

---

## **Council Kaunihera OPEN MINUTES**

---

**Minutes of a meeting of the Council held in Council Chamber and Audio Visual Link , Municipal Building, Garden Place, Hamilton on Thursday 2 March 2023 at 9.36am.**

### **PRESENT**

**Chairperson** Mayor Paula Southgate

**Heamana**

**Members**

Cr Ryan Hamilton  
Cr Maxine van Oosten  
Cr Moko Tauariki  
Cr Ewan Wilson  
Cr Mark Donovan  
Cr Louise Hutt (via Audio Visual Link)  
Cr Andrew Bydder  
Cr Geoff Taylor  
Cr Sarah Thomson (via Audio Visual Link)  
Cr Emma Pike  
Cr Melaina Huaki  
Cr Anna Casey-Cox  
Cr Kesh Naidoo-Rauf

### **In Attendance:**

Lance Vervoort – Chief Executive  
David Bryant - General Manager People and Organisational Performance  
Helen Paki – General Manager Community  
Eeva-Liisa Wright – General Manager Infrastructure Operations  
Murray Heke - General Manager Customer, Technology and Transformation  
Sean Murray – General Manager Venues, Tourism and Major Events  
Chris Allen – General Manager Development  
Blair Bowcott – General Manager Growth  
Andrew Parsons - Executive Director - Strategic Infrastructure  
Julie Clausen – Acting General Manager Strategy and Communication  
Tracey Musty - Finance Director

### **Governance Staff:**

Amy Viggers – Governance Lead  
Carmen Fookes - Senior Governance Advisor  
Chantal Jansen – Governance Advisor

---

*Tame Pokaia opened the meeting with a Karakia.*

### **1. Apologies – Tono aroha**

**Resolved:** (Cr Wilson/Cr van Oosten)

That the apologies for absence from Deputy Mayor O’Leary and for lateness from Cr Hamilton are accepted.

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

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

That the agenda is confirmed noting:

- a) that item C1 (Public Excluded Fees and Charges (including GST) Proposed for Year 3 (2023/24) of the 2021-31 Long Term Plan) is to be taken following item 6 ( Fees and Charges (including GST) Proposed for Year 3 (2023/24) of the 2021-31 10-Year Plan) at the request of staff; and
- b) standing order 22.2 – Time Limit on Speakers, with respect the debate times being reduced to 2 minutes for all items, with the exception of the last debate on item 7 (2023-24 Annual Plan Proposed Draft Annual Plan Budget ), which would be 5 minutes.

**3. Declarations of Interest – *Tauaakii whaipanga***

No members of the Council declared a Conflict of Interest.

**4. Public Forum – *Aatea korero***

No members of the public wished to speak.

**5. Chair's report**

Mayor Southgate took her report as read.

**Resolved:** (Mayor Southgate/Cr Naidoo-Rauf)

That the Council receives the report.

**6. Fees and Charges (including GST) Proposed for Year 3 (2023/24) of the 2021-31 10-Year Plan**

The Finance Director introduced the reports, noting the timing and process, considerations in preparing the fees and charges report. Staff responded to questions from Members concerning opportunity for cost-analysis and similar growth analysis, costs in completing analysis, community concession considerations, and current community service card use.

**Resolved:** (Cr Casey-Cox/Cr Naidoo-Rauf)

That the Council receives the report.

**Resolved:** (Cr Casey-Cox/Cr Naidoo-Rauf)

That the Council approves the proposed Fees and Charges for the third year of the 2021-31 10 Year Plan.

**Cr Bydder Dissenting.**

**Resolved:** (Cr Casey-Cox/Cr Naidoo-Rauf)

That the Council delegates the Chief Executive authority to develop and trial for the 2023-2024 Annual Plan year, a Community Services Card Concession Fee for Hamilton City Council aquatic facilities and visitor destinations that enables a lower fee for these users, provided this can be done without a reduction in current approved revenue budgets.

