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## Council

### OPEN MINUTES

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**Minutes of a meeting of the Council held in Council Chamber, Municipal Building, Garden Place, Hamilton on Tuesday 30 June 2015 at 9.00am.**

#### PRESENT

Chairperson	Her Worship the Mayor J Hardaker
Deputy Chairperson	Cr G Chesterman
Members	Cr M Forsyth
	Cr M Gallagher
	Cr K Green
	Cr A King
	Cr D Macpherson
	Cr G Mallett
	Cr A O'Leary
	Cr R Pascoe
	Cr L Tooman
	Cr E Wilson
	Cr P Yeung

In Attendance	Chief Executive, Chief Financial Officer, General Manager City Environments, General Manager Community, General Manager Customer Relationships, General Manager Events and Economic Development, General Manager Organisational Development and General Manager Performance.
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Corporate Projects Accountant, Waters Manager, Revenue Manager and Senior Communication Advisor

Committee Advisors	Mrs J C Pani and Mrs M Birch
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#### 1. Apologies

**Resolved:** (Cr Gallagher/Her Worship the Mayor Hardaker)

That apologies for lateness from Councillors Macpherson and Wilson be accepted.

## 2. Confirmation of Agenda

**Resolved:** (Her Worship the Mayor Hardaker/Cr Chesterman)

That the Council to confirm the agenda, including receiving an update on the Riverlea Theatre as a late item on to the agenda, in accordance with Standing Orders 3.5.7. The reason why the item was not on the agenda is that new information had recently come to hand and needed to be discussed because of the high public interest.

## 3. Declarations of Interest

Councillor King declared a conflict of interest for Item 8 – Rates Resolution to Set and Assess Rates for 2015/16.

## 4. Public Forum

No public forum was required.

## 5. Council Minutes – Open – 4 June 2015

### Personal Explanation

Her Worship the Mayor advised that under Standing Orders 3.6.9, she had indicated to Councillor Forsyth that she could make a personal explanation.

Councillor Forsyth advised of her late arrival to the reconvened Meeting on 5 June 2015 and her error when voting not to accept the apologies.

The first two bullet points on page 8 to be amended as follows to indicate more clearly the change to the hearing process for the 10-Year Plan 2015-2025:

- The submission process was wider than in previous years. Submissions were also received via the usual communication channels. The only change for this 10-year planning process was the way that people spoke and discussed their submissions with representatives of the Council in community engagement meetings.
- This was in contrast to previously when submissions have been made to the full Council via a hearings process.

**Resolved:** (Her Worship the Mayor Hardaker/Cr Chesterman)

That Council confirms and adopts as a true and correct record the Open Minutes of the Council Meeting held on 4 June 2015 and reconvened on 5 June 2015, as amended.

**Councillor Macpherson dissenting.**

Councillor Wilson (9.03am) and Councillor Macpherson (9.05am) joined the meeting during discussion on Item 5. They were present for voting on this Item.

## 6. Development Contributions Policy 2015/16

The General Manager Performance, supported by the Senior Strategic Policy Analyst, presented this Report for the Council to adopt the Development Contributions Policy 2015/16 and to confirm a Terms of Reference for a working group. They responded to questions with the following noted:

### **PriceWaterhouseCooper review of Council's Model**

- Complexity is driven by the use of different catchments – there had not been any changes recommended to the catchments.
- Other than complexity, the only recommendations (which could be addressed by the working party) were the process by which the capacity of assets was allocated over time with possibly more accuracy achieved by using cost recovery across Housing Unit Equivalents (“HUEs”). This was too fundamental to deal with prior to the adoption of the Policy.
- All other recommendations or observations had been included and were now part of the model. Other matters would be referred to the Working Group.
- There was a mechanism through the Local Government Act that allowed Council to consider community impacts, including caps on non-residential charges.

### **Resources**

- Mitigations were in place to manage resourcing issues with a secondment to fill the soon to be vacant Senior Strategic Policy Analyst role. A contractor experienced in working with Hamilton City Council would be engaged to ensure a level of assurance. Additional focus in the new organisation structure is placed on development contributions.

