

# Whangarei District Council Meeting

## Agenda

**Date:** Tuesday, 16 June, 2020

**Time:** 9:30 am

**Location:** Council Chamber  
Forum North, Rust Avenue  
Whangarei

**Elected Members:** Her Worship the Mayor Sheryl Mai  
(Chairperson)  
Cr Gavin Benney  
Cr Vince Cocurullo  
Cr Nicholas Connop  
Cr Ken Couper  
Cr Tricia Cutforth  
Cr Shelley Deeming  
Cr Jayne Golightly  
Cr Phil Halse  
Cr Greg Innes  
Cr Greg Martin  
Cr Anna Murphy  
Cr Carol Peters  
Cr Simon Reid

For any queries regarding this meeting please contact  
the Whangarei District Council on (09) 430-4200.

1. Karakia/Prayer
2. Declarations of Interest
3. Apologies
4. Decision Reports
  - 4.1 Annual Plan 2020-21 Deliberations
5. Closure of Meeting

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Recommendations contained in the Council agenda may not be the  
final decision of Council.

Please refer to Council minutes for final resolution.

## 4.1 Annual Plan 2020-21 Deliberations

**Meeting:** Whangarei District Council  
**Date of meeting:** 16 June 2020  
**Reporting officer:** Dominic Kula – General Manager Strategy and Democracy

### 1 Purpose

To deliberate on submissions received during the consultation period for the proposed Annual Plan 2020-21.

### 2 Recommendations

That Council:

1. Note the 122 valid submissions received on the Annual Plan 2020-21 Consultation Document
2. Accept two late submissions received outside the consultation period.
3. Deliberate on submissions relating to the Annual Plan 2020-21 consultation question.
4. Confirm that no changes will be made to the proposed Annual Plan 2020-21, as recommended in the Deliberations Report.
5. Note that submissions on topics outside the consultation question will be used to inform development of the 2021-2031 Long Term Plan.

### 3 Background

At the 30 April 2020 meeting Council considered options for any rating increase before endorsing consultation on limiting the general rate rise for 2020-2021 to 2.2% (inflation as measured by the Local Government Cost Index). This is in effect a zero rates increase plus the Covid-19 Relief Package as the 2.2% increase roughly equates to the cost of the relief package.

In doing so Council also endorsed funding for a relief package and developing a concise/targeted Consultation Document (CD), process and timeframe. The resulting CD and consultation process were adopted on 14 May, with three weeks of consultation from 15 May and to 04 June.

The CD adopted for the 2020-2021 Annual Plan specifically focussed on Council's proposed response to COVID-19, outlining three items for community feedback:

- limiting the general rate rise for 2020-2021 to 2.2% (inflation as measured by the Local Government Cost Index) as part of a broader package
- a targeted relief package of \$3m, and
- sourcing extra funding from central government.

The corresponding question for this consultation was:

*'do you agree with the changes we have made to Year 3 of our Long Term Plan in response to COVID-19?'*

Given the concise/targeted focus of this consultation the CD noted that 'submissions on other topics will be collated and used to inform development of our next Long Term Plan, with submissions on operational issues will be directed through our Customer Relations Management (CRM) process'.

This item brings submissions relating to the consultation question back to Council for deliberation, noting that submissions on topics outside the consultation question will be used to inform development of the 2021-2031 Long Term Plan.

## 4 Discussion

A total of 125 formal submissions were received within the timeline. This included two duplicates, and one blank submission, resulting in 122 valid submissions.

Two late submissions were received after the closure date of 4 June 2020. The late submissions have been presented to Council to consider whether it wishes to accept them. Given this, and the timing of receipt, they are excluded from the staff analysis.

The Deliberations Report is provided as Attachment 1.

Of the 122 valid submissions:

- 94 submissions (77%) responded on the annual plan consultation question
- 28 submissions (23%) did not respond to the annual plan consultation question. These submissions provided feedback on topics that may inform the next long term plan, and/or requested funding. These submissions are not part of the annual plan deliberation process.

### **Proposal for setting rates for 2020-21**

The proposal to limit the general rate rise for 2020-2021 to 2.2% (inflation as measured by the Local Government Cost Index) as part of a broader package was Council's preferred in response to COVID-19.

The proposal was supported by 51% of submissions on this component of the response (noting that a total of 62% supported an increase of 2.2% or above).

