.

Envirowaste Services have successfully operated the contract for the past three years since its commencement in July 2014.

The contract has the option for two 1-year contract extensions and Envirowaste Services have indicated their desire to continue.

DISCUSSION

Approval is now being sought for the extension of the first of two possible extensions of one year each. The value of the extension is \$107,000.00 based on current contract payments.

Envirowaste Services employ local people to operate this contract and have met all of their contract KPIs to date and Council staff are satisfied that this high level of performance will continue if the contact was extended.

OPTIONS

There are two options to be considered, which are:

1. Extend the current contract as allowed for in the contract documentation
2. Decline the extension and go back to the market.

Analysis of Options

Option 1.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Current contractor has proven performance and has met all KPIs • Employs local people to run and administer contract • Avoids the cost of retendering 	<ul style="list-style-type: none"> • Would not test the market

Option 2.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Will allow us to retest the market 	<ul style="list-style-type: none"> • Could possibly increase the contract cost • Would have the cost of retendering

CONSIDERATIONS

Financial Considerations

The financial impact of the proposal is estimated to be \$107,000.00 [excl GST].

Long-term Plan/Annual Plan

The expenditure outlined is currently budgeted for under individual Refuse Transfer Station cost centres.

Legal Considerations

Local Government Act 2002

The matter comes within scope of the Council's lawful powers, including satisfying the purpose statement of Section 10 of the Local Government Act 2002. The matter will enable the Council to meet the current and future needs of communities for good quality local infrastructure. (i.e. efficient, effective and appropriate to present and anticipated future circumstances).

The term of the contract extension can only be extended on a 1+1 basis as this is the basis of the contract conditions.

Policy Implications

There are no known policy implications. Risks

THERE ARE NO KNOWN RISKS SIGNIFICANCE OF THE DECISION OR PROPOSAL

Council's Significance and Engagement policy identifies the following matters that are to be taken into account when assessing the degree of significance of proposals and decisions:

- a. The level of financial consequences of the proposal or decision;
- b. Whether the proposal or decision will affect a large portion of the community or community of interest;
- c. The likely impact on present and future interests of the community, recognising Maori cultural values and their relationship to land and water;
- d. Whether the proposal affects the level of service of an activity identified in the Long Term Plan;
- e. Whether community interest is high; and
- f. The capacity of Council to perform its role and the financial and other costs of doing so.

Officers have undertaken a rounded assessment of the matters in clause 11 of the Significance and Engagement Policy (2016), and are of the opinion that the proposal under consideration is of low importance.

ENGAGEMENT

Taking into consideration the above assessment, that the decision is of a low degree of significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

COMMUNICATION/MEDIA

No communication/media is required.

CONCLUSION

Envirowaste Services are an experienced contractor who has successfully operated the Bulk Haulage contract for the past three years and have met all of the contract KPIs. The contract has the option for two further periods of one year, subject to satisfactory performance. Council staff are satisfied that this high level of performance will continue if the contact was extended.

ATTACHMENTS

Nil

5.2 ADOPTION OF FEES AND CHARGES 2017/18

Author: Ariell King, Senior Policy Advisor

Authorised by: Alan Menhennet, Group Manager: Finance and Strategy

PURPOSE

This report seeks Council's adoption of the fees and charges for 2017/18.

RECOMMENDATION(S)

That Council adopts the Fees and Charges 2017/18 (A1761867).

BACKGROUND

Council sets fees and charges annually for the various activities and services it provides. The schedule for 2017/18 is attached. We are required to consult on fees and charges for regulatory services (animal control, building services, planning services, and inspection services), water supply, parks and reserves, trade waste and solid waste. Consultation was undertaken on these fees and charges from April 3 – May 5 2017. No submissions were received.

OPTIONS

Council can either adopt the fees and charges for 2016/17, or not. It is recommended that Council adopts the fees and charges so that Council can continue to collect them.

CONSIDERATIONS**Financial Considerations**

The financial implications of the fees and charges have been included in the Annual Plan 2017/18.

Legal Considerations

Council is able to set the majority of fees through resolution. For those fees which Council must consult on the special consultative procedure was undertaken from 3 April to May 5 2017.

Policy Implications

The fees and charges may be set at Council's discretion taking into account the Revenue and Financing Policy and the cost of the activity.

SIGNIFICANCE OF THE DECISION OR PROPOSAL

Council's Significance and Engagement Policy (2016) identifies the matters that are to be taken into account when assessing the degree of significance of proposals and decisions. The decision to adopt the fees and charges is considered a significant decision in accordance with Council's policy (clause 12(h)).

