

## **Council Briefing Meeting Minutes**

**Date:** Thursday, 29 April, 2021  
**Time:** 9:00 a.m.  
**Location:** Council Chamber  
Forum North, Rust Avenue  
Whangarei

**In Attendance**

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 Phil Halse  
Cr Greg Innes  
Cr Anna Murphy  
Cr Carol Peters

**Not in Attendance**

Cr Jayne Golightly  
Cr Greg Martin  
Cr Simon Reid

**Scribe**

Danielle Garner (Trainee Democracy Adviser)

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Her Worship the Mayor facilitated the briefing.

### **1. Apologies**

Apologies were received from Crs Golightly, Martin and Reid.

### **2. Reports**

#### **2.1 LTP Issues and Options**

The purpose of the briefing today is to discuss the staff responses on submissions received on the content of the Consultation Document (CD) to get collective direction from Elected Members on key issues, for staff to finalise the Issues and Options report for deliberations on 12 May.

Dominic Kula (General Manager – Strategy and Democracy) went through the presentation. Key points of the discussion included:

- The LTP must be drafted and audited prior to adoption on 24 June 2021. Council must adopt the LTP by 1 July 2021 in order to strike a rate for the 2021/22 financial year.
- Opex is particularly constrained with the potential to lose subsidy revenue. In Capex, the constraint is due to capacity and programmes will need to be shuffled around due to carry forwards (particularly in Parks).
- At this stage is the process, Elected Members can put forward proposed changes to the draft LTP as a result of submissions.
- Previous discussions on changes as a result of submissions were around strategic funding priorities for Transportation, Sustainability, City Centre revitalisation, and Climate Change. There was also a lot of discussion on Housing with a range of views in respect of Council's role.
- Referring to Northport, the Navy and dry dock, Council viewed this as central government decisions and our role here is to plan for growth and provide for projects if the decisions come through.
- Mr Kula recapped the subsidy and government funding, particularly over the first three years of the plan and highlighted the changes to capex since the draft CD was adopted.
- Capex delivery is tracking well but there is an increase in the projected carry forwards, particularly for the Parks programme.
- There have been cost escalations in projects and he explained what this would mean.
- Elected Members could choose to lock in up to a further 0.5% rates increase if they wanted to add more opex.
- Regardless, we could end up with an LTP amendment next year as a result of lost subsidy which could require a further rates increase or a reduction in services.
- Opex changes have therefore been kept to a minimum and Councillors could look at substituting opex and the initiatives suggested by staff or look at substituting existing programmes (i.e. doing City Centre planning or Placemaking slower in order to do a housing strategy). Other areas such as Grant Funding or City Safe could also be looked at.
- Dominic Kula said there are constraints on what can be done legally without consulting regarding rates increases, and more than 0.5% is getting into the 'risk zone'.

### Questions and feedback from Elected Members included:

- There was discussion around the new Civic Centre building and whether it would impinge on capital. Rob Forlong (Chief Executive) advised that a new Quantity Surveyor has been appointed. The supply chain is a genuine and significant issue which will increase across projects, for example, the stadium roof. This is currently being worked through and staff will come back to Elected Members with options. He predicted that at some stage there will be a downturn and tenders will come in below what is expected. Calculations are being redone and Alan Adcock (General Manager - Corporate) expects problems, as construction costs are going up quickly. A lot of the costs have been mitigated, for example the steel is already purchased. As soon as the calculations are finalised, they will be reported to Elected Members. Costs are likely to be significant but manageable, but Elected Members must make calls on what they know now and manage the future, because it could change dramatically in the next six months. He noted Covid as being one of the biggest economic shocks of our lifetime.
- Three Waters was discussed in the context of the unknowns around opex. Council needs to be a prudent governor of their assets and look after them.
- Housing was discussed with differing views amongst Elected Members. Dominic Kula said that Elected Members have been divided and this was worked through at previous meetings where an additional \$2m was put into housing. He said two responses had been put forward for this plan – to continue to work alongside central government, and to allocate \$2m towards housing.
- *If items were listed in the LTP, could they be moved around?* Dominic Kula said Elected Members can make the choice not to do projects and can choose to do other projects, but collective agreement from councillors is needed.
- Transportation was discussed and whether plans might need to be altered. Dominic Kula said at this stage we don't have certainty and there have been no changes, and Council are likely to get clarity in September. Jeff Devine (Manager ??) said they are working through the maintenance and capital works programmes which will not be finalised until September, but he hoped to know earlier what they are likely to be. Rob Forlong said the signals are that the money is a lot less than we have been expecting in the capex area for transport. We are also expecting a decision around the future management of waters and there is a good chance the LTP will need to be reviewed next year. He said there is more uncertainty than usual because of Covid and government reforms but Council will need to manage this regardless.