### **Working Group**

- There are several outcomes for the Working Group, firstly being a forum for discussion between the Council and the community to work through matters and a range of issues that were raised through the submission process. Some of the issues raised might never get solved, but parties would be able to understand each other's position. It would also address matters that continue to be raised.
- The first two phases for the Working Group go through to April 2016, with reporting to Strategy and Policy Committee.
- Costs for the facilitator had not yet been assessed. This process will incur costs which would be met from within existing budgets.
- Opportunity to get Council experts and experts from the development community.
- It was requested that the Deputy Chairperson Finance be added to the Working Group membership.

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

That:

- a) The report be received;
- b) The Development Contributions Policy 2015/16 including the Schedule of Assets be adopted effective 1 July 2015;
- c) The Development Contributions and Growth Funding Working Group Terms of Reference, (Attachment 4 of the Report) be adopted;
- d) The Mayor, Chairperson and Deputy Chairperson of the Finance Committee be appointed to the Working Group; and
- e) The Chief Executive be given delegated authority to appoint the independent facilitator to the Working Group based on the Terms of Reference.

## 7. Adoption of 10-Year Plan 2015-2025

The Chief Executive introduced this Report to adopt the audited 10-Year Plan 2015-25, stating that it was the conclusion of a long and comprehensive process which commenced in August 2014.

Following the introduction by the Chief Executive, the staff recommendation was moved by the Mayor, seconded by Councillor Chesterman.

### **During Debate the Meeting adjourned from 9.55 until 10.15am and from 10.25 until 11.00am**

Following these adjournments, the Mayor set out proceedings for the remainder of the Meeting. She reminded Councillors that, along with the debate being governed by Standing Orders, it was also governed by respect and relevancy. She asked Councillors to confine speeches to the Motion or Amendment.

### **The Meeting adjourned from 11.28 until 11.45am**

**Resolved:** (Her Worship the Mayor Hardaker/Cr Chesterman)

That:

- a) The report be received;
- b) The 10-Year Plan 2015-2025 be approved by Council for the Mayor and Chief Executive to sign and present to Audit NZ;
- c) The Mayor and Chief Executive be authorised to sign the Audit NZ Letter of Representation on behalf of Council;
- d) The audit opinion be received; and
- e) The audited 10-Year Plan 2015-2025 be adopted.

<b>Those for the Motion:</b>	Her Worship the Mayor Hardaker, Councillors Forsyth, Yeung, Chesterman, O'Leary, Pascoe and Tooman
<b>Those against the Motion:</b>	Councillors Mallett, King, Gallagher, Green, Wilson and Macpherson

Councillor King withdrew from the table and took no part in discussion or voting on Item 8.

## 8. Rates Resolution to Set and Assess Rates for 2015/2016

The Chief Financial Officer, supported by the Revenue Manager, presented this Report for the Council to set and assess the rates for the 2015/16 financial year.

**Resolved:** (Her Worship the Mayor Hardaker/Cr Chesterman)

That:

- a) The report be received; and
- b) Council sets and assesses the rates for the 2015/16 financial year (1 July 2015 to 30 June 2016) as set out in Attachment 1 to the staff Report and detailed below:

**Councillor Macpherson dissenting**

All figures are GST inclusive

### General Rate

A general rate is set and assessed on the capital value of all rateable land in the City.

General rates are set under Section 13 of the Local Government (Rating) Act 2002 on a differential basis on the categories of land identified below. The rating categories are defined in the Rating Policy. The differential basis is the use to which the land is put and the area of the land and in the case of the BID Commercial differential, the location of the land. The different categories of rateable land are outlined in the table below.

This funding mechanism covers all services of Council. The total revenue sought for 2015/2016 is \$15.335 million..

A general rate set and assessed on a differential basis as follows:

SOURCE	DIFFERENTIAL CATEGORIES	DIFFERENTIAL FACTOR	PERCENTAGE OF TOTAL GENERAL RATES	GENERAL RATE IN THE DOLLAR OF CAPITAL VALUE (GST INCL)	RATES REVENUE (GST INCL)
General Rate	Residential	1.0000	65.00%	0.00056887	\$9,967,762
	Commercial	1.5801	26.85%	0.00089885	\$4,116,902
	BID Commercial	1.5011	7.15%	0.00085391	\$1,097,005
	Rural	0.4346	1.00%	0.00024722	\$153,350

Land described in Part 2 of Schedule 1 of the Local Government (Rating) Act 2002 (broadly land owned or used by societies for arts or sports) will be assessed 50% of the residential rate ( general and transitional rates ) that applies to the land.