ENGAGEMENT

Council consulted on those fees where it was required to do so using the special consultative procedure. No further engagement is required prior to Council adopting the fees and charges for 2017/18.

COMMUNICATION/MEDIA

The schedule of fees and charges will be provided on the website.

CONCLUSION

Council sets fees and charges annually for the various activities and services it provides. We are required to consult on fees and charges for regulatory, water supply, parks and reserves, trade waste and solid waste. Consultation was undertaken on these fees and charges with no submissions received. It is recommended that Council adopt the fees and charges for 2017/18.

ATTACHMENTS

1. Fees and charges 2017/18 

5.3 OTUMUHEKE HOT STREAM CULTURAL AND ECOLOGICAL ENHANCEMENT PROJECT

Author: Fraser Scott, Landscape Architect

Authorised by: Kevin Strongman, Group Manager, Operational Services

PURPOSE

To approve the concept plans for the Otumuheke Hot Stream project to go to detailed design and tender.

EXECUTIVE SUMMARY

The site is located at the north western boundary of Spa Thermal Park.

The confluence of the Otumuheke Hot Stream and the Waikato River is recognised as a popular attraction for visitors and residents alike. This site also forms the beginning of the popular Huka Falls riverside walking track (township end) and the start of the popular mountain bike track (Rotary ride) to Huka Falls.

The site provides the opportunity for visitors to bath in the Otumuheke Hot Stream, swim in the cool Waikato River and soak up the expansive views of this picturesque stretch of the Waikato River.

Due to the scenic and recreational qualities of this site and its easy accessibility (walkable from town), combined with an increase in social media attention, visitor numbers have jumped from approximately 500 per day in 2005 to approximately 1500 per day in 2016. The result has been a gradual decline in the environmental, cultural, social and ecological qualities of the area.

The pressure on the site is forecast to increase in line with the projected increase in visitor numbers to New Zealand. For example, the Ministry for Business and Innovation (MBIE) have forecasted visitor numbers to increase by 39% over the next 6 years. As a free site in close proximity to town, this area is very attractive to tourists.

This project seeks to enhance and protect the environmental, cultural, social and ecological qualities of this site so that the area is able to cope with the ever increasing number of visitors.

Key aspects of the design include:

- Locating the toilets close enough to the hot stream that they will be used therefore reducing/eliminating bush toileting
- Nestling the toilet block into the bank to reduce its visual bulk
- Creating the opportunity to use the roof as a viewing platform, therefore increasing the passive surveillance of this site.
- Reticulating the toilet facility ensuring lower maintenance and ongoing servicing costs
- Reticulating the toilet to also reduce the effects of odour and will mean greater use of the facility
- Ensuring the toilet block design incorporates CPTED (crime prevention through environmental design) principles
- Introducing a palisade fence to prevent visitors spending time up stream therefore helping to reduce the anti-social behaviour and damage to the rare fern species.
- Relocating the bridge upstream to improve access and passive surveillance of the bathing area
- Improving accessibility to the bathing area
- Installing erosion control systems to ensure the site is not reduced further.
- Improving the accessibility of the site through re grading the access track.
- Additional native planting of areas to improve the ecological values of the site.
- Improving and expanding the lawn areas to cater for more visitors and improve their experience
- Introducing interpretation signage to better inform visitors of the significant features of this site both historically and ecologically.

Initial pricing for this work has indicated that the current budget is not enough to adequately address each of the above concerns. The high demand for contractors, coupled with the uniqueness of the project, it is difficult to get a reliable estimate.

Option 1 is the preferred option as it will ensure the site is futureproofed to enable it to offer a quality visitor experience and cope with the projected growing visitor numbers. It also ensures that the erosion concerns at the site are protected moving forward.

The expenditure for this site in the annual plans is currently:

Budget	\$ 367,500.00
Indicative costs	\$ 750,000.00
Shortfall	\$ 382,500.00

If Council chooses not to progress the entire concept to deliver the objectives of the stakeholders, there is a risk that Council will not receive central government funding. In addition and more importantly, we risk not meeting our stakeholder's expectations. This project has the opportunity to be a flagship for a truly collaborative approach to managing the many concerns raised about this site.

Currently we have an opportunity to work together with adjoining landowners on a plan that has their full support.

This site is continuing to see a rapidly growing number of tourists visit it and it is currently simply not coping. The result is that the overall visitor experience is declining as well as the physical quality of the site itself. This site has the potential to grow Taupō as a destination, however it also could have the reverse affect if the area continues to decline.

