

## Notice of Meeting:

I hereby give notice that an ordinary Meeting of the Council will be held on:

**Date:** Thursday 26 November 2020  
**Time:** 1:00pm  
**Meeting Room:** Council Chamber/Audio-Visual Link  
**Venue:** Municipal Building, Garden Place, Hamilton

Richard Briggs  
Chief Executive

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## Council - LTP (1) OPEN AGENDA

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### Membership

**Chairperson** Mayor P Southgate  
*Heamana*

**Deputy Chairperson** Deputy Mayor G Taylor  
*Heamana Tuarua*

<b>Members</b>	Cr M Bunting	Cr A O’Leary
	Cr M Forsyth	Cr R Pascoe
	Cr M Gallagher	Cr S Thomson
	Cr R Hamilton	Cr M van Oosten
	Cr D Macpherson	Cr E Wilson
	Cr K Naidoo-Rauf	

**Quorum:** A majority of members (including vacancies)

**Meeting Frequency:** Monthly – or as required

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Becca Brooke  
Governance Manager  
*Menetia Mana Whakahaere*

**19 November 2020**

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## **Purpose**

The Council is responsible for:

1. Providing leadership to, and advocacy on behalf of, the people of Hamilton.
2. Ensuring that all functions and powers required of a local authority under legislation, and all decisions required by legislation to be made by local authority resolution, are carried out effectively and efficiently, either by the Council or through delegation.

## **Terms of Reference**

1. To exercise those powers and responsibilities which cannot legally be delegated by Council:
  - a) The power to make a rate.
  - b) The power to make a bylaw.
  - c) The power to borrow money, or purchase or dispose of assets, other than in accordance with the Long Term Plan.
  - d) The power to adopt a Long Term Plan or Annual Plan, or Annual Report.
  - e) The power to appoint a Chief Executive.
  - f) The power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the Long Term Plan, or developed for the purpose of the Council's governance statement, including the 30-Year Infrastructure Strategy.
  - g) The power to adopt a remuneration and employment policy.
  - h) The power to approve or change the District Plan, or any part of that Plan, in accordance with the Resource Management Act 1991.
  - i) The power to approve or amend the Council's Standing Orders.
  - j) The power to approve or amend the Code of Conduct for Elected Members.
  - k) The power to appoint and discharge members of committees.
  - l) The power to establish a joint committee with another local authority or other public body.
  - m) The power to make the final decision on a recommendation from the Parliamentary Ombudsman, where it is proposed that Council not accept the recommendation.
  - n) The power to amend or replace the delegations in Council's *Delegations to Positions Policy*.
2. To exercise the following powers and responsibilities of Council, which the Council chooses to retain:
  - a) Resolutions required to be made by a local authority under the Local Electoral Act 2001, including the appointment of an electoral officer and reviewing representation arrangements.
  - b) Approval of any changes to Council's vision, and oversight of that vision by providing direction on strategic priorities and receiving regular reports on its overall achievement.
  - c) Approval of any changes to city boundaries under the Resource Management Act.
  - d) Adoption of governance level strategies plans and policies which advance Council's vision and strategic goals.

- e) Approval of the Triennial Agreement.
- f) Approval of the local governance statement required under the Local Government Act 2002.
- g) Approval of a proposal to the Remuneration Authority for the remuneration of Elected Members.
- h) Approval of any changes to the nature and delegations of the Committees.
- i) Approval of all Council and Committee Advisory Groups and their terms of reference.
- j) Appointments to, and removals from, CCO CCTO and CO boards;
- k) Approval of proposed major transactions or constitutional adjustments of CCOs, CCTOs and COs.
- l) Approval or otherwise of any proposal to establish, wind-up or dispose of any holding in, a CCO, CCTO or CO.
- m) Approval of city boundary changes, including in respect of Strategic Boundary Land Use Agreements.
- n) Approval Activity Management Plans.

**Oversight of Policies and Bylaws:**

- *Corporate Hospitality and Entertainment Policy*
- *Delegations to Positions Policy*
- *Elected Members Support Policy*
- *Significance and Engagement Policy*

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**1 Apologies – *Tono aroha***

**2 Confirmation of Agenda – *Whakatau raarangi take***

The Council to confirm the agenda.

**3 Declaration of Interest – *Tauaakii whaipanga***

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

**4 Public Forum – *Aatea koorero***

As per Hamilton City Council's Standing Orders, a period of up to 30 minutes has been set aside for a public forum. Each speaker during the public forum section of this meeting may speak for five minutes or longer at the discretion of the Mayor.

Please note that the public forum is to be confined to those items falling within the terms of the reference of this meeting.

Speakers will be put on a Public Forum speaking list on a first come first served basis in the Council Chamber prior to the start of the Meeting. A member of the Governance Team will be available to co-ordinate this. As many speakers as possible will be heard within the allocated time.

If you have any questions regarding Public Forum please contact Governance by telephoning 07 838 6727.

# Council Report

**Committee:** Council **Date:** 26 November 2020  
**Author:** Tyler Gaukrodger **Authoriser:** Becca Brooke  
**Position:** Governance Advisor **Position:** Governance Manager  
**Report Name:** Confirmation of the Council Open Minutes of 22 October 2020

<b>Report Status</b>	<i>Open</i>
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## Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Council confirm the Open Minutes of the Council Meeting held on 22 October 2020 as a true and correct record.

## Attachments - *Ngaa taapirihanga*

Attachment 1 - Council Unconfirmed Open Minutes - 22 October 2020

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## **Council Kaunhera OPEN MINUTES**

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**Minutes of a meeting of the Council held in Council Chamber, Municipal Building, Garden Place, Hamilton and via Audio Visual link on Thursday 22 October 2020 at 9.34am.**

### **PRESENT**

<b>Chairperson</b>	Mayor P Southgate
<b>Heamana</b>	
<b>Deputy Chairperson</b>	Deputy Mayor G Taylor
<b>Heamana Tuarua</b>	
<b>Members</b>	Cr M Bunting Cr M Forsyth (Audio-Visual Link) Cr M Gallagher Cr R Hamilton Cr D Macpherson Cr K Naidoo-Rauf (Audio-Visual Link) Cr R Pascoe Cr S Thomson (Audio-Visual Link) Cr M van Oosten Cr E Wilson

<b>In Attendance:</b>	Richard Briggs – Chief Executive Jen Baird – General Manager City Growth Sean Hickey – General Manager Strategy and Communication Blair Bowcott – Executive Director Special Projects Debra Stan-Barton – Project Manager Julie Clausen – Unit Manager Strategy and Corporate Planning Muna Wharawhara – Amorangi Maaori Tracey Wood – City Events Manager Tracey Musty - Financial Controller Maire Porter – City Waters Manager Nathan Dalgety – Programme Manager Analytics Stafford Hodgson – Programme Manager Economics and Policy Frances Cox-Wright – Policy and Bylaw Lead Raewyn Simpson – Senior Planner Natalie Palmer - Unit Manager Communications and Marketing Greg Carstens – Growth, Funding and Analytics Unit Manager
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<b>Governance Team:</b>	Becca Brooke – Governance Manager Amy Viggers – Governance Team Leader Tyler Gaukrodger – Governance Advisor
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*The meeting was opened with a Karakia from Kaumatua Tame Pokaia.*

1. **Apologies – Tono aroha**  
**Resolved:** (Cr Gallagher/Deputy Mayor Taylor)  
 That the apologies for absence from Cr O’Leary, for early departure from Cr Macpherson and Bunting, and for lateness from Cr Forsyth are accepted.
  
2. **Confirmation of Agenda – Whakatau raarangi take**  
**Resolved:** (Cr van Oosten/Cr Bunting)  
 That the agenda is confirmed noting:
  - a) Public Excluded items will be taken after item 4 (Public Forum) to accommodate guest presenter availability;
  - b) Item 24 (Recommendation from Open Committee meetings) is to be taken at 1:30pm;
  - c) Item 22 (Notice of Motion – Road Renaming, Dame Hilda Ross) has been withdrawn from the agenda and will be deferred to a future meeting of the Council for consideration; and
  - d) an updated version of the Hamilton Safety in Public Places Bylaw 2020 was circulated to Elected Members prior to the meeting and is attached to the minutes as **Appendix 1**.
  
3. **Declarations of Interest – Tauaakii whaipaaanga**  
 No members of the Council declared a Conflict of Interest.
  
4. **Public Forum – AAtea koorero**  
**Peter Findlay** spoke to item 19 (Development Contributions Policy Direction Options) and his written submission, which is attached to these minutes as **Appendix 2**. He spoke of a range of concerns with the proposed options. He responded to questions from Elected Members concerning remissions, developer consultation and land holdings.  
  
**Thomas Gibbons** spoke to item 19 (Development Contributions Policy Direction Options) and a range of concerns he had with the proposed. He responded to questions from Elected Members concerning incentivisation, return on investment and growth predictions.

*Cr Forsyth joined the meeting (9.50am) during the discussion of the above item.*

## 25. Resolution to Exclude the Public

**Resolved:** (Mayor Southgate/Cr Wilson)

### Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

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

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Council Public Excluded (CE Review Committee Matters) meeting of 25 June 2020	) Good reason to withhold ) information exists under ) Section 7 Local Government ) Official Information and	Section 48(1)(a)



C2. Confirmation of CE Review  
Committee meeting Public  
Excluded Minutes of 8 June 2020

C3. Confirmation of CE Review  
Committee meeting Public  
Excluded Minutes of 25  
September 2020

C4. Chief Executive Annual  
Performance Review – 2019/2020  
- Chief Executive Review  
Committee Report 5 October  
2020

C5. Confirmation of the Council  
Public Excluded Minutes of 17  
September 2020

C6. Confirmation of the  
Extraordinary Council Public  
Excluded Minutes of 24  
September 2020

C7. Confirmation of the Elected  
Member Public Excluded Briefing  
Notes - 9 September 2020

C8. Confirmation of the Elected  
Member Public Excluded Briefing  
Notes - 10 September 2020

C9. Confirmation of the Elected  
Member Public Excluded Briefing  
Notes - 21 September 2020

C10. Confirmation of the Elected  
Member Public Excluded Briefing  
Notes - 30 September 2020

C11. Confirmation of the Elected  
Member Public Excluded Briefing  
Notes - 7 October 2020

C12. 39 Foreman Road, Te Rapa -  
New Lease

C13. Recommendations from  
Public Excluded Committee  
meetings

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to prevent the disclosure or use of official	Section 7 (2) (j)

	information for improper gain or improper advantage	
Item C3.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C4.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C5.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C6.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C7.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C8.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C9.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C10.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C11.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C12.	to enable Council to carry out negotiations	Section 7 (2) (i)
Item C13.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)

**The meeting moved into a Public Excluded session at 10.09am.**

*Cr van Oosten left the meeting (10.28am) during the above Public Excluded session.*

**The meeting moved back into an Open session at 11.33am.**

**5. Confirmation of the Council Open Minutes of 17 September 2020**

**Resolved:** (Mayor Southgate/Deputy Mayor Taylor)

That the Council confirm the Open Minutes of the Council Meeting held on 17 September 2020 as a true and correct record.

**6. Confirmation of the Extraordinary Council Open Minutes of 24 September 2020**

**Resolved:** (Mayor Southgate/Deputy Mayor Taylor)

That the Council confirm the Open Minutes of the Extraordinary Council Meeting held on 24 September 2020 as a true and correct record.

**7. Confirmation of the CE Review Committee Open Minutes 8 June 2020**

**Resolved:** (Cr Wilson/Cr Macpherson)

That the Council confirm the Open Minutes of the CE Review Committee Meeting held on 8 June 2020 as a true and correct record.

**8. Confirmation of the CE Review Committee Open Minutes 25 September 2020**

**Resolved:** (Mayor Southgate/Deputy Mayor Taylor)

That the Council confirm the Open Minutes of the CE Review Committee Meeting held on 25 September 2020 as a true and correct record.

**9. Confirmation of the Elected Member Open Briefing Notes - 9 September 2020**

**Resolved:** (Cr Forsyth/Cr Gallagher)

That the Council confirm the Open Briefing Notes of the Elected Member Briefing held on 9 September 2020 as a true and correct record.

**10. Confirmation of the Elected Member Open Briefing Notes - 30 September 2020**

**Resolved:** (Cr Thomson/Cr Naidoo-Rauf)

That the Council confirm the Open Minutes of the Elected Member Briefing held on 30 September 2020 as a true and correct record, noting that Cr Hamilton attended the session with partial apologies.

**11. Confirmation of the Elected Member Open Briefing Notes - 7 October 2020**

**Resolved:** (Mayor Southgate/Cr Pascoe)

That the Council confirm the Open Briefing Notes of the Elected Member Briefing held on 7 October 2020 as a true and correct record.

**12. Chair's Report**

Mayor Southgate spoke to the report highlighting Councils recent successes.

**Resolved:** (Mayor Southgate/Deputy Mayor Taylor)

That the Council receives the report.

*Cr van Oosten re-joined the meeting (11.47am) at the conclusion of the above item. She was not present when the matter was voted on.*

*Item 24 (Recommendations from Open Committee meetings excluding those from Strategic Risk and Assurance Committee) were taken after item 12 (Chair's Report) to accommodate presenters.*

**24. Recommendations from Open Committee meetings (Excluding those from the Strategic Audit and Risk Committee)**

The report was taken as read.

**Community Committee Recommendations:****Smokefree Outdoor Areas Policy Review**

**Resolved:** (Cr Bunting/Cr Naidoo-Rauf)

That the Council approves the inclusion of vaping alongside smoking as a prohibited activity in smokefree areas in reference to the Smokefree Outdoor Areas Policy

**Deliberations Report - Safety in Public Places Bylaw 2020**

**Resolved:** (Cr Bunting/Cr Naidoo-Rauf)

That the Council:

- a) adopts the revised Safety in Public Places Bylaw 2020;
- b) noting the inclusion of the following points:

ACTIVITIES THAT MAY CAUSE A NUISANCE AFFECT ON PUBLIC HEALTH OR SAFETY IN A PUBLIC PLACE

- i. Any person intending to undertake any activity or event may apply to the General Manager requesting council impose conditions to protect the public's health and safety. This may extend to a temporary prohibition for cyclists, skateboarders, e-scooter, or other wheeled transportation devices from entering an area.
- ii. The General Manager will not unreasonably place such conditions.

**General Managers Report – Creative Waikato Trustees Appointment Panel**

**Resolved:** (Cr Bunting/Cr Naidoo-Rauf)

That the Council approves the Chief Executive's recommendation that Cr Bunting is appointed to the Creative Waikato Trustees Appointment Panel and noting that Creative Waikato will be informed of the appointment.

**Community Assistance Policy Review 2020**

**Resolved:** (Cr Bunting/Cr Naidoo-Rauf)

That the Council approves the revised Community Assistance Policy.

**Strategic Growth Committee Recommendations:****Strategic Boundary Agreement between Hamilton City Council and Waikato District Council**

**Resolved:** (Cr Macpherson/Cr Hamilton)

That the Council:

- a) approves the Strategic Boundary Agreement between Hamilton City Council and Waikato District Council;
- b) delegates the Chief Executive to finalise the Strategic Boundary Agreement subject to any feedback from this meeting and Waikato District Council;
- c) approves the Mayor and Chief Executive to sign the Strategic Boundary Agreement on behalf of Hamilton City Council

**Finance Committee Recommendations:****Financial Strategy Monitoring Report****Resolved:** (Cr Pascoe/Cr van Oosten)

That the Council:

- a) approves the capital movement as identified in the 6 October 2020 Capital Portfolio Monitoring Report;
- b) approves the significant forecast adjustments as set out in paragraphs 17 to 21 of the staff report; and
- c) approves the revised Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 22 to 26 of the staff report.

*Item 23 (Proposed 2021 Schedule of Meetings) were taken after Item 24 (Recommendations from Open Committee meetings excluding those from Strategic Risk and Assurance) to accommodate presenters.*

**23. Proposed 2021 Schedule of Meetings**

The Governance Manager took the report as read and responded to questions from elected Members concerning proposed meeting dates.

**Resolved:** (Mayor Southgate/Cr Macpherson)

That the Council approves the proposed 2021 Schedule of Meetings (**attachment 1** of the staff report), noting that there would be further consultation with Committee Chairs concerning the meeting dates prior to the schedule being finalised.

**The meeting was adjourned 12.11pm to 1.05pm.**

**13. Our Vision for Hamilton**

The Unit Manager Strategy and Corporate Planning introduced the report and outlined the process followed to develop the Our Vision for Hamilton document. Staff responded to questions from Members concerning the link of the vision with the proposed wellbeing outcomes, community and Maangai Maaori engagement.

**Resolved:** (Mayor Southgate/Deputy Mayor Taylor)

That the Council:

- a) approves the 'Our Vision for Hamilton'; and
- b) notes the plan for sharing 'Our Vision for Hamilton' with key partners and the community.

*Item 24 (Recommendations from Open Committee meetings from Strategic Risk and Assurance) were taken at the conclusion of item 13 (Our Vision for Hamilton) to accommodate presenters.*

**24. Recommendations from Open Committee meetings - Strategic Risk and Assurance Committee**

The Chair of the Strategic Risk and Assurance Committee spoke to the Annual Report and Audit Engagement Letter, highlighting the impact that Covid-19 had on the City Council as was outlined in the Annual report and Audit opinion.

**Report 2019/20 and Audit NZ Clearance**

**Resolved:** (Cr Bunting/Cr Pascoe)

That the Council:

- a) adopts the 2019/20 Annual Report; and
- b) authorises the Mayor and the Chief Executive sign the Letters of Recommendation.

**Audit Engagement Letter: Audit of the consultation document and long term plan for the period commencing 1 July 2021**

**Resolved:** (Cr Bunting/Cr Pascoe)

That the Council:

- a) approves the Audit Engagement letter; and
- b) authorises the Mayor to sign the Audit Engagement letter on Council's behalf.

#### 14. Wellbeing Outcomes for Hamilton

The Unit Manager Strategy and Corporate Planning outlined the proposed wellbeing outcome statements and the change to the Local Government Act 2002 in relation to the reintroduction of Community wellbeings. Staff responded to questions from Members concerning the wellbeing indicators and the inclusion of lake Rotorua and responses from the community to date.

