

ORDINARY MEETING OF COUNCIL

Open Minutes

Meeting Date: Thursday 8 April 2021

Time:

- 1.00pm-1.36pm

Reconvened Friday, 9 April 2021

- 1.00pm-1.05pm
- 1.55pm-2.40pm

Venue

Council Chambers
Hawke's Bay Regional Council
159 Dalton Street
Napier

Livestreamed to Council's Facebook site

Present

Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Browne, Chrystal, Crown, Mawson, McGrath, Price, Simpson, Tapine, Taylor and Wright

In Attendance

Chief Executive (Steph Rotarangi)
Director Corporate Services (Adele Henderson)
Director Community Services (Antoinette Campbell)
Director City Services (Lance Titter)
Manager Communications and Marketing (Craig Ogborn)
Pou Whakarae (Mōrehu Te Tomo)
Manager City Development (Paulina Wilhelm)
Chief Financial Officer (Caroline Thomson)
Manager Community Strategies (Natasha Mackie)
Investment and Funding Manager (Garry Hrustinsky)
Team Leader Governance (Helen Barbier)
Team Leader Development and Standards (Retha du Preez)
Procurement Lead (Sharon O'Toole)

Administration

Governance Advisors (Carolyn Hunt and Anna Eady)

Karakia

The Elected Members opened the meeting with a karakia.

Apologies

Nil

Conflicts of interest

Nil

Public forum

Nil

Announcements by the Mayor

That Item 6 – Adoption of the Long Term Plan 2021-31 Consultation Document would be addressed at a reconvened Council meeting on Friday, 9 April 2021 at 1.00pm in the Large Exhibition Hall, War Memorial Centre, Marine Parade, Napier.

Councillor Chrystal announced the passing of Richard Atkins the Taradale Cricket Club Guru on April 6, 2021 and extended sympathy to the family.

Announcements by the management

Nil

AGENDA ITEMS

1. CONSULTATION - REVENUE & FINANCING POLICY

Type of Report:	Legal and Operational
Legal Reference:	Local Government Act 2002
Document ID:	1298330
Reporting Officer/s & Unit:	Adele Henderson, Director Corporate Services

1.1 Purpose of Report

To review and update the Revenue and Financing Policy (*Doc ID 1301334*) by amending operational and capital funding sources for Council housing.

At the Meeting

The Director Corporate Services, Ms Henderson, advised that consultation had recently been undertaken on the Revenue and Finance Policy, however during that consultation the Long Term Plan had not been fully completed.

As part of the preparation for the Long Term Plan it was proposed that the housing component be loan funded and the current policy did not provide for that. Effectively what was proposed was a change to the policy for consultation that would allow provision for loan funding of the housing activity, until such time that Council went out for further consultation around the future of Council's social housing portfolio.

The loan funding was proposed to be a short term measure and would be determined by the timing and process of the consultation. It was likely that consultation would commence at the end of this year and following the decision of Council and transition to any new arrangements it was expected to be resolved in approximately 1-2 years.

Ms Henderson confirmed that the policy was not specifically for the housing loan issue and this particular policy was firm around loan funding operating costs. Any requests for funding general operating costs would be a Decision of Council.

Council resolution	Councillors Mawson / Tapine
	That Council:
	a. Note the Revenue & Financing Policy will now allow for loan funding of operating costs for approved Council activities.
	b. Approve the inclusion of loan funding for operational expenditure and General Rates funding for capital expenditure for Council housing activities.
	c. Approve the draft Revenue and Financing Policy (<i>Doc ID 1301334</i>) for consultation.
	d. Approve the Consultation Plan (<i>Doc Id 1300976</i>) for the Revenue & Financing Policy.
	Carried

2. CONSULTATION - RATING POLICY

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1301081
<i>Reporting Officer/s & Unit:</i>	Garry Hrustinsky, Investment and Funding Manager Adele Henderson, Director Corporate Services

2.1 Purpose of Report

To review and update the Rating Policy to clarify amendments to the fire protection rate, storm water rate for commercial and industrial, and to present the consultation plan for approval. Any desirable changes arising from public feedback will then be incorporated, and the final policy adopted in June as part of Council's Long Term Plan 2021/31.