Option 1 is the preferred option to ensure that the site is being futureproofed to cope with the projected growing visitor numbers and to increase the quality of the visitor experience. It also ensures that the erosion concerns are being pro-actively addressed.

RECOMMENDATION(S)

That Council approves the concept plans for the Otumuheke Hot Stream cultural and ecological enhancement and to go to detailed design and tender.

BACKGROUND

The site is located at the north western boundary of Spa Thermal Park.

The confluence of the Otumuheke Hot Stream and the Waikato River is recognised as a popular attraction for visitors and residents alike. This site also forms township end of the popular Huka Falls riverside walking track and is close the start of the popular mountain bike track (Rotary ride) to Huka Falls.

The site provides the opportunity for visitors to bath in the Otumuheke Hot Stream, swim in the cool Waikato River and soak up the expansive views of this picturesque stretch of the Waikato River.

The site is of importance to local Iwi as it has a history as a bathing and meeting place.

The site is also of importance to Waikato regional council for its ecological vales and the rare fern species that only survives in the unique environment that the hot stream creates.

The site is of importance from a landscape view point is as it adjacent to the Waikato River which is an **Outstanding Landscape Area** under the TDC district plan.

The site has three adjoining landowners:

- Patuiwi trust to the north of the Otumuheke stream
- Department of Conservation (DOC) to the north-west
- Tuwharetoa Maori Trust Board (TMTB) to the west.

This has meant the building and maintaining of relationships with these groups has been critical to developing a comprehensive plan for this site.

In addition to the above land owners the other key stakeholders are:

- Police
- Waikato Regional Council
- Visitors to the park (tourists and locals)

This site is popular due to the scenic and recreational qualities it offers along with its close proximity to town. These features combined with increased popularity of social media has meant visitor numbers have jumped from approximately 500 per day in 2005 to approximately 1500 per day in 2016. The result has been a gradual decline in the environmental, cultural, social and ecological qualities of the area.

In 2010, this site was identified by TDC officers as requiring work to address its continuing decline as a result of the site's growing popularity. Of specific concern was the rise in issues relating to:

- Erosion (riverbank, stream edge and access track)
- Bush toileting
- Damage to the rare ferns that only grow in the ecosystem along the hot stream
- No recognition of the cultural significance of this site to Maori
- An increasing number of complaints regarding theft and threatening behaviour

The site currently has no infrastructure to cater for the growing number of people drawn here.

In 2015, funds were allocated in the Long-term Plan (LTP) primarily for toilets and pathway improvements and consultation began with our key stakeholders. These included the adjacent landowners listed above along with the Police and the Waikato Regional Council (WRC) and visitors to the site. However, the project stalled primarily due to concerns regarding the proposed location of the toilet block on Patuiwi land. The project was resumed in 2016 when discussions were restarted.

In the meantime, the Government announced a tourism fund to support infrastructure projects that will help ensure tourists have a safe and enjoyable experience while visiting some of New Zealand's most popular spots. With the tourism sector experiencing exceptional growth, the fund is to help regional communities build new and enhanced facilities to support the increasing visitor numbers.

Officers applied for funding from this fund to build infrastructure to help accommodate the increasing number of tourists at this site. The application was approved and additional funds were made available.

Some in-house concepts based on previous knowledge of the issues, discussions with operations, facilities and Patuiwi representatives were then drawn up. Concept plans were developed and work began on more detailed consultation.

Throughout the consultation, process opportunities were identified to address the key stakeholders concerns with this site. This greater understanding has meant changes / improvements to the concept design. In addition greater clarity has been provided on the real cost of implementing this project.

The pressure on the site is forecast to increase in line with the projected increase in visitor numbers to New Zealand. For example the Ministry for Business and Innovation (MBIE) have forecasted visitor numbers are to increase by 39% over the next 6 years. As a free site in close proximity to town this area is very attractive to tourists.

DISCUSSION

This project seeks to enhance and protect the environmental, cultural, social and ecological qualities of this site so that the area is able to cope with the ever increasing number of visitors.

Throughout this project, council officers have worked closely alongside our key stakeholders to ensure the finished plan addresses their concerns while also enhancing the general visitor experience. This has been critical to ensuring the site as a whole works as most visitors to this site will not see or understand the property boundaries involved.