*Item 14 (Wellbeing Outcomes for Hamilton) was adjourned at the conclusion of the discussion to enable staff time to respond to points raised by Elected Members.*

#### 15. He Pou Manawa Ora - Pillars of Wellbeing

The General Manager Strategy and Communication and the Amorangi Maaori outlined the timeline for proposed consultation of He Pou Manawa Ora. They responded to questions from Elected Members concerning previous Elected Member feedback on the document being incorporated.

**Procedural Motion:**

**Resolved:** (Cr Wilson/Cr Macpherson)

That the item being discussed be referred to the Community Committee meeting of 17 November 2020.

**Cr Naidoo-Rauf Dissenting.**

#### 16. City Honours Policy Review

The City Event Manager took the report as read, and responded to question from Elected Members concerning potential Civic Awards being able to be awarded to organisations.

**Resolved:** (Cr Gallagher/Cr Thomson)

That the Council:

- a) receives the report; and
- b) approves the updated City Honours Policy.

#### 17. Hamilton Stormwater Bylaw Review - Statement of Proposal

The City Waters Manager took the report as read and responded to questions from Elected

Members concerning the consultation period, the recommended option and potential additional costs.

**Resolved:** (Cr Macpherson/Cr Wilson)

That the Council:

- a) receives the report;
- b) approves **Option 2** – the Hamilton Stormwater Bylaw Statement of Proposal (**Attachment 2**) and proposed draft Bylaw (**Attachment 3**) for consultation under Section 83 of the Local Government Act 2002; and
- c) approves public consultation for one month from 2 November 2020 to 9 December 2020 on the Hamilton Stormwater Bylaw Statement of Proposal (**Attachment 2**) and Summary of Information (**Attachment 6**).

#### 14. Wellbeing Outcomes for Hamilton – continued

**Resolved :** (Mayor Southgate/Cr Macpherson)

That the Council requests staff bring back an updated report on the matter to a future meeting of the Council.

**The meeting was adjourned 2.45pm to 2.51pm.**

*Cr Naidoo-Rauf left the meeting during the above adjournment.*

*Cr Forsyth left the meeting during the above adjournment.*

#### 18. Growth Projections for the 2021/31 LTP

The Growth, Funding and Analytics Unit Manager and the Programme Manager Analytics took the report as read and responded to questions from Elected Members concerning various growth projections options and risk to underestimating population growth.

**Procedural Motion:**

**Resolved:** (Cr Macpherson /Cr Hamilton)

That the item being discussed be referred to the Strategic Growth Committee meeting of 12 November 2020.

**The Motion was put.**

<b>Those for the Procedural Motion:</b>	Councillors Macpherson, Hamilton, Gallagher, van Oosten, Naidoo-Rauf, Wilson and Bunting.
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<b>Those against the Procedural Motion:</b>	Mayor Southgate, Deputy Mayor Taylor, Councillors Pascoe and Thomson.
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**The Motion was declared CARRIED.**

*Cr Naidoo-Rauf re-joined the meeting (3.15pm) during the discussion of the above item. She was present when the matter was voted on.*

#### 19. Development Contributions Policy direction options

The Growth, Funding and Analytics Unit Manager and the Programme Manager Economics and

Policy introduced the report and responded to questions from Elected Members concerning the proposed policy options, policy review timeline and financial impact of the proposed options.

**Resolved:** (Cr Wilson/Deputy Mayor Taylor)

That the Council receives the report.

**Resolved:** (Cr Wilson/Deputy Mayor Taylor)

That the Council approves in principle (subject to Council Budget Deliberations), that staff develop policy options for introducing social housing provisions.

**Cr Pascoe and Wilson Dissenting**

**Resolved:** (Cr Wilson/Deputy Mayor Taylor)

That the Council approves in principle (subject to Council Budget Deliberations), that staff develop policy options for extending the CBD remission for a further 3 years to [30 June 2024](#).

**Resolved:** (Cr Wilson/Deputy Mayor Taylor)

That the Council approves in principle (subject to Council Budget Deliberations), that staff develop policy options to begin charging for community infrastructure projects.

**Resolved:** (Cr Wilson/Deputy Mayor Taylor)

That the Council approves in principle (subject to Council Budget Deliberations), that staff develop policy options to introduce a 100% DC remission for CBD developments with six or more storeys for 3 years to [30 June 2024](#).

**Mayor Southgate and Cr Pascoe Dissenting**

**Motion:** (Cr Hamilton/Cr Thomson)

That the Council approves in principle (subject to Council Budget Deliberations), that staff develop policy options to introduce a Frankton area development contribution remission subject to further discussions with Elected Members around refining issues such as boundary and amount of remission.

**The Motion was put.**

**Those for the Motion:**

Councillors Hamilton, Gallagher, van Oosten and Thomson.

**Those against the Motion:**

Mayor Southgate, Deputy Mayor Taylor, Councillors Bunting, Pascoe, Naidoo-Rauf and Wilson.

**The Motion was declared LOST.**

**Resolved:** (Cr Wilson/Deputy Mayor Taylor)

That the Council:



- a) notes that 2021/22 estimated development contribution charges are contingent on the Council's financial information and growth-related capital programme. Decisions on the overall funding needs of the Council and its impact on the community, including any potential reduction/caps in development contribution charges, will be considered by the Council at Council Budget Deliberations;
- b) notes that a draft Proposed Development Contributions Policy 2021/22 will align with the Council's draft Long-Term Plan capital programme and include updated growth projections and underlying modelling assumptions; and
- c) requests staff organise an Elected Member Briefing to further refine the options for the Development Contributions Policy.

*Cr Macpherson retired from the meeting (4.00pm) during the discussion of the above item. He was not present when the matter was voted on.*

**The meeting was adjourned 4.11pm to 4.21pm during the discussion of the above item.**

*Cr Bunting retired from the meeting 5.07pm at the conclusion of the above item. He was present when the matter was voted on.*

## **20. Extension to term of RMA Independent Hearing Commissioners' Panel**

The report was taken as read.

**Resolved:** (Cr Wilson/Cr Pascoe)

That the Council:

- a) receives the report;
- b) approves an extension to the term of the current RMA Commissioners' Panel to 30 April 2021; and
- c) notes that matters that are not completed by 30 April 2021 will continue to be determined by the Commissioner/s originally appointed.

## **21. Memorandum of Understanding - Strategic Relationship with Auckland Council**

The Executive Director Special Projects took the report as read.

**Resolved:** (Mayor Southgate/Deputy Mayor Taylor)

That the Council:

- a) approves the Strategic Relationship Memorandum of Understanding between Auckland Council and Hamilton City Council (**Attachment 1**); and
- b) delegates approval to the Chief Executive and Mayor to sign the agreement on behalf of the Hamilton City Council and to negotiate and agree any minor amendments as noted at this meeting.

## **22. Notice of Motion - Road Renaming, Dame Hilda Ross - *The item was removed from the agenda during item 2 (Confirmation of the Agenda)***

**The meeting was declared closed at 5.11pm.**

## Appendix 1:

## Hamilton City Council BYLAWS

Approved By: Council	Date Adopted: 22 October 2020
Date in Force: 22 October 2020	Review Date: 22 October 2030

### HAMILTON SAFETY IN PUBLIC PLACES BYLAW 2020

This Bylaw is made by the Hamilton City Council under the powers given to it by the Local Government Act 2002.

#### 1. PURPOSE

##### 1.1. The purposes of this bylaw are:

- a) protecting the public from nuisance;
- b) protecting, promoting, and maintaining public health and safety; and
- c) minimising the potential for offensive behaviour in public places

#### 2. APPLICATION

##### 2.1. This Bylaw applies to public places in Hamilton.

#### 3. DEFINITIONS

##### 3.1. The following definitions apply to this Bylaw, except where inconsistent with the context:

<b>Authorised Officer</b>	A person appointed by Hamilton City Council for the purposes of ensuring compliance with the Bylaw, as defined as an Enforcement Officer in the Local Government Act 2002 section 177.
<b>Council</b>	Hamilton City Council
<b>General Manager</b>	the Council General Manager responsible for the administration and enforcement of this Bylaw
<b>Nuisance behaviour</b>	Nuisance behaviour includes: <ul style="list-style-type: none"> <li>a) Begging in a public place in a manner that is likely to cause harassment, alarm, or distress to any reasonable person, or causes an unreasonable interference with the peace, comfort or convenience of any person.</li> <li>b) Sleeping in a public place in such a way as to cause an obstruction.</li> <li>c) Urinating or defecating in a public place other than a toilet.</li> <li>d) Consuming, injecting, inhaling or ingesting a mind-altering substance in a public place.</li> <li>e) Any conduct in a public place that is likely to cause unreasonable interference with the peace, comfort or convenience of a reasonable person in the circumstances in which it occurs, whether or not that person is in a public place, to the extent that it disturbs public order and is more than those subjected to it should have to tolerate.</li> </ul>
<b>Offensive behaviour</b>	Behaviour in a public place that is capable of arousing real anger, resentment, disgust or outrage in the mind of a reasonable person, objectively assessed, to the extent that it disturbs public order and is more than those subjected to it should have to tolerate.
<b>Psychoactive substance</b>	Means the definition in s 9 of the Psychoactive Substances Act 2013, except that it does include a controlled drug specified in Schedule 1, 2 or 3 of the Misuse of Drugs Act 1975.

## Hamilton City Council BYLAWS

**Public Place** Public place includes any place or space that is not private property, and which is open to the public.

Note: This bylaw is required to comply with the New Zealand Bill of Rights Act 1990, which protects freedom of expression among other rights. The mere fact of participating in a public protest will not, on its own, constitute offensive or nuisance behaviour. Public order is sufficiently disturbed if the behaviour causes offence of such a kind or to such an extent that those affected are substantially inhibited in carrying out the purpose of their presence at that place.

### 3.2. TEMPORARY RESTRICTIONS TO PROTECT PUBLIC HEALTH AND SAFETY

3.3. Any person intending to hold an event or undertake an activity may apply to the General Manager requesting that Council impose temporary restrictions in order to protect the health and safety of attendees or the public. The General Manager may impose the following temporary restrictions:

- a) Prohibiting the use of bicycles, skateboards, scooters, or other wheeled transportation (including electrically-powered versions) from entering a defined area during a defined period.
- b) Excluding non-attendees or the public generally from a defined area during a defined period.

Temporary restrictions must not be imposed unreasonably.

3.4. Council must, so far as practicable, put up notices at each entrance and along each boundary of the defined area(s) setting out the nature of the temporary restrictions, the defined area and duration.

### 4. BREACH OF BYLAW

4.1. The following conduct is an offence under this bylaw:

- a) Nuisance behaviour;
- b) Behaviour in a public place that poses a threat to public safety;
- c) Offensive behaviour;
- d) Failing to comply with any lawful notice or direction given under this bylaw;
- e) Obstructing or hindering any authorised officer in performing any duty or power conferred by this bylaw.
- f) failure to comply with a temporary restriction imposed under clause 4.

### 5. PENALTIES AND POWERS

- 5.1. Under section 242 of the Local Government Act 2002, any person who breaches this bylaw, commits an offence and is liable on summary conviction to a fine not exceeding \$20,000.
- 5.2. Under section 163 of the Local Government Act 2002 the Council or an authorised officer may remove or alter any work or thing that is or has been constructed in breach of this Bylaw and may recover the costs of doing so from the person who committed the breach. This does not affect that person's liability for the breach.
- 5.3. Under section 162 of the Local Government Act 2002 the Council may apply to the District Court for an injunction restraining a person from committing a breach of this Bylaw.
- 5.4. The Council or an authorised officer may seize and impound property materially involved in committing an offence, under sections 164 and 165 of the Local Government Act 2002.
- 5.5. The Council will return or may dispose of property seized and impounded in accordance with sections 167 and 168 of the Local Government Act 2002.
- 5.6. Under section 176 of the Local Government Act 2002 any person who has been convicted of an offence under this bylaw is liable to pay the Council the costs of remedying any damage caused in the course of committing the offence.

## Hamilton City Council BYLAWS

The COMMON SEAL of the HAMILTON CITY COUNCIL was hereunto affixed in the presence of:

Councillor: \_\_\_\_\_

Councillor: \_\_\_\_\_

Chief Executive: \_\_\_\_\_

### Explanatory Note:

This note is for information purposes and does not form part of this Bylaw. For guidance on how all other nuisance behaviours are covered by other Council Bylaws and Polices please refer to the Nuisance Behaviour and Policy and Bylaws table.

Offensive behaviour	The definition of offensive behaviour is taken from the decision of the Supreme Court in <i>Morse v Police</i> [2011] NZSC 45; (2011) 25 CRNZ 174.
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# Council Report

Item 6

**Committee:** Council  
**Author:** Narelle Waite  
**Position:** Governance Advisor  
**Report Name:** Confirmation of the Elected Member Open Briefing Notes - 4 November 2020

**Date:** 26 November 2020  
**Authoriser:** Becca Brooke  
**Position:** Governance Manager

<b>Report Status</b>	<i>Open</i>
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## **Staff Recommendation - *Tuutohu-aa-kaimahi***

That the Council confirm the Open Briefing Notes of the Elected Member Briefing held on 4 November 2020 as a true and correct record.

## **Attachments - *Ngaa taapirihanga***

Attachment 1 - Elected Member Open Briefing Notes - 4 November 2020

## Elected Member Briefing Notes – 4 November 2020 – OPEN

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<b>Time and date:</b>	9.35am, 4 November 2020
<b>Venue:</b>	Committee Room 1, Hamilton City Council and Audio-visual Link
<b>In Attendance:</b>	Mayor Southgate, Deputy Mayor Taylor (Audio-visual Link), Crs Pascoe, O’Leary, Bunting, Hamilton, Macpherson, van Oosten, Thomson, Wilson, Naidoo-Rauf (Audio-visual Link), Forsyth and Gallagher, Maangai Rau and Whetu (Audio-visual Link)
<b>Apology for Full Session:</b>	Maangai Thompson-Evans, Hill, and Te Ua
<b>Apologies for lateness/early departure:</b>	Maangai Whetu

### Discussion

The briefing session covered in an **open** session.

- SH1 Cambridge Road Update

There were a number of key points arising from the discussion:

#### 1. SH1 Cambridge Road Update

*(Presentation was provided)*

The General Manager Development explained that the purpose of the presentation was to provide an overview of the current and planned works on the State Highway and city arterial networks in the south-east. He introduced the presenters from Waka Kotahi who discussed the project in further detail.

Members asked questions in relation to the following:

- housing developments;
- roading design;
- noise/air pollution and mitigation;
- Gordonton Road corridor;
- project timings; and
- coordination between the Council and Waka Kotahi.

**Staff Action:** Staff undertook to bring a report to a future Infrastructure Operations Committee Meeting concerning Waka Kotahi project phasing as well as noise/air pollution and mitigation.

# Council Report

Item 7

**Committee:** Council  
**Author:** Tyler Gaukrodger  
**Position:** Governance Advisor  
**Report Name:** Confirmation of the Elected Member Open Briefing Notes - 18 November 2020

**Date:** 26 November 2020  
**Authoriser:** Becca Brooke  
**Position:** Governance Manager

<b>Report Status</b>	<i>Open</i>
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## Staff Recommendation - *Tuutohu-aa-kaimahi*

1. That the Council confirm the Open Briefing Notes of the Elected Member Briefing held on 18 November 2020 as a true and correct record.

## Attachments - *Ngaa taapirihanga*

Attachment 1 - Elected Member Open Briefing Notes - 18 November 2020

## Elected Member Briefing Notes – 18 November 2020 – OPEN

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<b>Time and date:</b>	9:40am, 18 November 2020
<b>Venue:</b>	Committee Room 1, Hamilton City Council and Audio-visual Link
<b>In Attendance:</b>	Crs Gallagher, Macpherson, van Oosten, Thomson (Audio Visual link), Forsyth (Audio Visual link), Naidoo-Rauf (Audio Visual link), Bunting, Pascoe and Wilson.
<b>Apology for Partial Attendance:</b>	Cr Pascoe and Naidoo-Rauf
<b>Apology for Full Session:</b>	Mayor Southgate, Deputy Mayor Taylor, Crs Hamilton, O’Leary, Maangai Rau, Hill, Thompson-Evans, Te Ua and Whetu.

### Discussion

The briefing session covered the following topics in an **Open** session.

- Innovating Streets Programme

There were a number of key points arising from the discussion:

### Innovating Streets Programme

*(Presentation was provided)*

The Parks Planner, Parks and Open Spaces and the Transport and Urban Mobility Programme Delivery Lead explained that the purpose of the presentation was to introduce the Waka Kotahi Innovating Streets for People programme, Kirikiriroa projects, tactical urbanism, consultation, urban testing and design parameters.

Members asked questions in relation to the following:

- development implementation;
- stakeholders;
- procurement;
- accessibility; and
- timelines.



# Council Report

Item 8

**Committee:** Council

**Date:** 26 November 2020

**Author:** Candice Swanepoel

**Authoriser:** Tracey Musty

**Position:** Business Performance  
Accountant

**Position:** Financial Controller

**Report Name:** Investment and Liability Management Policy

<b>Report Status</b>	<i>Open</i>
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## **Purpose - *Take***

1. To inform the Council on the revised and updated Investment and Liability Management Policy.

## **Staff Recommendation - *Tuutohu-aa-kaimahi***

2. That the Council:
  - a) receives the report; and
  - b) approves the revised Investment and Liability Management Policy.

