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# **Council**

## ***Kaunhera***

### **OPEN MINUTES**

#### ***Annual Plan Deliberations***

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Minutes of a meeting of the Council held in Council Chamber, Municipal Building, Garden Place, Hamilton on Thursday 23 July 2020 at 9.45am.

#### **PRESENT**

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

<b>In Attendance:</b>	Richard Briggs - Chief Executive Sean Hickey - General Manager Strategy and Communication David Bryant - General Manager Corporate Sean Murray – General Manager Venues, Tourism and Major Events Jen Baird – General Manager City Growth Eeva-Liisa Wright – General Manager Infrastructure Operation Chris Allen – General Manager Development Blair Bowcott - Executive Director Special Projects Louise Lukin – Director of the Tracey Musty – Financial Controller Rebecca Whitehead – Business and Planning Manager Natalie Palmer – Unit Manager Communications and Marketing
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<b>Governance Staff:</b>	Becca Brooke – Governance Manager Amy Viggers - Governance Team Leader Carmen Fortin – Governance Advisor
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*Cr Wilson and Cr Forsyth took part in the meeting and voted via Audio visual Meeting.*  
*Tame Pokaia opened the meeting with a Karakia.*

**1. Apologies – Tono aroha**

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

That the apologies for absence from Cr O'Leary and for partial attendance from Cr Naidoo-Rauf and Cr Gallagher are accepted.

It was noted later on during the meeting that Cr Forsyth was also an apology for partial attendance.

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

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

That the agenda is confirmed noting that following the distribution of the agenda, the below updates were made:

- a) The staff recommendation concerning an increase to the Health and Safety budget in Item 6 (Annual Plan 2020/21 Deliberations Report) was removed from the report for timing reasons; and
- b) Some minor wording and rounding corrections have been made to Item 6 (Annual Plan 2020/21 Deliberations Report) for clarification reasons. Corrections to figures were outlined at the meeting and are attached as **appendix 1** to these minutes.

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

No members of the Council declared a Conflict of Interest.

**4. Public Forum – Aatea Zorero**

Not required.

**5. Confirmation of the Council Annual Plan Deliberations Meeting Minutes – 15 July 2020**

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

That the Council confirm the Open Minutes of the Council Annual Plan Deliberations Meeting held on 15 July 2020 as a true and correct record.

**6. Annual Plan 2020/21 Deliberations Report**

The General Manager Strategy and Communications introduced the report and provided an overview of changes made to the recommendation since the 10 June 2020 and 15 July 2020 Annual Plan Council meetings. Staff outlined some updates and corrections that had been made to the report and noted these were not material and had been updated in the agenda. A summary of these updates is attached as **appendix 1** of these minutes.

*For further information concerning content and discussion of the below matters, please refer to the following recording of the meeting: [www.youtube.com/user/HamiltonCityCouncil/videos?view=0](https://www.youtube.com/user/HamiltonCityCouncil/videos?view=0)*

**The meeting was adjourned 10.00 to 10.07am.**

**Changes to Year 3 of the 2018-28 10-Year Plan, the 2020/21 Annual Plan budget**

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

That the Council:

- a) approves the following changes to Year 3 of the 2018-28 10-Year Plan, the 2020/21 Annual Plan budget:
  - (i) Reduction in growth revenue of \$9.2 million due to changed growth assumptions arising from the impact of COVID-19 consisting of \$7.4 million decrease in development contribution revenue, \$561,000 decrease in resource consent revenue and a \$1.2 million decrease in building consent revenue.

- (ii) Additional changes to the operating budget since 10 June 2020 consisting of:
1. deferral of interest expense of \$4.46 million arising from the Interest Rate Deferral Strategy approved by the Finance Committee on the 16 June 2020
  2. increase in budget to reflect inclusion of the decision made at Council on 28 May 2020 to allocate \$660,000 (based on 50% contribution) to deliver the business case for the Southern Metro Wastewater solution in partnership with neighbouring local authorities
  3. decrease in capital revenue of \$620,000 to reflect the forecast capital revenue in line with the capital programme of \$302.8 million; and
- c) notes the following recommendations from c) to e) to Year 3 of the 2018-28 10-Year Plan, the 2020/21 Annual Plan budget, as proposed on 10 June 2020.