The Regional Mid-Sized Tourism Facilities Grant Fund (MFF) can be used for the enhancement of facilities at Otumuheke Stream specifically:

- Installation of public toilets changing rooms and lockers
- Fencing
- Deck and viewing platform

- Reinforced concrete steps providing access to the water
- Signage
- Improved surfacing for the pathway and walking track
- Boulders at the northern end of the site on the foreshore

The concept plan (option 1) ensures the visitor experience is of a high quality and reflects the values of our community as one that cares for its natural environment.

The concept plan recognises the scenic, environmental, cultural, social and ecological qualities of this site and care has been taken to ensure these are not compromised.

Key aspects of the design include:

- Locating the toilets close enough to the hot stream so that they will be used therefore reducing/eliminating bush toileting
- Nestling the toilet block into the bank to reduce its visual bulk
- Creating the opportunity to use the roof as a viewing platform, therefore increasing the passive surveillance of this site.
- Reticulating the toilet facility ensuring lower maintenance and ongoing servicing costs plus providing relatively better environmental protection.
- Reticulating the toilet to also reduce the effects of odour and will mean greater use of the facility
- Ensuring the toilet block design incorporates CPTED (crime prevention through environmental design) principles
- Introducing a palisade fence to prevent visitors spending time up stream therefore helping to reduce the anti-social behaviour and damage to the rare fern species.
- Relocating the bridge upstream to improve access and passive surveillance of the bathing area
- Improving accessibility to the bathing area
- Installing erosion control systems to ensure the site is not reduced further.
- Improving the accessibility of the site through re grading the access track.
- Additional native planting of areas to improve the ecological values of the site.
- Improving and expanding the lawn areas to cater for more visitors and improve their experience
- Introducing interpretation signage to better inform visitors of the significant features of this site both historically and ecologically.

Initial pricing for this work has meant the current budget is not going to be enough to address adequately the above concerns.

OPTIONS

Analysis of Options

Option 1. Complete the full project as per the attached plan.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Maximises the improvement to the visitor experience • Addresses the stakeholders concerns over the current environmental (including erosion), cultural and social issues • The reticulated toilet improves the toilet experience and reduces maintenance and servicing costs associated with a dry vault system – vandalism sucker truck visits etc. • The reticulated system also improves the toilet experience meaning more will choose to use it • The toilets, changing area and lockers will be used more in this location • future proofs the site for the growing visitor numbers • Ensures the new elements work together 	<ul style="list-style-type: none"> • More upfront costs associated with the project.

<p>therefore providing a high return on investment</p> <ul style="list-style-type: none"> • Having potable water supply for the flush system also means water can be used for hand cleaning purposes. 	
--	--

All other options are to provide some savings however each of these options will compromise the desired outcomes.

Option 2.

Install a dry vault system and remove the changing area and lockers

Advantages	Disadvantages
<ul style="list-style-type: none"> • The toilet block structure is smaller therefore reducing the build cost • The reticulation cost is avoided. 	<ul style="list-style-type: none"> • The odour associated with dry vault systems will reduce its use • The odour will impact on the enjoyment of the viewing deck • This does not address the need for a changing area close to the hot stream • No running water for hand washing • Increased maintenance costs – dry vault systems are notorious for items being stuffed down the shoot • Ongoing servicing costs, a sucker truck will be required (minimum) monthly • The visitor experience will not be as good for the \$ invested • The environmental expectations of the stakeholders will not be meet.

Option 3.

Locate the toilet further away and use a dry vault system

Advantages	Disadvantages
<ul style="list-style-type: none"> • The toilet block structure is smaller therefore reducing the build cost • The reticulation cost is avoided • No costs associated with the viewing deck. 	<ul style="list-style-type: none"> • The CPTED principles will not work as well • The toilets will have a low use rate therefore the quality of the visitor experience will continue to decline • This does not address the need for a changing area close to the hot stream • The distance away from the stream will mean low use rate and therefore bush toileting will not be addressed and this will continue to adversely affect the visitor experience • Increased maintenance costs – dry vault systems are notorious for items being stuffed down them • No running water for hand washing • The quality of the toilet experience will deter people from using it – dry vault systems are notorious for bad odour

	<ul style="list-style-type: none"> • Ongoing servicing costs, a sucker truck will be required (minimum) monthly • The visitor experience will not be as good for the \$ invested • The environmental expectations of the stakeholders will not be met.
--	---

Option 4.

Flushing toilet with storage tanks

Advantages	Disadvantages
<ul style="list-style-type: none"> • Reduced installation costs. 	<ul style="list-style-type: none"> • Ongoing sucker truck costs – with the increased liquid large volumes of waste will require removal with a sucker truck required 2-3 times per week.

Option 5.