### **Proposal for targeted relief package of \$3m**

Of the submitters that commented on the targeted relief package, 81% were broadly in support of the proposal.

Two submitters proposed that the 30% of funds (\$900,000) allocated to Community be increased to 35%. This would provide the potential for more funding to be allocated to sports and recreation. However, it should be noted that the Community component of the package provides additional support for the 2020-21 year alongside the Annual Operating Grant and other community funds. This means there will be additional investment available across all of the funding priority areas, including for sport and recreation.

## **Sourcing Central Government funding**

All submitters that commented on Council's proposal to source extra funding from Central Government were in support.

Having analysed submissions received on the consultation question no changes have been recommended.

### **4.1 Financial considerations**

Prior to COVID-19, the approach to the 2020-21 Annual Plan had been consistent with Year 3 of the 2018-28 Long Term Plan (LTP). No significant or material changes were proposed and as such there was no basis for meaningful consultation with our community. However, COVID-19 has had dramatic and wide-ranging impacts on the global economy, fundamentally changing how we operate.

#### **Operational considerations**

In light of the impacts of COVID-19, the financial statements within the Supporting Information to the Consultation Document to the 2020-21 Annual Plan included the following key changes:

- Funding of \$3m for a targeted relief package
- Proposed general rates increases of 2.2%
- Reduced non-rates revenue by 5%
- Reducing expense budgets by \$3.7m and staff costs by \$2m from what we were planning for the 2020-21 Annual Plan

These changes have resulted in a constrained operating environment for the year ahead. Extreme discipline will be needed to avoid additional expenditure.

If Council receives further adverse financial news as the crisis plays out and it remains possible that financial constraints may compromise service delivery meaning some service levels are not met.

#### **Impact on Balanced Budget Disclosures**

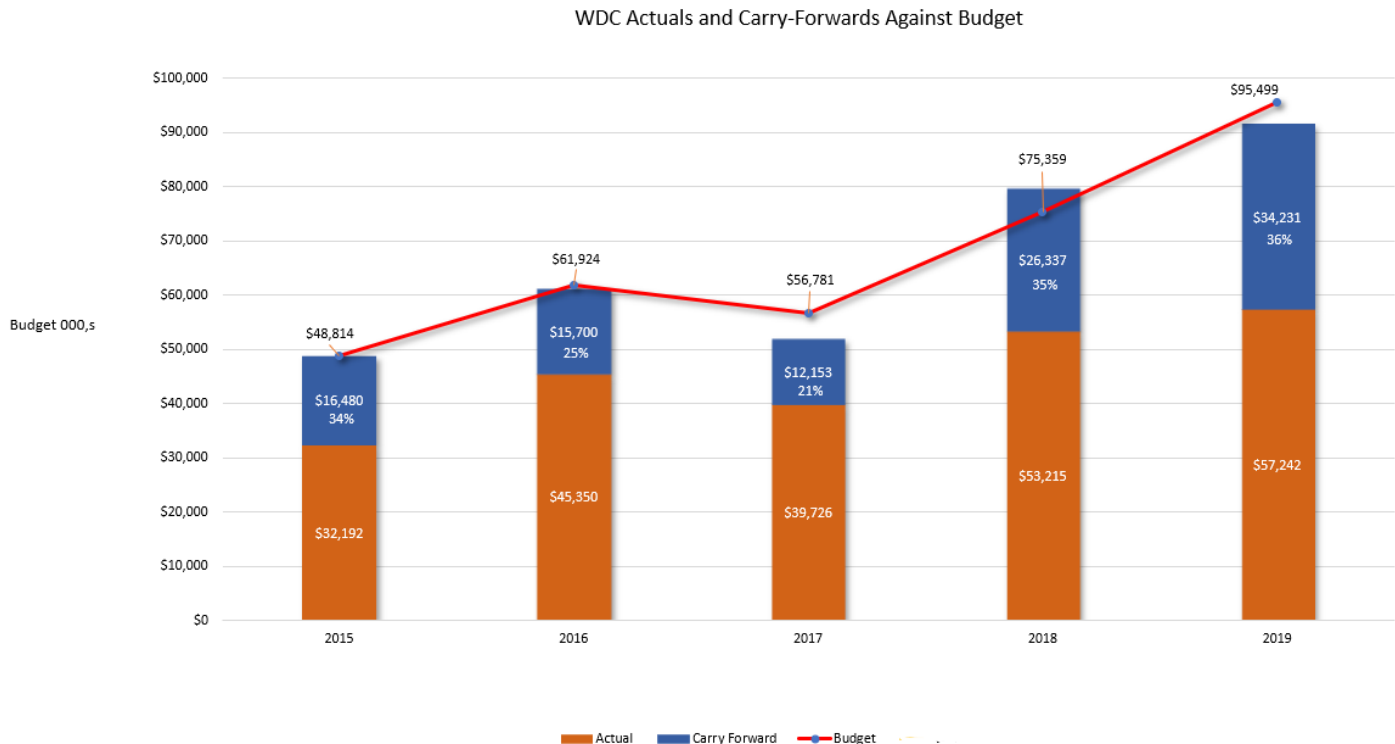
There are two different definitions of a 'balanced budget', with a different outcome forecast under each measure:

1. The definition in Section 100 of the LGA is based on standard accounting disclosures, requiring Council to ensure that projected operating revenues are set at a level sufficient to meet projected operating expenses unless it is resolved to be prudent not to do so. The projected operating surplus shows this condition has been met (i.e. the budget is balanced by this definition) and no further actions are required.
2. The Financial Prudence benchmarks, which are set by regulation, exclude a number of non-cash and capital items. Under this measure the budget will be just unbalanced next year, at 99% of the benchmark. This will be disclosed in the Annual Plan and has minimal impact on Council's position in the short term. However, running an unbalanced budget over a longer term is not recommended. No further action is required next financial year.

#### **Capital considerations**

As outlined at the Council Briefing of 11 February 2020 the capex programme also needs to be managed to ensure it is achievable, and to minimise carryforwards. Since then COVID-19 has caused significant delays to our construction programme. Unfortunately lockdown occurred during the busiest time of the construction season

As can be seen from the graph below the capex programme increased from \$48.8m in 2015 to \$95.5m this financial year (2019 – 20). While there have been fluctuations over that time, with delivery of the programme also increasing (meaning that carryforwards as a percentage of the programme remain comparable), we have materially increased the programme in recent years. We have a \$90.7m capex programme budgeted for the 2020 – 21 Annual Plan.



Given this, the impact of COVID-19 lockdowns on capex delivery and the potential for additional Central Government funding (both of which could result in further increases for 2020/21) we need to be careful that we do not over commit.

Mitigating this risk is the fact that 2020/21 includes a number of large one off projects that are consented, let and/or underway (notably Whau Valley Water Treatment Plant and the Civic Centre).

However, to ensure a manageable programme and to stay close to the scale of programme consulted on (particularly in light of updated carryforwards as we track towards the end of the financial year and better understand the impacts of COVID-19) further work will be done on the timing of spend.

This would involve managing any known carry forwards increase from the current financial year out of 20/21 and into 21/22 to maintain the level of capex consulted on. Where possible this would target the same project/programme lines. However, we will also manage opex expense/subsidy impacts to reduce any additional pressure on next years budget.

Any changes will be brought back to Council through adoption of the Annual Plan and as part of regular carryforwards reporting.

## 5 Significance and engagement

While changes to Year 3 of the 2018-2028 Long Term Plan (Annual Plan 2020-21) in response to COVID-19 were material, they did not trigger significance.

Consultation was undertaken for three weeks between 15 May and 4 June 2020. This item brings submissions from the consultation back to Council for consideration.

No significant decisions are proposed as a result of submissions received, and the item will be published on Council's website.

## 6 Attachments

1. Annual Plan 2020-21 Deliberations Report

**Under separate cover** (available on request – contact WDC Democracy team)

Submissions Annual Plan 2020-21 - Volumes 1 – 5  
Late Submissions Annual Plan 2020-21 – Volume 6



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# Annual Plan 2020-21 Deliberation Report

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JUNE 10, 2020  
WHANGAREI DISTRICT COUNCIL

## Background

Consultation on amendments to Year 3 of the 2018-2028 Long Term Plan (Annual Plan 2020-21) was undertaken for three weeks between 15 May and 4 June 2020.

The Consultation Document, adopted by Council on 14 May 2020, presented three items for community feedback under the umbrella of Council's response to COVID-19:

- the preferred option for setting of rates for 2020-21 (along with other options considered)
- the proposal for a targeted relief package of \$3m, and
- the potential for Central Government funding to bring forward LTP projects, deliver them on a larger scale and stimulate our economy.

