

Council Briefing Agenda

Date: Tuesday, 20 October, 2020

Time: 1:00 pm

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. Apologies

2. Reports

2.1. LTP Capex and Opex modelling

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3. Closure of Meeting

2.1 LTP Financial modelling review

Meeting:	Council Briefing
Date of meeting:	20 October 2020
Reporting officer:	Dominic Kula (General Manager Strategy and Democracy)

1 Purpose

The purpose of the briefing is to review the outcomes of financial modelling and bring back recommendations based on feedback provided in the councillor prioritisation briefings of 22nd and 23rd September, and the Capex Delivery Briefing of 29th September.

2 Background

The Council briefings on 22 and 23 September provided elected member prioritisation of the new requests for capex and opex projects, identifying a potential 'first 15'.

As noted at these briefings, the next necessary step was to undertake financial modelling of the projects in order to get an indication of debt, and provide staff recommendations / options (particularly around opex).

As financial modelling will not be complete until 16 October, following which staff will work through the outputs and recommendations, the supporting presentation and capital programme will be distributed under separate cover, most likely on Monday 19 October.

3 Discussion

3.1 Councillor direction on project delivery

At the Briefing held on 29 September, councillors led a session on the approach to the delivery of projects, and any functions or services Council should stop doing.

Prior to outlining the results of modelling staff will report back to elected members on options for incorporating councillor feedback in the development and implementation of the LTP. This will include consideration of:

- Get the costs/scope right up front
- Bundling programmes
- Opportunities for community led projects
- Funding mechanisms for large one offs

3.2 Financial modelling

Early this year elected members defined their strategic priorities. These priorities were workshopped with councillors in August 2020 with a view to using them to shape the direction of the LTP:

- Transport
- City Centre Revitalisation
- Sustainability

- Northport/Navy
- Housing

Projects identified were then prioritised by councillors with a 'first 15' opex and capex being identified for modelling. In doing so it was agreed to:

- Undertake further review of key request programmes, consolidating where possible and bringing back recommendations
- Model the BAU capex programme and initial request priorities based on LGCI + 2% + catchup + growth, followed by LGCI+ 2% + growth
- Get an indication of debt from modelling (no cap at this stage) and provide staff recommendations / options (particularly around opex)
- 'Play the issue/project'
- Consider large one offs that didn't make the cut that could be debt funded (i.e. theatre options)
- Bring back any unfunded items where there are risks/impacts

In this Briefing financial modelling will also be provided for the new requests and BAU programme for the 10 years of the LTP. Modelling will then show the financial impact of including opex requests with recommendations being worked through.

As requested by elected members, staff have also reviewed the opex requests to move, where possible, requests to BAU opex budgets or contestable grant processes. Due to the value and scope of the opex requests, there is only a limited opportunity to move projects. At this stage the following requests have been identified:

- Carpark feasibility study
- Delivery of Chinese language week
- Northport advocacy and corridor plan

In addition, the following may be able to be moved to a contestable grant process (noting that the grant process will require elected member approval):

- Quarry Gardens Trust
- Gomez Road support for outdoor activity development

3.3 Projects that are not in the plan

There some projects and programmes that have been identified by staff which have no funding. Staff have carried out a critical review of these to determine the risk to Council and the Community of not funding them in this LTP.

At the briefing, staff will give a recommendation, for consideration of Council, as to which of these should be incorporated in the programme.

3.4 LTP Timeline review and next steps

As previously discussed with elected members a draft LTP needs to be finalised and adopted by Council in December for Audit NZ and to inform the consultation document and process.

In order to achieve this deadline, certainty is needed on key components of the LTP. For this reason, at this briefing staff will be seeking confirmation of projects and requests for inclusion in the draft LTP that will go out for consultation.

On the basis that clear feedback and comfort is achieved, briefings will be held in October and November on the key policy components of the LTP, including:

- Development Contribution Policy
- Revenue and Finance Policy
- Rates remission and postponement policy

- Finance and Infrastructure policy

However, and given the timeframes we are working to, if comfort is not achieved the Briefing will be adjourned with a view to reconvening it later in the week (if possible).