At the Meeting

Investment and Funding Manager, Mr Hrustinsky, spoke to the report clarifying items within the Rating Policy and also recommendations about the phasing schedule. He confirmed that stormwater was not being phased.

Mr Hrustinsky noted policy transitional arrangements that were agreed through the Revenue and Finance Policy that had a flow on impact into the Rating Policy around the phasing of the new rates. Public consultation would be undertaken as a separate consultation in parallel with the Long Term Plan 2021-2031 opening on 12 April through to 12 May 2021. Hearings of submissions and Council deliberations would be held on 1 and 3 June 2021.

Concern was raised in regard to stormwater for rural residential properties where stormwater was collected and not discharged into Council systems. Mr Hrustinsky confirmed that the new sets of rates were considered at 100% with no differentiation between residential and what was now rural residential. It had not been taken into account with these figures, however there was still opportunity for debate and decisions in regard to this.

Council resolution

Councillors Taylor / Wright

That Council:

- a. Note that the unconnected (but within 100m) Fire Protection Rate for Other Rating Units remains at 50%.
- b. Note that the Storm Water Rate for Commercial & Industrial remains at 250% (compared to General Rate of 260%) and Rural Residential at 100% (compared to General Rate of 90%).
 - i. Note that the Storm Water Rate will not be phased over 3 years.
- c. Approve the draft Rating Policy (*Doc ID 1302785*) for public consultation.
- d. Note that the draft Rating Policy may be subject to minor corrections and any changes arising from the consultation process.
- e. Approve the consultation plan (*Doc ID 1300976*) for the Rating Policy.

Carried

3. REVIEW - RATES REMISSION AND POSTPONEMENT ON MĀORI FREEHOLD LAND

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1301033
<i>Reporting Officer/s & Unit:</i>	Garry Hrustinsky, Investment and Funding Manager

3.1 Purpose of Report

The purpose of this report is to review the Rates Remission and Postponement on Māori Freehold Land policy⁰⁹⁷⁶.

At the Meeting

The Investment and Funding Manager, Mr Hrustinsky advised that a review was required to be undertaken at least once every three years. There were no changes recommended at this time, however he noted if the Local Government (Rating of Whenua Māori) Amendment Bill was passed it would impact on the Local Government Rating Act from 1 July.

The Amendment Bill identified only two small parcels of land that would be impacted, however Napier had very small exposure to Māori land compared to other Councils.

Council resolution	Councillors Chrystal / Simpson
	That Council:
	a. Adopt the current Rates Remission and Postponement on Māori Freehold Land Policy (<i>Doc ID 1301531</i>) with no changes.
	b. Note that amendments proposed in the Local Government (Rating of Whenua Māori) Amendment Bill will impact on the Local Government (Rating) Act 2002 from 1 July 2021 if it receives Royal Assent.
	Carried

4. CONSULTATION - RATES REMISSION POLICY

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government (Rating) Act 2002
<i>Document ID:</i>	1300033
<i>Reporting Officer/s & Unit:</i>	Adele Henderson, Director Corporate Services

4.1 Purpose of Report

To review and update the Rates Remission Policy to clarify delegations, remove the Remission for Residential Land in Commercial or Industrial Areas, and present the consultation plan for approval.

At the Meeting

Investment and Funding Manager, Mr Hrustinsky, advised that the Rates Remission Policy had been reviewed this year. Clarification regarding delegations on who could sign off Remission of Refuse Collection and Kerbside Recycling Targeted rates was required.

Under the proposal sign off for the Refuse and Recycling Remission and Recycling would be delegated to the Chief Financial Officer.

Remission for residential or industrial commercial land areas marked for removal rate the property based on its use not zoning. Residential land in commercial or industrial areas was treated as residential property for rating purposes making the provision superfluous.

Public consultation would be undertaken as a separate consultation in parallel with the Long Term Plan 2021-2031 opening on 12 April through to 12 May 2021. Hearings of submissions and Council deliberations would be held on 1 and 3 June 2021.