The question for consultation was:

*Do you agree with the changes we have made to Year 3 of our Long Term Plan in response to COVID-19?*

## Engagement and Promotion

No community meetings or formal hearings were held due to COVID-19, and time restrictions.

Distribution and promotion of the Consultation Document occurred through multiple channels during the consultation period including:

- Electronically – Council's website, Facebook, radio
- Physically – print media, and Council facilities
- Electronically to 251 stakeholders including Te Huinga and resident and ratepayer groups

## Formal submissions

Formal submissions were able to be made electronically, verbally over the telephone, via post and/or delivered to Council offices.

Submissions closed at 5.30pm on Thursday 4 June 2020.

## Analysis of feedback

This report is split into two parts:

### Part One – Deliberation

- Analysis of feedback on the consultation question through formal submissions.

### Part Two – Additional information

The information in this section is not part of deliberations on the Annual Plan 2020-21:

- Summary of informal feedback received on the consultation via social media
- Summary of feedback from formal submissions on other topics outside the scope of the consultation as presented in the Consultation Document. This includes:
  - topics that may inform the 2021-2031 Long Term Plan
  - requests for funding through formal submissions
- Formal submissions received after the deadline (late submissions)

## Submission statistics

A total of 125 formal submissions were received within the timeline. This included two duplicates, and one blank submission, resulting in 122 valid submissions.

Formal submissions were received as follows:

- 84 on-line submissions
- 27 by email
- 13 delivered to Customer Services
- 1 via post

Two late submissions were received after the closure date of 4 June 2020. The late submissions will be presented to Council to consider whether it wishes to accept them. As such, and given the timing of receipt, they have been excluded from staff analysis in the deliberations report. If these submissions are accepted as late Council can deliberate on components relating to the consultation question.

A full copy of submissions in alphabetical order by surname are included as ***Appendix One***. The late submissions are included as a separate volume.

## Part One – Deliberation

The Consultation Document, adopted by Council on 14 May 2020, presented three items for community feedback under the umbrella of Council's response to COVID-19:

- the preferred option for setting of rates for 2020-21 (along with other options considered)
- the proposal for a targeted relief package of \$3m, and
- the potential for Central Government funding to bring forward LTP projects, deliver them on a larger scale and stimulate our economy.

The question for consultation was:

*Do you agree with the changes we have made to Year 3 of our Long Term Plan in response to COVID-19?*

### **Do you agree with the changes we have made to Year 3 of our Long Term Plan in response to COVID-19?**

#### **Feedback from consultation**

##### **Statistics summary**

A total of 122 valid submissions were received. Submitters had the opportunity to comment on all aspects of the Consultation Document however not every submitter chose to do so.

Of these 122 submissions:

- 94 of the submissions (77%) responded on the annual plan consultation question
- 28 of the submissions (23%) did not respond to the annual plan consultation question. These submissions provided feedback on topics that may inform the next long term plan, and/or requested funding. These submissions are not part of the annual plan deliberation process.

Not all submissions commented on all three elements of the consultation question (rates proposal, relief package, and Government funding). Some just answered 'yes' or 'no' or commented on one or more of the three elements.

##### **1. Proposal for setting rates for 2020-21**

Of the 94 submissions that responded to the consultation question:

- 48 submissions (51%) supported the proposed rates increase of 2.2% (Yes, we agree with the changes made)
- 46 submissions (49%) did not support the proposed rate increase of 2.2% (No, we do not agree with the changes made)

Of the 46 submissions that did not support the proposed changes:

- 25 submissions (26%) supported a zero rates increase
- 2 submissions supported a rates increase of less than 2.2% but unspecified
- 9 submissions (10%) supported a rates increase of 4.2%
- 1 submission supported a rates increase of higher than 2.2% but unspecified
- 9 submissions simply said 'no' we do not support, with no detail provided

- In total 58 (48+9+1) submissions (62%) supported a rates increase of 2.2% or above

The main reasons given by submitters for supporting a rates increase of 2.2% or above were, the need to keep Whangarei moving forward, and the need to improve infrastructure and keep programmes going.

The main reasons given by submitters for supporting a zero rates increase were, hardship in the community, Council should cut more costs, and hardship in business community.

