
Council

OPEN MINUTES

Minutes of a meeting of the Council held in Council Chamber, Municipal Building, Garden Place, Hamilton on Tuesday 26 February 2019 at 9.30am.

PRESENT

Chairperson	Mayor A King
Deputy Chairperson	Deputy Mayor M Gallagher
Members	Cr M Bunting
	Cr J R Casson
	Cr S Henry
	Cr G Mallett
	Cr A O’Leary
	Cr R Pascoe
	Cr P Southgate
	Cr L Tooman
	Cr R Hamilton

In Attendance:

- Richard Briggs - Chief Executive
- Lance Vervoort – General Manager Community
- David Bryant – General Manager Corporate
- Eeva-Liisa Wright – General Manager Infrastructure Operations
- Jen Baird – General Manager City Growth
- Sean Murray - General Manager Venues, Tourism and Major Events
- Sean Hickey – General Manager Strategy and Communication
- Blair Bowcott – Executive Director Special Projects
- Kelvin Powell – City Safe Unit Manager
- Jason Harrison – Special Projects Manager
- Natalie Palmer – Communications Unit Manager
- Karen Saunders – Peacocke Programme Manager
- Tracey Musty – Financial Controller
- Natalie Young – PMO Manager
- Julie Clausen – Programme Manager
- Tracey Lowndes – Project Manager
- Andrew Parsons – Strategic Development Manager
- Nathan Dalgety – Team Leader Growth Funding and Analytics
- Greg Carstens – Economic Growth and Analytics Unit manager
- Stafford Hodges – Senior Strategic Policy Analyst
- Andy Zhao – Senior Data Analyst
- Bianca Henley – Policy Analyst
- Nigel Ward - Communications Team Leader
- Paul Gower – Programme Manager
- Nicola Walsh – Communication Advisor

Helen Paki – Business and Planning Manager
Natasha Ryan – Key Projects Programme Manager
Maire Porter – City Waters Manager

Lachlan Muldowney – Lawyer for Hamilton City Council

Governance Staff: Lee-Ann Jordan – Governance Manager
Becca Brooke – Governance Team Leader
Amy Viggers – Committee Advisor

Tame Pokaia opened the meeting with a Karakia. The Reverend Stephen Black then opened the meeting with a reading.

The Council acknowledged of the passing of former Hamilton City Councillor, Joe Di Maio, with a moment's silence.

1. Apologies

Resolved: (Mayor King/Cr Bunting)

That the apologies for absence from Crs Macpherson and Taylor and for part attendance from Cr Pascoe are accepted.

2. Confirmation of Agenda

Resolved: (Cr Mallett/Cr Bunting)

That the agenda is confirmed noting the following:

- a) the debate will be 2 minutes with an extension of 1 minute if required, except for items 5 (Development Contributions Policy Update), 6 (Funding Growth Infrastructure Options Report), 7(Annual Plan 2019/20 Proposed Budget Changes) and C1 (Appointment of Board Chair – Waikato Regional Airport Limited) where debate will be 5 minutes; and
- b) that the late Item 9 (Waikato Regional Airport Limited - Creation of Hotel Subsidiary Company) be accepted as part of the agenda. This item was circulated late as the request from the airport was received on 22 February 2019 and the decision is to be made prior to 13 March 2019.

Cr O'Leary Dissenting.

3. Declarations of Interest

No members of the Council declared a Conflict of Interest.

4. Public Forum

No members of the public wished to speak.

5. Development Contributions Policy Update

The Economic Growth and Analytics Unit Manager and the General Manager City Growth introduced the staff report. They responded to questions from Elected Members concerning the changes required to the schedule of assets, risk mitigation options and consultation requirements. Elected Members expressed concerns around errors and omissions that had occurred in the development of the policy, particularly around the schedule of assets.

