
Council

OPEN MINUTES

Minutes of a meeting of the Council held in Council Chamber, Municipal Building, Garden Place, Hamilton on Thursday 9 March 2017 at 9.40am.

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

In Attendance:	Chief Executive - Richard Briggs
	General Manager Community - Lance Vervoort
	General Manager Venues, Tourism and Events - Sean Murray
	General Manager Strategy and Communications - Sean Hickey
	General Manager City Growth - Kelvyn Eglinton
	General Manager City Infrastructure - Chris Allen
	General Manager Corporate - David Bryant
	Executive Director Special Projects - Blair Bowcott
	Strategic Property Manager - Nicolas Wells
	Acting Unit Manager Community Development and Leisure - Debbie Lascelles
	Financial Controller - Tracey Musty
	Corporate Planning Programme Manager - Graham Pollard
	Corporate Planning Programme Manager - Sarah Ward
	Communications Team Leader - Tamsin Webb
	Communications Advisor - Jeff Neems
	Business Manager – Community - Helen Paki
	Community Funding Advisor - Sandra Larsen
	Partnership and Sponsorship Manager - Lisa Topcsov

IT Business Analyst - Malcolm Frethey
PWC – Brendan O'Connor
PWC – Wayne Tainui

Governance Advisors: 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 Southgate/Casson)

That the agenda is confirmed noting the following:

- Item 7 (2017/18 Budget Review) adjourned from 7 March 2017 Council Meeting (Annual Plan) to be taken as the first substantive item on the agenda.
- Late Item 17 (Application for Approval – Grassroots Trust) to be added to the agenda noting that the report (under separate cover) is incorrectly labelled as Item 18 in the report itself.
- Item 11 (Regulatory Effectiveness and Efficiency Programme Report) has been removed from the agenda as external expert input is still being sought; the report will be brought back to a future meeting.
- the order of the agenda will be flexible and items may move due to the availability of staff, external presenters and Elected Members.

3. Declarations of Interest

No members of the Council declared a Conflict of Interest.

4. Public Forum

Thomas Gibbons (Property Council Representative) – Speaking to Item 10 (Hamilton Properties Limited. Mr Gibbons expressed his support of Hamilton Properties Limited as long as there was good management in place. He felt that Hamilton Properties Limited could facilitate innovation which could lead to savings in the long term.

The following Item continued from the 7 March 2017 Council Meeting (Annual Plan)

Reconvened Item 7 (2017/18 Budget Review)

12) Overall Recommendations

The Chief Executive spoke to a presentation which provided clarity on options around proposed rates rises and responded to questions raised at the Tuesday, March 7 Council meeting. Staff responded to further questions from Elected Members concerning financial modelling of figures shown in the presentation and around the different financial reporting measures used in reporting to Central Government versus in the 10-Year Plan.

The Chief Executive noted that the Central Government excluded revenue generated from Development Contributions as being attributed to overall revenue in Councils financial reporting, however, Council had attributed revenue generated by Development Contributions in its financial reporting of the 10-Year Plan. Both ways of reporting were acceptable and he noted that Council was subject to rigorous Audit NZ review and oversight. He also noted that if Council wanted to be able to fund growth and implement various plans and projects, more revenue would need to be generated to fund this. He advised that Council would have some tough decisions to make in the future.

The following motion was taken in parts.

Resolved: (Mayor King/Cr Gallagher)

That:

- a) Council establishes an Elected Member task force group to oversee the development of the Annual Plan 2017/18 consultation document which reflects the changes approved at this meeting;
- b) Council appoint [Mayor King, Crs Taylor, Bunting, Southgate, Henry, Macpherson, Pascoe and Mallett] to the Elected Member task force group;
- c) the consultation document is presented to Council for approval on 6 April 2017;
- d) consultation period will be 7 April 2017 to 7 May 2017; and
- e) 18 May 2017 is set aside to allow Council to hear community views.

Motion: (Mayor King/Cr Gallagher)

That Council approves a rates increase of 12% to existing ratepayers for the 2017/18 financial year.

Amendment: (Crs Macpherson/Taylor)

That Council approves a rates increase of 9% to existing ratepayers for the 2017/18 financial year, and signals an intent to increase rates by 6.8% to existing ratepayers for the 2018/19 financial year.

The Amendment was put.

Those for the Amendment:

Mayor King, Crs Gallagher, Macpherson, Pascoe, and Taylor.

Those against the Amendment:

Crs Bunting, Casson, Henry, Mallett, O'Leary, Southgate, Tooman, and Yeung.

The Amendment was declared lost.

The Motion was then put.

Those for the Motion: Mayor King and Cr Gallagher.

Those against the Motion: Crs Bunting, Casson, Henry, Macpherson, Mallett, O’Leary, Pascoe, Taylor, Southgate, Tooman, and Yeung.

The Motion was declared lost.

The meeting adjourned (12.45pm – 1.30pm).

Cr Macpherson left the meeting during the above adjournment (12.45pm).