## **Executive Summary – *Whakaraapopototanga matua***

3. The Investment and Liability Management Policy has been updated to enhance our ability to manage Council's investments and liabilities while ensuring it is legislatively compliant and reflects best practice.
4. It is a requirement of the Local Government Act 2002 for Council to maintain an Investment Policy and a Liability Management Policy.
5. The reviewed Investment and Liability Management Policy meets the legislative requirements in a single policy.
6. The updates to the existing policy ensure that the flexibility required to effectively manage Council's investments and liabilities is enhanced while retaining appropriate controls. The Treasury Policy is a related Management Policy that guides management in meeting the Investment and Liability Management Policy.
7. PWC are Council's treasury advisors and have been fully involved in the review of the policy and ensuring it is legislatively compliant and reflects best practice.
8. The changes to the existing policy to be highlighted are:
  - a) Borrowing limits (paragraph 47 to 51) include the Local Government Funding Agency (LGFA) limit on the Debt to Revenue Ratio. This has been increased from the LGFA limit of 250% to new limit of 300% in 2020/21 and 2021/22. This in line with approved changes to the LGFA Foundation Policy as voted for by LGFA shareholders at a Special General Meeting held earlier this year. The LGFA limit, whilst available as per LGFA lending covenants, does not reflect the current Hamilton City Council limit, which is currently maintained at the lower limit of 230%.

- b) Borrowing mechanisms now include a policy framework around the borrowing activity of Council Controlled Organisations (CCOs) and Council Controlled Trading Organisations (CCTOs). This outlines the lending arrangement requirements for CCOs and CCTOs.
  - c) Funding risk control limits (page 10 of the attachment) include changes to the maturity profile of the total committed funding, to provide more flexibility in Council's funding arrangements.
- 9. There are two attachments to this report. A tracked changes version of our Investment and Liability Management Policy and a final Draft version.
- 10. Staff consider the decision in this report has low significance and that the recommendations comply with the Council's legal requirements.

#### **Financial Considerations - *Whaiwhakaaro Puutea***

- 11. The cost for the review of the Investment and Liability Management Policy has been budgeted as part of the 2021-31 Long Term Plan programme and is included in the 2020/21 budget.

#### **Legal and Policy Considerations - *Whaiwhakaaro-aa-ture***

- 12. Staff confirm that the staff recommendation complies with the Council's legal and policy requirements.

#### **Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

- 13. The purpose of Local Government Act 2002 changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
- 14. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report and the recommendations set out in this report are consistent with that purpose.

#### **Risks - *Tuuraru***

- 15. There are no known risks associated with the decisions required for this matter.

#### **Significance & Engagement Policy - *Kaupapa here whakahira/anganui***

##### **Significance**

- 16. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendations in this report has a low level of significance.

##### **Engagement**

- 17. Community views and preferences are already known to the Council hence no engagement is required.

#### **Attachments - *Ngaa taapirihanga***

Attachment 1 - Investment and Liability Management Policy - Tracked Changes

Attachment 2 - Investment and Liability Management Policy - Draft

<i>First adopted:</i>	
<i>Revision dates/version:</i>	
<i>Next review date:</i>	By 30 June 2021
<i>Engagement required:</i>	Not required
<i>Document number:</i>	
<i>Associated documents:</i>	Treasury Management Policy
<i>Sponsor/Group:</i>	Chief Financial Officer/Finance

## INVESTMENT AND LIABILITY MANAGEMENT POLICY

### Purpose and Scope

1. To comply with the Local Government Act 2002 in terms of a legislative requirement to adopt an investment policy and a liability management policy.

To provide the framework under which council operates investment and borrowing activities.

This policy supports council's financial strategy and Revenue and Financing Policy and is linked to the Treasury Management Policy which provides more detail for the day-to-day management of the treasury function.

2. The Council is responsible for:
  - a. Approving the financial strategy in the 10-Year Plan and Annual Plans
  - b. Approving new debt in the 10-year Plan, Annual Plans and specific council resolutions
  - c. Ensuring that a Treasury Management Policy is adopted as a management policy
  - d. Approval for one-off transactions falling outside Policy
  - e. Approve the appointment of the Trustee to the Debenture Trust Deed

## INVESTMENT POLICY

### Principles

3. The Council will, when investing, ensure the protection of its investment capital and that a prudent approach to risk/return is always applied within the confines of this policy. Only approved creditworthy counterparties are acceptable.

The Council will act effectively and appropriately to:

- a. Protect the Council's investments.
- b. Ensure the investments benefit the Council's ratepayers.
- c. Maintain a prudent level of liquidity and flexibility to meet both planned and unforeseen cash requirements.

### Policy

4. The Council's general policy on investments is that:
  - a. The Council may hold financial, property, forestry, and equity investments if there are strategic, commercial, economic, or other valid reasons (e.g. where it is the most appropriate way to administer a Council function).
  - b. The Council will keep under review its approach to all major investments and the credit rating of approved financial institutions.
  - c. The Council will review its policies on holding investments at least once every three years.

## Acquisition and Disposal of Investments

5. With the exception of financial investments, new investments are acquired if an opportunity arises and approval is given by the Council.
6. Before approving any new investments, Council gives due consideration to the contribution the investment will make in fulfilling Council's strategic objectives, and the financial risks of owning the investment.
7. The authority to acquire financial investments is delegated to the General Manager Corporate (GMC).
8. Proceeds from the sale of assets or investments will in the first instance be used to repay outstanding borrowings unless otherwise specifically authorised by Council. The exception to this is in relation to the sale of endowment properties where any surplus cash is held in the Municipal Endowment Fund to be used to reinvest on behalf of the fund.
9. If assets are subject to legislative restrictions, the proceeds are used in accordance with the provisions of the appropriate legislation.

## Investment Mix

### Equity Investments

10. Equity investments, include investments held in Council Controlled Organisations (CCO), Council Controlled Trading Organisations (CCTO) and other shareholdings.
11. The Council maintains equity investments and other minor shareholdings. Council's equity investments fulfil various strategic, economic development and financial objectives as outlined in the 10-Year Plan. Equity investments may be held where the Council considers there to be strategic community value.
12. The Council seeks to achieve an acceptable rate of return on all its equity investments consistent with the nature of the investment and their stated philosophy on investments.
13. Any purchase or disposition of equity investments requires Council approval. Council may also acquire shares that are gifted or are a result of restructuring.
14. Dividends received from CCOs/CCTOs and unlisted companies are used firstly to repay debt in relation to that investment, and then used to reduce other Council debt unless otherwise directed by Council.
15. Any dividends received, and/or profit or loss arising from the sale of these investments must be recorded in accordance with appropriate accounting standards.
16. Unless otherwise directed by Council, the proceeds from the disposition of equity investments will be used firstly to repay any debt relating to the investment and then utilised to reduce other Council debt.
17. The Council recognises that there are risks associated with holding equity investments and to minimise these risks the Council, through the relevant Council committee, monitors the performance of its equity investments on a ~~twice-yearly~~twice-yearly basis to ensure that the stated objectives are being achieved. Professional advice regarding Council's equity investments is obtained when appropriate.

## New Zealand Local Government Funding Agency limited investment

18. Despite anything earlier in this Policy, the Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment to:
- a. Obtain a return on the investment.
  - b. Ensure that the LGFA has sufficient capital to remain viable, meaning that it continues as a source of debt funding for the Council.
  - c. Because of these dual objectives, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments. In connection with the investment, Council subscribes for uncalled capital in the LGFA and is a Guarantor.

#### Property investments

- 19. The Council will purchase property investments for strategic and commercial purposes.
- 20. The Council will review ownership through assessing the benefits, including financial returns, in comparison to other arrangements that could deliver similar results.
- 21. Surpluses generated from property investments are treated as income in the related Council activity.
- 22. The Council will ensure property disposals are managed to ensure compliance with statutory requirements and where appropriate consultation with the community.
- 23. The Council will ensure property purchases are supported by registered valuations and, where appropriate, a full business case analysis.
- 24. The Council will not purchase properties on a speculative basis.

#### Financial investments

- 25. The Council's primary objectives when investing is the protection of its investment capital. Accordingly, Council may only invest in approved creditworthy counterparties. Creditworthy counterparties and investment restrictions are covered in Counterparty credit risk of this policy (para. 70-74). Credit ratings are monitored and any changes are reported to [Council-Council](#).
- 26. The Council may invest in approved financial instruments as set out in the Treasury Management Policy. These investments are aligned with Council's objective of investing in high credit quality and highly liquid assets.
- 27. The Council's investment portfolio will be arranged to provide sufficient funds for planned expenditures and allow for the payment of obligations as they fall due.
- 28. The Council prudently manages liquid financial investments as follows:
  - a. Any liquid investments must be restricted to a term that meets future cash flow and capital expenditure projections.
  - b. Council may choose to hold specific reserves in cash and direct what happens to that investment income. In effect the income from financial investments will be an interest income stream into general funds. Interest is paid to reserves from general funds.
  - c. Financial investments do not include shares.

#### Reserve funds

- 29. Liquid assets are required to be held against reserve funds.

#### Trust funds

30. Where the Council hold funds as a trustee, or manages funds for a trust, then such funds must be invested on the terms provided within the trust.
31. Where the trust's investment policy is not specified then this Policy should apply.

#### Loan Advances

32. The Council may provide advances to CCOs, CCTOs, charitable trusts and community organisations for strategic and commercial purposes.
33. New loan advances must be made by Council Resolution only. The Council will not lend money, provide any other financial accommodation, to a CCO or CCTO on terms and conditions that are more favourable than those that would apply if Council were borrowing the money or obtaining the financial accommodation. (subject to the exemption as per Section 9 of the Local Government Borrowing Act 2011, lending and financial accommodation provided to the Local Government Funding Agency).
34. Advances to charitable trusts, and community organisations from the Council do not have to be on a fully commercial basis.
35. Where the Council makes advances to charitable trusts and community organisations at below Council's cost of borrowing, the additional cost is treated as an annual grant to the organisation.
36. The Council will review performance of its loan advances on a regular basis to ensure strategic and economic objectives are being achieved.

#### Investment management and reporting procedures

37. The Council's investments are managed on a regular basis, with sufficient minimum immediate cash reserves and a cash buffer maintained.
38. To best manage funding gaps, Council's financial investment maturities are matched with Council's forecast cash flow requirements.
39. The performance of Council investments is regularly reviewed to ensure Council's strategic objectives are being met. Both performance and policy compliance are reviewed through regular reporting.
40. Details on the performance of investments will be reported to the Council, or the appropriate Council Committee, on a regular basis.
41. Monitoring of equity and property investments involves reviewing quarterly reports, annual reports, strategic plans, and statements of corporate intent. Members of these entities may be invited to attend and present to the appropriate Council Committee.
42. Monitoring of cash and other investments form part of the regular financial reporting to the Council and appropriate Council Committees.

### LIABILITY MANAGEMENT POLICY

#### Introduction

43. The Council's liabilities will comprise of borrowings (external) and various other liabilities.
44. The Council maintains external borrowings in order to:

- a. Raise specific debt associated with projects and capital expenditures.
- b. Fund the balance sheet as a whole, including working capital requirements.
- c. Fund assets where their useful lives extend over several generations of ratepayers.
- d. Fund investments in CCOs,
- e. Provide funding to CCOs,
- ~~f. Fund working capital requirements.~~

~~g-f.~~

- 45. Borrowing provides a basis to achieve inter-generational equity by aligning long-term assets with long-term funding sources, and ensure that the costs are met by those ratepayers benefiting from the investment.
- 46. Borrowing is undertaken at a whole of Council level. That is, borrowing is made as and when it is required to fund the capital and operational activities of the Council.

#### Borrowing Limits

- 47. The Council's Financial Strategy, adopted as part of the 10-Year Plan, includes borrowing limits which take account of the planning assumptions and circumstances of the City at the time the plan is adopted. The borrowing limits in this policy are the prudential limits which the Council's funders (including LGFA) and credit rating providers deem to appropriate for the City.
- 48. These limits are higher than the 10-Year Plan limits with the gap available for the Council to manage any unplanned events.
- 49. The Council will manage its debt with the following limits:

Item	Limit
Net External Debt / Total Revenue	< <del>300</del> 250%*
Net Interest on External Debt / Total Revenue	<20%
Net Interest on External Debt / Annual Rate Income	<30%
Liquidity ratio	>110%

\*For the financial years ending 30 June 2021 and 2022, 300% will apply; and for each of the next four years financial years, a decrease of 5% until 280% will apply for and from the financial year ending 30 June 2026.

- a. **Total revenue** is defined as total revenue less vested assets, gains and development contributions.
- b. **Total external debt** is all gross debt held externally by council [less pre-funding](#).
- c. **Net external debt** is defined as total external debt less liquid funds and investments.
- d. **Liquidity** is defined as external term debt plus [available](#) committed external borrowing and [available](#) liquid funds, divided by current external debt.
- e. **Liquid funds** are defined as being:
  - Overnight bank cash deposits
  - Wholesale/retail bank term deposits no greater than 30 days
  - Bank issued RCD's less than 91 days
  - [External debt funding and associated investment activity relating to Wholesale/retail bank term deposits linked to pre-funding of maturity of term debt exposures are excluded from the definition of Liquid investments for liquidity ratio purposes calculation.](#)

- f. The liquidity ratio excludes encumbered cash investments, such as cash held within special / reserve funds.
- g. **Net interest on external debt** is defined as the amount equal to all interest and financing costs (on external debt) less interest income for the relevant period.
- ~~h.~~ **Annual rate income** is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 (including volumetric water charges levied) together with any revenue received from other local authorities for services provided (and for which the other local authorities rate).

~~i-h.~~

- 50. Financial covenants are measured on Council only, not the consolidated group.
- 51. Disaster recovery requirements are to be met through the liquidity ratio and available debt capacity.

### Security

- 52. The Council's external borrowings and interest rate management instruments will generally be secured by way of a charge over rates and rates revenue offered through a Debenture Trust Deed.

~~53.~~ Where appropriate the Council may seek project financing, which may have a charge over the project or a specific asset(s) rather than rates.

~~53.~~

~~54.~~ The Council's utilisation of special funds, reserve funds, internal borrowing of special funds/reserve funds and other funds will be on an unsecured basis.

~~55-54.~~

~~56.~~ Under a Debenture Trust Deed, The Council's borrowing is secured by a floating charge over all the Council rates levied under the Local Government Rating Act.

~~57-55.~~

~~58.~~ The security offered by Council ranks equally or pari passu with other lenders.

~~59-56.~~

~~60.~~ From time to time, and with the Council approval, debt may be undertaken on an unsecured basis, or security may be offered by providing a charge over one or more of Council's assets.

~~61-57.~~

~~62-58.~~ The Council's physical assets will be charged only where:

- a. There is a direct relationship between the debt and the purchase or construction of the asset, which it funds (e.g. project finance)
- b. Council considers a charge over physical assets to be appropriate
- c. Any pledging of physical assets complies with the terms and conditions contained within the security arrangement

### Borrowing mechanisms

~~63-59.~~ The Council may externally borrow through a variety of market mechanisms including issuing stock/bonds, commercial paper (CP) and debentures, direct bank borrowing, Local Government Funding Agency (LGFA), Central Government Agencies (e.g. e.g. Housing Infrastructure Fund (HIF)) accessing the short and long-term wholesale/retail debt capital markets directly or indirectly, or internal borrowing of reserve funds.

~~64-60.~~ In evaluating strategies for new borrowing (in relation to source, term, size and pricing) the following is ~~taken into account~~ considered:

- a. Available terms from lenders.
- b. The Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time.



- c. Prevailing interest rates and margins relative to term for loan stock issuance, LGFA, debt capital markets and bank borrowing.
- d. The market's outlook on future interest rate and credit margin movements as well as its own.
- e. Legal documentation and financial covenants together with security and credit rating considerations.
- f. For internally funded projects, to ensure that finance terms for those projects are at least as equitable with those terms from external borrowing.
- g. Alternative funding mechanisms such as leasing should be evaluated with financial analysis in conjunction with traditional on-balance sheet funding. The evaluation should take into consideration, ownership, redemption value and effective cost of funds.

~~65.~~\_\_\_\_\_

~~61.~~ The Council's ability to readily attract cost effective borrowing will be determined by its ability to rate, maintain a strong financial standing and manage its relationships with its investors, LGFA, credit rating agencies and financial institutions/brokers.

#### Borrowing mechanisms for council controlled organisations and council controlled trading organisations

~~66-62.~~\_\_\_\_\_ To better achieve its strategic and commercial objectives, Council may provide financial support in the form of debt funding directly or indirectly to CCO/CCTOs.

~~67-63.~~\_\_\_\_\_ Guarantees of financial indebtedness to CCTOs are prohibited, but financial support may be provided by subscribing for shares as called or uncalled capital.

~~68-64.~~\_\_\_\_\_ Any lending arrangement to a CCO or CCTO must be approved by Council. In recommending an arrangement for approval the Chief Executive considers the following:

- a. Credit risk profile of the borrowing entity, and the ability to repay interest and principal amount outstanding on due date.
- b. Impact on Council's credit standing, debt cap amount (where applied), lending covenants with the LGFA and other lenders and Council's future borrowing capacity.
- c. The form and quality of security arrangements provided.
- d. The lending rate given factors such as; CCO or CCTO credit profile, external Council borrowing rates, borrower note and liquidity buffer requirements, term etc.
- e. Lending arrangements to CCTO must be documented on a commercial arm's length basis. A term sheet, including matters such as borrowing costs, interest payment dates, principal payment dates, security and expiry date is agreed between the parties.
- f. Accounting and taxation impact of on-lending arrangement.

~~69-65.~~\_\_\_\_\_ All lending arrangements must be executed under legal documentation (e.g. loan, guarantee) reviewed and approved by Council's independent legal counsel.

**Kua Tākupu [A1]:** Council to confirm appropriate delegation for approval.

#### Debt repayment

~~70-66.~~\_\_\_\_\_ The funds from all asset sales, operating surpluses, grants and subsidies will be applied to specific projects or the reduction of debt and/or a reduction in borrowing requirements, unless the Council specifically directs that the funds will be put to another use.

~~71-67.~~\_\_\_\_\_ Debt will be repaid as it falls due in accordance with the applicable borrowing arrangement.

~~72-68.~~ Subject to the appropriate approval and debt limits, a loan may be rolled over or re-negotiated as and when appropriate.

~~73-69.~~ The Council will manage debt on a net portfolio basis and will only externally borrow when it is commercially prudent to do so.

