
Council (Annual Plan) OPEN MINUTES

Minutes of a meeting of the Council held in Council Chamber, Municipal Building, Garden Place, Hamilton on Tuesday 7 March 2017 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 D Macpherson
	Cr G Mallett
	Cr A O’Leary
	Cr R Pascoe
	Cr P Southgate
	Cr G Taylor
	Cr L Tooman
	Cr P Yeung

Chief Executive - Richard Briggs
General Manager Community - Lance Vervoort
Executive Director Special Projects - Blair Bowcott
General Manager City Growth - Kelvyn Eglinton
General Manager City Infrastructure - Chris Allen
General Manager Strategy and Communications - Sean Hickey
General Manager Major Events, Tourism and Venues - Sean Murray
General Manager Corporate - David Bryant
Financial Controller - Tracey Musty
City Safe Manager - Kelvin Powell
City Waters Manager - Maire Porter
City Development Manager - Andrew Parsons
Economic Growth and Planning Unit Manager - Luke O’Dwyer
Programme Manager – Strategy - Julie Clausen
Programme Manager Corporate Planning - Graham Pollard
Programme Manager Corporate Planning - Sarah Ward
Programme Manager – Growth and Assets - Paul Gower
Communications Team Leader - Tamsin Webb
Communications Advisor - Nigel Ward
Business Manager – Community - Helen Paki
IT Business Analyst - Malcolm Frethey

Governance Manager - Lee-Ann Jordan
Governance Team Leader - Becca Brooke
Committee Advisor - Ian Loiterton
Committee Advisor - Amy Viggers

1. Apologies

There were no apologies.

2. Confirmation of Agenda

Resolved: (Crs Bunting/Taylor)

That the agenda be confirmed noting:

- Item 8 (Chairs Report – under separate cover) to be taken after Item 5 (Strategic Financial Outlook); and
- Replacement for page 49 for Item 7 (2017/18 Budget Review) previously circulated.

3. Declarations of Interest

No members of the Council declared a Conflict of Interest.

4. Public Forum

Jocelyn Pratt (PSA Representative) Spoke to Item 7 (2017/18 Budget Review). She expressed her support of funding increases to address remuneration shortfalls in employees' salaries.

Deborah Fisher (Resident) Spoke to Item 6 (Fees and Charges 2017/18). She advised that she had concerns regarding increases in fees related to the Zoo, child burial plots and 60's forward fit casual classes increasing.

Thomas Gibbons (Property Council Representative) Spoke to Item 8 (Chair's Report). He expressed his opinion that removal of the CBD remission on Development Contributions could hinder growth and development in the CBD.

Mike Callaway (Cornerstone Developers) Spoke to Item 8 (Chair's Report). He expressed his opinion that removal of the CDB remission of Development Contributions could inhibit development in Hamilton. He suggested if removal of the remission was to occur, consideration of a 10 year progression change would be beneficial.

The Chair advised Elected Members that Items 5 (Strategic Financial Outlook) and 8 (Chairs Report – circulated under separate cover) would be taken consecutively and that questions concerning the reports would be taken after both reports had been presented.

5 & 8. Strategic Financial Outlook & Chair's Report *(circulated under separate cover)*

The Chief Executive gave a presentation on Council's long term financial position to set the scene for upcoming discussions with Elected Members regarding the 2018/28 10 Year Plan. The presentation also provided some context for the 2017/18 Annual Plan discussion.

The presentation covered Council's financial strategy, future infrastructure requirements, legislative drivers and risks, and future funding challenges related to both the cost of run the city and our growth responsibilities over the next ten years. The CE noted there were three levers available to Council to manage its finances: expenditure, rates, debt. Key messages were that Council's current budget was well-managed but very tight; there was a bow-wave of expenditure coming, it was important for Council to live within its means, and to create surpluses to allow us to respond to increasing growth and amenity demands. The CE emphasised that further analysis was needed on the various options he had outlined to Elected Members and that there were some tough calls for Council ahead.

The presentation also briefly summarised the Housing Infrastructure Fund Bid currently being prepared by staff.

Following the Chief Executive's presentation of Item 5 (Strategic Financial Outlook), the Chair took his report, Item 8 (Chair's Report) as read, noting the following changes:

- Paragraph 11 - *change April to August.*
- Paragraph 12 - *change April to August.*

The CE, staff and the Chair responded to questions from Elected Members concerning items 5 and 8 regarding:

- The robustness of Council's current financial strategy, the validity of Council's financial reporting measures especially in relation to Government's Balancing the Book measure, and the historical and current accounting treatment of revenue generated through Development Contributions (DCs);
- How DCs worked, the costs of asset management plans; the various scenarios for debt, rates and the costs to run the city; and what that would mean for Elected Members' considerations for the annual plan and long term plan;

- The drivers and significant costs of growth; the accuracy of demographic projections, the impacts of the National Policy Statement; perceived risks of a 'growth at all costs' approach; and the importance of amenity for city residents;
- The Housing Investment Fund (HIF) as a possible mechanism to fund growth and the implications for Council's finances into the future of HIF;
- Concerns about the apparent suddenness of the CE and Mayor's commentary around Council's financial outlook and the potential for confusion this created.