Do not move the bridge

Advantages	Disadvantages
<ul style="list-style-type: none"> • Reduced installation costs. 	<ul style="list-style-type: none"> • The CPTED principles will not work as well • The visitor bathing experience won't be improved • No extra space will be created to cater for the additional visitors to this site.

Option 6.

Status Quo

Advantages	Disadvantages
<ul style="list-style-type: none"> • No budget issues. 	<ul style="list-style-type: none"> • The visitor bathing experience will not be improved • No extra space will be created to cater for the additional visitors to the site • No extra space will be created to cater for the additional visitors to this site.

Analysis Conclusion:

Option 1 is the preferred option as it ensures the site is being futureproofed to enable it to offer a quality visitor experience and cope with the projected growing visitor numbers. It also ensures that the erosion concerns at the site are protected moving forward.

CONSIDERATIONS

Financial Considerations

The financial impact of the proposal is indicatively estimated to be \$750,000.

Note: Engineers are very cautious about giving estimates for the specialist components of this project (toilet block and bridges).

Central government has already committed \$118,500 to this project from its Regional Mid-Sized Tourism Facilities Grant Fund (MFF). The Government has recently announced a further \$178 million to help councils build infrastructure required to cope with the projected growing tourist numbers. Officers are making an application to be considered for this fund. There is however concern that we are unlikely to be successful with this application.

A further \$19,000 is available to be used on this site from Waikato Regional Council to assist with signage (improve awareness of the rare fern) and planting to improve the ecological values of this site.

The expenditure for this site in the annual plans is currently:

Budget	2016/17	Annual plan	\$ 135,000.00	Total \$ 367,500.00
	2017/18	Annual plan	\$ 95,000.00	
	Central Government (MFF)		\$ 118,500.00	
	Waikato Regional Council		\$ 19,000.00	

Due to the significant growth component associated with the growing number of visitors a portion of this project's budget could be provided by development contributions once the growth proportion is calculated.

Legal Considerations

Local Government Act 2002

The matter comes within scope of the Council's lawful powers, including satisfying the purpose statement of Section 10 of the Local Government Act 2002. The matter will enable the Council to meet the current and future needs of communities for good quality local infrastructure. (i.e. efficient, effective and appropriate to present and anticipated future circumstances).

The following authorisations are required for the proposal:

- Resource Consent
- Building Consent
- Environmental Health
- Liquor Licencing
- Licence to occupy

A consent application to the regional council is being prepared by Perception planning.

Policy Implications

There are no known policy implications.

Risks

If Council chooses not to progress the entire concept to deliver the objectives of the stakeholders, there is a risk that Council will not receive central government funding. In addition and more importantly, we risk not meeting our stakeholder's expectations. This project has the opportunity to be a flagship for a truly collaborative approach to managing the many concerns raised about this site.

Not implementing the entire concept plan raises the risk of the project not achieving the outcomes that will benefit this site in the long term. It also raises the issue of adhoc development occurring where currently we have an opportunity to work together with the adjoining landowners on a plan that has their support.

,SIGNIFICANCE OF THE DECISION OR PROPOSAL

Council's Significance and Engagement policy identifies the following matters that are to be taken into account when assessing the degree of significance of proposals and decisions:

- a. The level of financial consequences of the proposal or decision;
- b. Whether the proposal or decision will affect a large portion of the community or community of interest;
- c. The likely impact on present and future interests of the community, recognising Maori cultural values and their relationship to land and water;
- d. Whether the proposal affects the level of service of an activity identified in the Long Term Plan;

- e. Whether community interest is high; and
- f. The capacity of Council to perform its role and the financial and other costs of doing so.

Officers have undertaken a rounded assessment of the matters in clause 11 of the Significance and Engagement Policy (2016), and are of the opinion that the proposal under consideration is of low importance.

ENGAGEMENT

Taking into consideration the above assessment, that the decision is of a low degree of significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

COMMUNICATION/MEDIA

If the project progresses, a full communication plan will be developed.









CONCLUSION

This site is continuing to see a rapidly growing numbers of tourists and it is currently simply not coping. The result is that the overall visitor experience is declining as well as the physical quality of the site itself. The site has the potential to grow Taupō as a destination, however it also could have the reverse affect if the areas continues to decline.

Option 1 is the preferred option to ensure that the site is being futureproofed to cope with the projected growing visitor numbers, and to increase the quality of the visitor experience. It also ensures that the erosion concerns at the site are being pro-actively addressed.