#### Interest rate risk

~~74-70.~~ Risk recognition

- a. Interest rate risk is the risk that funding costs (due to adverse movements in market wholesale interest rates) will materially exceed or fall short of projections included in the 10-Year Plan or Annual Plan so as to adversely impact revenue projections, cost control and capital investment decisions/returns/feasibilities.
- b. The Council will ensure interest rate risk management to reduce uncertainty relating to interest rate movements through fixing/hedging of interest costs. Certainty around interest costs is to be achieved through the active management of underlying interest rate exposures.

~~75-71.~~ Interest rate risk control limits

- a. The exposure to interest rate risk is managed and mitigated through the risk control limits below. Council's gross external debt should be within the following fixed/floating interest rate risk control limit.
- b. Forecast gross external debt is the amount of total external debt for a given period (12 month)
- c. The Council's gross external debt will allow for pre-hedging in advance of projected physical drawdown of new debt.
- d. When approved forecasts are changed (signed off by the CFO), the amount of fixed rate cover in place may have to be adjusted to ensure compliance with the Policy minimums and maximums as per the following table:

Debt Interest Rate Policy Parameters (calculated on rolling monthly basis)		
Debt Period Ending	Minimum Fixed	Maximum Fixed
0 – 1 Year	40%	95%
1 - 2 Years	35%	95%
2 - 3 Years	30%	90%
3 - 4 Years	20%	85%
4 - 5 Years	10%	80%
5 - 6 Years	0%	75%
6 - 7 Years	0%	70%

7 - 8 Years	0%	65%
8 - 9 Years	0%	60%
9 - 10 Years	0%	55%
10 - 11 Years	0%	50%
11 - 12 Years	0%	45%
12 - 13 Years	0%	40%
13 - 14 Years	0%	35%
14 - 15 Years	0%	30%

- e. A fixed rate maturity profile that is outside the above limits, but self corrects in less than 90 days is not in breach of this Policy.
- f. Maintaining a maturity profile outside of the above limits beyond 90 days requires Council resolution.
- g. "Fixed Rate" is defined as all known interest rate obligations on forecast gross external debt, including where debt is borrowed on a fixed interest rate basis and where hedging instruments have fixed movements in the applicable reset rate.
- h. "Floating Rate" is defined as any interest rate obligation subject to movements in the applicable reset rate.
- i. Fixed interest rate percentages are calculated monthly by the GMC based on the average amount of fixed interest rate obligations relative to the average forecast gross external debt amounts for the given period (as defined in the table above).
- g.i. Any interest rate fixing with a maturity beyond 15 years must be approved by the Chief Executive through a specific approval. The exception to this will be if Council raises LGFA funding as fixed rate or an interest rate swap is linked to floating rate LGFA debt and this is maturing beyond 15 years.
- h.k. Hedging outside the above risk parameters must be approved by Council.

#### Liquidity risk/funding risk

##### ~~76-72.~~ Risk recognition

- a. Cash flow deficits in various future periods based on long term financial forecasts are reliant on the maturity structure of cash, short-term financial investments, loans and bank facilities. Liquidity risk management focuses on the ability to access committed funding at that future time to fund the gaps. Funding risk management centres on the ability to re-finance or raise new debt at a future time at the same or more favourable pricing (fees and borrowing margins) and maturity terms of existing loans and facilities.
- b. The Council will manage funding risks where there may be adverse movement in borrowing margins, term availability and general flexibility including:
- Local Government risk is priced to a higher fee and margin level.
  - Council's own credit standing or financial strength as a borrower deteriorates due to financial, regulatory or other reasons.

- A large individual lender to Council experiences its own financial/exposure difficulties resulting in Council not being able to manage their debt portfolio as optimally as desired.
- New Zealand investment community experiences a substantial “over supply” of Council investment assets.
- Financial market shocks from domestic or global events.

~~d-c.~~ A key factor of funding risk management is to spread and control the risk to reduce the concentration of risk at one point in time so that if any of the above events occur, the overall borrowing cost is not unnecessarily increased and desired maturity profile compromised due to market conditions.

#### ~~77-73.~~ Liquidity/funding risk control limits

- The Council will ensure liquid funds ([as defined in the Borrowing Limits section of this policy](#)), term debt and committed debt facilities must be maintained at an amount exceeding 110% of existing external debt.
- The GMC has the discretionary authority to re-finance existing external debt on more favourable terms.
- Such action is to be reported to the Chief Executive and the appropriate Council Committee at the earliest opportunity.
- The maturity profile of the total committed funding in respect to all external debt / loans and committed debt facilities, is to be controlled by the following system:

Period	Minimum %	Maximum %
0 to 3 years	15%	60%
3 to <del>5</del> years	<del>42</del> 5%	<del>68</del> 5%
<del>5</del> years plus	<del>15</del> 0%	60%

- A funding maturity profile that is outside the above risk parameters but self corrects within 90-days is not in breach of this policy. However, maintaining a maturity profile that is outside the above risk parameters for a period greater than 90-days requires specific approval by the Council.
- To minimise concentration risk the LGFA require that no more than the greater of NZD \$100 million or 33% of the Councils borrowings from the LGFA will mature in any 12-month period.
- The Council ~~has the ability to can~~ pre-fund up to 18 months forecast debt requirements including re-financings. Debt refinancing that has been pre-funded will remain included within the funding maturity profile until the maturity date.

#### Counterparty credit risk

~~78-74.~~ Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where the Council is a party. The credit risk to the Council in a default event will be weighted differently depending on the type of instrument ~~entered into~~[entered](#).

~~79-75.~~ Credit risk will be regularly reviewed by the appropriate Council Committee. Treasury related transactions would only be ~~entered into~~entered with organisations specifically approved by the (CE).

~~80-76.~~ Counterparties and limits can only be approved ~~on the basis of~~based on long-term Standard & Poor's (S&P) credit ratings (or equivalent Fitch or Moody's rating) being A and above and/or ~~short term~~short-term rating of A-1 or above.

~~81-77.~~ Limits should be spread amongst ~~a number of~~several counterparties to avoid concentrations of credit exposure.

~~82-78.~~ The following matrix guide will determine limits:

Counterparty/Issuer	Minimum S&P long term / short term credit rating	Total maximum per counterparty (\$m)
NZ Government	N/A	Unlimited
Local Government Funding Agency (LGFA)	N/A	Unlimited
NZ Registered Bank	AA- / A-1	75.0
NZ Registered Bank	A /A-1	30.0

#### Guarantees/contingent liabilities and other financial arrangements

~~83-79.~~ The Council may act as guarantor to financial institutions on loans or enter into incidental arrangements for organisations, clubs, trusts, or business units, when the purposes of the loan are in line with Council's strategic objectives.

~~85-80.~~ When resolving to act as a guarantor, Council will ensure appropriate processes are implemented to review and monitor the performance of guarantee.

~~87-81.~~ The Council is not allowed to guarantee loans to Council-controlled trading organisations under Section 62 of the Local Government Act.

~~89-82.~~ Other financial arrangements may include community loans and advances.

~~91-83.~~ Conditions to financial arrangements will be set by the Council when the arrangement is approved.

#### Monitoring and Implementation

~~92-84.~~ Implementation of this policy will be monitored by the General Manager Corporate.

~~94-85.~~ This policy will be reviewed, at the request of the Council, in response to any relevant legislative amendment, or every three years (whichever comes first)

#### REFERENCES

- Section 102, 104, 105, 112 to 122 and Schedule 7 Clause 32 of the Local Government Act 2002

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## INVESTMENT AND LIABILITY MANAGEMENT POLICY

### Purpose and Scope

1. To comply with the Local Government Act 2002 in terms of a legislative requirement to adopt an investment policy and a liability management policy.

To provide the framework under which council operates investment and borrowing activities.

This policy supports council's financial strategy and Revenue and Financing Policy and is linked to the Treasury Management Policy which provides more detail for the day-to-day management of the treasury function.

2. The Council is responsible for:
  - a. Approving the financial strategy in the 10-Year Plan and Annual Plans
  - b. Approving new debt in the 10-year Plan, Annual Plans and specific council resolutions
  - c. Ensuring that a Treasury Management Policy is adopted as a management policy
  - d. Approval for one-off transactions falling outside Policy
  - e. Approve the appointment of the Trustee to the Debenture Trust Deed

### INVESTMENT POLICY

#### Principles

3. The Council will, when investing, ensure the protection of its investment capital and that a prudent approach to risk/return is always applied within the confines of this policy. Only approved creditworthy counterparties are acceptable.

The Council will act effectively and appropriately to:

- a. Protect the Council's investments.
- b. Ensure the investments benefit the Council's ratepayers.
- c. Maintain a prudent level of liquidity and flexibility to meet both planned and unforeseen cash requirements.

#### Policy

4. The Council's general policy on investments is that:
  - a. The Council may hold financial, property, forestry, and equity investments if there are strategic, commercial, economic, or other valid reasons (e.g. where it is the most appropriate way to administer a Council function).
  - b. The Council will keep under review its approach to all major investments and the credit rating of approved financial institutions.
  - c. The Council will review its policies on holding investments at least once every three years.

## Acquisition and Disposal of Investments

5. With the exception of financial investments, new investments are acquired if an opportunity arises and approval is given by the Council.
6. Before approving any new investments, Council gives due consideration to the contribution the investment will make in fulfilling Council's strategic objectives, and the financial risks of owning the investment.
7. The authority to acquire financial investments is delegated to the General Manager Corporate (GMC).
8. Proceeds from the sale of assets or investments will in the first instance be used to repay outstanding borrowings unless otherwise specifically authorised by Council. The exception to this is in relation to the sale of endowment properties where any surplus cash is held in the Municipal Endowment Fund to be used to reinvest on behalf of the fund.
9. If assets are subject to legislative restrictions, the proceeds are used in accordance with the provisions of the appropriate legislation.

## Investment Mix

### Equity Investments

10. Equity investments, include investments held in Council Controlled Organisations (CCO), Council Controlled Trading Organisations (CCTO) and other shareholdings.
11. The Council maintains equity investments and other minor shareholdings. Council's equity investments fulfil various strategic, economic development and financial objectives as outlined in the 10-Year Plan. Equity investments may be held where the Council considers there to be strategic community value.
12. The Council seeks to achieve an acceptable rate of return on all its equity investments consistent with the nature of the investment and their stated philosophy on investments.
13. Any purchase or disposition of equity investments requires Council approval. Council may also acquire shares that are gifted or are a result of restructuring.
14. Dividends received from CCOs/CCTOs and unlisted companies are used firstly to repay debt in relation to that investment, and then used to reduce other Council debt unless otherwise directed by Council.
15. Any dividends received, and/or profit or loss arising from the sale of these investments must be recorded in accordance with appropriate accounting standards.
16. Unless otherwise directed by Council, the proceeds from the disposition of equity investments will be used firstly to repay any debt relating to the investment and then utilised to reduce other Council debt.
17. The Council recognises that there are risks associated with holding equity investments and to minimise these risks the Council, through the relevant Council committee, monitors the performance of its equity investments on a twice-yearly basis to ensure that the stated objectives are being achieved. Professional advice regarding Council's equity investments is obtained when appropriate.



### New Zealand Local Government Funding Agency limited investment

18. Despite anything earlier in this Policy, the Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment to:
- Obtain a return on the investment.
  - Ensure that the LGFA has sufficient capital to remain viable, meaning that it continues as a source of debt funding for the Council.
  - Because of these dual objectives, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments. In connection with the investment, Council subscribes for uncalled capital in the LGFA and is a Guarantor.

### Property investments

19. The Council will purchase property investments for strategic and commercial purposes.
20. The Council will review ownership through assessing the benefits, including financial returns, in comparison to other arrangements that could deliver similar results.
21. Surpluses generated from property investments are treated as income in the related Council activity.
22. The Council will ensure property disposals are managed to ensure compliance with statutory requirements and where appropriate consultation with the community.
23. The Council will ensure property purchases are supported by registered valuations and, where appropriate, a full business case analysis.
24. The Council will not purchase properties on a speculative basis.

### Financial investments

25. The Council's primary objectives when investing is the protection of its investment capital. Accordingly, Council may only invest in approved creditworthy counterparties. Creditworthy counterparties and investment restrictions are covered in Counterparty credit risk of this policy (para. 70-74). Credit ratings are monitored and any changes are reported to Council.
26. The Council may invest in approved financial instruments as set out in the Treasury Management Policy. These investments are aligned with Council's objective of investing in high credit quality and highly liquid assets.
27. The Council's investment portfolio will be arranged to provide sufficient funds for planned expenditures and allow for the payment of obligations as they fall due.
28. The Council prudently manages liquid financial investments as follows:
- Any liquid investments must be restricted to a term that meets future cash flow and capital expenditure projections.
  - Council may choose to hold specific reserves in cash and direct what happens to that investment income. In effect the income from financial investments will be an interest income stream into general funds. Interest is paid to reserves from general funds.
  - Financial investments do not include shares.

### Reserve funds

29. Liquid assets are required to be held against reserve funds.

### Trust funds

30. Where the Council hold funds as a trustee, or manages funds for a trust, then such funds must be invested on the terms provided within the trust.
31. Where the trust's investment policy is not specified then this Policy should apply.

### Loan Advances

32. The Council may provide advances to CCOs, CCTOs, charitable trusts and community organisations for strategic and commercial purposes.
33. New loan advances must be made by Council Resolution only. The Council will not lend money, provide any other financial accommodation, to a CCO or CCTO on terms and conditions that are more favourable than those that would apply if Council were borrowing the money or obtaining the financial accommodation. (subject to the exemption as per Section 9 of the Local Government Borrowing Act 2011, lending and financial accommodation provided to the Local Government Funding Agency).
34. Advances to charitable trusts, and community organisations from the Council do not have to be on a fully commercial basis.
35. Where the Council makes advances to charitable trusts and community organisations at below Council's cost of borrowing, the additional cost is treated as an annual grant to the organisation.
36. The Council will review performance of its loan advances on a regular basis to ensure strategic and economic objectives are being achieved.

### Investment management and reporting procedures

37. The Council's investments are managed on a regular basis, with sufficient minimum immediate cash reserves and a cash buffer maintained.
38. To best manage funding gaps, Council's financial investment maturities are matched with Council's forecast cash flow requirements.
39. The performance of Council investments is regularly reviewed to ensure Council's strategic objectives are being met. Both performance and policy compliance are reviewed through regular reporting.
40. Details on the performance of investments will be reported to the Council, or the appropriate Council Committee, on a regular basis.
41. Monitoring of equity and property investments involves reviewing quarterly reports, annual reports, strategic plans, and statements of corporate intent. Members of these entities may be invited to attend and present to the appropriate Council Committee.
42. Monitoring of cash and other investments form part of the regular financial reporting to the Council and appropriate Council Committees.

## LIABILITY MANAGEMENT POLICY

### Introduction

43. The Council's liabilities will comprise of borrowings (external) and various other liabilities.
44. The Council maintains external borrowings in order to:
  - a. Raise specific debt associated with projects and capital expenditures.
  - b. Fund the balance sheet as a whole, including working capital requirements.
  - c. Fund assets where their useful lives extend over several generations of ratepayers.
  - d. Fund investments in CCOs,
  - e. Provide funding to CCOs,
  - f. Fund working capital requirements.
45. Borrowing provides a basis to achieve inter-generational equity by aligning long-term assets with long-term funding sources, and ensuring that the costs are met by those ratepayers benefiting from the investment.
46. Borrowing is undertaken at a whole of Council level. That is, borrowing is made as and when it is required to fund the capital and operational activities of the Council.

### Borrowing Limits

47. The Council's Financial Strategy, adopted as part of the 10-Year Plan, includes borrowing limits which take account of the planning assumptions and circumstances of the City at the time the plan is adopted. The borrowing limits in this policy are the prudential limits which the Council's funders (including LGFA) and credit rating providers deem to appropriate for the City.
48. These limits are higher than the 10-Year Plan limits with the gap available for the Council to manage any unplanned events.
49. The Council will manage its debt with the following limits:

Item	Limit
Net External Debt / Total Revenue	<300%*
Net Interest on External Debt / Total Revenue	<20%
Net Interest on External Debt / Annual Rate Income	<30%
Liquidity ratio	>110%

\*For the financial years ending 30 June 2021 and 2022, 300% will apply; and for each of the next four years financial years, a decrease of 5% until 280% will apply for and from the financial year ending 30 June 2026.

- a. **Total revenue** is defined as total revenue less vested assets, gains and development contributions.
- b. **Total external debt** is all gross debt held externally by council less pre-funding.
- c. **Net external debt** is defined as total external debt less liquid funds and investments.
- d. **Liquidity** is defined as external term debt plus available committed external borrowing and available liquid funds, divided by current external debt.

- e. **Liquid funds** are defined as being:
  - Overnight bank cash deposits
  - Wholesale/retail bank term deposits no greater than 30 days
  - Bank issued RCD's less than 91 days
  - External debt funding and associated investment activity relating to pre-funding is excluded from the liquidity ratio calculation.
- f. The liquidity ratio excludes encumbered cash investments, such as cash held within special / reserve funds.
- g. **Net interest on external debt** is defined as the amount equal to all interest and financing costs (on external debt) less interest income for the relevant period.
- h. **Annual rate income** is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 (including volumetric water charges levied) together with any revenue received from other local authorities for services provided (and for which the other local authorities rate).