The Chief Executive emphasised that the information had only become available very recently.

The following adjournments took place during the above items

The meeting adjourned (11.30 – 11.46am)

The meeting adjourned (1.00pm – 1.50pm)

The meeting adjourned (3.27pm – 3.35pm)

Following the last adjournment, Item 5 (Strategic Financial Outlook) was voted on.

Item 5 – Strategic Financial Outlook

Motion: (Mayor King/Cr Yeung)

That the report be received.

Resolved: (Mayor King/Cr Yeung)

That the above motion be withdrawn as per Standing Order 3.7.5.

Resolved: (Crs O'Leary/Pascoe)

That:

- a) the report be received;
- b) Council review the current Council approved Financial Strategy in preparation for the 2018-28 10 Year Plan and report back with recommendations for changes, if any, to this Financial Strategy; and
- c) the review is to include looking at revenue stream options including changes to the present rating structure and/or calculation of rates, targeted rates being suggested, and give consideration to all and any other options for rating and revenue gathering; and

- d) a report come back to the 24 August 2017 Council Meeting.

Cr Mallett Dissenting.

At 4.30pm the following was resolved as per Standing Order 3.2.7 to extend the duration of the meeting to continue past 6 hours.

Resolved: (Mayor King/Cr Macpherson)

That the meeting continue past 6 hours as per Standing Order 3.2.7.

The meeting adjourned (4.55pm – 5.05pm).

Following the above adjournment, Item 8 (Chair's Report) was voted on in three parts.

8. Chair's Report

Motion 1:

Motion: (Cr Macpherson/Mayor King)

That:

- a) staff report to Council on 6 April 2017 with detailed costings on a proposal to provide 'free' 2-hour on-street parking within the CBD, from 1 October 2017, including full or partial funding by:
- i) a targeted rate based on capital value charged on all rateable properties within the CBD; and including;
 - ii) a report from the Parking Task Force on their proposed parking strategy, including the introduction of new technology, and how this proposal will fit within the strategy.
- b) Council consider the report on 6 April with a view to:
- i) implementing a free CBD 2-hour parking policy from 1 October 2017;
 - or**
 - ii) deferring a decision on this policy until the Long Term Plan discussions;
 - or**
 - iii) deciding not to continue with consideration of this policy.

The Motion was put.

Those for the Motion:

Mayor King, Councillors Gallagher, Yeung,
Macpherson, Bunting, Casson, Henry,
Southgate and Taylor.

Those against the Motion:

Councillors Pascoe, Mallett, Tooman and
O'Leary.

The Motion was declared carried.

Resolved: (Cr Macpherson/Mayor King)

That:

- a) staff report to Council on 6 April 2017 with detailed costings on a proposal to provide 'free' 2-hour on-street parking within the CBD, from 1 October 2017, including full or partial funding by:
 - i) a targeted rate based on capital value charged on all rateable properties within the CBD; and including;
 - ii) a report from the Parking Task Force on their proposed parking strategy, including the introduction of new technology, and how this proposal will fit within the strategy.

- b) Council consider the report on 6 April with a view to:
 - i) implementing a free CBD 2-hour parking policy from 1 October 2017;
or
 - ii) deferring a decision on this policy until the Long Term Plan discussions;
or
 - iii) deciding not to continue with consideration of this policy.

Motion 2:

Resolved: (Cr Macpherson/Mayor King)

That:

- a) the CE is to prepare a report on the next stage of the Hamilton Gardens Development (“the Gardens project”) and to report back to Council in time for the 2018 – 28 10 Year Plan discussions so that it’s priority can be considered along with other projects;
- b) the report is to be in the form of a Business Case, covering the topics in the previous Hamilton Gardens Project Proposal report dated 4 March 2014 and is to include; the scope of the Gardens project, expected budget for each of the gardens and the stages, timeframe for delivery and options for funding including continuation of the \$10.00 targeted rate; and
- c) the report is to include an independent assessment from Horwath HTL, updating their 2013 report to Council, on whether Hamilton Gardens should introduce a non-resident visitor charge and if so, what that charge should be. The assessment is to include feedback from Hamilton/Waikato Regional Tourism Office and Tourism NZ on this charge.