**c) Community Response projects**

**1) Resolved:** (Cr Macpherson/Cr Gallagher)

That the Council approves the inclusion of the funding of the following Community Response projects in the 2020/21 Annual Plan budget:

- (i) Community welfare package of \$465,000
- (ii) Rent relief to community groups provision of \$72,000
- (iii) Rates relief to community groups provision of \$32,000
- (iv) Economic Innovation Project funding of \$100,000
- (vi) The extension of the Council Rebate scheme for residential ratepayers to 2020/21 with a provision of funding of \$280,000

**2) Motion:** (Cr Macpherson/Cr Gallagher)

That the Council approves the inclusion of the funding of the following Community Response projects in the 2020/21 Annual Plan budget Business support fund of \$250,000 noting that \$40,000 of the \$250,000 Business Support Fund be allocated to Waikato Food Inc for use in the their post-Covid-19 support to their members (with appropriate accountability measures as per other Covid-19 related community funding support) and the remaining \$210,000 post-Covid-19 support be used in a small business sector targeted approach with criteria to be finalised and brought back to the next Economic Development Committee for approval.

**Amendment:** (Deputy Mayor Taylor/Cr Forsyth)

That the Council approves the inclusion of funding for the following Community Response projects in the 2020/21 Annual Plan budget: \$40,000 Business Support Fund be allocated to Waikato Food Inc for use in their Post Covid-19 support for their members.

**The Amendment was put.**

**Those for the Amendment:**

Mayor Southgate, Deputy Mayor Taylor and Councillor Forsyth.

**Those against the Amendment:**

Councillors Gallagher, Pascoe, Macpherson, Bunting, Hamilton, Naidoo-Rauf, van Oosten, Thomson and Wilson.

**The Amendment was declared LOST.**

**The motion was then put and declared CARRIED unanimously.**

**2) Resolved:** (Cr Macpherson/Cr Gallagher)

That the Council approves the inclusion of the funding of the following Community Response projects in the 2020/21 Annual Plan budget Business support fund of \$250,000 noting that \$40,000 of the \$250,000 Business Support Fund be allocated to Waikato Food Inc for use in the their post-Covid-19 support to their members (with appropriate accountability measures as per other Covid-19 related community funding support) and the remaining \$210,000 post-Covid-19 support be used in a small business sector targeted approach with criteria to be finalised and brought back to the next Economic Development Committee for approval.

**d) Capital programme**

**Staff Action:** *Staff undertook to provide a report back in regard to proposed infrastructure and use of universal design in ensuring accessibility.*

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

That the Council approves \$59.8 million of savings in the capital programme for 2020/21 through the following changes to timing:

**Projects deferred:**

- (i) River Plan - VOTR Boardwalk: \$400,000
- (ii) Hillcrest and Newcastle Demand Management Areas: \$4.8 million
- (iii) Peacocke - Network Infrastructure: \$35.2 million
- (iv) Rotokauri - Developer upsizing – stormwater for larger developments: \$5 million
- (v) Rotokauri - Developer upsizing – various transport: \$1 million
- (vi) Rototuna - North City Road and Turakina Rise: \$1.3 million
- (vii) Rototuna Network Neighbourhood Park land: \$2.7 million
- (viii) Rototuna Network – Linear Park and Park Connection Land Purchase: \$300,000
- (ix) Ruakura - Developer upsizing – Far Eastern interceptor: \$3 million
- (x) Transport Improvements - Mass Transit: \$2.7 million
- (xi) Eastern Pathways (School Link and University Link Development): \$3.4 million
- (xii) Gordonton Road Corridor: \$4.8 million
- (xiii) Transport Centre Rejuvenation: \$1.1 million
- (xiv) Transport Model: \$1.7 million

**Projects brought forward to 2020/21**

- (xv) Peacocke Community Infrastructure: \$1.6 million
- (xvi) Ruakura Road Upgrade: \$1 million
- (xvii) Ring Road – Cambridge to Cobham: \$2 million
- (xviii) Ruakura Road West \$3 million

**The meeting adjourned 11.17am to 11.43am**

**e) Proposals**

**Council Minimum Wage (e)**

**Motion:** (Cr Macpherson/Cr Gallagher)

That the Council approves inclusion of additional funding in the 2020/21 Annual Plan budget for implementation of an increased Council minimum wage for all staff directly employed by Hamilton City Council in 2020/21 to equal the Living Wage: \$353,000 (ongoing).