It is recommended that Council approves the concept plans for the Otumuheke Hot Stream cultural and ecological enhancement and to go to detailed design and tender for Option 1 (the full project).

ATTACHMENTS

1. Site location 
2. Adjoining land ownership 
3. Stakeholders 
4. Site plan 
5. Toilet sketch 
6. Toilet plan 
7. Site walk through 1 
8. Site walk through 2 

5.4 COUNCIL'S APRIL PERFORMANCE REPORT

Author: Gareth Green, Chief Executive Officer

Authorised by: Gareth Green, Chief Executive Officer

PURPOSE

This report provides Council with an overview on the performance of the organisation in relation to:

- Our financial performance for the month;
- How projects are progressing with respect to time, budget and delivery
- Whether services are meeting the desired performance measures
- Any emerging challenges or opportunities.

RECOMMENDATION(S)

That Council notes the information contained in the Council Performance report for the month of April 2017.

HIGHLIGHTS FROM THE PAST MONTH

April was an eventful month from a Civil Defence perspective. A team of eight staff and volunteers were deployed to lend a hand following the floods in Edgecumbe however their tour of duty was called short by the predicted arrival of Cyclone Cook a couple of days later. Given the forecast strength of the cyclone, we started emergency operations discussions early with both our own team and key stakeholders. We activated the Emergency Operations Centre and monitored the storm as it made landfall and passed over the North Island. Fortunately for the Taupō District, the weather system changed path once it made landfall and kicked out east and little damage was caused.

It has been a great month for a few of our staff that have been acknowledged on the national stage. Water and wastewater treatment manager Kevin Sears was acknowledged by his peers at the Water Industry Operations Group conference as the mentor of the year and water treatment supervisor Richard Kruse was elected to the national committee.

Following ongoing community frustrations with congestion at Norman Smith Street, it was decided we would fast-track an investigation into traffic movements through the northern part of Taupō's CBD. This project was originally included in the 2017/18 Annual Plan and there was a good community response to news it had been brought forward. A workshop was held earlier this month to start discussions on the brief to be delivered to the consultant.

The AC Baths has once again passed its PoolSafe audit with flying colours. The audit is done on an annual basis and is seen as a way of minimising risk and harm in what is a relatively high risk environment. The pools were given a glowing review by the audit team who said the water quality was the best they had seen out of all the pools they visited. There are 146 pools in New Zealand with a PoolSafe accreditation.

CHALLENGES

Planning to relocate the 130 staff from the Lake Terrace staff is well underway following approval to sign the leases made at an extraordinary meeting earlier this month. This is quite a logistical exercise and is likely to take a few months before it is complete. Having such a number of staff spread across six different sites will pose its challenges from a culture perspective, however, the Senior Leadership Group are committed to making the transition as seamless as possible.



On that note, the three key pieces of work driving transformational change across the organisation are picking up pace. We have completed our vision and values work and that is about to be rolled out across the business. The What Does Great Look Like project, that is looking into our technology capability and our roadmap for the future, has now entered its second phase and is getting good engagement from across all departments. The development of our Customer Experience strategy is also picking up momentum and we expect the first phase of that will be ready to roll out across the organisation for feedback in the next few weeks.

OPPORTUNITIES

Earlier this month the Government released stage one of a report into the Havelock North Drinking Water Inquiry. Stage one of the inquiry has essentially focussed on what occurred and why. Although the report is concerned with the specific circumstances of the Havelock North event, we are reviewing the document carefully and to see if there are any opportunities to learn from the incident and to consider what, if anything, may be of relevance to the Taupō District.

Lastly, the Government has made the decision to carry out a review of Civil Defence policy settings. The review is described as: "Better responses to natural disasters and other emergencies in New Zealand." Provisional recommendations are likely to be provided to Government by the end of August with final recommendations likely go to the incoming government towards the end of the year. We will be keeping a watching brief on developments as they occur.

ATTACHMENTS

1. Project and Service Council Performance Report April 2017 [A1936486] 
2. Treasury Management Report for the month ended 30 April 2017 [A1936513] 

5.5 STANDARD & POOR'S (S&P) - ANNUAL CREDIT RATING REVIEW

Author: Neil Ward, Finance Manager

Authorised by: Alan Menhennet, Group Manager: Finance and Strategy

PURPOSE

The purpose of this item is to present the results of the annual S&P Credit Rating review.