The revenue sought for 2015/16 is \$185,361.

## Targeted Rates

### Transitional Rate

The rate is set and assessed on the land value of all rateable properties in the City.

The transitional rates are set on a differential basis on the categories identified in the table below. The rating categories are defined in the Rating Policy. The differential basis is based on the use to which the land is put, the location of the land and/or area of the land.

The total revenue sought is \$138,015 million).

SOURCE	DIFFERENTIAL CATEGORIES	DIFFERENTIAL FACTOR	PERCENTAGE OF TOTAL TRANSITIONAL RATES	TRANSITIONAL RATE IN THE DOLLAR OF LAND VALUE (GST INCL)	RATES REVENUE (GST INCL)
Transitional Rate	Residential	1.0000	63.16%	0.01101898	\$87,176,504
	Commercial	2.3281	26.31%	0.02565286	\$36,306,941
	BID Commercial	2.2117	7.69%	0.02437022	\$10,618,300
	Multi Unit Residential	1.4171	1.79%	0.01561533	\$2,470,814
	Rural Residential	0.4618	0.05%	0.00508876	\$62,694
	Rural Small	0.3478	0.75%	0.00383238	\$1,034,532
	Rural Large	0.1653	0.25%	0.00182198	\$345,622

### Metered Water Rate

The rate is set and assessed for metered and restricted flow water supply on a differential basis to all metered rating units (as defined by Hamilton City Council's Water Supply Bylaw 2013).

The rate is:

- i. a fixed amount based on the nature of the connection as follows:
  - \$422 for all metered rating units(except rural receiving a restricted flow supply);
  - \$312 for rural rating units receiving a restricted flow supply.
- ii. a charge per unit of water consumed or supplied on every metered connection in accordance with the following scale:
  - All metered rating units (except rural receiving a restricted supply) - \$1.76 per kilolitre of water supplied after the first 240 kilolitres of consumption or supply;
  - rural rating units receiving a restricted flow supply - \$1.30 per kilolitre of water supplied after the first 240 kilolitres of consumption or supply.

The rates contribute to the funding of the Water Distribution and Water Treatment and Storage activities.

The total revenue sought is \$8.684 million.

### Commercial and Rural Non-metered Water Rate

The rate is set and assessed on non-metered Commercial and Rural properties which are connected to or have a water supply available. The rate is \$422 per separately used inhabited part of the rating unit.

The rates contribute to the funding of the Water Distribution and Water Treatment and Storage activities. The total revenue sought is \$254,150.

### **Access Hamilton Rate**

The rate is set and assessed at a uniform rate per dollar of capital value on all rating units in the City (excluding 100% non-rateable and 50% non-rateable properties).

The rate is \$0.00023951 per dollar of capital value. The total revenue sought is \$5,750,000.

The Access Hamilton rate funds the work programmes and/or financing costs relating to this project as part of the Transport Network activity.

### **Business Improvement District Rates (BID)**

The rate is set and assessed on all separately used or inhabited part of commercial rating units in the BID area as mapped in the Rating Policy. The rate is:

- i. BID Fixed rate: a fixed amount of \$230 per separately used or inhabited parts of a rating unit within the defined area; and
- ii. BID CV Rate: a rate per dollar of capital value required to meet the total revenue (after allowing for the total revenue raised by the fixed amount of \$230 per rating unit or separately used portion of a rating unit, is \$0.00003738

The rate provides funding to the Economic Initiatives activity. The total revenue sought is \$322,000.

### **Hamilton Gardens Rate**

The rate is set and assessed as a fixed amount on all separately used or inhabited part of each rating unit within the City. The rate is set at \$11.50.

The rate contributes funding to develop themed gardens and infrastructure as part of the Hamilton Gardens activity.

The total revenue sought is \$701,500.

### **Services Category Use- Water Rate**

The rate is set and assessed on properties as defined as service category (see Rating Policy) and which are connected to the water supply.

- i. a fixed amount of \$422 per separately used or inhabited part of a rating unit; and
- ii. a rate per dollar of land value of the rating unit, set at \$0.00273303

The rate provides funding towards the water distribution and water treatment and storage activities.

The total revenue sought is \$143,921.