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

That the Council defers any decision on introducing an increased Minimum Wage equal to the Living Wage for all staff directly employed by Hamilton City Council until the Long Term Plan.

**The Amendment was put.**

**Those for the Amendment:** Deputy Mayor Taylor, Councillors  
Bunting, Forsyth, Naidoo-Rauf, and  
Pascoe.

**Those against the Amendment:** Mayor Southgate, Councillors, Hamilton,  
Gallagher, Macpherson, van Oosten,  
Thomson and Wilson.

**The Amendment was declared LOST.**

**The Motion was then put and declared CARRIED.**

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

That the Council approves inclusion of additional funding in the 2020/21 Annual Plan budget for implementation of an increased Council minimum wage for all staff directly employed by Hamilton City Council in 2020/21 to equal the Living Wage: \$353,000 (ongoing).

**Those for the Motion:** Mayor Southgate, Councillors Gallagher,  
Macpherson, Bunting, Hamilton, van  
Oosten, Thomson and Wilson.

**Those against the Motion:** Deputy Mayor Taylor, Councillors Pascoe,  
Forsyth and Naidoo-Rauf.

**The meeting was adjourned 1.25pm to 2.15pm.**

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

**Partnerships with Maaori and the development of a Maaori strategy (e)**

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

That the Council approves inclusion of additional funding in the 2020/21 Annual Plan budget for extending funding for existing partnerships with Maaori and the development of a Maaori strategy: \$75,000 (\$30,000 one-off, \$45,000 ongoing).

**City Safe Suburban Response Team (e)**

**Staff Action:** *Staff undertook to consult with the Hamilton Police to determine what role the police may play in regard to the City Safe staff and initiatives.*

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

That the Council approves inclusion of additional funding in the 2020/21 Annual Plan budget for extending funding for continuation of the city safe suburban response team: \$237,000 (one-off).

**Deputy Mayor Taylor Dissenting.**

*Cr Naidoo-Rauf re-joined the meeting at 2.54pm at the conclusion of the above. She was **not** present when the above matter was voted on.*

*Cr Forsyth left the meeting (2.54pm) at the conclusion of the above item. She **was** present when the matter was voted on.*

**Apologies – Tono aroha**

It was noted that Cr Forsyth had previously put in her apologies and this would be noted accordingly in the apologies section of the meeting.

**Resourcing for City/Civic Events (e)**

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

That the Council approves inclusion of additional funding in the 2020/21 Annual Plan budget for extending resourcing for City/Civic Events: \$40,000.

**Community Land Trust (e)**

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

That the Council approves inclusion of additional funding in the 2020/21 Annual Plan budget for support funding for the community land trust: \$50,000 (one-off).

**Those for the Motion:** Councillors Gallagher, Hamilton, Thomson, Macpherson, Naidoo-Rauf, van Oosten and Wilson.

**Those against the Motion:** Mayor Southgate, Deputy Mayor Taylor, Councillors Bunting and Pascoe.

**Other Proposals taken and voted on as a block (e)**

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

That the Council approves inclusion of additional funding in the 2020/21 Annual Plan budget for the following proposals:

- (i) resource to support the Economic Development Committee and the Central City Advisory Group to create opportunities for economic growth: \$270,000 (ongoing).
- (ii) resource to support the Environment Committee to deliver strategy, delivery of the climate action plan and sustainability programme: \$280,000 (ongoing).
- (iii) continuation of phase 1a (Renewal of Hamilton Zoo entrance building) and 1b (Waiwhakareke entrance and linkage) of the Hamilton Zoo/Waiwhakareke entry precinct: reduction in operational costs of \$94,000 and a reduction in capital revenue of \$724,000 (one-off).
- (iv) resource to meet increased demand, and deliver business outcomes across the waters, transport and rubbish & recycling activities: \$830,000 (ongoing).
- (v) resource for the continuation of the growth programmes approach to the development of the city, extending this approach to Ruakura and funding for progressing

commercial opportunities in Rotokauri: \$525,000 (one-off).