*Item 8 (Resolution to Exclude the Public) was taken after item 6 (Fees and Charges (including GST) Proposed for Year 3 (2023/24) of the 2021-31 10-Year Plan) as was resolved during confirmation of the agenda.*

## 8. Resolution to Exclude the Public

**Resolved:** (Mayor Southgate/Cr van Oosten)

### 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. Public Excluded Fees and Charges (including GST) Proposed for Year 3 (2023/24) of the 2021-31 Long Term Plan	) Good reason to withhold ) information exists under ) Section 7 Local Government ) Official Information and ) Meetings Act 1987	Section 48(1)(a)

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 avoid the unreasonably, likely prejudice to the commercial position of a person who supplied or is the subject of the information to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (b) (ii) Section 7 (2) (h)
----------	--	---

**The meeting moved to the public excluded session at 10.21am.**

**The meeting returned to the open session at 10.57am.**

**The meeting was adjourned 10.57am to 11.16am.**

## 7. 2023-24 Annual Plan Proposed Draft Annual Plan Budget

The Acting General Manager Strategy and Communication and Finance Director introduced the report, noted the next steps in the Annual Plan process and thanked Members for their engagement in the process. The Acting General Manager Strategy and Communication further spoke to the staff recommendation.

*For further information concerning content and discussion, please refer to the following recordings of the meeting: [www.youtube.com/user/HamiltonCityCouncil/videos?view](https://www.youtube.com/user/HamiltonCityCouncil/videos?view)*

**Resolved:** (Cr Hutt/Cr Casey-Cox)

That the Council:

- a) approves the inclusion of the following operating expenditure reductions in the draft 2023-24

- Annual Plan budget - Cat Desexing: operating expenditure reduction of \$50,000; and
- b) requests staff work with the affected organisations to find other sources of funding.

**Cr Wilson Dissenting.**

**2023-24 Annual Plan Draft Annual Plan Budget**

**Motion:** (Mayor Southgate/Cr van Oosten)

That the Council:

- a) notes the inclusion of changes to the underlying assumptions into the draft 2023-24 budget:
- (i) increase in interest expense of \$3,512,000; and
  - (ii) increase in depreciation expense of \$3,963,000.
- b) approves the inclusion of the following in the draft 2023-24 Annual Plan budget:
- (i) changes to the draft 2023-24 Annual Plan budget arising from revenue and associated adjustments:
    - A. resource consent revenue reduction: operating revenue reduction of \$482,145 in 2023-24 only;
    - B. LIM revenue: operating revenue reduction of \$205,672 in 2023-24 only;
    - C. Hamilton Gardens Visitor Centre delayed opening: operating revenue reduction of \$1,242,855, operating expenditure reduction of \$89,705 and consequential operating expenditure reduction of \$109,330 in 2023-24 only;
    - D. H3 event revenue and cost of service adjustment: operating revenue increase of \$426,000 in 2023-24 only; and
    - E. increased parking enforcement capability: operating revenue increase of \$200,000 per annum, operating expenditure increase of \$130,000 per annum; and consequential operating expenditure increase of \$10,000 per annum, ongoing;
  - (ii) changes to the draft 2023-24 Annual Plan budget arising from contract and cost adjustments:
    - A. rubbish and recycling increased costs: operating expenditure increase of \$693,000 in 2023-24 only;
    - B. Horotiu compliance and resilience: operating expenditure increase of \$470,000 in 2023-24 only; and
    - C. consequential operating expenditure: consequential operating expenditure increase of \$1,322,363 in 2023-24 only;
  - (iii) changes to the draft 2023-24 Annual Plan budget arising from corrections and accounting adjustments:
    - A. river infrastructure budget correction: operating expenditure increase of \$209,000 in 2023-24 only;
    - B. Software as a Service (SaaS) transfer from capital to operating expenditure: operating expenditure increase of \$4,249,000 in 2023-24 only;
    - C. one-off grant correction: operating expenditure decrease of \$2,500,000 in 2023-24 only; and
    - D. Waikato Regional Theatre expenditure reduction: operating expenditure reduction of \$550,000 for 2023-24 only;