Motion 3:

Motion: (Cr Macpherson/Mayor King)

That Council requests the Chief Executive to present a report to Council in August 2017 on the matters raised in this report, with the exception of points 64-68 relating to CBD Parking Revenue; and points 59-63 new charges at Hamilton Gardens.

The Motion was put.

Those for the Motion: Mayor King, Councillors Gallagher, Yeung, Macpherson, Bunting, Casson, Henry, Pascoe, Taylor, and Tooman.

Those against the Motion: Councillors O’Leary, Mallett, and Southgate.

The Motion was declared carried.

Resolved (Cr Macpherson/Mayor King)

That Council requests the Chief Executive to present a report to Council in August 2017 on the matters raised in this report, with the exception of points 64-68 relating to CBD Parking Revenue; and points 59-63 new charges at Hamilton Gardens.

The meeting adjourned (6.23-6.45pm).

6. Fees and Charges 2017/18

The Financial Controller took the report as read. Staff responded to questions from the Elected Members concerning the rationale for various fee increases. It was explained that a number of factors including inflation, increased operating costs and bench marking were taken into account when reviewing fees and charges.

The following motion was voted on in three parts.

Resolved: (Crs Bunting/Casson)

- a) the report is received;
- b) the fees and charges (excluding attachment 1) are approved at the meeting of Council on 29 June 2017 without community consultation;
- c) a report come back to the 16 May 2017 Community and Services Committee addressing equity between outdoor sport code charges as compared to indoor sport code charges and costs; and
- d) the swimming pool fencing and compliance charge be actioned as soon as legally possible.

Resolved: (Crs Bunting/Casson)

That the fees and charges as per attachment 1 are approved noting the following changes:

- a) Signs on footpaths which will be altered to 'all zones \$110.00'.

Resolved: (Crs Bunting/Casson)

- b) Child Plot purchase fee will remain as \$1980.00.

Cr Mallet Dissenting.

7. 2017/18 Budget Review

The report was taken as read. Staff responded to questions from Elected Members concerning the following proposed budget changes:

- **Rubbish and recycling:**
Financial impacts of the wheelie bin proposal.
- **River Plan:**
Capital and opex budget changes and implications.
- **Rates Increase**
Scenarios for different rates increases, impact on budget and implications for rate payers.
- **Mobility implementation for asset management:**
The intention was for all staff out in the field to be using electronic devices to enable these areas to move from paper based to electronic systems.
- **Rototuna Sports Park development and Te Huia Destination Playground:**
Suggested that these projects could be covered by a targeted rate. A report would be coming back to Council with further information concerning these projects.
- **Remuneration shortfalls in employee salaries:**
The budget changes were necessary to attract and retain staff, and that currently there were a number of shortfalls throughout the organisation.
- **Information and technology licence and support costs**
This contract had been missed from the Long Term Plan and needed to be included.

1. Budget Adjustments

Resolved: (Crs Casson/Henry)

That Council approves an increase of \$132,000 of operating funding and a reduction of \$705,000 of capital funding in 2017/18 to reflect Budget Adjustments.

2. Updated Assumptions

Resolved: (Crs Casson/Henry)

That Council approves a reduction of \$1,105,000 of operating funding in 2017/18 to reflect Updated Assumptions.

3. Decisions made by Council

Resolved: (Crs Casson/Henry)

That Council approves an increase of \$1,268,000 of operating funding and \$746,000 of capital funding in 2017/18 to reflect Decisions made by Council during 2016/17

4. Chief Executive "Imperatives"

Resolved: (Crs Casson/Henry)

That Council:

- a) approves an increase of \$1,159,000 of capital funding in 2017/18 to enable vehicles, plant and machinery to be replaced in line with their useful lives;
- b) approves an increase of \$876,000 of operating funding in 2017/18 to address remuneration shortfalls in employee salaries;
- c) approves an increase of \$150,000 of operating funding in 2017/18 for relocation of City Safe operations to the Genesis Building;
- d) approves an increase of \$600,000 of capital funding in 2017/18 for Crematorium renewal work at Hamilton Park Cemetery;
- e) approves the deferral of \$2,923,000 of operating funding from 2017/18 to 2018/19 for implementing rubbish and recycling changes;
- f) approves an increase of \$450,000 of operational funding in 2017/18 for the corporate programme of seismic and building condition assessments; and
- g) approves an increase of \$958,000 of operational funding in 2017/18 for Information Technology licence and support costs.

5. Proposal - Rotokauri Stage One Water Supply

Resolved (Crs Henry/Casson)

That Council:

- a) approves the acceleration of strategic water supply infrastructure in Rotokauri Stage 1 by:
 - i) advancing \$562,000 of capital funding from 2018/19 to 2017/18;
 - ii) advancing \$2,193,000 of capital funding from 2019/20 to 2017/18;
 - iii) advancing \$56,000 of capital funding from 2020/21 to 2017/18;
 - iv) approving an increase of \$4,589,000 of capital funding in 2017/18; and

- b) notes the financial impact of accelerating strategic water supply infrastructure in Rotokauri stage 1 can be mitigated by the deferral of \$6,193,236 for other infrastructure growth projects from 2017/18 to 2018/19.