Council resolution	Councillors Price / Crown
	That Council:
	<ul style="list-style-type: none"> a. Approve the proposed removal of the Remission for Residential Land in Commercial or Industrial Areas. b. Approve the delegation of sign-off for the Remission of Refuse Collection and/or Kerbside Recycling Targeted Rates to the Chief Financial Officer. c. Approve the Consultation Plan (<i>Doc ID 1300976</i>) for the Rates Remission Policy (<i>Doc ID 1301545</i>).
	Carried

5. DRAFT FINANCIAL CONTRIBUTIONS POLICY

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1298026
<i>Reporting Officer/s & Unit:</i>	Paulina Wilhelm, Manager City Development Catherine Bayly, Manager, 3 Waters Reform Retha du Preez, Team Leader Development and Standards

5.1 Purpose of Report

The purpose of this report is to provide detail around the Financial Contributions Policy, and recommend that the draft Policy be approved for public consultation. Any desirable changes arising from public feedback will then be incorporated, and the final policy adopted in June as part of Council's Long Term Plan 2021/31.

At the Meeting

The Manager City Development, Ms Wilhelm, advised that Council was required to have a Financial Contributions Policy under the Local Government Act requiring review every three years. The main change was to only charge Financial Contributions rather than both Financial Contributions and Development Contributions under the current policy, with the addition of some strategic outcomes to the policy with the intention to revitalise the CBD.

To encourage residential growth to revitalise the city centres exemptions to financial contributions would apply to residential development within inner city core and commercial centres, as well promoting inner city living in CBD close proximity to big commercial centres. This would align with the District Plan and the overarching long term plan objective of having a vibrant CBD.

Changes to the policy would mean collection of only Financial Contributions. Currently there was a different standard for charging Development Contributions for commercial activities as well as Financial Contributions under the District Plan for residential activities. This had created confusion to developers on how this amount was calculated. The recommendation was to have only one charge being Financial Contributions. Despite some change to the amount collected changes were not significant. Financial Contributions would be the clearest and simplest way to charge in the future.

Council resolution

Mayor Wise / Councillor Crown

That Council:

- a. Approve the draft Financial Contributions Policy (*Doc ID 1301563*) for public consultation.
- b. Note that the draft Financial Contributions Policy may be subject to minor corrections and any changes arising from the consultation process.
- c. Note that a final Financial Contributions Policy will be adopted in June 2021.

- d. Approve the Consultation Plan (*Doc ID 1300976*) for the Financial Contributions Policy.

Carried

6. ADOPTION OF THE LONG TERM PLAN 2021-31 CONSULTATION DOCUMENT

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1285391
<i>Reporting Officer/s & Unit:</i>	Adele Henderson, Director Corporate Services

1.1 Purpose of Report

This report recommended that Council adopt the Consultation Document for Napier City Council's Long Term Plan 2021-31, along with certain supporting documents required to be adopted by the Local Government Act 2002.

As noted by the Mayor at the commencement of the meeting "*Item 6 – Adoption of the Long Term Plan 2021-31 Consultation Document*" would be addressed at the reconvened meeting on Friday, 9 April 2021.

7. AMENDMENTS TO THE 2021 COUNCIL/COMMITTEE MEETING SCHEDULE

<i>Type of Report:</i>	Procedural
<i>Legal Reference:</i>	Enter Legal Reference
<i>Document ID:</i>	1287728
<i>Reporting Officer/s & Unit:</i>	Helen Barbier, Team Leader Governance

7.1 Purpose of Report

The purpose of this report is to approve a change to the schedule of Council and Committee meetings for 2021 as set out below. The amendments were indicated in red on the meeting schedule appended to the report (**Doc Id 1300212**).

Additional Meetings :

- Hearings Committee (Dogs) 11 May 2021 (1pm)
- Council Hearing (Revenue & Financing Policy and the Development Contributions Policy) Commencing 1 June 2021 (1pm)

At the Meeting

The Team Leader Governance, Ms Barbier, spoke to the report highlighting amendments to the meeting schedule.