50. Financial covenants are measured on Council only, not the consolidated group.

51. Disaster recovery requirements are to be met through the liquidity ratio and available debt capacity.

### Security

- 52. The Council's external borrowings and interest rate management instruments will generally be secured by way of a charge over rates and rates revenue offered through a Debenture Trust Deed.
- 53. Where appropriate the Council may seek project financing, which may have a charge over the project or a specific asset(s) rather than rates.
- 54. The Council's utilisation of special funds, reserve funds, internal borrowing of special funds/reserve funds and other funds will be on an unsecured basis.
- 55. Under a Debenture Trust Deed, The Council's borrowing is secured by a floating charge over all the Council rates levied under the Local Government Rating Act.
- 56. The security offered by Council ranks equally or pari passu with other lenders.
- 57. From time to time, and with the Council approval, debt may be undertaken on an unsecured basis, or security may be offered by providing a charge over one or more of Council's assets.
- 58. The Councils physical assets will be charged only where:
  - a. There is a direct relationship between the debt and the purchase or construction of the asset, which it funds (e.g. project finance)
  - b. Council considers a charge over physical assets to be appropriate
  - c. Any pledging of physical assets complies with the terms and conditions contained within the security arrangement

### Borrowing mechanisms

- 59. The Council may externally borrow through a variety of market mechanisms including issuing stock/bonds, commercial paper (CP) and debentures, direct bank borrowing, Local Government Funding Agency (LGFA), Central Government Agencies (e.g. Housing Infrastructure Fund (HIF)) accessing the short and long-term wholesale/retail debt capital markets directly or indirectly, or internal borrowing of reserve funds.
- 60. In evaluating strategies for new borrowing (in relation to source, term, size and pricing) the following is considered:
  - a. Available terms from lenders.

- b. The Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time.
  - c. Prevailing interest rates and margins relative to term for loan stock issuance, LGFA, debt capital markets and bank borrowing.
  - d. The market's outlook on future interest rate and credit margin movements as well as its own.
  - e. Legal documentation and financial covenants together with security and credit rating considerations.
  - f. For internally funded projects, to ensure that finance terms for those projects are at least as equitable with those terms from external borrowing.
  - g. Alternative funding mechanisms such as leasing should be evaluated with financial analysis in conjunction with traditional on-balance sheet funding. The evaluation should take into consideration, ownership, redemption value and effective cost of funds.
61. The Council's ability to readily attract cost effective borrowing will be determined by its ability to rate, maintain a strong financial standing and manage its relationships with its investors, LGFA, credit rating agencies and financial institutions/brokers.

#### Borrowing mechanisms for council controlled organisations and council controlled trading organisations

62. To better achieve its strategic and commercial objectives, Council may provide financial support in the form of debt funding directly or indirectly to CCO/CCTOs.
63. Guarantees of financial indebtedness to CCTOs are prohibited, but financial support may be provided by subscribing for shares as called or uncalled capital.
64. Any lending arrangement to a CCO or CCTO must be approved by Council. In recommending an arrangement for approval the Chief Executive considers the following:
- a. Credit risk profile of the borrowing entity, and the ability to repay interest and principal amount outstanding on due date.
  - b. Impact on Council's credit standing, debt cap amount (where applied), lending covenants with the LGFA and other lenders and Council's future borrowing capacity.
  - c. The form and quality of security arrangements provided.
  - d. The lending rate given factors such as; CCO or CCTO credit profile, external Council borrowing rates, borrower note and liquidity buffer requirements, term etc.
  - e. Lending arrangements to CCTO must be documented on a commercial arm's length basis. A term sheet, including matters such as borrowing costs, interest payment dates, principal payment dates, security and expiry date is agreed between the parties.
  - f. Accounting and taxation impact of on-lending arrangement.
65. All lending arrangements must be executed under legal documentation (e.g. loan, guarantee) reviewed and approved by Council's independent legal counsel.

#### Debt repayment

66. The funds from all asset sales, operating surpluses, grants and subsidies will be applied to specific projects or the reduction of debt and/or a reduction in borrowing requirements, unless the Council specifically directs that the funds will be put to another use.
67. Debt will be repaid as it falls due in accordance with the applicable borrowing arrangement.

68. Subject to the appropriate approval and debt limits, a loan may be rolled over or re-negotiated as and when appropriate.
69. The Council will manage debt on a net portfolio basis and will only externally borrow when it is commercially prudent to do so.

#### Interest rate risk

##### 70. Risk recognition

- a. Interest rate risk is the risk that funding costs (due to adverse movements in market wholesale interest rates) will materially exceed or fall short of projections included in the 10-Year Plan or Annual Plan so as to adversely impact revenue projections, cost control and capital investment decisions/returns/feasibilities.
- b. The Council will ensure interest rate risk management to reduce uncertainty relating to interest rate movements through fixing/hedging of interest costs. Certainty around interest costs is to be achieved through the active management of underlying interest rate exposures.

##### 71. Interest rate risk control limits

- a. The exposure to interest rate risk is managed and mitigated through the risk control limits below. Council's gross external debt should be within the following fixed/floating interest rate risk control limit.
- b. Forecast gross external debt is the amount of total external debt for a given period (12 month)
- c. The Council's gross external debt will allow for pre-hedging in advance of projected physical drawdown of new debt.
- d. When approved forecasts are changed (signed off by the CFO), the amount of fixed rate cover in place may have to be adjusted to ensure compliance with the Policy minimums and maximums as per the following table:

<b>Debt Interest Rate Policy Parameters (calculated on rolling monthly basis)</b>		
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5 - 6 Years	0%	75%
6 - 7 Years	0%	70%
7 - 8 Years	0%	65%

8 - 9 Years	0%	60%
9 - 10 Years	0%	55%
10 - 11 Years	0%	50%
11 - 12 Years	0%	45%
12 - 13 Years	0%	40%
13 - 14 Years	0%	35%
14 - 15 Years	0%	30%

- e. A fixed rate maturity profile that is outside the above limits, but self corrects in less than 90 days is not in breach of this Policy.
- f. Maintaining a maturity profile outside of the above limits beyond 90 days requires Council resolution.
- g. "Fixed Rate" is defined as all known interest rate obligations on forecast gross external debt, including where debt is borrowed on a fixed interest rate basis and where hedging instruments have fixed movements in the applicable reset rate.
- h. "Floating Rate" is defined as any interest rate obligation subject to movements in the applicable reset rate.
- i. Fixed interest rate percentages are calculated monthly by the GMC based on the average amount of fixed interest rate obligations relative to the average forecast gross external debt amounts for the given period (as defined in the table above).
- j. Any interest rate fixing with a maturity beyond 15 years must be approved by the Chief Executive through a specific approval. The exception to this will be if Council raises LGFA funding as fixed rate or an interest rate swap is linked to floating rate LGFA debt and this is maturing beyond 15 years.
- k. Hedging outside the above risk parameters must be approved by Council.

### Liquidity risk/funding risk

#### 72. Risk recognition

- a. Cash flow deficits in various future periods based on long term financial forecasts are reliant on the maturity structure of cash, short-term financial investments, loans and bank facilities. Liquidity risk management focuses on the ability to access committed funding at that future time to fund the gaps. Funding risk management centres on the ability to re-finance or raise new debt at a future time at the same or more favourable pricing (fees and borrowing margins) and maturity terms of existing loans and facilities.
- b. The Council will manage funding risks where there may be adverse movement in borrowing margins, term availability and general flexibility including:
  - Local Government risk is priced to a higher fee and margin level.
  - Council's own credit standing or financial strength as a borrower deteriorates due to financial, regulatory or other reasons.

- A large individual lender to Council experiences its own financial/exposure difficulties resulting in Council not being able to manage their debt portfolio as optimally as desired.
  - New Zealand investment community experiences a substantial “over supply” of Council investment assets.
  - Financial market shocks from domestic or global events.
- c. A key factor of funding risk management is to spread and control the risk to reduce the concentration of risk at one point in time so that if any of the above events occur, the overall borrowing cost is not unnecessarily increased and desired maturity profile compromised due to market conditions.

73. Liquidity/funding risk control limits

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- b. The GMC has the discretionary authority to re-finance existing external debt on more favourable terms.
- c. Such action is to be reported to the Chief Executive and the appropriate Council Committee at the earliest opportunity.
- d. The maturity profile of the total committed funding in respect to all external debt / loans and committed debt facilities, is to be controlled by the following system:

Period	Minimum %	Maximum %
0 to 3 years	15%	60%
3 to 7 years	25%	85%
7 years plus	0%	60%

- e. A funding maturity profile that is outside the above risk parameters but self corrects within 90-days is not in breach of this policy. However, maintaining a maturity profile that is outside the above risk parameters for a period greater than 90-days requires specific approval by the Council.
- f. To minimise concentration risk the LGFA require that no more than the greater of NZD \$100 million or 33% of the Councils borrowings from the LGFA will mature in any 12-month period.
- g. The Council can pre-fund up to 18 months forecast debt requirements including re-financings. Debt refinancing that has been pre-funded will remain included within the funding maturity profile until the maturity date.

### Counterparty credit risk

74. Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where the Council is a party. The credit risk to the Council in a default event will be weighted differently depending on the type of instrument entered.
75. Credit risk will be regularly reviewed by the appropriate Council Committee. Treasury related transactions would only be entered with organisations specifically approved by the (CE).



76. Counterparties and limits can only be approved based on long-term Standard & Poor's (S&P) credit ratings (or equivalent Fitch or Moody's rating) being A and above and/or short-term rating of A-1 or above.
77. Limits should be spread amongst several counterparties to avoid concentrations of credit exposure.
78. The following matrix guide will determine limits:

Counterparty/Issuer	Minimum S&P long term / short term credit rating	Total maximum per counterparty (\$m)
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Local Government Funding Agency (LGFA)	N/A	Unlimited
NZ Registered Bank	AA- / A-1	75.0
NZ Registered Bank	A /A-1	30.0

### Guarantees/contingent liabilities and other financial arrangements

79. The Council may act as guarantor to financial institutions on loans or enter into incidental arrangements for organisations, clubs, trusts, or business units, when the purposes of the loan are in line with Council's strategic objectives.
80. When resolving to act as a guarantor, Council will ensure appropriate processes are implemented to review and monitor the performance of guarantee.
81. The Council is not allowed to guarantee loans to Council-controlled trading organisations under Section 62 of the Local Government Act.
82. Other financial arrangements may include community loans and advances.
83. Conditions to financial arrangements will be set by the Council when the arrangement is approved.

### Monitoring and Implementation

84. Implementation of this policy will be monitored by the General Manager Corporate.
85. This policy will be reviewed, at the request of the Council, in response to any relevant legislative amendment, or every three years (whichever comes first)

### REFERENCES

- Section 102, 104, 105, 112 to 122 and Schedule 7 Clause 32 of the Local Government Act 2002

# Council Report

**Committee:** Council **Date:** 26 November 2020  
**Author:** Julie Ambury **Authoriser:** Sean Hickey  
**Position:** Corporate Planning Manager **Position:** General Manager Strategy and Communications

**Report Name:** 2021-31 Long-Term Plan Significant Forecasting Assumptions

<b>Report Status</b>	<i>Open</i>
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## Purpose - *Take*

1. To inform the Council on the significant forecasting assumptions underpinning the 2021-31 Long-Term Plan (LTP).
2. To seek approval from the Council to use these assumptions for the purposes of developing the draft 2021-31 LTP budget and consultation document.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

3. That the Council approves the use of the significant forecasting assumptions outlined in the staff report to develop the draft 2021-31 LTP budget and consultation document.

## Executive Summary - *Whakaraapopototanga matua*

4. This report details the significant forecasting assumptions underpinning the 2021-31 LTP.
5. These assumptions support the draft 2021-31 LTP budget being presented on 9-10 December 2020. The assumptions will be updated to reflect decisions made at that time.
6. Staff consider the decision in this report has low significance and that the recommendations comply with the Council's legal requirements.

## Background - *Koorero whaimaarama*

7. Legislation requires Council to disclose all significant forecasting assumptions that inform the Long-Term Plan (LTP). These assumptions must reflect the best knowledge that the Council has at the time the plan is prepared and will be subject to audit.
8. The assumptions presented here are the initial assumptions and will continue to evolve as the LTP develops and is finalised. This evolution will include ongoing review of the impact of COVID-19, and more detailed analysis of the level of uncertainty associated with each of the assumptions and quantification of the potential effect of that uncertainty on the financial estimates.

## Assumptions

### COVID-19

9. This LTP assumes COVID-19 Alert Level 1<sup>1</sup> for Year 1 (July 2021-June 2022). From Year 2 (2022/23) each activity area has based their budget on a post-COVID-19 'new normal' operating context.

### THREE WATERS REFORM

10. The Government is implementing a package of reforms to the three waters regulatory system, which are designed to:
  - Improve national-level leadership, oversight, and support relating to the three waters – through the creation of Taumata Arowai, a new, dedicated Water Services Regulator from July 2021
  - Significantly strengthen compliance, monitoring, and enforcement relating to drinking water regulation – through the creation of a new Water Services Bill and revised Drinking Waters Standards of New Zealand that are expected to come into effect mid 2021
  - Manage risks to drinking water safety and ensure sources of drinking water are protected
  - Improve the environmental performance and transparency of wastewater and stormwater networks.
11. We expect that the regulatory reform and the establishment of Taumata Arowai will change the way we will need to demonstrate regulatory compliance, assess risk relating to source and treated water quality and require licencing and authorisation of water supplier entities and individuals involved in providing three water services. As legislative changes relating to regulatory compliance are still in progress, the operating and capital budgets have been developed to anticipate likely new regulatory requirements where possible, however if the new regulatory requirements are unknown then budgets have been set to maintain current service levels under the current regulatory framework.
12. In addition to regulatory reform, Government has initiated a reform process for service delivery of three waters. While the Government's starting intention is for publicly-owned multi-regional models for water service delivery (with a preference for local authority ownership), final decisions on a service delivery model will be informed by discussion with the local government sector and the work of the Joint Steering Committee. As details of proposed new entities are still unknown, it is assumed that Council will continue to provide water, wastewater and stormwater services for the duration of the 2021-31 LTP, however this assumption has a high level of uncertainty.

### CLIMATE CHANGE

13. The Ministry for Environment has prepared climate change projections for the Waikato region that provide a range of scenarios for what the future climate may look like for Hamilton. The predicted impacts include:
  - Increase in average temperatures, compared to 1995, of between 0.7°C and 1.1°C by 2040 and of between 0.7°C and 3.1°C by 2090
  - Winter rainfall in the Hamilton area is expected to rise by 4% to 8% by 2090, whereas spring rainfall is projected to decrease by 6%. The variability could lead to more extreme weather events such as drought and flooding
  - There are also potential increases to the intensity of storms, wind extremes and thunderstorms.

<sup>1</sup> New Zealand Government. <https://covid19.govt.nz>

14. These predicted impacts are likely to result in more frequent droughts and flooding. The topography and relatively low natural hazard risk in Hamilton is considered an advantage compared to other parts of the country (such as coastal communities) which are more directly impacted by changes to climate. However, Hamilton may experience changes to our economy, population growth or community wellbeing as a result of impacts on our surrounding council areas.
15. A programme of funded work in 2020/21 is underway to further understand how Hamilton may be impacted by the physical changes, the impacts of transitioning to a low carbon future and by the changes occurring in the wider region. The outcomes from the work programme will be considered in subsequent LTPs.

#### **SETTLEMENT PATTERN**

16. Hamilton Urban Growth Strategy, Future Proof Growth Strategy, Operative Waikato Regional Policy Statement and the Operative District Plan (ODP) outline the existing long-term settlement pattern for the city.
17. The 2021-31 LTP has been developed based on the following land use assumptions.

#### **Citywide development**

18. Urban regeneration will focus in and around key nodes as identified in the ODP, areas of high accessibility and within walkable catchments of the Central City, major centres and planned rapid and frequent transport in accordance with the National Policy Statement for Urban Development.
19. The programme of infrastructure investment at a strategic level including treatment plant headworks and bulk reticulation will support both greenfield and urban infill growth.
20. Infill within the existing established areas of the city will be progressed in parallel with greenfield areas and will accommodate approximately 50 per cent of Hamilton's new dwellings.
21. Further infrastructure investment will be required for intensification once areas for accelerated development are identified. This additional investment will be the subject of subsequent LTPs.

#### **Rototuna**

22. Rototuna is to remain the city's primary growth cell for the early years of the LTP with investment prioritised on completing strategic infrastructure as the need arises. Residential development in Rototuna is expected to be completed within this 10-year period.

#### **Peacocke**

23. Peacocke Stage 1 residential development will continue and is expected to be completed within this 10-year period, with no further strategic infrastructure investment required.
24. Peacocke Stage 2 is poised to become the city's primary growth cell for residential development following completion of the Housing Infrastructure Fund key strategic transport and wastewater infrastructure in the northern part of the cell.

#### **Rotokauri**

25. Residential growth in Rotokauri Stage 1 is currently limited by the need to invest in strategic stormwater and transport infrastructure.
26. Staff continue to work with land developers as well as Crown Infrastructure Partners for innovative infrastructure funding, financing and delivery options.
27. A development which was initially approved as a Special Housing Area in Rotokauri Stage 2 (MADE Development) has now been zoned through a Private Plan Change.

### Ruakura

28. The Ruakura growth cell in the precinct around the Inland Port Development has been enabled through private, Hamilton City Council and central Government funding through the Provincial Growth Unit and Crown Infrastructure Partners.

### Te Rapa North

29. Council is progressing a plan change for Te Rapa North to change the zoning to Employment land. No substantial growth is forecast due to limitations associated with infrastructure capacity.
30. The Te Awa Lakes Private Plan Change has now been approved and consent is being sought for other parts of the area that will require infrastructure investment.

### Temple View

31. No substantial growth is forecast No substantial growth is forecast due to limitations associated with infrastructure capacity.

### POPULATION GROWTH

32. Population growth has been forecast for territorial authorities in the Waikato by the National Institute of Demographic and Economic Analysis (NIDEA), University of Waikato. We have assumed the NIDEA low projection (2020) to prepare this LTP.
33. Total population at 30 June is projected to be:

2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
180,741	183,036	185,377	187,741	190,090	192,422	194,744	197,038	199,276	201,483

34. New households at 30 June are projected to be:

2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1177	1215	1279	1274	1232	1221	1295	1300	1246	1248

35. Notes that updated NIDEA growth projections are expected in March 2021 and any changes arising from this will be incorporated in the final population growth assumption outlined in the LTP.
36. Population projections have been used to help prepare 30-year demand forecasts for the Infrastructure Strategy.

### Growth infrastructure investment

37. It is anticipated that all growth cells will be developed by us in partnership with those providing privately funded infrastructure.
38. As our current financial constraints do not allow for all growth infrastructure in all areas zoned for development, third party funding has been anticipated across all growth cells through the vesting of developer-provided infrastructure and the use of private development agreements (PDAs). Council will continue to explore the use of new funding and financing tools such as off balance sheet structures provided by the Infrastructure Funding and Financing Act.
39. It has been assumed we will generally make upsizing contributions to developers on an incremental marginal cost basis where these are required.