- *Is health included in the deliberations around sealing of roads?* Jeffrey Devine said sealing of roads is an unsubsidised activity that council is fully in control of, and they are working on a matrix to get a list of roads that need investigating. He confirmed health is taken into account around dust.
- Capex and construction issues were discussed and if sufficient money had been set aside. Dominic Kula responded staff have put forward their best estimates in the budget for funding. He said the first three years are always more certain and further out Council will need to recast and that is the purpose of the process. Rob Forlong said Elected Members need to bear in mind that they have a set of information which is not perfect and has lots of uncertainties, but it is the best information which can be provided for decisions to be made.

The briefing adjourned at 10:00 and reconvened at 10:17. Elected Members then split into three groups where the following topics were worked through:

- Spaces for Gathering
- Other key issues: Rates, Revitalising City Centre, Climate and Sustainability
- Capex changes
- WAMT/HAPT
- Hikurangi recommendations
- Opex additions

Group 1 was made up of Crs Cutforth, Innes, Benney, Cocurullo, facilitated by Tony Collins.

Group 2 was made up of Her Worship, Crs Connop, Couper, Halse, facilitated by Jane Ashley.

Group 3 was made up of Crs Murphy, Peters, Deeming, facilitated by Tony Horton.

The following topics were discussed:

## **Spaces for Gathering**

### Group 1

- Points of difference were to consider bringing \$1.5m out of Forum North to do relevant feasibility study for the Lyric theatre before further work.
- Capex being spent on Forum North to enable theatre at the same time.
- Not a strong consensus on NRC involvement in Oruku Landing.
- General support for further ways of capex support in relation to Hihiaua around externalities of project. How can we invest money in upgrades over time?

## Group 2

- Oruku Landing support but conditional on NRC involvement and feasibility study.
- Like to see additional capital expenditure for a theatre at same time as the Forum North upgrade.
- Support for Hihiaua and no changes in plan.

## Group 3

- Theatre questions over ownership /management. Forum North first with some investment in the Lyric Theatre at same time.
- Oruku Landing contingent on NRC involvement.
- Support for Hihiaua, no additional opex but look at capex.

## Summary of feedback from the three groups:

- The majority view was that support for Oruku Landing was contingent on NRC support. Dominic Kula said staff will provide councillors with any information available prior to deliberations.
- There was support for Hihiaua, but with no major departure in opex and grant funding.
- There was consistency from Elected Members across Hihiaua, with the majority wanting to investigate the potential for further support through capex and timing changes.
- There was a desire to tie the Lyric Theatre and Forum North together in some way and maximise the capex from Forum North.
- The unresolved issue was timing, with some saying get on with it and some saying allow Forum North Trust to do it. If it is a Council project, it will go on the basis of capital expenditure from Council and if it is a Forum North Trust project, it will be opex. Dominic Kula said it would probably be his recommendation that it was Council owned. There was general support for Council owned with an agreement for a trust to manage it. Her Worship said we needed to check with Forum North Trust whether the \$1m is contingent on them owning the asset, or being in a management relationship.
- Signal further capex support for Hihiaua and look at funding the Lyric Theatre in later years.
- Dominic Kula will take feedback onboard and will separate the projects out and put a narrative in the LTP to clarify submissions and community support for each project.
- Rob Forlong said he has had calls from government departments about the potential to put a bit more funding into Hihiaua. He said \$8m for Hihiaua needs to be bridged.
- There was support to look at capex for Hihiaua and other opportunities to support it.