- (iv) changes to the draft 2023-24 Annual Plan budget arising from increase in inflation forecast assumption of:
  - A. operating inflation assumption 6% with an impact of \$8,890,000 on operating expenditure for 2023-24: and
  - B. capital inflation assumption for projects at risk of cost escalation to 7% with an impact of \$9,710,000 on capital expenditure for 2023-24.
- c) approves changes to the draft 2023-24 Annual Plan budget:
  - (i) \$191.41 million of capital projects that have been rephased from the 2023-24 to later years; and
  - (ii) the 2023-24 capital programme of \$374.83 million.
- d) notes the changes to the draft 2023-24 Annual Plan budget arising from Council resolutions with an impact of \$830,000 additional operating expenditure:
  - A. increased resource for education campaigns: additional operating expenditure of \$130,000 per annum, ongoing;
  - B. increased level of service for cycle lanes: additional operating expenditure of \$200,000 per annum, ongoing; and
  - C. R2, WA, SL1 resourcing: additional operating expenditure of \$500,000 in 2023-24 only.
- e) notes the changes to the draft 2023-24 Annual Plan budget from the potential funding from the Department of Internal Affairs 'Better Off' fund of \$14.65 million incorporating:
  - (i) \$10,606,000 operating expenditure, of which:
    - A. \$8,511,000 is existing planned spend for the draft 2023-24 Annual Plan budget; and
    - B. \$2,095,000 is additional expenditure, for climate change action resourcing, He Pou Manawa Ora implementation and City Safe provision, offset by \$2,095,0900 of Better of Funding; and
  - (ii) \$2,044,000 is capital expenditure, all of which is existing planned spend for the draft 2023-24 Annual Plan budget.
- f) approves the inclusion of the following operating expenditure reductions in the draft 2023-24 Annual Plan budget :
  - (i) education campaigns: reduced operating expenditure of \$130,000;
  - (ii) cycle lanes: reduced operating expenditure of \$200,000;
  - (iii) R2, WA and SL1 resourcing: operating expenditure reduction of \$500,000;
  - (iv) Heritage Fund: operating expenditure reduction of \$80,000;
  - (v) Building Information Model: operating expenditure reduction of \$190,000;
  - (vi) Quality of Life Pulse survey: operating expenditure reduction of \$25,000;
  - (vii) climate change financial disclosure reporting: operating expenditure reduction of \$75,000;
  - (viii) He Pou Manawa Ora: operating expenditure reduction of \$100,000;
  - (ix) river infrastructure: operating expenditure reduction of \$209,000;
  - (x) enable technology core capability portfolio: operating expenditure reduction of \$250,000;
  - (xi) enable core business processes portfolio: operating expenditure reduction of \$250,000;

- (xii) Building Information Model (Three Waters): operating expenditure reduction of \$79,000; and
- (xiii) water demand management reductions: operating expenditure reduction of \$113,000;
- g) approves the inclusion of \$3,170,000 consequential operating expenditure reductions in the draft 2023-24 Annual Plan budget;
- h) approves the inclusion of the following operating revenue increases in the draft 2023-24 Annual Plan budget:
  - (i) water-by-meter charges: operating revenue increase of \$846,000; and
  - (ii) trade waste charges: operating revenue increase of \$340,000.
- i) approves **Scenario 1** inclusion of the expenditure reductions and revenue increases, and a 4.9% average rate increase, with an impact on the financial strategy targets for 2023-24:
  - 1. \$17 million balancing the books deficit;
  - 2. 198% debt to revenue ratio; and
  - 3. \$871 million debt;
- j) approves consultation with the community on the proposed changes to the 2023-24 Annual Plan, to take place for one month; and
- k) notes that a consultation document will be prepared for approval by Elected Members at the 23 March Council meeting.

