



# EXTRAORDINARY MEETING OF COUNCIL

## Open Minutes

---

Meeting Date: Friday 15 March 2019

---

Time: 1.00pm-1.20pm

---

Venue Council Chamber  
Hawke's Bay Regional Council  
159 Dalton Street  
Napier

---

Present The Mayor (In the Chair), Councillors Boag, Brosnan, Dallimore, Hague, Jeffery, McGrath, Price, Tapine, Taylor, White, Wise and Wright

---

In Attendance Chief Executive, Director Corporate Services, Director Community Services, Director Infrastructure Services, Director City Services, Director City Strategy, Manager Communications and Marketing, Chief Financial Officer

---

Administration Governance Team

## Apologies

Nil

## Conflicts of interest

Nil

## Public forum

Nil

## Announcements by the Mayor

The Mayor wished the Chief Executive a happy birthday on behalf of Council.

## Announcements by the management

Nil

Item	Requestor	Action	Responsible
2	Cr McGrath	To reassess the Bay Skate membership structure and consider whether costs could be reduced for frequent/high users of this facility.	Director Community Services

# AGENDA ITEMS

## 1. PROPOSAL FOR DRAFT ANNUAL PLAN 2019/20 AND CONSULTATION MATERIAL

---

<i>Type of Report:</i>	Legal
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	708130
<i>Reporting Officer/s &amp; Unit:</i>	Jane McLoughlin, Corporate Planner Caroline Thomson, Chief Financial Officer Adele Henderson, Director Corporate Services

### 1.1 Purpose of Report

The purpose of the report is formally approve the underlying information and approve key decisions from Council for the development of the draft Annual Plan 2019/20.

---

### At the meeting

A substitute motion was proposed in relation to part f. of the officers' recommendation regarding recycling services. It was agreed that this was appropriate considering flexibility will be required due to frequent changes in this space.

It was noted that some constituents had expressed concern around Annual Plan hearings being replaced with public consultation evenings. Councillor Boag advised that she hoped hearings would be reinstated in future.

In response to questions from Councillors it was clarified that the change in cash flow noted between the Long Term Plan and the draft Annual Plan is predominantly as a result of lower than estimated section sales in Parklands and also takes the mediation settlement into account.

---

<b>Officers' recommendation</b>	That Council: <ol style="list-style-type: none"><li>Resolve that the draft 2019/20 Annual Plan be prepared on the basis of this report and supporting documentation including decisions made at this meeting.</li><li>Note that the draft 2019/20 Annual Plan and consultation document will be reported back for Council adoption on 26 March 2019.</li><li>Note the proposed rates increase for 2019/20 will be 5.9%.</li><li>Note that the WMMP recycling consultation recommends smoothing the cost of the implementation over two years by utilising Council reserves in Year 1.</li><li>Note that bringing forward water related capital projects of \$7.8m will have an impact on the 2020/21 financial year of 0.7%.</li></ol>
---------------------------------	--

---

- 
- f. Note that the WMMP waste consultation will not impact services for 2019/20, however, it will confirm Council's support for WMMP adopted 4 September 2018 for the agreed services which have an impact on rates of approximately 1% for 2020/21 and will be tendered late 2019.
  - g. Note that targeted engagement will occur with those residents impacted by the proposed targeted rate associated with the Whakarire Rock Revetment.
  - h. Note the supporting documentation for the draft Annual Plan 2019/20 be received.
  - i. Note that changes to the Revenue and Financing Policy will be consulted on concurrently with the Annual Plan consultation.
  - j. Note that changes to the Rates Remission Policy will be consulted on concurrently with the Annual Plan consultation.
  - k. That the documents and underlying information can be amended for minor refinements as for adoption of reports on 26<sup>th</sup> March 2019.

**Substitute motion** Councillors Wright / Hague

That Council:

- a. Resolve that the draft 2019/20 Annual Plan be prepared on the basis of this report and supporting documentation including decisions made at this meeting.
  - b. Note that the draft 2019/20 Annual Plan and consultation document will be reported back for Council adoption on 26 March 2019.
  - c. Note the proposed rates increase for 2019/20 will be 5.9%.
  - d. Note that the WMMP recycling consultation recommends smoothing the cost of the implementation over two years by utilising Council reserves in Year 1.
  - e. Note that bringing forward water related capital projects of \$7.8m will have an impact on the 2020/21 financial year of 0.7%.
  - f. Note that:
    - i. A budget provision for recycling services has been included in 2019/20. Consultation will include seeking feedback on smoothing the rates impact by utilising reserves over two years.
    - ii. A separate paper will be coming to Council on recycling services.
    - iii. Council may undertake separate/or more detailed recycling consultation should the nature of the service deviate significantly from the plan agreed to date.
  - g. Note that targeted engagement will occur with those residents impacted by the proposed targeted rate associated with the Whakarire Rock Revetment.
  - h. Note the supporting documentation for the draft Annual Plan 2019/20 be received.
-

- 
- i. Note that changes to the Revenue and Financing Policy will be consulted on concurrently with the Annual Plan consultation.
  - j. Note that changes to the Rates Remission Policy will be consulted on concurrently with the Annual Plan consultation.
  - k. That the documents and underlying information can be amended for minor refinements as for adoption of reports on 26th March 2019.