**Council
resolution**

Dep. Mayor Brosnan / Councillor McGrath

That Council:

- a. Receive the report "Amendment to the 2021 Council/Committee Meeting Schedule".
- b. Adopt the amendment to the 2021 Meeting Schedule as below:

Additional Meetings:

- Hearings Committee (Dogs) 11 May 2021 (1pm)
- Council Hearing (Revenue & Financing Policy and the Development Contributions Policy) Commencing 1 June 2021 (1pm)

Carried

PUBLIC EXCLUDED ITEMS

Council resolution

Councillors Tapine / Boag

That the public be excluded from the following parts of the proceedings of this meeting.

Carried

Agenda Items

1. Procurement of Electricity Supply 2021-2024

The general subject of each matter to be considered while the public was excluded, the reasons 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 were as follows:

General subject of each matter to be considered.	Reason for passing this resolution in relation to each matter.	Ground(s) under section 48(1) to the passing of this resolution.
	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to:	48(1)(a) That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist:

Agenda Items

1. Procurement of Electricity Supply 2021-2024	<p>7(2)(b)(ii) Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities</p>	<p>48(1)A That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist:</p> <p>(i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.</p>
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*The meeting moved into Public Excluded session at 1.26pm
and adjourned at 1.36pm to reconvene on Friday, 9 April 2021 at 1.00pm*

**Minutes of an Ordinary Council Meeting Held In the
Large Exhibition Room, Napier War Memorial Centre, Marine Parade, Napier
commencing Thursday, 8 April 2021 and reconvened
on Friday, 9 April 2021 at 1.00pm**

Present	Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Browne, Chrystal, Crown, Mawson, McGrath, Simpson, Tapine, Taylor and Wright
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In Attendance	Chief Executive (Steph Rotarangi) Director Corporate Services (Adele Henderson) Director Community Services (Antoinette Campbell) Director City Strategy (Richard Munneke) Manager Communications and Marketing (Craig Ogborn) Manager Community Services (Natasha Mackie) Pou Whakarae (Mōrehu Te Tomo) Investment and Funding Manager (Garry Hrustinsky) Corporate Planning Analyst (Lauren Sye) Corporate PlanningLead (Talia Foster)
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Administration	Governance Advisors (Carolyn Hunt and Anna Eady)
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Apologies

Council resolution	<u>Councillors Wright / Taylor</u>
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That the apology for absence from Councillor Price be accepted.

Carried

Announcement by the Mayor

The Mayor opened the reconvened meeting and advised that the following resolution was made in the Public Excluded session:

“That the meeting adjourn and reconvene in Open Session on Friday, 9 April 2021 at 1.00pm in the Large Exhibition Hall, War Memorial Centre, Marine Parade, Napier to address “Item 6 – Adoption of the Long Term Plan 2021-2031 Consultation Document”.

The purpose of this resolution was due to the Auditor’s opinion not being available until 9 April 2021 and Council were therefore unable to address Item 6. However, the opinion had not yet been received but was expected in the afternoon.

On receipt of the Auditor's opinion it would be circulated separately at the meeting. Also circulated would be an updated version of the draft Consultation Document with a list of the amendments.

ADJOURNMENT OF MEETING

Council resolution Councillors Mawson / Simpson

That the meeting adjourn at 1.05pm and reconvene on receipt of the Auditor's opinion which was expected shortly.

Carried

The meeting reconvened at 1.55pm upon receipt of the Auditor's Report

AGENDA ITEMS (CONT)

1. ADOPTION OF THE LONG TERM PLAN 2021-31 CONSULTATION DOCUMENT

Type of Report: Legal and Operational

Legal Reference: Local Government Act 2002

Document ID: 1302789

Reporting Officer/s & Unit: Adele Henderson, Director Corporate Services

1.1 Purpose of Report

This report recommends that Council adopt the Consultation Document for Napier City Council's Long Term Plan 2021-31, along with certain supporting documents required to be adopted by the Local Government Act 2002.

At the Meeting

The following documents were circulated at the meeting:

- A copy of the Audit Report from Audit New Zealand (Doc ID 1304583)
- A list of minor changes made to the Draft Consultation Document (Doc ID1304924)
- Final draft Consultation Document (Doc ID 1301698)

The Director Corporate Services, Ms Henderson, advised that the Auditor's opinion was undertaken every three years. Two Emphasis of Matter had been identified in regard to the delivery of the Capital Programme and the 3Waters Reform where it had been assumed it would continue under Council.