- (vi) resource to investigate opportunities for future use of 88 Crosby Road and the removal of the one house at 18A Ruakiwi Road: \$50,000 (one-off).
- (viii) Natural areas fund to assist community group work. Full programme of future work developed upon completion of the Nature in the City Strategy: \$100,000 (one-off).
- (x) Enderley Park and Fairfield community-led development. Funding for community-led engagement on options for the Enderley Park Community Centre and Fairfield Community Centre and preliminary investigation of options: \$35,000 (one-off).
- (xiv) reduction in expenditure from postponing Municipal Pool demolition by one year: \$600,000(one-off).
- (xv) reduction in expenditure from closure of public display houses at Hamilton Gardens Nursey: \$80,000 (on-going).
- (xvi) reduction in expenditure by stopping digitisation of Library heritage collection: \$250,000(one-off).
- (xvii) increase in operational revenue from additional Central City Parking revenue: \$400,000 (ongoing).

**The meeting was adjourned 3.42pm to 3.50pm.**

**f) Changes to Year 3 of the 2018-28 10-Year Plan**

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

That the Council approves the following changes to Year 3 of the 2018-28 10-Year Plan, and the 2020/21 Annual Plan budget:

- (i) COVID-19 impact on operating budget of \$4.8 million consisting of a \$6.7 million reduction in revenue offset by a \$1.9 million decrease in expenditure
- (ii) other budget adjustments resulting in a \$11.7 million decrease in revenue, \$6.3 million increase in expenditure and \$38.2 million gain, resulting in an increase in the operating surplus by \$20.2 million
- (iii) notes the inclusion in the budget of \$7.3 million of operating savings, already accounted for in the Long Term Plan.

**g) Proposed average annual rate increase**

**Motion:** (Cr Macpherson/Cr Gallagher)

That the Council notes that the proposed average annual rate increase remains at 3.8% for 2020/21.

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

That the Council approves that the proposed average annual rate increase remains at 2.8% for 2020/21.

**The Amendment was put.**

**Those for the Amendment:**

Mayor Southgate, Deputy Mayor Taylor,

Councillors Pascoe, Bunting, Forsyth and Naidoo-Rauf.

**Those against the Amendment:**

Councillors Macpherson, Gallagher, Hamilton, van Oosten, Thomson and Wilson.

**The Amendment was declared equal.**

**The Chair exercised her right to use a casting vote and the Amendment was declared CARRIED.**

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

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

That the Council approves that the proposed average annual rate increase is decreased to 2.8% for 2020/21.

**Those for the Amendment as a Substantive Motion:**

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

**Those against the Amendment as a Substantive Motion:**

Councillors Gallagher, Hamilton, van Oosten, Thomson and Wilson.

*Cr Forsyth re-joined the meeting (4.03pm) during the discussion of the above item. She was present when the matter was voted on*

**The meeting was adjourned 4.41pm to 4.48pm.**

**h) Financial strategy targets**

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

That the Council notes the impact of the 2020/21 Annual Plan budget on the financial strategy targets for 2020/21 are:

- (i) \$4 million balancing the books deficit
- (ii) 206% debt to revenue ratio
- (iii) \$631 million debt

**The meeting was declared closed at 4.54pm.**

## Appendix 1

Summary of minor updates in Council Report:

- **Recommendation a)(i):** \$9.1 million *to* \$9.2 million, \$500,000 *to* \$561,000, \$1.27 million *to* \$1.2 million (rounding)
- **Recommendation d)(x):** \$3.4 million *to* \$2.7m (reflect confirmed minutes)
- **Recommendation d)(xi):** \$4.8 million *to* \$3.4 million (reflect confirmed minutes)
- **Recommendation e)(vi) & Paragraph 31:** “two houses” *to* “one house” (reflect confirmed minutes)
- **Recommendation e)(xii) & Paragraph 31:** “events and the development of an events strategy” *to* “City/Civic Events” (reflect confirmed minutes)
- **Recommendation f)(i):** \$6.6m *to* \$6.7m, \$1.8m *to* \$1.9m (rounding)
- **Recommendation: f)(iii):** Add “already accounted for in the Long Term Plan” (reflect confirmed minutes)
- **Paragraph 17:** \$9.1 million *to* \$9.2m (rounding)
- **Paragraph 24 a):** 217% *to* 216%, \$872m *to* \$869m (reflect updated graphs)
- **Paragraph 27:** \$304.2 million *to* \$302.8 million (typing correction)
- **Paragraph 32 Table 6:** Corporate and support functions: -758 *to* -648 (typing correction)

Note: Number changes noted above are correct in financial modelling.