**Amendment:** (Cr Wilson/Cr Pike)

That the Council:

- a) notes the inclusion of changes to the underlying assumptions in the draft 2023-24 budget:
  - (i) increase in interest expense of \$3,512,000; and
  - (ii) increase in depreciation expense of \$3,963,000.
- b) approves the inclusion of the following in the draft 2023-24 Annual Plan budget:
  - (i) changes to the draft 2023-24 Annual Plan budget arising from revenue and associated adjustments:
    - A. resource consent revenue reduction: operating revenue reduction of \$482,145 in 2023-24 only;
    - B. LIM revenue: operating revenue reduction of \$205,672 in 2023-24 only;
    - C. Hamilton Gardens Visitor Centre delayed opening: operating revenue reduction of \$1,242,855, operating expenditure reduction of \$89,705 and consequential operating expenditure reduction of \$109,330 in 2023-24 only;
    - D. H3 event revenue and cost of service adjustment: operating revenue increase of \$426,000 in 2023-24 only; and
    - E. increased parking enforcement capability: operating revenue increase of \$200,000 per annum, operating expenditure increase of \$130,000 per annum; and consequential operating expenditure increase of \$10,000 per annum, ongoing;
  - (ii) changes to the draft 2023-24 Annual Plan budget arising from contract and cost adjustments:
    - A. rubbish and recycling increased costs: operating expenditure increase of \$693,000 in 2023-24 only;

- B. Horotiu compliance and resilience: operating expenditure increase of \$470,000 in 2023-24 only; and
- C. consequential operating expenditure: consequential operating expenditure increase of \$1,322,363 in 2023-24 only;
- (iii) changes to the draft 2023-24 Annual Plan budget arising from corrections and accounting adjustments:
  - A. river infrastructure budget correction: operating expenditure increase of \$209,000 in 2023-24 only;
  - B. Software as a Service (SaaS) transfer from capital to operating expenditure: operating expenditure increase of \$4,249,000 in 2023-24 only;
  - C. one-off grant correction: operating expenditure decrease of \$2,500,000 in 2023-24 only; and
  - D. Waikato Regional Theatre expenditure reduction: operating expenditure reduction of \$550,000 for 2023-24 only;
- (iv) changes to the draft 2023-24 Annual Plan budget arising from increase in inflation forecast assumption of:
  - A. operating inflation assumption 6% with an impact of \$8,890,000 on operating expenditure for 2023-24: and
  - B. capital inflation assumption for projects at risk of cost escalation to 7% with an impact of \$9,710,000 on capital expenditure for 2023-24.
- c) approves changes to the draft 2023-24 Annual Plan budget:
  - (i) \$191.41 million of capital projects that have been rephased from the 2023-24 to later years; and
  - (ii) the 2023-24 capital programme of \$374.83 million.
- d) notes the changes to the draft 2023-24 Annual Plan budget arising from Council resolutions with an impact of \$830,000 additional operating expenditure:
  - A. increased resource for education campaigns: additional operating expenditure of \$130,000 per annum, ongoing;
  - B. increased level of service for cycle lanes: additional operating expenditure of \$200,000 per annum, ongoing; and
  - C. R2, WA, SL1 resourcing: additional operating expenditure of \$500,000 in 2023-24 only.
- e) notes the changes to the draft 2023-24 Annual Plan budget from the potential funding from the Department of Internal Affairs 'Better Off' fund of \$14.65 million incorporating:
  - (i) \$10,606,000 operating expenditure, of which:
    - A. \$8,511,000 is existing planned spend for the draft 2023-24 Annual Plan budget; and
    - B. \$2,095,000 is additional expenditure, for climate change action resourcing, He Pou Manawa Ora implementation and City Safe provision, offset by \$2,095,0900 of Better of Funding; and
  - (ii) \$2,044,000 is capital expenditure, all of which is existing planned spend for the draft 2023-24 Annual Plan budget.
- f) approves the inclusion of the following operating expenditure reductions in the draft 2023-24 Annual Plan budget :
  - (i) education campaigns: reduced operating expenditure of \$130,000;