Ms Henderson referred to the list of minor changes made to the draft Consultation Document and drew attention to the following:

- Pg 37 – An additional paragraph had been included supporting deliverability of core infrastructure and basic needs of the community if work was delayed or deferred in the programme.
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- Pg 29 – An additional paragraph included in regard to achieving a balanced budget in 2031. To ensure affordability and less impact for the community Council would take advantage of the low interest rates to fund projects.

Ms Henderson advised that the draft proposals in the Long Term Plan would result in an average rates increase of 8% for 2021/22, with further rises each year over Council's 10 year plan. This increase was made up of extra costs for waste services, general cost increases, and included increases in insurance and government charges. The 8% increase would equate to approximately \$106 per annum.

A wide variety was covered in the Plan with some matters more important to some stakeholders. Proposals in the Long Term Plan included the development of an Ahuriri Regional Park, the development of Te Pihinga Community Centre in Maraenui; how Council's housing service should be funded; operation of the Faraday Centre; and traffic safety plans.

The Long Term Plan consultation would open on Monday, 12 April 2021 for one month closing on Wednesday, 12 May 2021. Concurrent consultation would take place on the Development and Financial Contributions Policy and the Revenue and Financing Policy. Members of the community would be able to submit online, in writing or by video. After the feedback was analysed, Council would have the opportunity to hear from submitters in person and deliberate on any changes necessary to the Long Term Plan.

The Auditor's report would be included in the Draft Consultation Document and also an explanation of what an "Emphasis of Matter" was.

The Chair exercised her discretion to suspend Standing Order 26.1 enabling each elected member to speak to the Motion. The Consultation Document provided a summary of key issues and every effort had had been made to keep rates as affordable as possible.

Council staff were acknowledged and congratulated on the final Draft Consultation Document presentation.

Council resolution

Mayor Wise / Councillor Taylor

That Council:

- a. Adopt the following documents as supporting information for consultation on Napier City Council's Long Term Plan 2021-31:
 1. Vision, Community Outcomes and Strategic Goals
 2. Significant Forecasting Assumptions
 3. Activity Group Statements (including Funding Impact Statement for each Group)
 4. Infrastructure Strategy
 5. Financial Strategy
 6. Significance and Engagement Policy
 7. Council Funding and Financial Policies:
 - Investment Policy
 - Rates Postponement Policy
 1. Capital Programme
 2. Prospective Financial Statements:
 - Statement of Accounting Policies

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- Prospective Statement of Financial Position
 - Prospective Statement of Cash Flows
 - Prospective Statement of Changes Net Assets/Equity
 - Prospective Statement of Comprehensive Revenue and Expense
 - Prospective Statement of Changes in Reserve Funds
3. Funding Impact Statement (whole of Council)
 4. Financial Prudence Benchmark
 5. Statement about Council Controlled Organisations
 6. Schedule of Fees and Charges
- b. Adopt the Consultation Document for Napier City Council's 2021-31 Long Term Plan for public consultation (final version containing the audit report from Audit New Zealand to be circulated at the meeting).
 - c. Note that these policies and supporting documents are subject to minor corrections and any changes arising from the consultation and audit process.
 - d. Note that several supporting documents have already been adopted as prior items, including:
 - Revenue and Financing Policy (draft adopted for consultation)
 - Liability Management Policy (adopted by Council on 25 March 2021)
 - Rates Remission Policy (draft adopted for consultation)
 - Policy on Remission and Postponement of Rates on Māori Freehold Land (reviewed version adopted)
 - Rating Policy (adopted for consultation)
 - Financial and Development Contributions Policy (adopted for consultation)

The Motion was PUT and Carried Unanimously

Separate Attachments Circulated at the meeting (Doc ID 1302789)

- 1 Auditor's Opinion
- 2 List of Amendments
- 3 Final Draft Consultation Document

The meeting closed with a Karakia at 2.40pm

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

Chairperson

Date of approval