Staff Action: *Staff undertook to provide a report to the Audit and Risk Committee concerning the quality assurance process that would be followed in the future to prevent assets from being left off the schedule.*

Resolved: (Mayor King/Deputy Mayor Gallagher)

That the Council, for the purposes of preparing a proposed Development Contributions Policy 2019/20 for public consultation in April 2019:

- a) approves the Council's integrated growth funding modelling environment being updated to reflect relevant changes to the Council's 10-Year-Plan growth and capital programme;
- b) approves identified capital projects that contain a component of growth but are not included within the 2018/19 Schedule of Assets, to be reviewed for inclusion in the 2019/20 Schedule of Assets;
- c) approves amending the definition of 'gross floor area' as set out in attachment 1 of this report;
- d) approves amending the 'wet industries' clause as set out in paragraph 35 of this report; and
- e) notes that the draft consultation document will be brought to the 4 April 2019 Council Meeting for approval.

Crs O'Leary and Henry Dissenting.

6. Funding Growth Infrastructure Options Report

The Economic Growth and Analytics Unit Manager introduced the staff report. Staff and the Lawyer for Hamilton City Council responded to questions from Elected Members concerning the financial strategy, the options to fund growth infrastructure and the potential risks.

Resolved: (Mayor King/Deputy Mayor Gallagher)

That the Council approves:

- a) subject to the criteria set out in b) below, to adopt Option 1 in this report as the preferred option for ensuring there is no future funding shortfall by electing to assess development contributions at lodgement of building consent or application for service connection, not on lodgement of subdivision consent;
- b) staff will have regard to the following non- exhaustive criteria consistent with Option 1 in this report and clause 10.4 of the 2018/19 Development Contributions Policy, in determining whether "good reason" exists to require development contributions on the granting of a building consent or a service connection, and without limiting the Council's overall discretion:
 - i. whether a growth cell or project becomes funded in a 10-Year Plan and is not reflected in a previous DC policy's Schedule of Assets;
 - ii. whether the benefits arising from Council-funded projects and accruing to the development are not adequately reflected in the assessed DC charge;
 - iii. the nature and scale of the development;
 - iv. the timing, staging and duration of the development project, including in relation to the timing of a policy change;
 - v. whether a potential funding shortfall can be avoided by way of a preferred alternative funding mechanism;
 - vi. where the Council has made no direct and legally binding commitment with a developer to a particular milestone;

- vii. where there is uncertainty as to the timing or funding source for growth infrastructure; and
- viii. fairness and equity as between developers, and as between developers and ratepayers.

Crs Mallett, O’Leary and Henry Dissenting.

Cr Pascoe left the meeting (11.07am) during the discussion of the above item. He was not present when the matter was voted on.

The meeting adjourned 11.45am to 12.00pm.

7. Annual Plan 2019/20 - Proposed Budget Changes

The General Manager Strategy and Communications introduced the report, outlining the Annual Plan process. He noted a correction on page 27 of the agenda point 28 (d) final bullet point should read: “Due to the scale of the work proposed, the fact it needs to align to an overall redevelopment of the area and the fact that a central government financial contribution has yet to be determined, staff are recommending the proposal be reconsidered during the 20/21 Annual Plan.”

Staff responded to questions from Elected Members concerning the increase in the operating surplus, the impact of previous Council decisions, the Mayor’s proposals and the annual plan process.

For further information concerning content and discussion of the below matters, please refer to the following recording of the meeting:

<https://www.youtube.com/user/HamiltonCityCouncil/videos?view=0>

Resolved: (Mayor King/Deputy Mayor Gallagher)

That the Council approves, for the purpose of preparing the draft 2019/20 Annual Plan budget, an increase in the budget operating surplus of \$4,779,000 in 2019/20 consisting of:

	\$000	\$000	\$000
	Revenue -	Expenditure	Impact on
	(Increase)/	- Increase/	operating
	Decrease	(Decrease)	surplus
			(Increase)/
			Decrease
Impact of Council Decisions			
Reduction in libraries revenue due to cessation of Waikato District Council contract (Council 11 October 2019)	300		300
Reduced Waikato Regional Council revenue at Transport Centre (G&I Committee 6 Dec 2018)	55		55
Increased Corporate personnel budget (Maangai Maaori; Council 9 October 2018)		70	70
Revenue from NZTA capital subsidies due to capital expenditure deferrals (TBC at Finance Committee 21 Feb 2019)	(7,447)		(7,447)
Indicative Contract Costs			