## **Other key issues: Rates, Revitalising City Centre, Climate and Sustainability**

### Group 1

- No consensus reached.
- Rates 6.5% rates increase, based on submitters understanding the logic even if uncomfortable with ability to pay.
- City Centre – no additional funding.
- Climate change – split on increasing to \$7.4m based on feedback of submitters, with no consensus reached.

Dominic Kula said there is a direct conflict with the position of this group on rates and climate change. The potential for options in the deliberations report was raised.

### Group 2

- 6.5% rates increase in year one.
- No change to City Centre Revitalisation.
- Climate Change position unresolved, possibly needs further discussion.

### Group 3

- 6.5% rates increase in year one.
- City Centre Revitalisation – support for Option 1.
- Group was split on climate change. One view was to stick with what is proposed in plan and two councillors support more funding and acknowledge increased rates.
- Climate change – preference to split out climate change related funding and waste funding.

Summary of feedback from the three groups:

- Rates at 6.5% increase is supported, with some raising the potential to go higher from Year 2 if we want to do more.
- Look at options around climate change and split out climate change and waste minimisation in the budget. Further discussions to be held on climate change.
- There was discussion of doing more in waste minimisation. Dominic Kula raised the potential for increased revenue from waste minimisation levies and a larger contestable fund for waste minimisation initiatives. A standalone briefing was suggested and supported, once there is more certainty.

## **Capex changes**

- Ruakaka carpark – agreed to include this project.
- Semenoff Stadium roof – agreed to an additional \$5.9m.
- Changes to timing of sports fields projects, with a minor increase in total capex to reflect escalation was agreed to.

- Raumanga playground budget in year 3 being increased by \$50,000 for parking/connectivity was agreed to.
- Shift \$1m from sports field acquisition to Neighbourhood Park land acquisition was agreed to.
- Managing carry forwards in Parks was agreed to.
- Old municipal building additional works was agreed to.
- There was a request for \$2m in capex for housing and Dominic Kula said he will discuss housing at towards the end.

### **WAMT/HAPT**

- Rob Forlong said that the Hundertwasser is on the verge financially, given the situation with lack of tourists and high costs.
- In clarifying the air conditioning for WAMT, Rob Forlong said our obligation under the lease is 'like for like' but the easiest is to replace it to Te Papa standards out of capex.
- Sandra Boardman (General Manager - Community) said they do not have a figure for costs, but the ballpark figure is \$350,000.
- Dominic Kula said staff were seeking direction from Elected Members on any opex increase but we need to balance that against any other increases in opex. If there is too much additional opex, staff may have to ask Elected Members to refine these, particularly if we reach the threshold where we have to re-consult.

### Group 1

- Upgrade air conditioning to a level which will satisfy Te Papa.
- There was a split as to whether to increase the WAMT grant or not.
- No increase for Hundertwasser funding.

### Group 2

- General feeling was the need to "fund to succeed."
- Upgrade air conditioning to Te Papa level.
- Provide WAMT with \$300,000 grant and let them decide what is the best way forward.
- \$2.4m capex to go on entrance and other renovations.

### Group 3

- Upgrade air conditioning to Te Papa level.
- The group was split on additional opex with 2 Elected Members supporting and 1 not.
- No increased funding to Hundertwasser.

Summary of feedback from the three groups:

- Funding total cost of air conditioning as a council asset from capex.

- There was a split but with a clear majority not wanting to fund a subsidy. Dominic Kula said they will park this. He proposed to frame the discussion around giving WAMT a bundle of funding and they decide how they want to spend it. Sandra Boardman noted that WAMT represents one entity.