EXECUTIVE SUMMARY

Standard & Poor's [S&P] have undertaken their annual review of Taupō District Council's Credit Rating. The research update overview states:

- Taupō's financial management and budgetary performance continue to support the ratings on the New Zealand-based district council.
- We expect Taupō's debt burden to decline relative to revenues as the council maintains its strong operating position.
- We are affirming our 'AA' long-term and 'A-1+' short-term issuer credit ratings on Taupō.
- The stable outlook reflects our expectation that the rating on the sovereign will continue to constrain the rating on Taupō, while we see only a low likelihood that the council's stand-alone credit profile (SACP) will deteriorate substantially.

RECOMMENDATION(S)

That Council receives the Standard & Poor's (S&P) annual credit rating research update report dated 21 May 2017.

BACKGROUND

S&P monitor the credit rating of Taupō District Council throughout the year and perform a formal review annually.

DISCUSSION

One of the three key themes of Council's financial strategy in the 2015-25 Long Term Plan is "Prudent management of our investments and borrowings"

The annual financial benefit of Council retaining a AA S&P credit rating and being a foundation shareholder of the LGFA is now \$730,000 per annum (based on \$146m borrowings) This is based on a minimum of 20bps benefit that LGFA has delivered to AA rated Councils and 30bps credit margin benefit from being AA rated (Source LGFA).

An extract from the S&P report is provided below:

- Taupō's financial management and budgetary performance continue to support the ratings on the New Zealand-based district council.
- We expect Taupō's debt burden to decline relative to revenues as the council maintains its strong operating position.
- We are affirming our 'AA' long-term and 'A-1+' short-term issuer credit ratings on Taupō.

- The stable outlook reflects our expectation that the rating on the sovereign will continue to constrain the rating on Taupō, while we see only a low likelihood that the council's stand-alone credit profile (SACP) will deteriorate substantially.
- The institutional framework within which New Zealand councils operate is a key strength supporting Taupō's credit profile. The New Zealand local government system promotes a strong management culture, fiscal discipline, and high levels of financial disclosure among local councils. This system allows Taupō to support higher debt levels than some of its international peers can tolerate at the current rating.
- In our opinion, Taupō's financial management is strong, similar to that of most New Zealand councils. The council has focused on fiscal consolidation following years of key infrastructure spending. Taupō prepares a long-term plan every three years, setting an important forward-looking approach to prudent financial management, which sets an important baseline for the council's operating and capital-expenditure requirements, and its funding strategy. Debt and liquidity policies are prudent, with no issuance of foreign-currency and interest exposure being mostly hedged. Supporting our view is Taupō's policy of cash funding its depreciation.

CONSIDERATIONS

Financial Considerations

There are no financial considerations with this item.

Legal Considerations

There are no legal considerations with this item.

Policy Implications

There are no policy implications with this item.

Risks

There are no known risks.

SIGNIFICANCE OF THE DECISION OR PROPOSAL

Council's Significance and Engagement policy identifies the following matters that are to be taken into account when assessing the degree of significance of proposals and decisions:

- a. The level of financial consequences of the proposal or decision;
- b. Whether the proposal or decision will affect a large portion of the community or community of interest;
- c. The likely impact on present and future interests of the community, recognising Maori cultural values and their relationship to land and water;
- d. Whether the proposal affects the level of service of an activity identified in the Long Term Plan;
- e. Whether community interest is high; and
- f. The capacity of Council to perform its role and the financial and other costs of doing so.

Officers have undertaken a rounded assessment of the matters in clause 11 of the Significance and Engagement Policy (2016), and are of the opinion that the proposal under consideration is of low importance.

ENGAGEMENT

Taking into consideration the above assessment, that the decision is of a low degree of significance, officers are of the opinion that no further engagement is required prior to Council making a decision.


COMMUNICATION/MEDIA

A press release has been issued to local media and the TDC website has been updated with the S&P reports.

CONCLUSION

The AA rating on Taupō District Council reflects the extremely predictable and supportive institutional framework available to local and regional councils within New Zealand, combined with the council's very strong financial management, budgetary flexibility, and budgetary performance, its exceptional liquidity, and low contingent liabilities.