Increase in cost of cleaning contract (TBC in March 2019)	539	539
Increase in insurance premiums (Advised to Audit & Risk Committee 27 Nov 2018)	850	850
10-Year Plan Timing Correction		
Demolition of Founders Theatre deferred from 2018/19 to 2019/20	809	809
Operating costs to maintain Founders Theatre until demolition	45	45
Total operating adjustments		(4,779)

Resolved: (Mayor King/Deputy Mayor Gallagher)

That the Council approves, for the purpose of preparing the draft 2019/20 Annual Plan budget, an increase in the capital budget of \$36,900,000 in 2019/20 consisting of:

	\$000
	Expenditure - Increase/ (Decrease)
Capital expenditure deferred from 2018/19 to 2019/20 (TBC on 21 Feb 2019)	
Projects on track for completion in accordance with 10YP timeframes	21,900
Projects dependent on the timing of third party actions outside Council's control	8,200
Projects deferred for other reasons	7,000
Bring forward decisions	(200)
Total capital adjustments	36,900

Proposals

Seismic Strengthening Proposal

Motion: (Mayor King/Deputy Mayor Gallagher)

That the Council approves, for the purpose of preparing the draft 2019/20 Annual Plan budget, the inclusion of the **Seismic strengthening proposal** consisting of an increase of \$1M of capital funding in 2019/20 to enable a response to findings from the seismic assessment of Council buildings in 2019/20 as set out in attachment 1 of this report;

Amendment: (Cr O’Leary/Cr Pascoe)

That the Council request that staff report to the Annual Plan Elected Member Briefing on 21 March 2019 on indicative costs associated with seismic assessments of Council buildings for consideration for inclusion in the Draft 2019/2020 Annual Plan.

**The Amendment was put and declared carried.
Mayor King, Deputy Mayor Gallagher, and Cr Mallett Dissenting.**

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

Resolved: (Cr O’Leary/Cr Pascoe)

That the Council request that staff report to the Annual Plan Elected Member Briefing on 21 March 2019 on indicative costs associated with seismic assessments of Council buildings for consideration for inclusion in the Draft 2019/2020 Annual Plan.

Cr Tooman Dissenting.

Traffic study in Greenwood St/Kahikatea Dr area proposal

Motion: (Mayor King/Deputy Mayor Gallagher)

That the Council approves, for the purpose of preparing the draft 2019/20 Annual Plan budget, the inclusion of the **traffic study in Greenwood St/Kahikatea Dr area proposal** consisting of an increase of \$150,000 of operating funding in 2019/20 for a study to be undertaken jointly with NZ Transport Agency to consider the impacts of growth on the Greenwood St/Kahikatea Dr area bounded by Kahikatea Dr rail crossing to Killarney Rd and Tuhikaramea Rd as set out in attachment 1 of this report;

Amendment: (Cr O'Leary/Cr Henry)

That the Council approve for the purposes of preparing the draft 2019/20 Annual Plan budget, the inclusion of the **traffic study in Greenwood St/Kahikatea Dr area proposal** consisting of an increase of \$150,000 of operating funding in 2019/20 for a study to be jointly undertaken jointly with NZ Transport Agency to consider the impacts of growth on the Greenwood St/Kahikatea Dr area bounded by Kahikatea Dr rail crossing to Killarney Red and Tuhikaramea Rd as set out in Attachment 1 of this report, and that the Access Hamilton Taskforce reports back to the Growth and Infrastructure Committee on 26 March 2019 with options.

The Amendment was put.

Those for the Amendment: Crs O'Leary, Casson and Henry.

Those against the Amendment: Mayor King, Deputy Mayor Gallagher, Crs Pascoe, Mallett, Tooman, Bunting, Southgate and Hamilton.

The Amendment was declared LOST.

The Motion was then put.

Those for the Motion: Mayor King, Deputy Mayor Gallagher, Crs Pascoe, Mallett, Bunting, Casson and Hamilton.

Those against the Motion: Crs Tooman, O'Leary, Henry and Southgate.

The Motion was declared CARRIED.