- (ii) cycle lanes: reduced operating expenditure of \$200,000;
- (iii) R2, WA and SL1 resourcing: operating expenditure reduction of \$500,000;
- (iv) Heritage Fund: operating expenditure reduction of \$80,000;
- (v) Building Information Model: operating expenditure reduction of \$190,000;
- (vi) Quality of Life Pulse survey: operating expenditure reduction of \$25,000;
- (vii) climate change financial disclosure reporting: operating expenditure reduction of \$75,000;
- (viii) He Pou Manawa Ora: operating expenditure reduction of \$100,000;
- (ix) river infrastructure: operating expenditure reduction of \$209,000;
- (x) enable technology core capability portfolio: operating expenditure reduction of \$250,000;
- (xi) enable core business processes portfolio: operating expenditure reduction of \$250,000;
- (xii) Building Information Model (Three Waters): operating expenditure reduction of \$79,000;  
and
- (xiii) water demand management reductions: operating expenditure reduction of \$113,000;
- g) approves the inclusion of \$3,170,000 consequential operating expenditure reductions in the draft 2023-24 Annual Plan budget;
- h) approves the inclusion of the following operating revenue increases in the draft 2023-24 Annual Plan budget:
  - (i) water-by-meter charges: operating revenue increase of \$846,000; and
  - (ii) trade waste charges: operating revenue increase of \$340,000.
- i) approves a further \$6 million reduction in operating expenditure for the 23/24 year, noting that the potential project/programmes be brought to Elected Members via a Briefing and then reported to the Council for final approval
- j) approves the following scenario inclusion of the expenditure reductions and revenue increases, and a 4.9% average rate increase, with an impact on the financial strategy targets for 2023-24:
  - 1. \$11 million balancing the books deficit;
  - 2. 196% debt to revenue ratio; and
  - 3. \$865 million debt;
- k) approves consultation with the community on the proposed changes to the 2023-24 Annual Plan, to take place for one month; and
- l) notes that a consultation document will be prepared for approval by Elected Members at the 23 March Council meeting.

**The Amendment was put.**

**Those for the Amendment:**

Councillors Bydder, Pike, Southgate,  
Taylor, Hamilton, Naidoo-Rauf, Donovan,  
Tauariki and Wilson.

**Those against the Amendment:**

Councillors Hutt, Casey-Cox, van Oosten,  
Thomson and Huaki.

**The Amendment was declared CARRIED.**



**Foreshadowed Amendment:** (Cr Thomson/Cr Hutt)

That the Council:

- a) notes the inclusion of changes to the underlying assumptions into the draft 2023-24 budget:
  - (i) increase in interest expense of \$3,512,000; and
  - (ii) increase in depreciation expense of \$3,963,000.
- b) approves the inclusion of the following in the draft 2023-24 Annual Plan budget:
  - (i) changes to the draft 2023-24 Annual Plan budget arising from revenue and associated adjustments:
    - A. resource consent revenue reduction: operating revenue reduction of \$482,145 in 2023-24 only;
    - B. LIM revenue: operating revenue reduction of \$205,672 in 2023-24 only;
    - C. Hamilton Gardens Visitor Centre delayed opening: operating revenue reduction of \$1,242,855, operating expenditure reduction of \$89,705 and consequential operating expenditure reduction of \$109,330 in 2023-24 only;
    - D. H3 event revenue and cost of service adjustment: operating revenue increase of \$426,000 in 2023-24 only; and
    - E. increased parking enforcement capability: operating revenue increase of \$200,000 per annum, operating expenditure increase of \$130,000 per annum; and consequential operating expenditure increase of \$10,000 per annum, ongoing;
  - (ii) changes to the draft 2023-24 Annual Plan budget arising from contract and cost adjustments:
    - A. rubbish and recycling increased costs: operating expenditure increase of \$693,000 in 2023-24 only;
    - B. Horotiu compliance and resilience: operating expenditure increase of \$470,000 in 2023-24 only; and
    - C. consequential operating expenditure: consequential operating expenditure increase of \$1,322,363 in 2023-24 only;
  - (iii) changes to the draft 2023-24 Annual Plan budget arising from corrections and accounting adjustments:
    - A. river infrastructure budget correction: operating expenditure increase of \$209,000 in 2023-24 only;
    - B. Software as a Service (SaaS) transfer from capital to operating expenditure: operating expenditure increase of \$4,249,000 in 2023-24 only;
    - C. one-off grant correction: operating expenditure decrease of \$2,500,000 in 2023-24 only; and
    - D. Waikato Regional Theatre expenditure reduction: operating expenditure reduction of \$550,000 for 2023-24 only;
  - (iv) changes to the draft 2023-24 Annual Plan budget arising from increase in inflation forecast assumption of:
    - A. operating inflation assumption 6% with an impact of \$8,890,000 on operating expenditure for 2023-24; and
    - B. capital inflation assumption for projects at risk of cost escalation to 7% with an impact of \$9,710,000 on capital expenditure for 2023-24;

- c) approves changes to the draft 2023-24 Annual Plan budget:
  - (i) \$191.41 million of capital projects that have been rephased from the 2023-24 to later years; and
  - (ii) the 2023-24 capital programme of \$374.83 million.
- d) notes the changes to the draft 2023-24 Annual Plan budget arising from Council resolutions with an impact of \$830,000 additional operating expenditure:
  - A. increased resource for education campaigns: additional operating expenditure of \$130,000 per annum, ongoing;
  - B. increased level of service for cycle lanes: additional operating expenditure of \$200,000 per annum, ongoing; and
  - C. R2, WA, SL1 resourcing: additional operating expenditure of \$500,000 in 2023-24 only.
- e) notes the changes to the draft 2023-24 Annual Plan budget from the potential funding from the Department of Internal Affairs 'Better Off' fund of \$14.65 million incorporating:
  - (i) \$10,606,000 operating expenditure, of which:
    - A. \$8,511,000 is existing planned spend for the draft 2023-24 Annual Plan budget; and
    - B. \$2,095,000 is additional expenditure, for climate change action resourcing, He Pou Manawa Ora implementation and City Safe provision, offset by \$2,095,0900 of Better of Funding; and
  - (ii) \$2,044,000 is capital expenditure, all of which is existing planned spend for the draft 2023-24 Annual Plan budget.
- f) approves the inclusion of the following operating expenditure reductions in the draft 2023-24 Annual Plan budget :
  - (i) education campaigns: reduced operating expenditure of \$130,000;
  - (ii) cycle lanes: reduced operating expenditure of \$200,000;
  - (iii) R2, WA and SL1 resourcing: operating expenditure reduction of \$500,000;
  - (iv) Heritage Fund: operating expenditure reduction of \$80,000;
  - (v) Building Information Model: operating expenditure reduction of \$190,000;
  - (vi) Quality of Life Pulse survey: operating expenditure reduction of \$25,000;
  - (vii) climate change financial disclosure reporting: operating expenditure reduction of \$75,000;
  - (viii) He Pou Manawa Ora: operating expenditure reduction of \$100,000;
  - (ix) river infrastructure: operating expenditure reduction of \$209,000;
  - (x) enable technology core capability portfolio: operating expenditure reduction of \$250,000;
  - (xi) enable core business processes portfolio: operating expenditure reduction of \$250,000;
  - (xii) Building Information Model (Three Waters): operating expenditure reduction of \$79,000; and
  - (xiii) water demand management reductions: operating expenditure reduction of \$113,000;
- g) approves the inclusion of \$3,170,000 consequential operating expenditure reductions in the draft 2023-24 Annual Plan budget;