ATTACHMENTS

1. Standard & Poor's 2017 annual credit rating review final report (AA affirmed) A1951274 

5.6 COUNCIL ENGAGEMENTS JUNE 2017 AND CONFERENCE OPPORTUNITIES

Author: Tina Jakes, Democracy & Community Engagement Manager

Authorised by: Brian Fox, Group Manager: Corporate and Community

Engagements

ENGAGEMENT	DAY	DATE	TIME
Council meeting – Annual Plan 2017/18 hearing of submissions	Wednesday	7	9.30am – 4pm
Council meeting – Annual Plan 2017/18 hearing of submissions (if required)	Thursday	8	9.30am – 4pm
Council meeting – Annual Plan 2017/18 hearing of submissions (if required)	Friday	9	9.30am – 4pm
Taupō Airport Authority Committee meeting (Taupō Airport, ANZAC Memorial Drive)	Monday	12	11am – 12pm
Turangi/Tongariro Community Board meeting (Boardroom, Turangi Service Centre)	Tuesday	13	1pm – 4pm
Council meeting (continued) – Annual Plan 2017/18 deliberations	Thursday	15	9.30am – 3pm
Mangakino/Pouakani Representative Group meeting (Mangakino Service Centre)	Tuesday	20	10am – 12pm
Council meeting (continued) – draft Freedom Camping Bylaw and draft Reid's Farm Reserve Management Plan deliberations	Thursday	22	10am – 12pm
Council meeting	Tuesday	27	1.30pm – 5pm

Conference and Professional Development Opportunities

To approve, either prior or retrospectively, Councillor attendance at conferences and professional development courses.

The following approvals are sought:

- Zone 2 meeting hosted by South Waikato District Council on 9 June 2017 – Councillor(s) _____

RECOMMENDATION(S)

1. That Council receives the information relating to engagements for June 2017.
2. That Council approves the attendance of Councillor(s) _____ at the Zone 2 meeting hosted by South Waikato District Council on 9 June 2017.

ATTACHMENTS

Nil

5.7 MEMBERS' REPORTS

Author: Tina Jakes, Democracy & Community Engagement Manager

Authorised by: Brian Fox, Group Manager: Corporate and Community

PURPOSE

This item permits members to report on meetings/functions they have attended as Council's representative, or on behalf of Council, since the last Council meeting.

The item also provides an opportunity for members to report back, either verbally or by way of tabled information, specifically on conferences, seminars and professional development courses that they have attended.

No debate and/or resolution is permitted on any of the reports.

CONCLUSION

Members' reports will be presented at the meeting for receipt.

RECOMMENDATION(S)

That Council receives the reports from members.

ATTACHMENTS

Nil

6 CONFIDENTIAL BUSINESS

RESOLUTION TO EXCLUDE THE PUBLIC

I move 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(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 the passing of this resolution
<p>Agenda Item No: 6.1 Confirmation of Confidential Portion of Ordinary Council Minutes - 26 April 2017</p>	<p>Section 7(2)(d) - the withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public</p> <p>Section 7(2)(h) - the withholding of the information is necessary to enable [the Council] to carry out, without prejudice or disadvantage, commercial activities</p> <p>Section 7(2)(i) - the withholding of the information is necessary to enable [the Council] to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>Section 48(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 7</p>
<p>Agenda Item No: 6.2 Receipt of Confidential Portion of Minutes - Turangi/Tongariro Community Board - 11 April 2017</p>	<p>Section 7(2)(i) - the withholding of the information is necessary to enable [the Council] to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>Section 48(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 7</p>
<p>Agenda Item No: 6.3 Receipt of Confidential Portion of Minutes - Turangi/Tongariro Community Board - 9 May 2017</p>	<p>Section 7(2)(i) - the withholding of the information is necessary to enable [the Council] to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>Section 48(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 7</p>
<p>Agenda Item No: 6.4 Receipt of Confidential Portion of Minutes - Turangi/Tongariro Community Board - 18 May 2017</p>	<p>Section 7(2)(i) - the withholding of the information is necessary to enable [the Council] to carry on, without prejudice or disadvantage, negotiations</p>	<p>Section 48(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</p>

	(including commercial and industrial negotiations)	reason for withholding would exist under section 7
Agenda Item No: 6.5 Receipt of Confidential Portion of Minutes - Taupo Airport Authority Committee - 1 May 2017	Section 7(2)(d) - the withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public	Section 48(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 7
Agenda Item No: 6.6 Receipt of Confidential Portion of Minutes - Audit & Risk Committee - 15 May 2017	Section 7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons Section 7(2)(c)(i) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied	Section 48(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 7
Agenda Item No: 6.7 Appointment To Enterprise Lake Taupō Board	Section 7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	Section 48(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 7
Agenda Item No: 6.8 Appointments To Destination Lake Taupō Board	Section 7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	Section 48(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 7
Agenda Item No: 6.9 Receipt of Confidential Portion of Minutes - Performance Monitoring Group - 21 March 2017	Section 7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	Section 48(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 7

I also move that *[name of person or persons]* be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of *[specify]*. This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because *[specify]*.