Resolved: (Mayor King/Deputy Mayor Gallagher)

That the Council approves, for the purpose of preparing the draft 2019/20 Annual Plan budget, the inclusion of the **Traffic study in Greenwood St/Kahikatea Dr area proposal** consisting of an increase of \$150,000 of operating funding in 2019/20 for a study to be undertaken jointly with NZ Transport Agency to consider the impacts of growth on the Greenwood St/Kahikatea Dr area bounded by Kahikatea Dr rail crossing to Killarney Rd and Tuhikaramea Rd as set out in attachment 1 of this report.

Cr Pascoe re-joined the meeting (12.51pm) during the discussion of the above item. He was present when the matter was voted on.

Victoria on the River/River Park master plan proposal

Motion: (Mayor King/Deputy Mayor Gallagher)

That the Council approves, for the purpose of preparing the draft 2019/20 Annual Plan budget, the inclusion of the **Victoria on the River/River Park master plan proposal** consisting of an increase of \$200,000 of operating funding in 2019/20 to enable development of a master plan to inform future development of the Victoria on the River precinct and the proposed river park between Victoria on the River and the new regional theatre as set out in attachment 1 of this report;

Amendment: (Cr Mallett/Cr Tooman)

That the Council approves, for the purpose of preparing the draft 2019/20 Annual Plan budget, the increase of \$200,000 of operating funding in 2019/20 to enable development of a **Master Plan for the proposed river park between Victoria on the River and the new regional theatre** as set out in Attachment 1, subject to:

- a) the increase in funding of \$200,000 coming from expected annual savings of \$500,000 - \$600,000 resulting from the closure of the i-site;
- b) closure of the i-site occurring by the end of the current fiscal year (30 June 2019);
- c) the remainder of savings of approximately \$500,000 - \$600,000 per annum being allocated:
 - In year ending 30 June 2020, after closing costs, to reducing the budgeted 3.8% rates increase;
 - In year ending 30 June 2021 & all subsequent years in the 2018-28 Ten Year Plan to reducing the budgeted 3.8% rates increase; and
- d) the outcome of the Council's pending decision in relation to i-Site in response to the existing resolution from the 13 December 2017 meeting.

The Amendment was then put.

Those for the Amendment: Mayor King, Crs Mallett and Tooman.

Those against the Amendment: Deputy Mayor Gallagher, Crs Pascoe, O'Leary, Bunting, Casson, Henry, Southgate and Hamilton.

The Amendment was declared LOST.

The Motion was then put.

Those for the Motion: Mayor King, Deputy Mayor Gallagher, Crs Pascoe, Tooman and Hamilton.

Those against the Motion: Crs Mallett, O'Leary, Bunting, Casson, Henry and Southgate.

The Motion was declared LOST.

The meeting adjourned 1.40pm to 2.30pm.

Provision for separation between swimmers/divers and vessels at Hamilton Gardens proposal

Resolved: (Mayor King/Deputy Mayor Gallagher)

That the Council approves, for the purpose of preparing the draft 2019/20 Annual Plan budget, the inclusion of the **provision for separation between swimmers/divers and vessels at Hamilton Gardens proposal** consisting of an increase of \$150,000 of capital funding in 2019/20 to contribute to development of an alternative structure for swimmers/divers or vessels at Hamilton Gardens as set out in Attachment 1 of this report.

Crs Casson, Mallett, and Tooman Dissenting.

The meeting adjourned 4.35pm to 5.03pm.

An extension of time was moved at 5.03pm.

Resolved: (Mayor King/Deputy Mayor Gallagher)

That the meeting be extended beyond 6 hours as per standing order 3.2.7.

Parking Trial

Motion: (Cr Mallett/Cr Tooman)

That the Council approves, for the purpose of preparing the draft 2019/20 Annual Plan budget, the 2 hours free parking trial be abandoned, and the resulting annual additional revenues applied to reducing the 3.8% annual rate increases currently budgeted into the 2018-28 10-Year plan.

The Motion was put.

Those for the Motion: Crs Mallett, Tooman, O'Leary, Casson and Henry.

Those against the Motion: Mayor King, Deputy Mayor Gallagher, Crs Pascoe, Bunting, Southgate and Hamilton.

The Motion was declared LOST.