### **Hikurangi recommendations**

- All three recommendations were agreed to by all groups.

### **Opex additions**

Dominic Kula said there would be a session for Elected Members before the end of the briefing to follow up on what had been missed and to identify priorities. He said there was a split on climate change and further discussion was needed on WAMT funding.

#### Group 1

- \$50,000 for cultural capacity initiatives – agreed.
- \$30,000 one-off for Oakura – agreed.
- \$25,000 p.a. – NAGST – agreed.
- Increase the contestable Waste Minimisation fund for community initiatives to \$200,000 p.a. – agreed to
- No increase to the community fund but look at the potential for additional grant funding in other areas

#### Group 2

- \$50,000 for cultural capacity initiatives – agreed.
- \$30,000 one-off for Oakura – agreed.
- 25,000 p.a. – NAGST – not agreed.
- Increase the contestable Waste Minimisation fund for community initiatives to \$200,000 p.a. – agreed
- No increase to the community fund.

#### Group 3

- 50,000 for cultural capacity initiatives – group was split.
- \$30,000 one-off for Oakura – agreed.
- 25,000 p.a. – NAGST – not agreed.
- Increase the contestable Waste Minimisation fund for community initiatives to \$200,000 p.a. – agreed to
- No increase to the community fund but further discussion was needed around where the priority is for increased grant funding.

Summary of feedback from the three groups:

- \$50,000 for cultural capacity initiatives – agreed.
- \$30,000 one-off for Oakura – agreed.



- 25,000 p.a. – NAGST – not agreed.
- Increase the contestable Waste Minimisation fund for community initiatives to \$200,000 p.a. – agreed
- No increase to the community funding but to have further discussions to see where priority is for additional grant funding.

Adjourned from 12:25 – 1:00 for lunch.

Dominic Kula said there are three issues in opex where Councillors have either signalled the potential for additional funding in the morning session or views were split. We need a clear consensus on where the priorities are and appetite to pay.

1. Increased option climate change (0.4% rates increase).
2. WAM funding – discussion between \$100,000 – \$300,000 – increased funding (0.4% rates increase)
3. Grant funding – increased but through other channels \$100,000 - \$1m (0.2 – 1.5% rates increase)

Each table was asked to identify what had been missed from staff recommendations and then prioritise one or two changes to the plan they would choose (and identify if opex or capex). If Elected Members didn't want a rates increase, they needed to look at what they would pull back on, such as libraries, work programmes, doing things differently, City Safe etc. Over a further 0.5% rates increase there is a risk in not reconsulting and Dominic Kula asked Elected Members to start thinking about trade-offs in this respect.

### Group 1

Opex:

- Snip and Chip funding at \$15,000 over first 3 years
- Predator control funding at \$15,000 over 3 years
- Weed action funding at \$15,000 over 3 years
- Gomez Road support to progress

Capex:

- Bicycle security
- Storm water traps
- Dog park for small dogs
- Senior housing increase of \$2m
- Purchase of Ngunguru Sandspit / strategic land purchase of Kauri Mountain Climate Change

Dominic Kula summarised that no top two priorities were identified and that these were mostly individual priorities.

## Group 2

- Snip and Chip funding at \$10,000 per annum
- Old Boys site future use investigations
- Strategic land purchase of Kauri Mountain
- Full group support for the purchase of Ngunguru Sandspit with \$500,000 grant from the Parks Acquisition fund.
- New infrastructure needs to be built to universal design standards
- Investigate future options for Forum North

The group was split on reducing the cost of an animal shelter. Dominic Kula summarised that no top two priorities were identified by the group, but that all had shown support for Snip and Chip and the purchase of Ngunguru Sandspit.