### City boundary change

40. The 2021-31 LTP assumes no change to the city boundary.
41. Hamilton City Council and Waikato District Council have a Strategic Boundary Agreement that provides for boundary extensions in relation to the growth areas of HT1 (Horsham Downs), R2 (Ruakura North) and WA (Whatawhata Road) when required by the City.

42. Any boundary change will require decisions of both Hamilton City Council and the neighbouring district council, a Local Government Commission process, with any financial considerations reported in a future Annual Plan or LTP.

## REVENUE

### Ratepayer growth

43. Ratepayer growth has been calculated based on assumptions on the increase in the number of households as forecast by NIDEA low. The relationship between ratepayer growth and the forecast growth metrics is complex. One household does not represent a one to one relationship with one rating unit. Ratepayer growth has been calculated based on the historic trends in the relationship between these forecasts and actual rating unit growth over the previous four years.
44. As a result of this complexity there is a high degree of uncertainty around these forecasts. The percentage increases and revenue growth below represent the expected increase in general rate growth in the rating base.

	Year 1 21/22	Year 2 22/23	Year 3 23/24	Year 4 24/25	Year 5 25/26	Year 6 26/27	Year 7 28/29	Year 8 29/30	Year 9 30/31	Year 10 31/32
Percentage increase	1.95%	2.05%	2.08%	2.14%	2.09%	1.99%	1.93%	2.01%	1.98%	1.87%
Additional revenue (\$'000)	4,037	4,487	4,810	5,254	5,433	5,453	5,612	6,178	6,434	6,399

## EXPENDITURE

### Cost of growth

45. As Hamilton grows, costs increase for some services. We have assumed increases for contract escalations relating to the growing number of households as forecast by NIDEA low. This occurs only where the supplier agreement includes a set number of households and a contracted escalation if the number of households increase (an example is the household refuse collection contract). Many contracts do not include a contracted escalation clause.
46. Further consequential cost of growth will be included in relevant activity budgets to reflect the cost of maintenance and operating new assets that are created.

### Inflation treatment

47. Separate inflation rates have been used for the operational and capital budgets due to the different cost drivers that impact these types of cost.
48. Business and Economic Research Ltd (BERL) were contracted on behalf of the local government sector to provide inflation forecasts for the period of this LTP. These forecasts are related to the types of costs that the local government sector is likely to incur.
49. BERL has provided projections of scenarios as to how the New Zealand economy will respond to the impact of the COVID-19 pandemic. The scenarios are:
- BERL mid-scenario – considered to be a likely outcome relevant to most regions of New Zealand
  - Stalled rebuild scenario – where GDP and employment grow more slowly
  - Faster rebuild scenario – where GDP and employment grow more rapidly.
50. The Council has assumed the mid-scenario for operating inflation rates. The mid-scenario is considered to be the most likely outcome relevant to most areas of New Zealand. Further comfort is provided as cost adjusters used in all three scenarios are consistent with economic forecasts published by the Reserve Bank of New Zealand, the New Zealand Treasury and BERL.

51. Operating expenditure and revenue inflation used in financial modelling is:

	Year 1 21/22	Year 2 22/23	Year 3 23/24	Year 4 24/25	Year 5 25/26	Year 6 26/27	Year 7 28/29	Year 8 29/30	Year 9 30/31	Year 10 31/32
Operating inflation	3.60%	2.90%	2.50%	2.50%	2.50%	2.50%	2.60%	2.70%	2.70%	2.60%

52. The Council has assumed the faster rebuild scenario for capital inflation rates. The faster rebuild scenario is applicable to councils in areas that have relatively sound infrastructure but also expect to engage in significant infrastructure upgrades in the next decade.
53. Capital expenditure and revenue (capital subsidies, capital contributions) inflation used in financial modelling is:

	Year 1 21/22	Year 2 22/23	Year 3 23/24	Year 4 24/25	Year 5 25/26	Year 6 26/27	Year 7 28/29	Year 8 29/30	Year 9 30/31	Year 10 31/32
Capital inflation	3.30%	3.00%	3.00%	3.00%	3.00%	2.80%	3.00%	3.00%	3.00%	2.80%

#### **Availability of contractors to complete capital programme**

54. It is assumed there is sufficient capacity within the professional services and contractor market to undertake the capital programme.
55. There is a high degree of uncertainty around this assumption as there are high levels of forecasted capital expenditure from other central and local government agencies in the upper North Island as well as strong ongoing demand for new housing and development. The impact of this could be high as budgets may not be sufficient to undertake the works as planned. The capital expenditure inflation forecast above has included a higher inflation rate in its budget, based on BERL's faster rebuild scenario. This is to recognise the higher costs associated with the high demand for contractors.

#### **Capital Expenditure Forecasts**

56. The capital programme budgets have been developed using a base estimate plus a nominal contingency. This approach is consistent with previous LTPs and results in budget provisions which assume a risk management approach to actual costs.

#### **Availability of resources to deliver service levels**

57. We have assumed additional staffing resources are required to meet the higher demand of growth.
58. This includes both staffing associated with capital projects, consequential staff needed to operate the asset and indirect staff to support the greater corporate support activity a bigger city generates.
59. It is assumed all staff positions can be filled and maintained so we can deliver the proposed service levels.

#### **Interest rates**

60. We use Price Waterhouse Cooper (PwC) Treasury Division for advice on all aspects of our treasury management. We have policies in place providing direction in the management of risks associated with debt. These numbers are still being reviewed by PwC and may change.
61. Council's interest rate risk, the risk of adverse interest rate movements, is mitigated by requiring at least 40 per cent (but no more than 95 per cent) of Council's debt to be at fixed rates with greater than 12 months to maturity. Council's Liquidity and Funding Risk, the risk that Council may not be able to access funds at the time that we need or at a cost no greater

than the existing terms, is mitigated in two ways: firstly, by spreading the due dates of our debt per the policy; and, secondly, by ensuring we have access to additional undrawn funds.

62. The policy also outlines the financial institutions from whom Council can borrow and includes borrowing caps for all but Local Government Funding Agency (LGFA) and the New Zealand Government.
63. Being credit rated as AA- by S&P Global Ratings has provided the opportunity to access cheaper sources of debt. On average, the margin benefit is 20 to 30 basis points, for example if the market is 5.1 per cent then Council can borrow at 4.8 per cent.
64. Interest rates applying to debt are estimated based on current fixed rate contracts, forward looking market rates and expected credit margins.
65. The interest rate applying to cash investments is 0.5 per cent. It is estimated that the average cash balance of \$50m will earn approximately \$0.25M interest per annum.
66. The interest rates on borrowing used in this LTP are:

	Year 1 21/22	Year 2 22/23	Year 3 23/24	Year 4 24/25	Year 5 25/26	Year 6 26/27	Year 7 28/29	Year 8 29/30	Year 9 30/31	Year 10 31/32
Interest rates	2.40%	2.93%	3.04%	2.90%	2.94%	2.92%	3.07%	3.07%	3.07%	3.07%

67. These rates reflect the current S&P Global Credit Rating being maintained throughout the LTP. A change in rating up or down could be expected to impact on interest costs by approximately 0.05 per cent or 5 basis points.

## ASSETS

### Property investment

68. Expected return on investment in property is based on the objective of maximizing financial return. This is realised by operating property assets to achieve the market or better than market rates of return through maximum rental income, high levels of building occupancy and quality tenants. Rents have been set in line with prevailing market conditions.

### Asset sales

69. The forecast financial statements include transactions to complete existing contracted asset sales. There are no other asset sales assumed.
70. No financial impact is assumed from minor assets sales (e.g. disposal of surplus operational assets).

### Revaluation of non-current assets

71. Revaluations on property, plant and equipment have been calculated on the preceding year's balance as disclosed in the Statement of Financial Position. This includes an inflation allowance calculated based on Local Government Cost Index (LGCI) as listed in the Local Government Cost Adjustor Factor Forecasts 2020 Update from BERL.

### Useful lives of significant assets

72. Assets are depreciated on a straight-line basis over their useful lives with annual depreciation expense included in the total costs for each significant service. We have made numerous assumptions about the useful lives of our assets. These will be disclosed in the depreciation note within the Statement of Accounting Policies included in the Prospective Financial Statements.



### Acquisition of significant assets

73. Capital expenditure to replace existing assets (renewal projects) it is recognised that projects will be completed throughout the year. It is assumed half of those projects are completed within the first six months. As such, depreciation is forecast based on six months' depreciation for renewal projects in the year the renewals are first budgeted.
74. For each new capital project, staff have assessed the expected completion date for the project from which time the assets are depreciated.
75. Depreciation is applied based on the estimated useful life of the asset, consistent with the accounting policies.
76. Capital expenditure to replace assets (renewals) is primarily funded from rates, and capital expenditure to improve levels of service and growth is funded by loans. Some capital expenditure is also funded by subsidies, development contributions and grants.

### Seismic rating of Council buildings

77. A programme of prioritised seismic assessments on Council buildings has been carried out over recent years on Councils building portfolio. Significant buildings that require further seismic assessment are the Brian Perry Stand at FMG Waikato Stadium and the Chimpanzee House at Hamilton Zoo.
78. Where a Detailed Seismic Assessment (DSA) has already been done on a building, this assessment is used to determine if a seismic upgrade is required. Asset Management Plans (AMPs) have included any known seismic upgrades needed to meet minimum legislative requirements. Where a DSA has not been done, no provision has been made for seismic upgrade.

### Investment properties

79. We revalue investment properties on an annual basis and an annual gain on investment property values of 2.5% has been assumed in each year of this LTP.

### Vested assets

80. The level of vested assets has been determined using growth expectations and then compared to historical trends for reasonableness.

## ACTIVITY SPECIFIC ASSUMPTIONS

### City planning and growth

#### *Building control and planning guidance*

81. Expected revenue is based on a combination of current growth projections and previous year actuals as approved by Council.

### Transport

82. Elected Members have provided direction in the development of the Transport Improvement Programme that has informed additional capital and operational requirements. This aims to address services in relation to safety, micro-mobility, passenger transport and congestion.

#### *Third party funding*

83. We have assumed that operating and capital expenditure programmes which have in the past received Waka Kotahi NZ Transport Agency subsidies and/or satisfy the criteria required for subsidy, will continue to receive subsidy funding over the course of this LTP.
84. The Waka Kotahi NZ Transport Agency subsidy rates that have generally been applied have been at the subsidy rate of 51%.

### Three waters

#### *Water safety plan*

85. We have an approved Water Safety Plan that has been assessed by a Drinking Water Assessor and confirmed as implemented. This plan identifies potential risk associated with a water supply and details how those risks are managed. It is assumed that routine reviews of the water safety plan will not identify any significant changes to currently identified risk mitigations.
86. Water safety planning requirements are likely to be enhanced as part of Government water regulatory reforms. It has been assumed that the current approach to water safety planning will continue as the nature of the reform enhancements are unknown.

#### *Drinking Water Standards*

87. Our water supply is fully compliant with the current Drinking Water Standards for New Zealand 2005 (revised 2018) and part 2A of the Health Act 1956.
88. Taumata Arowai, the new Water Services Regulator, has indicated that they will be reviewing the current Drinking Water Standards of New Zealand and we expect changes to the way in which we report and demonstrate compliance. As it is unknown what changes could be made, we are not able to forecast the impacts of these changes on costs and levels of service.
89. LTP planning has generally been based on meeting the current drinking water standards, with the inclusion of some anticipated competency training requirements of the Government reform. There is a high level of uncertainty with this assumption.

#### *Freshwater quality standards*

90. Fresh water quality standards are changing. The government has recently released a revised National Policy Statement for Freshwater and Waikato Regional Council has progressed significant changes to the Regional Plan. It has been assumed that current resource consent conditions will continue for the remaining life of discharge resource consents. Resource consent conditions determine the level of infrastructure investment required. There is a medium level of uncertainty with this assumption.

#### *Project Watershed*

91. We have assumed contributions will be received from Waikato Regional Council for Project Watershed projects over the full term of this LTP as proposed in the Project Watershed 10-Year plan submitted to Waikato Regional Council. These contributions are sourced from a Waikato Regional Council targeted rate for Project Watershed. We will apply these funds to projects meeting the criteria set out in the Project Watershed agreement between us and the Waikato Regional Council.

### Rubbish and recycling

#### *Emission Trade Scheme and Waste Levy*

92. The government set the rate of Emission Trade Scheme (ETS) and Waste Levy payable of waste disposed of nationally.
93. The central government Waste Levy Scheme will be increased, and scope expanded (all classes of landfills to be included) by 2023. There is also a proposal to review the Waste Minimisation Act, any review may have an impact on the allocation of waste levy fund contributions.
94. Current assumptions are that waste levy contributions will continue at current levels (including increases related to growth), over the full term of the LTP. The funds will be used to deliver on actions from the Waste Management and Minimisation Plan.

## Visitor destinations

### *Hamilton Gardens development*

95. We have assumed \$3.3M external funding to complete capital works of \$13.1M. We will raise \$9.8M from the Hamilton Gardens targeted rate over 10 years assuming the \$1 increase per year per SUIP will continue. Should the funding targets not be met then the development work would be adjusted to the funding available. There is a low risk of impact on our overall Financial Strategy.

### *Hamilton Zoo-Waiwhakareke Natural Heritage Park development*

96. We have assumed \$1.8M external funding to complete capital works of \$2.1M (stage 1b); and have assumed \$0.7M external funding to complete capital works of \$6.3M (stage 3). Should the funding targets not be met then the development work would be adjusted to the funding available. There is a low risk of impact on our overall Financial Strategy.

## Parks and recreation

### *Playgrounds development*

97. We have assumed \$0.5M external funding to complete capital works of \$6.1M. Should the funding targets not be met then the development work would be adjusted to the funding available. There is a low risk of impact on our overall Financial Strategy.

## OTHER SPECIFIC ASSUMPTIONS

### Unquantified legal claims

98. This LTP does not assume any provision for legal claims which are currently in progress.

### Future legislative change

99. The details of future legislative changes are unable to be anticipated with any level of certainty.
100. The information that has been made available through various policy announcements to date suggests that the potential risks to materially impact this LTP are moderate in scale. However, given the lack of detail available on future legislative changes and their timing our projects have been planned based on the current legislative regime.
101. Changes to other legislation, regulations or rules that affect how we operate (usually through requiring compliance with new and higher standards) cannot be anticipated at this point. As a result, this LTP has been developed based on current legislation, regulations, rules and policy.

### Resource consents

102. It has been broadly assumed that the necessary consents will be able to be obtained.
103. The following key consents are planned for renewal:
- Wastewater Treatment Plant discharge – 2027
  - Water Treatment Plant abstraction - 2044
  - Hamilton Gardens water abstraction - 2034
  - Comprehensive stormwater consent - 2036
  - Crematorium emission consent – 2040

## Financial Considerations - *Whaiwhakaaro Puutea*

104. This is a regular operating activity funded through the current 2018-28 LTP.

**Legal and Policy Considerations - *Whaiwhakaaro-aa-ture***

105. Staff confirm that this matter complies with the Council’s legal and policy requirements and the requirements of the Local Government Act 2002.

**Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

106. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future (‘the 4 wellbeings’).
107. The information and recommendations set out in this report are consistent with that purpose.

**Risks - *Tuuraru***

108. If significant forecasting assumptions are not approved for use in the development of the draft 2021-31 LTP budget and consultation document there is a risk that critical milestones will not be met resulting in late adoption of the LTP.

**Significance & Engagement Policy - *Kaupapa here whakahira/anganui***

**Significance**

109. Having considered the Significance and Engagement Policy, staff have assessed that the LTP is of low significance as it sets out the direction of Council for the next 10 years.

**Engagement**

110. Engagement for the LTP is detailed in “Shaping our city together” communication and engagement plan. The assumptions will form part of the underlying information for the consultation document.

**Attachments - *Ngaa taapirihanga***

There are no attachments for this report.

# Council Report

Item 10

**Committee:** Council

**Date:** 26 November 2020

**Author:** Julie Clausen

**Authoriser:** Sean Hickey

**Position:** Unit Manager Strategy and  
Corporate Planning

**Position:** General Manager Strategy  
and Communications

**Report Name:** Significance and Engagement Policy Review

<b>Report Status</b>	Open
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## Purpose - *Take*

1. To seek the Councils approval of the draft Significance and Engagement Policy.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Council:
  - a) receives the report;
  - b) approves the draft Significance and Engagement Policy; and
  - c) notes that consultation is not required, as the Council has sufficient information concerning community interests and preferences to enable the purpose of the policy to be achieved.

## Background - *Koorero whaimaarama*

3. The Local Government Act 2002 (the Act) requires the Council to have a Significance and Engagement Policy ([s76AA](#) of the Act).
4. A Significance and Engagement Policy (policy) provides transparent guidance to the public and the Council staff about:
  - how the Council determines if a decision or proposal is significant; and
  - when the community can expect to be engaged on a decision or proposal.
5. The Council approved the existing policy in August 2017 with a scheduled review date for the policy three (3) years from the date of approval.

## Discussion – *Matapaki*

6. The review of the Significance and Engagement Policy has been undertaken in advance of the 2021-2031 Long Term Plan being adopted as the policy provides a foundation for assessing the impact of council decisions. A summary of the policy resides in the Long Term Plan.
7. The draft policy was presented at an Elected Member Briefing on 23 September 2020 to gain input from Members. No changes were noted on the significance section, however changes have been made to the engagement section to more strongly reflect the Council's preference for community led collaborative decision making.

8. The Significance and Engagement Policy 2017 with track changes to highlight the proposed changes is attached in **Attachment 1**.
9. The 'clean' copy of the proposed Draft Significance and Engagement is attached in **Attachment 2**.

#### **Financial Considerations - *Whaiwhakaaro Puutea***

10. The cost for the review of the Significance and Engagement Policy has been budgeted as part of the 2021-31 Long Term Plan programme and is included in the 2020/21 budget.