5. Council Minutes - Open - 8 February 2017

Resolved: (Crs Casson/Tooman)

That the Council confirm the Open Minutes of the Council Meeting held on 8 February 2017 as a true and correct record, noting a correction on page 9 of the Agenda, that Christine **Parish** should be Christine **Norris**.

7. Recommendation to Council from the Growth and Infrastructure Committee - 14 February 2017

Resolved: (Crs Mallett/Taylor)

Appointments to the Regional Public Transport Plan Development Subcommittee

That council:

- a) approves the appointment of Hamilton City Council’s representatives on the Regional Public Transport Plan Development Subcommittee, to be Crs Macpherson, Tooman, and Taylor (any two of the three members are to attend meetings); and
- b) notes that the Governance Structure 2016-2019 will be updated to reflect these appointments.

6. Elected Member Briefing Notes - Open - 13 February 2016

Resolved: (Crs Mallett/Tooman)

That Council confirm the Briefing notes of the Elected Member Briefing Session that took place on Monday, 13 February 2017 as a true and correct record.

8. Recommendation to Council from the Finance Committee - 28 February 2017

Resolved: (Crs Mallett/Pascoe)

Waikato Local Authority Shared Services - Appointment of Director

That Council approves Blair Bowcott, Executive Director Special Projects as the appointed Director of Waikato Local Authority Shared Services Ltd. to replace Richard Briggs, Chief Executive effective immediately.

Cr Henry Dissenting.

12. Waikato Triennial Agreement 2016-2019

The Executive Director, Special Projects took the report as read and responded to questions from Elected Members concerning the purpose of the Waikato Triennial Agreement. He advised that the agreement enabled those Territorial Authorities involved, to work together to facilitate and align works contracts across the region which ultimately drove savings.

Elected Members noted the success of the 2013-2016 Waikato Triennial Agreement and acknowledged the great work that had occurred with the various Councils working together.

Resolved: (Crs Southgate/O'Leary)

That Council:

- a) receives the report; and
- b) approves and delegate the Mayor to sign the Waikato Triennial Agreement 2016-2019.
- c) Delegates the Mayor to sign the agreement on behalf of Council.

14. Service Delivery Review of Aquatic Services

The General Manager of Community introduced the item, noting that Brendon O'Connor and Wayne Tainui from PwC were in attendance to respond to questions regarding the service delivery review.

The review had identified three options which staff noted would be beneficial to analyse further:

- Enhanced status quo
- Contracting out the full service
- Outsourced management model

Elected Members and Staff discussed the benefits and risks concerning the Outsourcing Management Model. Staff noted that due to previous lack of interest in attempts to outsource different parts of facilities, it would be recommended that consideration be given to outsourcing the whole facility.

Motion: (Crs Macpherson/Bunting)

That Council:

- a) receives the report;
- b) approves the development of a detailed business case for contracting out Aquatic Services and other recreation services;
- c) approves unbudgeted amount up to \$100,000 be added to the Risks and Opportunities Register for the development of the business case and contract,
- d) asks Staff to report back no later than March 2018 with recommendations on the service delivery model for Aquatic Services.
- e) requests a report on the progress of the business case is brought to the 19 October 2017 Council Meeting.

Amendment: (Crs O'Leary/Southgate)

That Council:

- a) receives the report; and
- b) staff report to council on a business plan proposal for an enhanced status quo model and bring back to council in time for consideration for the LTP.

The Amendment was put.

Those for the Amendment: Councillors Pascoe, Tooman, O'Leary, Henry and Southgate.

Those against the Amendment: Councillors King, Gallagher, Yeung, Mallett, Macpherson, Bunting, Casson and Taylor.

The Amendment was declared lost.

The Motion was then put and declared carried.

Resolved: (Crs Macpherson/Bunting)

That Council:

- a) receives the report;
- b) approves the development of a detailed business case for contracting out Aquatic Services and other recreation services;
- c) approves unbudgeted amount up to \$100,000 be added to the Risks and Opportunities Register for the development of the business case and contract,
- d) asks Staff to report back no later than March 2018 with recommendations on the service delivery model for Aquatic Services.
- e) requests a report on the progress of the business case is brought to the 19 October 2017 Council Meeting.

Cr O'Leary Dissenting.

Cr Macpherson re-joined the meeting (2.07pm) during the above item. He was present when the matter was voted on.

9. Chair's Report

This report was taken as read. It was confirmed that the public art proposal was not seeking funding from the council for the project.

Cr Southgate left the meeting (3.10pm) during the discussion of the above item.

Resolved: (Crs Bunting/O'Leary)

Public Art

That Council notes the request from Ryan Hamilton for approval to use the Anglesea Wall as a site for a potential public art project

Cr Southgate rejoined the meeting (3.15pm). She was not present when the above matter was voted on.

Resolved: (Crs Tooman/Gallagher)

Chengdu

That Council notes the proposed Sister City Delegation Visit to Chengdu by the Mayor and Chief Executive scheduled for 9-12 May 2017.

Elected Members agreed to take the Chair's proposed motion (outlined in his Chair's report) to revoke the Council resolution relating to Hamilton Properties Limited passed at the Council meeting of 29 September 2016, to be discussed and voted on as part of Item 10 (Hamilton Properties Limited).