## Group 3

Opex:

- Snip and Chip funding at \$15,000 over first 3 years
- Some support for \$200,000 opex for housing strategy programme
- Support for predator and pest management on Parihaka with \$25,000 over first three years

Capex:

- Bike security
- One councillor supported the Rose Street bus station upgrade \$1.2m
- Support for \$2m towards senior housing

Dominic Kula summarised that there were three top priorities identified which were for Snip and Chip, \$200,000 towards housing and the purchase of Ngunguru sandspit.

Rob Forlong said it would be good to get a feel for how many Elected Members are prepared to increase rates above 6.5% and see if there is a majority. He asked if there was any strong objection to staying with 6.5% for year one and then looking at a higher increase in year two. This would give some strong parameters to work through and then the priorities could be looked at. There was general support for an increase of 6.5% in year one and potentially 5% in year two.

Tony Horton outlined the housing strategy and said the figure is around \$200,000 over two years for research and drafting the strategy. His recommendation would be to look at a partnership, not WDC in isolation.

Dominic Kula identified Snip and Chip funding of \$15,000 over three years and Bike Security as priorities all Elected Members agreed on. He said Housing was also identified but not unanimously and asked Elected Members to pick out one or two priorities with a show of hands.

Dominic Kula said he would like direction from Elected Members by going through each of the priorities to get a feeling for consensus/majority support.

Elected members then worked through each item identified with a show of hands to indicate whether the change had majority support. Those that didn't were crossed off the whiteboard. Dominic Kula noted that, while no decisions were being made, this process would provide staff with the direction for the issues and options report. The direction provided is captured in the table below.

Direction	Opex	Capex
<del>Climate Change (0.4% increase)</del>		
<del>WAMT – \$100K/ \$300K (up to a 0.4% increase)</del>		
Grant funding \$100K p.a. <del>(\$1m OUT)</del>	\$100k p.a.	
Snip and Chip \$15k p.a. for first 3 years	\$15k p.a. for first 3 years	
Bike security		\$1m spread over three years (note, ongoing operational cost of \$10k p.a.)
<del>Predator action \$15k p.a. for 3 years</del>		
<del>Weed action \$15k p.a. for 3 years</del>		
Gomez Road – support to progress	\$10 - \$50K for Resource Consent (have been encouraged to apply through Community Grants)	If council to undertake work \$200k Capex year 4 for a trail / path (note, ongoing operational cost of \$20k p.a.)
<del>Ngunguru Sandspit – only if can be treated as capex (need to clarify), out if opex</del>	<del>Submitter is seeking between \$100k – \$500K from WDC and NRC to support land acquisition. It has been confirmed that this would be opex.</del>	
Housing strategy	\$200k	
<del>Kauri Mountain</del>		
<del>Stormwater traps staff to check if additional spend could qualify for Waste Minimisation Levy funding</del>		
<del>Small dog park</del>		
Senior/pensioner housing – additional \$2m		\$2m (there was some confusion over whether

		there was majority support for existing funding or for additional funding, but notes indicate the latter and an option will be put forward)
Decrease funding for Animal shelter		
Rose street stage 2		
<b>Non Cost Items</b>		
<p>The following were non-cost items identified for further investigation, or to be considered through separate processes:</p> <ul style="list-style-type: none"> <li>• Old Boys: Te Karearea to make a recommendation on request to set aside for Nga Hapu o Whangarei (it was noted that there may be opex implications that will be investigated)</li> <li>• Kauri Mountain land purchase: talk to NRC about their ability to purchase as a regional park</li> <li>• Look to incorporate universal design into new capital projects</li> <li>• Investigate the future of Forum North</li> </ul>		

Rob Forlong advised that, based on feedback, WAMT would not receive any additional funding, which could negatively impact their operations. There is an alternative plan, but it would not be favourable.

Dominic Kula thanked Elected Members and said staff would consider the priorities shared today to identify if there is enough direction to finalise the Issues and Options report, which will be presented to Council on 12 May 2021.

### 3. Closure of Meeting

The briefing concluded at 14:00.