### **Services Category Use- Refuse Rate**

The rate is set and assessed on properties defined as service category (see Rating Policy) and which are provided with refuse collection service. The rate is:

- i. a fixed amount of \$148 per separately used or inhabited part of a rating unit; and
- ii. a rate per dollar of land value) per rating unit set at \$0.00098732

The rate provides funding towards the refuse collection activity.

The total revenue sought is \$43,720.

### Service Category Use -Sewerage Rate

The rate is set and assessed on properties defined as service category (see Rating Policy) and which are connected to the sewerage network. The rate is:

- i. a fixed amount of \$404 per separately used or inhabited part of a rating unit; and
- ii. The rate per dollar of land value set at \$0.00254788.

The rate provides funding towards the sewage distribution and sewage treatment and storage activities.

The total revenue sought is \$884,143.

### Due Dates for Payment of Rates

The due dates for rates covering the financial period 1 July 2014 to 30 June 2015 are as follows:

Area	Instalment 1	Instalment 2	Instalment 3	Instalment 4
North East	20 Aug 2015	12 Nov 2015	11 Feb 2016	12 May 2016
South East	27 Aug 2015	19 Nov 2015	18 Feb 2016	19 May 2016
North West	03 Sep 2015	26 Nov 2015	25 Feb 2016	26 May 2016
South West	10 Sep 2015	03 Dec 2015	03 Mar 2016	02 Jun 2016

### Penalties

Pursuant to Section 57 and 58 of the Local Government (Rating) Act 2002 Council authorises the following penalties that may be applied:

- (a) A penalty of 10% of the amount due and unpaid on the due date to be added on the day after the due date.
- (b) A penalty of 10% of the amount of any rates assessed in any previous year which remain unpaid on 7 July 2015 to be added on the day after 7 July 2014.
- (c) A penalty of 10% of the amount of any rates assessed in any previous year which remain unpaid on 7 January 2016 to be added on 7 January 2016.
- (d) A penalty of 10% of the amount unpaid for water-by-meter rates charged to be added on the day after the due date.

Councillor King returned to the table at the conclusion of Item 8.

## 9. Riverlea Theatre and Land Update

The Chief Executive and General Manager Events and Economic Development presented an update on the current situation regarding the Riverlea Theatre land and responded to questions, with the following noted:

- Following the Council decision on 25 September 2014, staff had been in discussions with the lessee Riverlea Theatre and Arts Centre ("Riverlea") regarding their purchasing the land.
- A signed sale and purchase agreement was received from Riverlea with several additional clauses. One of the additional clauses was seeking to extend the purchase to December 2016, with Riverlea having the right to withdraw from the purchase up until December 2016. This agreement had not been counter-signed.
- An email had been sent to Riverlea but staff had yet to meet with Riverlea to discuss these matters.
- There has been no discussion with agents regarding any open market sale process.
- In terms of Riverlea being treated differently to similar groups, the Riverlea Theatre building was gifted to Riverlea a number of years ago. This was more recently been done for the other theatres.
- Riverlea has a lease until 2022. They do not use all of the land, which could be subdivided. Existing rights would have an impact on valuation.
- The sale of Riverlea land was foreshadowed in the 2012-22 10 Year Plan, with the right to occupy the building, depending on key performance indicators (KPIs). If the KPIs are not met, or there are any financial challenges, this matter comes back to the Council.
- This is a freehold title with the land tenure different to similar organisations.
- Staff to investigate gifting arrangements compared to other similar organisations.

During discussion the Democracy Manager confirmed that as this was a late item on the agenda in accordance with Standing Orders 3.5.7, no resolution may be made in respect of this Item except to refer the Item to a subsequent Meeting of the Council.

**Resolved:** (Crs Gallagher/Chesterman)

That:

- a) The Council receives the verbal report on the current state of the Riverlea Theatre from the Chief Executive and General Manager Events and Economic Development, and the tabled transcript is noted; and
- b) This matter be referred to the 30 July 2015 Council Meeting, and that the staff report includes a comparison of terms and conditions offered to the Riverlea, Clarence and Meteor Theatre groups.

**Those for the Motion:** Councillors Mallett, King, Gallagher, Green, Wilson, Macpherson, Yeung, Chesterman, O'Leary, Pascoe and Tooman

**Those against the Motion:** Her Worship the Mayor Hardaker and Councillors Forsyth

**The Meeting was declared closed at 1.05pm**