Re-introduction of the CBD Remission

Resolved: (Cr O'Leary/Cr Bunting)

That the Council:

- a) approve for the purpose of preparing the draft 2019/20 Annual Plan budget, the CBD full remission be reintroduced until 2021 and;
- b) request staff report back on the financial impact, and savings options to cover the costs to the 4 April 2019 Council meeting for consideration for inclusion in the Draft 2019/2020 Annual Plan.

The Motion was put.

Those for the Motion: Councillors Pascoe, O'Leary, Bunting, Henry, Southgate and Hamilton.

Those against the Motion: Mayor King, Councillors Gallagher, Mallett, Tooman and Casson

The Motion was declared CARRIED.

City Safe programme extension to suburban areas

Motion: (Cr O'Leary/Cr Casson)

That the Council:

- a) approve for the purpose of preparing the draft 2019/20 Annual Plan budget, a change to provide a trial seven day a week response vehicle (5 additional FTE staff, \$230k) to patrol and respond to complaints of begging and anti-social behaviour in the Hamilton suburban areas; and
- b) request staff to monitor complaints and callouts and report back to Council after 6 months being February 2020.

Amendment: (Mayor King/Deputy Mayor Gallagher)

That the Council:

- a) approve for the purpose of preparing the draft 2019/20 Annual Plan budget, a change to provide seven day a week response vehicle (5 additional FTE staff, \$230k per annum) to patrol and respond to complaints of begging and anti-social behaviour in the Hamilton suburban areas; and
- b) request staff to monitor complaints and callouts and report back to Council after 6 months being February 2020.

The Amendment was put.

Those for the Amendment: Mayor King and Deputy Mayor Gallagher.

Those against the Amendment: Councillors Pascoe, Mallett, Tooman, O'Leary, Bunting, Casson, Henry, Southgate and Hamilton.

The Amendment was declared LOST.

The Motion was then put and declared CARRIED.

Resolved: (Cr O'Leary/Cr Casson)

That the Council:

- a) approve for the purpose of preparing the draft 2019/20 Annual Plan budget, a change to provide a trial seven day a week response vehicle (5 additional FTE staff, \$230k) to patrol and respond to complaints of begging and anti-social behaviour in the Hamilton suburban areas; and
- b) request staff to monitor complaints and callouts and report back to Council after 6 months, being February 2020.

Cr Hamilton Dissenting.

Annual Plan 2019/20 - Proposed Budget Changes Continued

Resolved: (Mayor King/Deputy Mayor Gallagher)

That the Council:

- a) receives the report;
- b) notes formal community consultation is not required as adjustments to the proposed draft 2019/20 Annual Plan budget are not significantly or materially different from the proposed year 2 budget in the 2018-28 10-Year Plan;

- c) notes any subsequent significant budget change proposals will be reported to the Council at its meeting on 4 April 2019; and
- d) requests the Chief Executive prepare the draft 2019/20 Annual Plan based on Year 2 of the 2018-28 10-Year Plan and the changes approved above, for consideration at the meeting of the Council on 21 May 2019.

Cr Pascoe left the meeting (6.10pm) during the discussion of the above matter (Annual Plan 2019/20 - Proposed Budget Changes Continued). He was not present when the matter was voted on.

9. Waikato Regional Airport Limited - Creation of Hotel Subsidiary Company

The report was taken as read.

Resolved: (Cr Southgate/Mayor King)

That the Council:

- a) receives the report; and
- b) approves the Mayor/Chief Executive to vote on behalf of Council for WRAL to create a new subsidiary entity, Waikato Regional Airport Hotel Limited.

Cr Pascoe re-joined the meeting (6.11pm) during the discussion of the above item. He was present when the matter was voted on.

Cr O’Leary left the meeting (6.11pm) during the discussion of the above item. She was not present when the matter was voted on.

8. Resolution to Exclude the Public

Resolved: (Mayor King/Deputy Mayor Gallagher)

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. Appointment of Board Chair - Waikato Regional Airport Limited) 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 protect the privacy of natural persons	Section 7 (2) (a)
	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h)
	to enable Council to carry out negotiations	Section 7 (2) (i)

The meeting went into a public excluded session at 6.14pm.

The meeting was declared closed at 6.32pm.