- h) approves the inclusion of the following operating revenue increases in the draft 2023-24 Annual Plan budget:
  - (i) water-by-meter charges: operating revenue increase of \$846,000; and
  - (ii) trade waste charges: operating revenue increase of \$340,000.
- i) approves **Scenario 2** inclusion of the expenditure reductions and revenue increases, and a 4.9% average rate increase, with an impact on the financial strategy targets for 2023-24:
  - 1. \$15 million balancing the books deficit;
  - 2. 196% debt to revenue ratio; and
  - 3. \$869 million debt;
- j) approves consultation with the community on the proposed changes to the 2023-24 Annual Plan, to take place for one month;
- k) notes that a consultation document will be prepared for approval by Elected Members at the 23 March Council meeting; and
- l) requests staff undertake further work on options for reducing the operating expenditure be brought to Elected Members via a Briefing and then reported to the Council for consideration for inclusion in the Annual Plan.

**The Foreshadowed Amendment was the put.**

**Those for the Foreshadowed Amendment:**

Councillors Hutt, Thomson and Huaki.

**Those against the Foreshadowed Amendment:**

Mayor Southgate, Councillors Bydder, Pike, Casey-Cox, Taylor, Hamilton, Naidoo-Rauf, van Oosten, Donovan, Tauariki and Wilson.

**The Foreshadowed Amendment was declared LOST.**

**The Amendment as the Substantive Amendment was then put and declared CARRIED.**

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

That the Council:

- a) notes the inclusion of changes to the underlying assumptions in the draft 2023-24 budget:
  - (i) increase in interest expense of \$3,512,000; and
  - (ii) increase in depreciation expense of \$3,963,000.
- b) approves the inclusion of the following in the draft 2023-24 Annual Plan budget:
  - (i) changes to the draft 2023-24 Annual Plan budget arising from revenue and associated adjustments:
    - A. resource consent revenue reduction: operating revenue reduction of \$482,145 in 2023-24 only;
    - B. LIM revenue: operating revenue reduction of \$205,672 in 2023-24 only;
    - C. Hamilton Gardens Visitor Centre delayed opening: operating revenue reduction of \$1,242,855, operating expenditure reduction of \$89,705 and consequential operating expenditure reduction of \$109,330 in 2023-24 only;
    - D. H3 event revenue and cost of service adjustment: operating revenue increase of \$426,000 in 2023-24 only; and

- E. increased parking enforcement capability: operating revenue increase of \$200,000 per annum, operating expenditure increase of \$130,000 per annum; and consequential operating expenditure increase of \$10,000 per annum, ongoing;
- (ii) changes to the draft 2023-24 Annual Plan budget arising from contract and cost adjustments:
  - A. rubbish and recycling increased costs: operating expenditure increase of \$693,000 in 2023-24 only;
  - B. Horotiu compliance and resilience: operating expenditure increase of \$470,000 in 2023-24 only; and
  - C. consequential operating expenditure: consequential operating expenditure increase of \$1,322,363 in 2023-24 only;
- (iii) changes to the draft 2023-24 Annual Plan budget arising from corrections and accounting adjustments:
  - A. river infrastructure budget correction: operating expenditure increase of \$209,000 in 2023-24 only;
  - B. Software as a Service (SaaS) transfer from capital to operating expenditure: operating expenditure increase of \$4,249,000 in 2023-24 only;
  - C. one-off grant correction: operating expenditure decrease of \$2,500,000 in 2023-24 only; and
  - D. Waikato Regional Theatre expenditure reduction: operating expenditure reduction of \$550,000 for 2023-24 only;
- (iv) changes to the draft 2023-24 Annual Plan budget arising from increase in inflation forecast assumption of:
  - A. operating inflation assumption 6% with an impact of \$8,890,000 on operating expenditure for 2023-24: and
  - B. capital inflation assumption for projects at risk of cost escalation to 7% with an impact of \$9,710,000 on capital expenditure for 2023-24.
- c) approves changes to the draft 2023-24 Annual Plan budget:
  - (i) \$191.41 million of capital projects that have been rephased from the 2023-24 to later years; and
  - (ii) the 2023-24 capital programme of \$374.83 million.
- d) notes the changes to the draft 2023-24 Annual Plan budget arising from Council resolutions with an impact of \$830,000 additional operating expenditure:
  - A. increased resource for education campaigns: additional operating expenditure of \$130,000 per annum, ongoing;
  - B. increased level of service for cycle lanes: additional operating expenditure of \$200,000 per annum, ongoing; and
  - C. R2, WA, SL1 resourcing: additional operating expenditure of \$500,000 in 2023-24 only.
- e) notes the changes to the draft 2023-24 Annual Plan budget from the potential funding from the Department of Internal Affairs 'Better Off' fund of \$14.65 million incorporating:
  - (i) \$10,606,000 operating expenditure, of which:
    - A. \$8,511,000 is existing planned spend for the draft 2023-24 Annual Plan budget; and