10. Hamilton Properties Limited

The Strategic Property Manager spoke briefly to this item, advising that the purpose of the report was to notify and seek agreement on the revised timeline. Staff responded to questions from Elected Members concerning Municipal and Domain Endowment Funds.

The endowment funds were confirmed as having a combined asset value of \$51m which was made up of cash, ground leases and commercial properties. The combined cash reserves in the Municipal and Domain Endowments was \$34m. It was noted, as per the Municipal and Domain Endowment Funds Policy, that the endowment funds must be used to support, advance and implement Council's strategic plans.

Motion: (Mayor King/Cr Mallett)

That Council:

a) revokes in full the resolution of Council, dated 29 September 2016 in respect of Hamilton Properties Limited; and

b) approves the following:

That Council requests the Chief Executive prepares a report for the next meeting of Council that sets out the process, timing, and implications of:

i) dissolving Hamilton Properties Limited as a Council entity;

ii) winding up the Municipal Endowment Fund; and

iii) using the funds from the Municipal Endowment Fund to pay down debt.

Amendment: (Crs Pascoe/O'Leary)

That Council:

a) receives the report;

b) delays implementing Hamilton Properties Limited until staff resources currently committed to priority projects can be reallocated; and

c) approves the amended timeline for activation and operation of Hamilton Properties Limited below.

The Amendment was put.

Those for the Amendment: Councillors Gallagher, Pascoe, O'Leary, Bunting, Henry, Southgate and Taylor.

Those against the Amendment: Mayor King, Councillors Yeung, Mallett, Tooman, Macpherson and Casson.

The Amendment was declared carried.

The Amendment as the Substantive Motion was then put.

Those for the Amendment as the Substantive Motion: Councillors Gallagher, Pascoe, Yeung, O'Leary, Bunting, Henry, Southgate and Taylor.

Those against the Amendment as the Substantive Motion: Mayor King, Councillors Mallett, Tooman, Macpherson, and Casson.

The Substantive Motion was declared carried.

Resolved: (Crs Pascoe/O'Leary)

That Council:

- a) receives the report;
- b) delays implementing Hamilton Properties Limited until staff resources currently committed to priority projects can be reallocated; and
- c) approves the amended timeline for activation and operation of Hamilton Properties Limited below.

Date	Action	Owner
STAGE 2 – SET UP STAGE		
September 2016 June 2018	Commission report into Director remuneration Commence recruitment of Directors	GM City Growth
March 2017 December 2018	Appointment of Directors and remuneration approved Approve Letter of Expectation Activate HPL and revocation of CCO exemption (s7(7))	Council (delegated to CCO Subcommittee or equivalent)
STAGE 3 – TRANSITIONAL STAGE		
1 April 2017 1 January 2018	HPL operational in transitional mode	
April – June 2017 January – September 2018	1 st Board Meeting Prepare: <input type="checkbox"/> Contract HCC and HPL <input type="checkbox"/> Statement of Intent <input type="checkbox"/> HPL Strategy and Business Plan	Board/Council (delegatd to CCO Subcommittee or equivaent)
30 June 2017 30 Setmber 2018	Contract, Statement of Intent, HPL Strategy and business plan approved Approve delegated authority to manage assets not transferred	Council (delegated to CCO Subcommittee or equivalent)
STAGE 4 – OPERATIONAL STAGE		
1 July 2017 (effective) 1 July 2018 (effective)	Transfer of Cash and Assets	Council (delegated to CCO Subcommittee or equivalent)
1 July 2017 1 July 2018	HPL fully operational	

The meeting adjourned (4.10pm – 4.20pm).

13. Alignment of Council Policies to the Governance Structure

Resolved: (Crs O'Leary/Tooman)

That Council:

- a) receives the report; and
- b) approves the changes in the policies as outlined in Attachment 1 so that they reflect the Council Governance Structure approved on 9 November 2016 and the current organisational structure.

15. Waikato Regional Theatre Development Planning - Update

Resolved: (Crs Pascoe/O'Leary)

That the report is received noting a report will come to the 4 April 2017 Community and Services Committee Meeting on the development of a new Waikato Regional Theatre.

17. Application for Approval - Grassroots Trust (LATE ITEM)

Elected Members raised concerns around the timing of this Item and questioned the need for it to be approved at this meeting.

The following Procedural Motion was moved as per Standing Order 3.11.1 (b).

Resolved: (Cr Macpherson/Bunting)

That this item of business be adjourned to the 6 April 2017 meeting of Council .

Crs Casson, Mallett and Yeung Dissenting.

At 4.50pm, during the discussion of the above item, an extension of time was moved as per Standing Order 3.2.7

Resolved: (Crs Mallett/Bunting)

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

16. Resolution to Exclude the Public

Resolved: (Crs Tooman/Pascoe)

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. Council Minutes - Public Excluded - 8 February 2017) 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 prevent the disclosure or use of official information for improper gain or improper advantage Section 7 (2) (j)

The meeting moved into a Public Excluded session at 5.05pm.

The meeting was declared closed at 5.07pm.