#### **Legal and Policy Considerations - *Whaiwhakaaro-aa-ture***

11. Staff confirm that the staff recommendation complies with the Council's legal and policy requirements.

#### **Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

12. The purpose of Local Government Act 2002 changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
13. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report and the recommendations set out in this report are consistent with that purpose.

#### **Risks - *Tuuraru***

14. There are no known risks associated with the decisions required for this matter.

#### **Significance & Engagement Policy - *Kaupapa here whakahira/anganui***

##### **Significance**

15. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendations in this report has a low level of significance.

##### **Engagement**

16. Community views and preferences are already known to the Council hence no engagement is required.

#### **Attachments - *Ngaa taapirihanga***

Attachment 1 - Council Policy - Significance and Engagement Policy 2017 - track changes

Attachment 2 - September 2020 - Council Policy - Significance and Engagement Policy

First adopted:	27 November 2014
Revision dates/version:	August 2017   Version 2
Next review date:	August 2020
Engagement required:	Non SCP
Document number:	D-2417137
Associated documents:	n/a
Sponsor/Group:	General Manager – Strategy and Communications

## Significance and Engagement Policy

### Purpose and Scope

1. To clarify the degree of significance for proposals and decisions.
2. To clarify when and how communities can expect to be engaged.
3. To clarify council decision making on consultation and engagement
- 2-4.

### Principles

3. ~~The Council will be consistent and transparent in how it engages the public.~~
4. ~~The Council will ensure Maaori views are considered when engaging.~~
5. ~~The Council will consider language, accessibility and cultural needs in any engagement.~~
6. ~~The Council will act honestly and openly when analysing and presenting any engagement results.~~
7. ~~The Council will provide appropriate information to help people understand what is being proposed.~~
8. ~~The Council will prominently outline a proposals or decisions cost in any engagement.~~

### Definitions

Definition	Detail
Community	A group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders.
Consultation	A subset of engagement; a formal process where the community can present their views to the Council on a specific decision that is proposed and made public.
Decision	A decision made by or on behalf of the Council, including those made by the Chief Executive or officers under delegated authority. Decision implies that a proposal has been considered.
Engagement	The process of seeking information from the community to inform and assist decision making.
LGA 2002	<a href="#">Local Government Act 2002</a> .

Maaori	Includes Maaori who have tribal links to kirikiriroa, Hamilton (i.e. Mana Whenua also known as iwi and hapuu) and Maaori with tribal affiliations outside Hamilton City but reside in Hamilton City or who own property in Hamilton City (i.e. Mataawaka).
Proposal	A suggestion presented to the Council resulting in a decision made by or on behalf of the Council at a Council or Committee meeting.
SCP	The Special Consultative Procedure, as outlined in <a href="#">s83</a> of the LGA 2002, which sets out minimum requirements for engagement including (but not limited to): <ul style="list-style-type: none"> <li>• Making available a Statement of Proposal.</li> <li>• Allowing a minimum of 1 month to receive written views.</li> <li>• Allowing persons to present views in a spoken manner.</li> </ul>
Significance	Defined in <a href="#">s5</a> of the LGA 2002, the degree of importance of the proposal or decision as assessed by the Council, in terms of its likely impact on, and likely consequences for,— <ol style="list-style-type: none"> <li>a) the city</li> <li>b) any persons who are likely to be particularly affected by, or interested in, the proposal or decision.</li> <li>c) the capacity of the Council to perform its role, and the financial and other costs of doing so.</li> </ol>
Significant	Defined in <a href="#">s5</a> of the LGA 2002, in relation to any proposal or decision means that the proposal has a high degree of significance. Decisions made by the Chief Executive or officers under delegated authority will not be deemed to be significant.
Significant Activity	An activity (or group of activities) meeting the definition of core service meeting the definition under <a href="#">s11A</a> of the LGA 2002: <ol style="list-style-type: none"> <li>a) network infrastructure</li> <li>b) public transport services</li> <li>c) solid waste collection and disposal</li> <li>d) the avoidance or mitigation of natural hazards</li> <li>e) libraries, museums, reserves, recreational facilities, and other community infrastructure.</li> </ol>



Strategic asset	Defined in <a href="#">s5</a> of the LGA 2002, an asset or group of assets that the Council needs to retain if the Council is to maintain its capacity to achieve or promote any outcome that the Council determines to be important to the current or future well-being of the community; The following are the Council's strategic assets at the time of the adoption of this policy: <ul style="list-style-type: none"> <li>a) Hamilton City Libraries network.</li> <li>b) Waterworld and Gallagher Pool.</li> <li>c) Waikato Museum and Collection.</li> <li>d) Hamilton Transport Centre.</li> <li>e) Hamilton Zoo.</li> <li>f) Hamilton Gardens.</li> <li>g) Waikato Stadium, Seddon Park, Claudelands Events Centre and Porritt Stadium.</li> <li>h) Cemeteries.</li> <li>i) Wastewater reticulation and treatment network.</li> <li>j) Stormwater reticulation network.</li> <li>k) Transportation network.</li> <li>l) Reservoirs and water reticulation and treatment network.</li> <li>m) Waikato Regional Airport Ltd.</li> </ul>
Statement of Proposal	A document that provides the basis for consultation with the community under the SCP by setting out the Council's proposition with respect to a particular decision.
The Council	Hamilton City Council.

### Principles

3. The Council will be consistent and transparent in how it engages the public.
- 3.4. The Council will commit to genuine and authentic community engagement
- 4.5. The Council will ensure Maaori views are considered when engaging.
- 5.6. The Council will consider language, accessibility and cultural needs in any engagement.
- 6.7. The Council will act honestly and openly when analysing and presenting any engagement results.
- 7.8. The Council will provide appropriate information to help people understand what is being proposed.
- 8.9. The Council will prominently outline a proposals or decisions cost in any engagement

### **Policy**

#### **Application of the Significance and Engagement Policy**

9. This policy applies to any proposal presented to the Council for a decision.
10. This policy is applied in two steps:
  - a. Step 1 – Determining the significance of the proposal/decision.
  - b. Step 2 – Determining the requirement to engage or not (guided by the level of significance). If there is a requirement to engage, the level of engagement is set out.
11. This policy does not affect any statutory requirement to undertake any specific consultation and decision-making processes (e.g. under the [Resource Management Act 1991](#)).

12. Where Council makes a decision that is significantly inconsistent with this policy, the steps identified in [s80](#) of the LGA 2002 will be applied.

13. ~~There may be occasions when the Council may not follow this policy, for example where failure to make a decision urgently would result in unreasonable or significant damage to property, risk to people's health and safety, or the loss of a substantial opportunity to achieve the Council's strategic objectives. The Act sets out a process for the Council to follow if the Council has a good reason to make a decision outside of this policy.~~

~~12.~~

#### Step 1 - Determining the level of significance

13.14. [Schedule 1 - Determining significance](#) outlines key considerations relative to a decision or proposal's impact on the:

- a. Service provided by the Council.
- b. Transfer of ownership or control of [strategic assets](#).
- c. Level(s) of financial consequence.
- d. Ability to reverse a decision.
- e. Consistency with a prior decision.
- f. Levels of public interest known.
- g. Community (as a whole or in part).

14.15. The Council will assess the degree of significance of a proposal or decision on a case-by-case basis using [Schedule 1 - Determining significance](#) and determine the level of significance of a proposal or decision to be high, medium or low.

15.16. If the proposal or decision triggers four or more [key considerations](#) which are under the high significance level column, the level of significance will be deemed to be **high** ~~(i.e. the proposal or decision will be deemed significant).~~

16.17. If the proposal or decision triggers five or more [key considerations](#) which are under the low significance level column, the level of significance will be deemed to be **low**.

17.18. If the level of significance of a proposal or decision is not deemed to be high (under clause 15) or low (under clause 16), the level of significance will be deemed to be **medium**.

#### Step 2 - Determining engagement

19. ~~Details of engagement activities will be developed in an engagement plan specific to each project or intuitive.~~

20. ~~Council may use a variety of engagement techniques based on a range of factors, including history and public awareness of the issue, stakeholder involvement, and timing related to other events and budgets.~~

9. The engagement approach will consider the following:

1. Multiple opportunities for the community and interested parties to have their say such as:
  - Face to Face conversations
  - Social media comments/polls
  - Survey – online/paper

2. Taking a holistic approach by bundling this matter with other engagement activity (where practical)

13. ~~The level of engagement the Council will use is relative to the level of significance determined (i.e. a higher level of significance will entail a higher level of engagement).~~

14.21. ~~In general, the more significant an issue, the greater the need for community engagement~~

22. The engagement approach the Council will take will be determined on a case-by-case basis using [Schedule 2 – Determining engagement](#) for guidance.

- ~~23. The proposed engagement approach will be supported by rationale outlined in the Council or Committee reports.~~
- ~~24. Post engagement, the engagement insights will be provided in a meaningful and timely way to Council.~~

#### **Use of Special Consultative Procedure**

- ~~25. The Council will use the Special Consultative Procedure (as set out in section 83 of the LGA 2002) where required under the LGA or any other legislation.~~
- ~~26. The Council will develop a proposal to fulfil the requirements of Section 82A of the LGA 2002, will make this available to the public, allow written submissions for a period of up to four weeks, and will consider all submissions prior to making decisions.~~
- ~~27. Specific issues where Council may use this form of consultation as a minimum will include:~~
- ~~▪ The adoption of an Annual Plan where it differs significantly from the content of the 10-Year Plan~~
  - ~~▪ The adoption of the Development Contributions Policy where it differs significantly from the content of the previous Policy.~~
  - ~~▪ The making, amending or revoking bylaws~~
  - ~~▪ Or any other situation as defined by s87.~~
- ~~28. A special consultation procedure is to be used for the adoption or amendment of a long-term plan but in accordance with the changes described in s93.~~

~~18.~~

- ~~19.29. Where an engagement is not subject to the SCP (s83 of the LGA 2002), the Council will apply the Principles of Consultation (s82 of the LGA 2002).~~

- ~~20. The proposed engagement approach will be supported by rationale (irrespective of the level of significance and/or a recommendation not to engage) outlined in the Council or Committee reports as follows:~~

- ~~a. The level of significance (high, medium or low).~~
- ~~b. The proposed level of engagement and the proposed engagement method(s).~~

- ~~21. The Council will not undertake engagement with the community under this policy where the Council is:~~

- ~~a. Protecting the privacy and safety of individuals (for example under the Privacy Act 1993; Health and Safety at Work Act 2015; Building Act 2004).~~
- ~~b. Maintaining confidentiality and/or commercial sensitivity to enable the Council to carry out commercial activity or negotiations without prejudice (as provided for in the Local Government Official Information and Meetings Act 1987).~~
- ~~c. Acting with urgency in a crisis (for example under the Civil Defence Emergency Management Act 2002).~~

#### **Monitoring and Implementation**

- ~~23.30. Implementation of this policy will be monitored by the General Manager Strategy and Communications.~~

- ~~24.31. This policy will be reviewed, at the request of the Council, in response to any relevant legislative amendment, or every three years (whichever comes first).~~

## Schedule 1 – Determining significance

Key considerations	Significance Level		
	High	Medium	Low
Alteration of a service which comes under the Council's significant activities (see <a href="#">significant activities listed in the definitions table</a> ).  <i>How different will the service be?</i>	Ceasing or commencing a service.  (e.g. the closure of a museum).	A more than nominal alteration of a service.  (e.g. the digitisation of most hard copy books at public libraries).	A nominal or no alteration of a service.  (e.g. the undertaking of a tender with a different contractor).
Involves the transfer of ownership or control of <a href="#">strategic assets</a> to or from the Council.  <i>How much ownership or control will be given to others?</i>	Majority transfer (i.e. more than 51%) or transfer in its entirety.  (e.g. a full transfer of a theatre facility).	Minority transfer.  (e.g. a 30% share transfer of the museum).	Nominal or no transfer.  (e.g. the transfer of a council owned statue).
Level of financial consequences in relation to unbudgeted operating cost or capital cost in the 10 year plan.  <i>How substantial is the cost of the proposal/decision?</i>	Unbudgeted operating cost(s) greater than 10% of total expenses in the financial year of the proposal / decision.  (e.g. a \$25m unbudgeted increase in lease costs).  <b>AND/OR</b>  Unbudgeted capital cost(s) greater than 1% of total assets in the financial year of the proposal / decision.  (e.g. the construction of a \$40m unbudgeted building).	Unbudgeted operating cost(s) greater than 5% but less than 10% of total expenses in the financial year of the proposal / decision.  (e.g. a \$15m unbudgeted increase in lease costs).  <b>AND/OR</b>  Unbudgeted capital cost(s) greater than .5% but less than 1% of total assets in the financial year of the proposal / decision.  (e.g. the construction of a \$25m unbudgeted building).	Unbudgeted operating cost(s) less than 5% of total expenses in the financial year of the proposal / decision.  (e.g. a \$1m unbudgeted increase in lease costs).  <b>AND/OR</b>  Unbudgeted capital cost(s) less than .5% of total assets in the financial year of the proposal / decision.  (e.g. the construction of a \$1m unbudgeted building).

Ability to reverse the decision.  <i>How hard is it to change things back to how they were?</i>	Highly difficult.  (e.g. constructing a purpose built building).	Moderately difficult.  (e.g. adoption of the Speed Limit Bylaw).	Low difficulty.  (e.g. a minor amendment to a policy).
Consistency with a prior decision or decisions (i.e. proposal or decision which is consistent with current policies and strategies).  <i>How consistent is this proposal with earlier decisions?</i>	Decision or proposal is significantly inconsistent.  (e.g. a decision or proposal that retires a Council adopted strategy).	Decision or proposal is consistent but with some notable variations.  (e.g. a decision or proposal contrary to the public places policy allowing restaurants to use entire width of public footpaths for outdoor entertainment).	Decision or proposal is consistent.  (e.g. adopting the public places bylaw to enforce the public places policy).
Levels of public interest known.  <i>How interested might the public be in this proposal/decision?</i>	High levels of public interest known.  (e.g. the adoption of the psychoactive substances policy).	Moderate levels of public interest known.  (e.g. the adoption of the Event Sponsorship policy).	Low levels of public interest known.  (e.g. the adoption of the elected member support policy).
Impact on proportion of the community.  <i>How many people are impacted (i.e. Breadth)?</i>	Impacts a large proportion of the community.  (e.g. a change in the rubbish collection timeframes).	Impacts a subgroup or groups within the community.  (e.g. the creation of a neighbourhood playground).	Impacts an individual person or household.  (e.g. the removal of a street tree).
Degree of impact on affected people in the community.  <i>How impacted are relevant people (i.e. Depth)?</i>	High degree.  (e.g. the change of a road name).	Moderate degree.  (e.g. the investment in a small suburb library).	Low degree.  (e.g. the changing the style of bus stop waiting areas).

## Schedule 2 – Determining engagement

Engagement method examples	Engagement Level		
	High (i.e. High-significance)	Medium (i.e. Medium-significance)	Low (i.e. Low-significance)
<p><b>Note:</b></p> <ul style="list-style-type: none"> <li>The following are <b>examples only</b> of which the Council will consider using on a case-by-case basis taking into consideration clauses 17-21.</li> <li>Where possible, the Council will consider community preferences about engagement in implementing Schedule 2.</li> </ul>	<p>If a matter is determined to be of high significance, the Council must engage with the community.</p> <p>This will likely involve large scale publicity and promotion. There could be an informal engagement / discussion phase, plus a formal phase of consultation. There is likely a need for consideration of different cultural styles. Likely to include a range of events and a focus on online activities.</p>	<p>If a matter is of medium significance the Council will determine if it is appropriate to engage.</p> <p>If the Council does engage, it may involve a combination of informing and targeted engagement with the affected audience.</p>	<p>If a matter is of low significance the Council will not need to engage (unless required by legislation) but may choose to inform.</p>
<p><b>Inform</b> – To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.</p> <p><u>Examples</u></p> <p>Newspapers</p> <p>A webpage on <a href="http://Hamilton.govt.nz">Hamilton.govt.nz</a>.</p> <p>Flyers</p> <p>Social Media (e.g. Facebook)</p>	✓	✓	✓

<b>Consult</b> —To obtain public feedback on analysis, alternatives and/or decisions. <u>Examples</u> Have your say (formal online consultation).	✓	✓	
<b>Involve</b> —To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered. <u>Examples</u> Focus groups. Point of service surveying.	✓	✓	
<b>Collaborate</b> —To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution. <u>Examples</u> Co-design. External working groups (involving community experts).	✓	✓	

Type of Engagement	Purpose of Engagement	Example engagement Tools	Engagement Tools	Understandings of the communities view	Response sort from community	Level of Significance
Advise	To provide information to the community on action being taken by Council	Media Our Hamilton Website Social media E-newsletters	Media Social media Bill boards on site What else?	Prior engagement and research has established an understanding of the communities views on this issue	No feedback is activity sort Pubic may make representation in public forum when the item is being discussed at Council	Low
Inform	To seek the view of the community on	Survey Our Hamilton	Survey Media	Prior engagement and research has established	Survey response	Low to Medium

	<u>options Council is considering</u>	<u>Website</u> <u>Social media</u> <u>E-newsletters</u> <u>Targeted letters / email</u> <u>Signage on site</u>	<u>Social media</u> <u>Bill boards on site</u> <u>What else?</u>	<u>an understanding of the communities views on this issue</u>	<u>No formal option to present views to Council via hearings</u> <u>Pubic may make representation in public forum when the item is being discussed at Council</u>	
<u>Consult</u>	<u>To seek the view of the community on options and allow the community to propose suggestion to Council for consideration</u>	<u>Survey</u> <u>Social media</u> <u>Signage on site</u> <u>Open day / information session(s)</u>	<u>Survey</u> <u>Media</u> <u>Social media</u> <u>Bill boards on site</u> <u>What else?</u>	<u>Prior engagement and research has established an understanding of the communities views on this issue</u>	<u>Survey response</u> <u>Formal option to present views to Council via hearings</u> <u>Pubic may make representation in public forum when the item is being discussed at Council</u>	<u>Medium to High</u>
<u>Involve</u>	<u>To seek community input into options being considered by Council</u>	<u>Face to face conversations</u> <u>Focus groups</u> <u>Open day / information session(s)</u> <u>Survey</u> <u>Media</u> <u>Our Hamilton</u> <u>Social media</u>	<u>Face to face conversations</u> <u>Focus groups</u> <u>Survey</u> <u>Media</u> <u>Social media</u> <u>Bill boards on site</u> <u>What else?</u>	<u>Prior engagement and research has established an understanding of the communities views on this issue seeking more information on community led solutions</u>	<u>Ideas to refine the options</u> <u>Survey response</u> <u>Option to present views to Council via hearings</u>	<u>Medium to High</u>



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Sponsor/Group:	General Manager – Strategy and Communications

## Significance and Engagement Policy

### Purpose and Scope

1. To clarify the degree of significance for proposals and decisions.
2. To clarify when and how communities can expect to be engaged.
3. To clarify council decision making on consultation and engagement.