- B. \$2,095,000 is additional expenditure, for climate change action resourcing, He Pou Manawa Ora implementation and City Safe provision, offset by \$2,095,0900 of Better of Funding; and
- (ii) \$2,044,000 is capital expenditure, all of which is existing planned spend for the draft 2023-24 Annual Plan budget.
- f) approves the inclusion of the following operating expenditure reductions in the draft 2023-24 Annual Plan budget :
  - (i) education campaigns: reduced operating expenditure of \$130,000;
  - (ii) cycle lanes: reduced operating expenditure of \$200,000;
  - (iii) R2, WA and SL1 resourcing: operating expenditure reduction of \$500,000;
  - (iv) Heritage Fund: operating expenditure reduction of \$80,000;
  - (v) Building Information Model: operating expenditure reduction of \$190,000;
  - (vi) Quality of Life Pulse survey: operating expenditure reduction of \$25,000;
  - (vii) climate change financial disclosure reporting: operating expenditure reduction of \$75,000;
  - (viii) He Pou Manawa Ora: operating expenditure reduction of \$100,000;
  - (ix) river infrastructure: operating expenditure reduction of \$209,000;
  - (x) enable technology core capability portfolio: operating expenditure reduction of \$250,000;
  - (xi) enable core business processes portfolio: operating expenditure reduction of \$250,000;
  - (xii) Building Information Model (Three Waters): operating expenditure reduction of \$79,000; and
  - (xiii) water demand management reductions: operating expenditure reduction of \$113,000;
- g) approves the inclusion of \$3,170,000 consequential operating expenditure reductions in the draft 2023-24 Annual Plan budget;
- h) approves the inclusion of the following operating revenue increases in the draft 2023-24 Annual Plan budget:
  - (i) water-by-meter charges: operating revenue increase of \$846,000; and
  - (ii) trade waste charges: operating revenue increase of \$340,000.
- ii) approves a further \$6 million reduction in operating expenditure for the 23/24 year, noting that the potential project/programmes be brought to Elected Members via a Briefing and then reported to the Council for final approval
- j) approves the following scenario inclusion of the expenditure reductions and revenue increases, and a 4.9% average rate increase, with an impact on the financial strategy targets for 2023-24:
  - 1. \$11 million balancing the books deficit;
  - 2. 196% debt to revenue ratio; and
  - 3. \$865 million debt;
- k) approves consultation with the community on the proposed changes to the 2023-24 Annual Plan, to take place for one month; and
- l) notes that a consultation document will be prepared for approval by Elected Members at the 23 March Council meeting.

**Cr Thomson and Cr Hutt Dissenting.**

*Cr Hamilton joined the meeting (11.33am) during the discussion of the above item. He was present when the item was voted on.*

**The meeting was adjourned from 12.35pm to 1.38pm during the discussion of the above item.**

**The meeting was declared closed at 3.15pm.**