6. Proposal - Rototuna Sports Park development

Resolved: (Crs Casson/Henry)

That Council:

- a) approves advancing \$745,000 of capital funding from 2024/25 to 2017/18 to enable initial construction of Rototuna Sports Park to commence;
- b) notes that \$47,000 of consequential operational funding will need to be allocated annually in the 2018-28 10-Year Plan for commencement of the sports park development; and
- c) the costings and issues for the targeted rate for Rototuna Sports Park Development are reported to the August 2017 LTP Council discussion.

Cr Mallett Dissenting.

7. Proposal - Te Huia Destination Playground

Resolved: (Crs Casson/Henry)

That Council:

- a) approves advancing \$287,000 of capital funding from 2018/19 to 2017/18 to develop public toilets at the Te Huia Destination Playground;
- b) approves an increase of \$100,000 of capital funding in 2017/18 to install lighting and CCTV systems at the Te Huia Destination Playground;
- c) notes that consequential operational funding of \$13,000 in 2018/19 and \$10,000 in subsequent years will need to be allocated in the 2018-28 10-Year Plan for Te Huia Park; and
- d) the costings and issues for the targeted rate for Te Huia Destination Playground are reported to the August 2017 LTP Council discussion.

Cr Mallet Dissenting.

8. Proposal - Customer Services Improvements

Resolved: (Crs Casson/Henry)

That Council:

- a) approves an increase of \$100,000 of capital funding in 2017/18 to complete the following customer service improvement projects:
 - i) eftpos point of sale integration;
 - ii) developing an online hub in the Customer Service Centre; and
 - iii) call recording in our contact centre.

9. Proposal - Mobility Implementation for Asset Management

Resolved: (Crs Casson/Henry)

That Council approves advancing a total of \$350,000 of capital funding from 2018 – 2021 to 2017/18 to enable implementation of mobility solutions for asset management.

10. River Plan

Motion (Crs Taylor/O'Leary)

That:

- a) Council approves a reduction of \$250,000 of operating funding for the River Plan in 2017/18; and
- b) \$1.25 million in capital funding for the River Plan be included in the 2017/18 plan and that the Chief Executive report back to council before June on how this funding can best be utilised.

Amendment: (Cr Macpherson/Mayor King)

That:

- a) Council approves a reduction of \$250,000 of operating funding for the River Plan in 2017/18; and
- b) \$250,000 of capital funding for the River Plan be included in the 2017/18 plan and that the Chief Executive report back to council before June on how this funding can best be utilised.

The Amendment was put.

Those for the Amendment: Mayor King, Councillors Casson, Henry, and Macpherson.

Those against the Amendment: Councillors Bunting, Gallagher, Mallett, O'Leary, Pascoe, Southgate, Taylor, Tooman, and Yeung.

The Amendment was declared lost.

The Motion was then put.

Those for the Motion: Councillors Bunting, Gallagher,
Macpherson, O'Leary, Pascoe, Southgate,
Taylor, Tooman, and Yeung.

Those against the Motion: Mayor King, Councillors Casson, Henry,
and Mallett.

The Motion was declared carried.

Resolved: (Crs Taylor/O'Leary)

That:

- a) Council approves a reduction of \$250,000 of operating funding for the River Plan in 2017/18; and
- b) \$1.25 million in capital funding for the River Plan be included in the 2017/18 plan and that the Chief Executive report back to council before June on how this funding can best be utilised.

11. Other Matters

Resolved: (Crs Casson/Taylor)

That Council notes the other matters raised by staff in this report.

Cr Southgate retired from the meeting (10.05pm) during the above item. She was not present when the matter was voted on.

The meeting adjourned (10.10pm – 10.17pm).

At 10.30pm the following was resolved as per Standing Order 3.2.7 to extend the duration of the meeting to continue past 10.30pm.

Resolved: (Mayor King/Cr Macpherson)

That the meeting continue past 10.30pm as per Standing Order 3.2.7

12. Overall Recommendations

During the discussion on the 'Overall Recommendations', the following motion was resolved to adjourn the meeting.

Resolved: (Mayor King/Cr Gallagher)

That the meeting adjourn at 11.10pm, 7 March 2017 to be re-convened at the 9 March 2017 Council Meeting for the remainder of Item 7 (2017/18 Budget Review).

The meeting adjourned at 11.10pm to be reconvened at the 9 March 2017 Council Meeting.