### Definitions

Definition	Detail
Community	A group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders.
Consultation	A subset of engagement; a formal process where the community can present their views to the Council on a specific decision that is proposed and made public.
Decision	A decision made by or on behalf of the Council, including those made by the Chief Executive or officers under delegated authority. Decision implies that a proposal has been considered.
Engagement	The process of seeking information from the community to inform and assist decision making.
LGA 2002	<a href="#">Local Government Act 2002</a> .
Maaori	Includes Maaori who have tribal links to kirikiriroa, Hamilton (i.e. Mana Whenua also known as iwi and hapuu) and Maaori with tribal affiliations outside Hamilton City but reside in Hamilton City or who own property in Hamilton City (i.e. Mataawaka).
Proposal	A suggestion presented to the Council resulting in a decision made by or on behalf of the Council at a Council or Committee meeting.
SCP	The Special Consultative Procedure, as outlined in <a href="#">s83</a> of the LGA 2002, which sets out minimum requirements for engagement including (but not limited to): <ul style="list-style-type: none"> <li>• Making available a Statement of Proposal.</li> <li>• Allowing a minimum of 1 month to receive written views.</li> <li>• Allowing persons to present views in a spoken manner.</li> </ul>
Significance	Defined in <a href="#">s5</a> of the LGA 2002, the degree of importance of the proposal or decision as assessed by the Council, in terms of its likely impact on, and likely consequences for,— <ol style="list-style-type: none"> <li>a) the city</li> <li>b) any persons who are likely to be particularly affected by, or interested in, the proposal or decision.</li> <li>c) the capacity of the Council to perform its role, and the financial and other costs of doing so.</li> </ol>

Significant	Defined in <a href="#">s5</a> of the LGA 2002, in relation to any proposal or decision means that the proposal has a high degree of significance. Decisions made by the Chief Executive or officers under delegated authority will not be deemed to be significant.
Significant Activity	An activity (or group of activities) meeting the definition of core service meeting the definition under <a href="#">s11A</a> of the LGA 2002: a) network infrastructure b) public transport services c) solid waste collection and disposal d) the avoidance or mitigation of natural hazards e) libraries, museums, reserves, recreational facilities, and other community infrastructure.
Strategic asset	Defined in <a href="#">s5</a> of the LGA 2002, an asset or group of assets that the Council needs to retain if the Council is to maintain its capacity to achieve or promote any outcome that the Council determines to be important to the current or future well-being of the community; The following are the Council's strategic assets at the time of the adoption of this policy: a) Hamilton City Libraries network. b) Waterworld and Gallagher Pool. c) Waikato Museum and Collection. d) Hamilton Transport Centre. e) Hamilton Zoo. f) Hamilton Gardens. g) Waikato Stadium, Seddon Park, Claudelands Events Centre and Porritt Stadium. h) Cemeteries. i) Wastewater reticulation and treatment network. j) Stormwater reticulation network. k) Transportation network. l) Reservoirs and water reticulation and treatment network. m) Waikato Regional Airport Ltd.
Statement of Proposal	A document that provides the basis for consultation with the community under the SCP by setting out the Council's proposition with respect to a particular decision.
The Council	Hamilton City Council.

## Principles

3. The Council will be consistent and transparent in how it engages the public.
4. The Council will commit to genuine and authentic community engagement.
5. The Council will ensure Maaori views are considered when engaging.
6. The Council will consider language, accessibility and cultural needs in any engagement.
7. The Council will act honestly and openly when analysing and presenting any engagement results.
8. The Council will provide appropriate information to help people understand what is being proposed.
9. The Council will prominently outline a proposals or decisions cost in any engagement.

## Policy

### Application of the Significance and Engagement Policy

9. This policy applies to any proposal presented to the Council for a decision.
10. This policy is applied in two steps:
  - a. Step 1 – Determining the significance of the proposal/decision.
  - b. Step 2 – Determining the requirement to engage or not (guided by the level of significance). If there is a requirement to engage, the level of engagement is set out.
11. This policy does not affect any statutory requirement to undertake any specific consultation and decision-making processes (e.g. under the [Resource Management Act 1991](#)).
12. Where Council makes a decision that is significantly inconsistent with this policy, the steps identified in [s80](#) of the LGA 2002 will be applied.
13. There may be occasions when the Council may not follow this policy, for example where failure to make a decision urgently would result in unreasonable or significant damage to property, risk to people's health and safety, or the loss of a substantial opportunity to achieve the Council's strategic objectives. The Act sets out a process for the Council to follow if the Council has a good reason to make a decision outside of this policy.

### Step 1 - Determining the level of significance

14. [Schedule 1 - Determining significance](#) outlines key considerations relative to a decision or proposal's impact on the:
  - a. Service provided by the Council.
  - b. Transfer of ownership or control of [strategic assets](#).
  - c. Level(s) of financial consequence.
  - d. Ability to reverse a decision.
  - e. Consistency with a prior decision.
  - f. Levels of public interest known.
  - g. Community (as a whole or in part).
15. The Council will assess the degree of significance of a proposal or decision on a case-by-case basis using [Schedule 1 - Determining significance](#) and determine the level of significance of a proposal or decision to be high, medium or low.
16. If the proposal or decision triggers four or more [key considerations](#) which are under the high significance level column, the level of significance will be deemed to be **high**.
17. If the proposal or decision triggers five or more [key considerations](#) which are under the low significance level column, the level of significance will be deemed to be **low**.
18. If the level of significance of a proposal or decision is not deemed to be high (under clause 15) or low (under clause 16), the level of significance will be deemed to be **medium**.

### Step 2 - Determining engagement approach

19. Details of engagement activities will be developed in an engagement plan specific to each project or intuitive.
20. Council may use a variety of engagement techniques based on a range of factors, including history and public awareness of the issue, stakeholder involvement, and timing related to other events and budgets.
21. The engagement approach will consider the following:

- Multiple opportunities for the community and interested parties to have their say such as:
  - Face to Face conversations
  - Social media comments/polls
  - Survey – online/paper
- Taking a holistic approach by bundling this matter with other engagement activity (where practical)
- Early engagement and collaboration with partners and community
- Targeting a balance of specific demographic groups
- A localised approach to engagement and talking with the community about issues that matter to them/what's going on in their neighbourhood
- A focus on accessibility and use a variety of languages and channels that will best meet the needs of our diverse community.

22. In general, the more significant an issue, the greater the need for community engagement.
23. The engagement approach the Council will take will be determined on a case-by-case basis using [Schedule 2 – Determining engagement](#) for guidance.
24. The proposed engagement approach will be supported by rationale outlined in the Council or Committee reports.
25. Post engagement, the engagement insights will be provided in a meaningful and timely way to Council.

### Use of Special Consultative Procedure

26. The Council will use the Special Consultative Procedure (as set out in section 83 of the LGA 2002) where required under the LGA or any other legislation.
27. The Council will develop a proposal to fulfil the requirements of Section 82A of the LGA 2002, will make this available to the public, allow written submissions for a period of up to four weeks, and will consider all submissions prior to making decisions.
28. Specific issues where Council may use this form of consultation as a minimum will include:
  - The adoption of an Annual Plan where it differs significantly from the content of the 10-Year Plan
  - The adoption of the Development Contributions Policy where it differs significantly from the content of the previous Policy.
  - The making, amending or revoking bylaws
  - Or any other situation as defined by s87.
29. A special consultation procedure is to be used for the adoption or amendment of a long-term plan but in accordance with the changes described in s93.
30. Where an engagement is not subject to the SCP ([s83](#) of the LGA 2002), the Council will apply the Principles of Consultation ([s82](#) of the LGA 2002).

### Monitoring and Implementation

31. Implementation of this policy will be monitored by the General Manager Strategy and Communications.
  32. This policy will be reviewed, at the request of the Council, in response to any relevant legislative amendment, or every three years (whichever comes first).
- 9.

## Schedule 1 – Determining significance

Key considerations	Significance Level		
	High	Medium	Low
Alteration of a service which comes under the Council's significant activities (see <a href="#">significant activities</a> listed in the definitions table).	Ceasing or commencing a service. (e.g. the closure of a museum).	A more than nominal alteration of a service. (e.g. the digitisation of most hard copy books at public libraries).	A nominal or no alteration of a service. (e.g. the undertaking of a tender with a different contractor).
Involves the transfer of ownership or control of <a href="#">strategic assets</a> to or from the Council.	Majority transfer (i.e. more than 51%) or transfer in its entirety. (e.g. a full transfer of a theatre facility).	Minority transfer. (e.g. a 30% share transfer of the museum).	Nominal or no transfer. (e.g. the transfer of a council owned statue).
Level of financial consequences in relation to unbudgeted operating cost or capital cost in the 10 year plan.	Unbudgeted operating cost(s) greater than 10% of total expenses in the financial year of the proposal / decision. (e.g. a \$25m unbudgeted increase in lease costs).  <b>AND/OR</b>  Unbudgeted capital cost(s) greater than 1% of total assets in the financial year of the proposal / decision. (e.g. the construction of a \$40m unbudgeted building).	Unbudgeted operating cost(s) greater than 5% but less than 10% of total expenses in the financial year of the proposal / decision. (e.g. a \$15m unbudgeted increase in lease costs).  <b>AND/OR</b>  Unbudgeted capital cost(s) greater than .5% but less than 1% of total assets in the financial year of the proposal / decision. (e.g. the construction of a \$25m unbudgeted building).	Unbudgeted operating cost(s) less than 5% of total expenses in the financial year of the proposal / decision. (e.g. a \$1m unbudgeted increase in lease costs).  <b>AND/OR</b>  Unbudgeted capital cost(s) less than .5% of total assets in the financial year of the proposal / decision. (e.g. the construction of a \$1m unbudgeted building).
Ability to reverse the decision.	Highly difficult. (e.g. constructing a purpose built building).	Moderately difficult. (e.g. adoption of the Speed Limit Bylaw).	Low difficulty. (e.g. minor amendment to a policy).
Consistency with a prior decision or decisions (i.e. proposal or decision which is consistent with current policies and strategies).	Decision or proposal is significantly inconsistent. (e.g. a decision or proposal that retires a Council adopted strategy).	Decision or proposal is consistent but with some notable variations. (e.g. a decision or proposal contrary to the public places policy allowing restaurants to use entire width of public footpaths for outdoor entertainment).	Decision or proposal is consistent. (e.g. adopting the public places bylaw to enforce the public places policy).

Item 10

Attachment 2

## Attachment 2

Levels of public interest known.	High levels of public interest known. (e.g. the adoption of the psychoactive substances policy).	Moderate levels of public interest known. (e.g. the adoption of the Event Sponsorship policy).	Low levels of public interest known. (e.g. the adoption of the elected member support policy).
Impact on proportion of the community.	Impacts a large proportion of the community. (e.g. a change in the rubbish collection timeframes).	Impacts a subgroup or groups within the community. (e.g. the creation of a neighbourhood playground).	Impacts an individual person or household. (e.g. the removal of a street tree).
Degree of impact on affected people in the community.	High degree. (e.g. the change of a road name).	Moderate degree. (e.g. the investment in a small suburb library).	Low degree. (e.g. the changing the style of bus stop waiting areas).

## Item 10

## Schedule 2 – Determining engagement approach

Type of Engagement	Purpose of Engagement	Example engagement Tools	Understandings of the communities view	Response sort from community	Level of Significance
Advise	To provide information to the community on action being taken by Council	Media Our Hamilton Website Social media E-newsletters	Prior engagement and research has established an understanding of the communities views on this issue	No feedback is activity sort Pubic may make representation in public forum when the item is being discussed at Council	Low
Inform	To seek the view of the community on options Council is considering	Survey Our Hamilton Website Social media E-newsletters Targeted letters / email Signage on site	Prior engagement and research has established an understanding of the communities views on this issue	Survey response No formal option to present views to Council via hearings Pubic may make representation in public forum when the item is being discussed at Council	Low to Medium
Consult	To seek the view of the community on options and allow the community to propose suggestion to Council for consideration	Survey Social media Signage on site Open day / information session(s)	Prior engagement and research has established an understanding of the communities views on this issue	Survey response Formal option to present views to Council via hearings Pubic may make representation in public forum when the item is being discussed at Council	Medium to High
Involve	To seek community input into options being considered by Council	Face to face conversations Focus groups Open day / information session(s) Survey Media Our Hamilton Social media	Prior engagement and research has established an understanding of the communities views on this issue seeking more information on community led solutions	Ideas to refine the options Survey response Option to present views to Council via hearings	Medium to High

Item 10

Attachment 2

# Council Report

**Committee:** Council **Date:** 26 November 2020  
**Author:** Tyler Gaukrodger **Authoriser:** Becca Brooke  
**Position:** Governance Advisor **Position:** Governance Manager  
**Report Name:** Recommendations from Open Committee meetings

<b>Report Status</b>	<i>Open</i>
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## Purpose - *Take*

To seek the Council's approval of the following recommendations from Committee meetings:

- a) Economic Development Committee meeting of 11 November, in respect of:
  - Chair's Report (Agenda [Here](#), Minutes [Here](#).)
  - Draft Domain Endowment Fund Policy (Agenda [Here](#), Minutes [Here](#).)

## Recommendations from the Economic Development Committee meeting of 11 November 2020

### Chair's Report

That the Council:

- a) approves that delegation and oversight of the International Relations Policy move to the Economic Development Committee (from the Community Committee);
- b) approves the Municipal Endowment Fund Assessment criteria that will enable the development of the Action and Management Plan for the Municipal Endowment Fund.
- c) notes that Council is to actively leverage the endowment fund, though investment in a suitable property and development portfolio, to achieve Council's strategic intent; and
- d) approves that the value of the endowment fund, not currently invested in property, and offset against debt, is treated as cash backed for the purposes of financial strategy measures; to be clear total debt will be increased by value of endowment fund, offset against debt, in "debt to revenue" reporting within financial strategy reporting effective immediately.

### Draft Domain Endowment Fund Policy

That the Council:

- a) approves the Draft Domain Endowment Fund Policy (**attachment 1**); and
- b) notes that the Draft Domain Endowment Fund Policy will be referred back to the Municipal Endowment Fund working group for further consideration and recommendation concerning the financial strategy reporting of the fund.



## **Attachments - *Ngaa taapirihanga***

Attachment 1 - Domain Endowment Fund Revised Policy

**Item 11**

First adopted:	26 August 1998
Revision dates/version:	6 November 2002, 6 July 2005, 10 March 2008, 10 December 2008, 8 April 2009, 2 August 2016, 14 March 2019, (Municipal Endowment Fund Policy separated out 17 September 2020)
Next review date:	11 November 2023
Document number:	D-3478135
Associated documents:	Appointment and Remuneration of Board Members of Council Controlled Trading Organisations (CCTOs) Policy; Freeholding of Council Endowment Land Policy; Sale and Disposal of Council Land Policy
Sponsor/Group:	General Manager City Growth

## Domain Endowment Fund Policy

### Purpose and Scope

1. To provide principles and criteria for Hamilton City Council's (the Council's) management of the Domain Endowment Fund, which is governed by the Hamilton Domain Endowment Act 1979 (the Act).

### Principles.

2. Domain Endowment Funds must be used for the following three reserve purposes:
  - i. to meet the costs of improvements or development of recreation reserves;
  - ii. to be used in, or towards, the purchase of land to be acquired for recreation reserves; or
  - iii. for the purchase of land to be acquired in the name of the Council for the purposes of the Act.

### Policy

3. Domain Endowment Funds must be managed by the Council.
4. Domain Endowment Funds must be used, directly or indirectly, to support, advance and implement Council's strategic plans for recreation reserves. The Council will identify the priorities within these strategic plans in each 10-Year Plan.
5. To achieve the outcomes sought by the strategic plans in paragraph 4, the Council will manage the Domain Endowment Fund by:
  - i. leasing or licensing Domain Endowment land for the purposes set out in the Act to generate income;
  - ii. encouraging Domain Endowment properties to be sold as freehold to the lessees of that land under the Act to generate capital for investment and re-investment back into recreation reserves;
  - iii. entering into joint ventures to develop reserves for the community to provide flexible options for the future use of recreation reserves; and
  - iv. managing its financial assets and liabilities of the Domain Endowment Fund prudently.

## Resolution to Exclude the Public

### Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

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

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Council Public Excluded Minutes of 22 October 2020	) Good reason to withhold ) information exists under ) Section 7 Local Government ) Official Information and ) Meetings Act 1987 )	Section 48(1)(a)
C2. Confirmation of the Elected Member Public Excluded Briefing Notes - 27 October 2020		
C3. Confirmation of the Elected Member Public Excluded Briefing Notes - 28 October 2020		
C4. Confirmation of the Elected Member Public Excluded Briefing Notes - 4 November 2020		
C5. Confirmation of the Elected Member Public Excluded Briefing Notes - 9 November 2020		
C6. Confirmation of the Elected Member Public Excluded Briefing Notes - 11 November 2020		
C7. Confirmation of the Elected Member Public Excluded Briefing Notes - 18 November 2020		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C3.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C4.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C5.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C6.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C7.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)