

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

Date:	Tuesday, 4 September 2018
Time:	1.00pm
Location:	Council Chamber 107 Heuheu Street Taupō

AGENDA

MEMBERSHIP

Chairperson Mayor David Trewavas

Deputy Chairperson Cr Rosie Harvey

Members

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

Quorum 6

Gareth Green
Chief Executive Officer

Order Of Business

- 1 Apologies
- 2 Conflicts of Interest
- 3 Policy and Decision Making
 - 3.1 Waiora House3
- 4 Confidential Business
 - Nil

3.1 WAIORA HOUSE

Author: Alan Menhennet, Head of Finance and Strategy

Authorised by: Gareth Green, Chief Executive Officer

PURPOSE

The discovery of asbestos in Waiora House has required a significant project to resolve this issue the cost of which is unbudgeted expenditure. To meet all Health & Safety and Legal requirements the projected total cost could be up to \$1million. Approval is requested for \$1million unbudgeted expenditure to be funded from the TEL Fund.

EXECUTIVE SUMMARY

Asbestos testing in the main building Waiora House on Spa Road has revealed elevated levels of asbestos forcing its closure until remedial work is undertaken. Initial indications are that remedial works could take 12 – 14 weeks with refurbishment work to follow. The cost of the remedial works by the specialist contractors is \$547,000 + GST which is unbudgeted. An estimate of the refurbishment work that will follow could raise this unbudgeted cost to \$1million.

Any requests for unbudgeted expenditure must be brought to Council for approval. We know what the initial unbudgeted amount is for the remediation work but to enable both assistance with relocation costs of the tenants and the refurbishment to progress, rather than bring each individual unbudgeted amount to Council, approval for \$1million unbudgeted expenditure is requested. Governance will be involved in deciding the level of refurbishment of Waiora House once the remedial work is completed.

One of the purposes of the TEL Fund is to assist with the costs of emergencies. This event meets that criteria so, rather than impact rates, it is proposed that this unbudgeted expenditure be met by the TEL Fund.

RECOMMENDATION(S)

That Council:

1. Approves unbudgeted expenditure of \$1million (excl GST) to resolve the asbestos and refurbishment issues with Waiora House.
2. Approves the use of the TEL Fund to meet this cost.
3. Accepts the contract price of \$547,000 + GST from Ward Construction for the remedial work associated with the removal of asbestos and authorises His Worship the Mayor and the Chief Executive to sign the Contract Document(s) and attach the Council's Common Seal to them.

BACKGROUND

The proposal has been discussed with Council in a workshop on 29 August 2018 and by email regularly since then.

OPTIONS

As owner of the building Council has no option but to remediate the asbestos problem. Post the remediation Council can then decide the extent of the refurbishment.

Council can fund this through an increase in rates or by using the TEL Fund.

CONSIDERATIONS**Financial Considerations**

The financial impact of the proposal is estimated to be up to \$1million.

The expenditure outlined has not been planned for so is an unbudgeted item.

The reduction of \$1million in the TEL Fund will reduce its annual income by just over \$30,000 per year. To recover the \$1million, if all of it is expenses, through rates would represent an additional rate increase of approximately 1.4%”

Legal Considerations

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. It also enables Council to comply with the Health and Safety at Work Act 2015 and the Health and Safety at Work (Asbestos) Regulations 2016.

Policy Implications

No known policy implications. The Procurement Policy allows for urgent work to be undertaken without a formal tender process.

Risks

If this work is not carried out then Council will be in breach of the law.

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 not significant, officers are of the opinion that engagement with Waiora Community Trust and affected tenants is required and has been undertaken, along with regular updates to the community.

COMMUNICATION/MEDIA

Regular communication with the Waiora Community Trust, tenants, media and the community on this matter has commenced.

CONCLUSION

Council must remediate the asbestos issue at Waiora House and using the TEL Fund is the appropriate way of funding this work.

ATTACHMENTS

Nil