10 submitters made some reference to rates issues outside the consultation. These included comments on targeted rates, concern about future catchup on rates, a proposal for tiered water rates, Hikurangi Swamp rates, reduced rates for sports clubs, reduced rates for city businesses, and a reduction in rates overall by 5%.

## **2. Proposal for targeted relief package of \$3m**

Of the 94 submissions that responded to the consultation question:

- 37 submissions (30%) commented specifically on the targeted relief package. The remainder of 57 submissions did not make any specific comments.
- Of the 37 that commented, 30 submissions (81%) were broadly in support, whilst 7 submissions (19%) opposed the package.

The main reasons given by submitters who supported the proposal was that it would stimulate the economy and provide relief to the community.

The main reason given by submitters who opposed the proposal was that support should go directly to ratepayers.

Common themes in submissions included:

- the need for accountability and transparency of the \$3m relief package
- consultation should have occurred prior to the package being developed
- support should go directly to ratepayers
- avoid duplication with other Government support
- Council favouring certain organisations

Feedback on changes to the relief package included:

- Spend more on targeted relief across the board
- Increase the percentage of targeted relief for Community from 30% of \$900,000 to 35% in order to provide greater support for sport and recreation (supported by 2 submitters)
- Council employ staff in community affected by COVID to do planting work, clean ups, weed control, deferred maintenance to community infrastructure
- Rate remissions or rebates for businesses affected by COVID-19
- Support package for commercial tenants facing a 50% loss of revenue
- Fees and charges relief for hospitality businesses

## **3. Sourcing Central Government Funding**

Of the 94 submissions that responded to the consultation question:

- 3 submissions commented on Councils proposal to source extra funding from Central Government, all in support. The remainder of 91 submissions did not make any specific comments.

- One submitter mentioned the need to streamline procurement and consenting to deliver shovel ready projects, and to accelerate current projects rather than adding new ones.

### **Staff analysis**

#### **1. Proposal for setting rates for 2020-21**

The proposal to limit the general rate rise for 2020-2021 to 2.2% (inflation as measured by the Local Government Cost Index) as part of a broader package was Council's preferred in response to COVID-19.

The proposal was considered to be a balanced and prudent response to COVID-19. It was also supported by 51% of submissions on this topic (noting that a total of 62% supported an increase of 2.2% or above).

No changes are recommended.

#### **2. Proposal for targeted relief package of \$3m**

Of the submitters that commented on the targeted relief package, 81% were broadly in support of the proposal.

Two submitters proposed that the 30% of funds (\$900,000) allocated to Community be increased to 35%. This would provide the potential for more funding to be allocated to sports and recreation. However, it should be noted that the Community component of the package provides additional support for the 2020-21 year alongside the Annual Operating Grant and other community funds. This means there will be additional investment available across all of the funding priority areas, including for sport and recreation.

The need for accountability and visibility of the process for allocating the targeted relief package is acknowledged, and allocation of funding will be tracked back to the relief package and reported back to Council.

Having analysed submissions the balance proposed in the relief package is considered appropriate and no changes are recommended.

#### **3. Sourcing Central Government funding**

All submitters that commented on Council's proposal to source extra funding from Central Government were in support, with no issues raised in submissions that would result in a change to this component of Council's response to COVID-19

### **Staff Recommendation**

Council notes the submissions and no changes be made to the draft 2020-21 Annual Plan.

## Part Two – Additional information

The information in this section is not part of deliberations on the Annual Plan 2020-21:

- Summary of informal feedback received on the consultation via social media
- Summary of feedback from formal submissions on other topics outside the scope of the consultation as presented in the Consultation Document. This includes:
  - topics that may inform the 2021-2031 Long Term Plan
  - requests for funding through formal submissions
- Formal submissions received after the deadline (late submissions)

### 1.0 Social media feedback

The social media campaign associated with the plan, generated 17 online comments. Social media comments differ from those received through formal submissions and meetings as there is:

- no defined process for ensuring a social media user intended or consented to their comments being included as a formal response
- no defined process for ensuring a social media user intended to for their social media information to be included in the formal consultation process or database
- potential for duplicate feedback/submissions to be recorded.

Those who engaged via social media were invited to follow the embedded link to the on-line submission form.

- 5 comments related to rates, all indicating a preference for a zero rates increase
- 5 comments about water management
- 1 comment requesting bike racks for the CBD
- 4 comments criticising Council's response to submissions in general
- 3 questions unrelated to the consultation, which have been responded to

### 2.0 Submissions outside the scope of the consultation

33 submissions made comments on topics outside the consultation question.