Carried

Substantive motion Councillors Tapine / Hague

---

**Council  
resolution**

That Council:

- a. Resolve that the draft 2019/20 Annual Plan be prepared on the basis of this report and supporting documentation including decisions made at this meeting.
- b. Note that the draft 2019/20 Annual Plan and consultation document will be reported back for Council adoption on 26 March 2019.
- c. Note the proposed rates increase for 2019/20 will be 5.9%.
- d. Note that the WMMP recycling consultation recommends smoothing the cost of the implementation over two years by utilising Council reserves in Year 1.
- e. Note that bringing forward water related capital projects of \$7.8m will have an impact on the 2020/21 financial year of 0.7%.
- f. Note that:
  - i. A budget provision for recycling services has been included in 2019/20. Consultation will include seeking feedback on smoothing the rates impact by utilising reserves over two years.
  - ii. A separate paper will be coming to Council on recycling services.
  - iii. Council may undertake separate/or more detailed recycling consultation should the nature of the service deviate significantly from the plan agreed to date.
- g. Note that targeted engagement will occur with those residents impacted by the proposed targeted rate associated with the Whakarire Rock Revetment.
- h. Note the supporting documentation for the draft Annual Plan 2019/20 be received.
- i. Note that changes to the Revenue and Financing Policy will be consulted on concurrently with the Annual Plan consultation.
- j. Note that changes to the Rates Remission Policy will be consulted on concurrently with the Annual Plan consultation.
- k. That the documents and underlying information can be amended for minor refinements as for adoption of reports on 26th March 2019.

---

Carried

---

## 2. AMENDMENTS TO POLICIES AND FEES AND CHARGES

---

<i>Type of Report:</i>	Procedural
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	711623
<i>Reporting Officer/s &amp; Unit:</i>	Adele Henderson, Director Corporate Services Ross Franklin, Consultant Caroline Thomson, Chief Financial Officer

### 2.1 Purpose of Report

To recommend minor changes to rating policy and regulatory fees for consultation as part of the Annual Budget 2019/20. To also recommend consequential amendments to the Rates Remission Policy and Revenue and Financing Policy for consultation concurrently to the Annual Plan 2019/20.

---

### At the meeting

In response to questions from Councillors the following points were clarified:

- The Director Community Services acknowledged comments regarding reduced costs for frequent/high users of Bay Skate, and advised that the membership structure could be reassessed to address this. It was noted that officers would consider this.
- The Director City Services confirmed that fee increases in relation to new developments are more or less set on a cost recovery basis.

---

### Council resolution

Councillors McGrath / Price

---

That Council:

- a. Agree to consult as part of the draft Annual Plan Budget 2019/20 on:
  - i. Introducing a targeted rate of approximately \$380 per annum for residents of Whakarire Avenue in Westshore.
  - ii. Increases to fees as specified in the document titled 2019/20 Fees & Charges – Full List of Updated Fees and Charges.
  - iii. Rates Remission Policy changes as outlined in the report titled Amendments to Policies and Fees and Charges.
  - iv. Revenue and Financing Policy changes as outlined in the report titled Amendments to Policies and Fees and Charges.

---

Carried

---

### 3. MEDIATION SETTLEMENT

<i>Type of Report:</i>	Legal
<i>Legal Reference:</i>	Building Act 2004
<i>Document ID:</i>	707742
<i>Reporting Officer/s &amp; Unit:</i>	Adele Henderson, Director Corporate Services

#### 3.1 Purpose of Report

To present an alternative option for funding the confidential mediation settlement of 7 Humber Street (Waterfront Apartments).

#### At the meeting

A number of Councillors expressed their dissatisfaction with current legislation which leaves ratepayers to bear the brunt of 'leaky homes' defect-related claims. It was noted that the claim is lodged in the High Court and the building company is therefore named as a matter of public record.

In response to questions from Councillors the following points were clarified by management:

- Council currently has one outstanding claim as noted in the Annual Report. It is therefore in the best interests of the ratepayers that the Waterfront Apartments settlement figure is not disclosed and remains confidential.
- Any party that discloses confidential terms of the mediation settlement will consequently be held to account; Councillors were advised to notify the Mayor or Chief Executive if they believe there has been a breach.
- The terms of the builder's settlement will also be confidential and there will be no opportunity to pursue further compensation from any parties that have settled through mediation.
- A report will be brought to Council shortly to consider a remit asking central government to reassess the issue of joint and several liability in these matters. It was noted that central government had discussed this previously, but decided to consider reforms within the building legislation instead. The Mayor confirmed that there will likely be enormous support from other Councils for this remit.

<b>Council resolution</b>	<p>Councillors Price / Brosnan</p> <p>That Council:</p> <ol style="list-style-type: none"> <li>a. Note that the claim for 7 Humber Street (Waterfront apartments) was successfully settled through mediation within the delegation provided to the Chief Executive at the Extraordinary Council meeting held 8<sup>th</sup> February 2019.</li> <li>b. Note that the details of the settlement are confidential.</li> <li>c. Revoke resolution (b), (c), (d) and (e) of item 1 made by the Council on 8 February 2019 as the Council wants to change how the settlement is to be funded.</li> </ol>
---------------------------	---

- 
- d. Resolve the following funding for the mediation settlement:
    - i. Resolve that funding of the mediation settlement be comprised of a split between Parklands Residential Development reserve fund and a reduction in costs and increased revenues within Council activities.
    - ii. Utilise the provision made within the annual accounts 2018/19 in relation to the claim.
    - iii. Note that any successful claim against Riskpool will result in funding being returned to the Parklands reserve and that otherwise the reserve will not be specifically replenished for the funds taken out.
    - iv. Note compliance with section 80 of the Local Government Act 2002 has been met in relation to the deviation from the Liability Management Policy (by setting out in the report the departure, the reasons for it, and noting that there is no intention to amend the policy).
    - v. Note that the proposed funding will not impact rates for 2019/20.

---

Carried

---

The meeting closed at 1.20pm.

---

Approved and adopted as a true and accurate record of the meeting.

Chairperson .....

Date of approval .....