Further analysis will be done to align the themes with Council activity categories, to inform the next long term plan.

Some of the comments from submissions are outside the scope of Council business or relate to committed expenditure.

Operational matters identified are logged in Council's Customer Relationship Management System for review by staff. No operational matters were identified from the submissions.

### 2.1 Feedback that will inform the 2021-2031 Long Term Plan

#### Rates

- Burden and value from Hikurangi Swamp rates
- Recommendation of tiered water rates linked to usage and restrictions
- Reduction in rates for sports clubs

## **Infrastructure**

- Prioritise projects of high practical value (the waters) with less emphasis on feel good projects such as cycleways, playgrounds, inner city living
- Future water supply a priority
- Prioritise infrastructure over luxuries

## **Central City**

- Reduce traffic in central city to support the future inner city living, reduce pollution, increase foot traffic, and more outdoor seating
- Extend free parking period
- Overhaul car parking

## **Roading**

- Improvements needed to State Highways
- Upgrade rural feeder roads as needed for bypass on SH 1
- Request to tar seal road in Waipu
- Request to tar seal road in Ngunguru

## **Getting around**

- Improve pedestrian and cycling networks, safe crossings, town and village centre improvements
- Improve public transport

## **Civic Centre**

- The Civic Centre was mentioned by 14 submitters, with 6 submitters requesting a delay and/or review of the proposal, and 8 opposing it.

## **Community Wellbeing**

- Address social procurement, spend local, use local expertise, take intergenerational approach, equity lens on investment, focus on community wellbeing
- Improve public toilets, seating, and walking tracks

## **Arts & Tourism**

- More funding for arts and tourism

## **Other**

- Do not support reductions in staffing unless directly related to lost service needs
- Multipurpose regional community centre, fire bans, kauri die back, weeds on roads, trees in public areas, rubbish on roadside, dog park
- Reduce spending on ornamentals such as the Hatea Loop

## **2.2 Requests for funding through formal submissions**

Formal submissions requesting funding will inform the 2021-2031 Long Term Plan.

11 submitters requested funding as follows:

- New Zealand Chinese Language Week Trust
- Hikurangi Business Association, supported by 24 separate submitters
- Ngunguru Sandspit Protection Society (signalling possible future funding request)
- J Plain for cat management
- Waipu Cycle and Walkway Group
- Quarry Gardens Trust
- Whangarei Art Museum Trust
- Wairau Maori Art Gallery (in support of WAMT)
- Whangarei Heads Community Resource Recovery Charitable Trust
- Northland Football Hub supported by 3 separate submitters
- J Templeton for resource sustainability and the climate change programme

## **3.0 Formal submissions received after the deadline**

Submissions received after 5.30pm on Thursday 4 June have been treated as late submissions.

Two formal submissions were received late as follows:

- Submission number 126 – P Anderson
- Submission number 127 – J Willemen



**RESOLUTION TO EXCLUDE THE PUBLIC**

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

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 are as follows:

1.	The making available of information would be likely to unreasonably prejudice the commercial position of persons who are the subject of the information. {Section 7(2)(c)}
2.	To enable the council (the committee) to carry on without prejudice or disadvantage commercial negotiations. {(Section 7(2)(i))}.
3.	To protect the privacy of natural persons. {Section 7(2)(a)}.
4.	Publicity prior to successful prosecution of the individuals named would be contrary to the laws of natural justice and may constitute contempt of court. {Section 48(1)(b)}.
5.	To protect information which is the subject to an obligation of confidence, the publication of such information would be likely to prejudice the supply of information from the same source and it is in the public interest that such information should continue to be supplied. {Section 7(2)(c)(i)}.
6.	In order to maintain legal professional privilege. {Section 2(g)}.
7.	To enable the council to carry on without prejudice or disadvantage, negotiations {Section 7(2)(i)}.

**Resolution to allow members of the public to remain**

If the council/committee wishes members of the public to remain during discussion of confidential items the following additional recommendation will need to be passed:

**Move/Second**

"That \_\_\_\_\_ be permitted to remain at this meeting, after the public has been excluded, because of his/her/their knowledge of Item \_\_\_\_\_.

This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because \_\_\_\_\_.

*Note:*

*Every resolution to exclude the public shall be put at a time when the meeting is open to the public.*