

Council Briefing Meeting Minutes

Date: Tuesday, 31 October, 2017
Time: 9:00 a.m.
Location: Council Chamber
Forum North, Rust Avenue
Whangarei

In Attendance	Her Worship the Mayor Sheryl Mai (Chairperson) Cr Stu Bell Cr Crichton Christie Cr Vince Cocurullo Cr Shelley Deeming Cr Sue Glen Cr Phil Halse Cr Cherry Hermon Cr Greg Innes Cr Sharon Morgan Cr Anna Murphy
Not in Attendance	Cr Tricia Cutforth Cr Greg Martin

Also in attendance:

Rob Forlong (Chief Executive), Alan Adcock (General Manager Finance and Corporate), Alison Geddes (General Manager Planning and Development), Jill McPherson (General Manager Strategy and Democracy), Rich Kerr (Finance Manager), Alison Puchaux (Manager Revenue), Nathan Wright (Accountant), Rachel Pascoe (Team Leader Communications), Nicole Butturini (Management Accountant), Andrew Venmore (Manager Water Services), Bronwyn Jeeves, Ann Midson, Sue Hodge (Parks Manager), Jeff Devine, Andrew Carvell (Manager Waste and Drainage), Dominic Kula (Manager Infrastructure Development) Adam Worley (Manager District Development) and Jennie Thomas (Democracy Adviser)

1. Apologies

Crs Martin and Cutforth

Her Worship the Mayor convened the meeting.

2. Report

2.1 Long Term Plan 2018 Budget Overview

Jill McPherson advised the meeting she would be providing a brief overview of the proposed (draft) Long Term Plan. Rich Kerr would be present on the Financial

Strategy Overview and Dominic Kula would provide an update on the Infrastructure Strategy and Development Contributions review.

A draft Comprehensive Revenue and Expense table and a draft Capital Projects List have been completed. The Revenue and Expense table maintained a balanced budget and the Capital Projects List programme was achieved within the debt limit.

There have been some issues which have led to cutting or deferring of capital projects. The One Building and Theatre are not included as they would distort the programme.

An additional sports park and original funding for a theatre are still in.

Capital projects that have been taken out include:

- Whangarei Falls Platform
- Car park in the CBD
- Te Hape Sewer Diversion
- Morningside stormwater additional funding
- Town Basin boardwalk widening
- Unsubsidised share paths (subsidised still in)

The next stage of the process will include:

- Looking at reducing year 5
- Attempt to include more funding for Pohe Island
- Project swaps approved at the last Council meeting

The final draft will be presented to the 21 November Council Briefing.

Long Term Plan Budget issues raised:

- Cash up Property Investment Reserve?
- Sale of property for re-investment in new projects e.g. Okara Park, Town Basin
- Pukenui Park funding – what is in the budget?
- Have we accounted sufficiently for future growth?
- Is the City Centre Plan sufficiently funded?
- Have we allowed for investment in increased car parking in or near the CBD?
- Is Car Park to Park still a priority? Should it be kept as a carpark?
- How are we accounting for One Building?
- Do we have sufficient headroom for adding in requests from Public Consultation?
- Tutukaka Boat trailer parking – what are we doing to protect the Village Green?
- Can we fix the dog park drainage issues sooner than year 3?
- Have we allowed funding for likely co-Governance requirements coming from Treaty Settlements?
- Why are staff costs increasing?

- Toll Stadium – what are NECT costs and what are WDC costs for building and field maintenance?
- Why is Whangarei Heads Road improvements excluded and what would they cost to include?

Other points of discussion included:

- New sports park and how it is to be funded?
- Hatea loop widening of paths in light of extra bridge being constructed.
- Seal extensions.
- Obtaining Central Government funding.
- Possible income from property portfolio.

It was noted that early engagement was undertaken to ensure that the consultation document is as closely aligned as possible.

The meeting adjourned for a break and reconvened at 10.20 am.

Financial Strategy Overview

Rich Kerr reviewed the presentation on the Financial Strategy Overview as outlined in the agenda report and presentation. The Financial Strategy is the cornerstone of the LTP and required by the Local Government Act. It sets the financial parameters within which the council will operate and fund operations and capital programmes for the next ten years.

Whangarei is experiencing growth and feedback from the community is to improve amenities and functions.

The feedback from members is to maintain a balance budget. Increasing rates by LGCI + Growth + 2% over the 10 years. Water rates will only be increased by growth.

To fund Business as Usual (BAU) projects and additional requested projects by allowing the debt level to increase over the 10 years – from - \$161.5m (June 2018) to \$223.2m by 2028. Debt per Capita will be fairly consistent throughout the plan.

Allowing for funding for special projects such as One Building and a new Theatre Complex above the debt level. To allow for intergenerational equity these projects be funded notionally over a 30-year period.

Another objective of the strategy is to maintain levels of service (LoS) and in targeted areas improve them.

No funding has been allowed for Commercial property purchases. This means the Property Reinvestment Reserve will not be backed by cash balances.

Areas of discussion focused on:

- The possibility for targeted rates for additional services requested from specific communities
- Funding allowed for the Property Reinvestment Reserve to allow for strategic commercial purchases to potentially influence development. It was advised that property purchases had been previously ranked as one of the lowest priorities.
- There were mixed views expressed on Council selling assets to fund projects
- Raising debt levels

Elected members were advised they will be provided with a draft LTP document at the 14 December Council Meeting. It will remain as a draft until an audit has been undertaken in January/February and then will be formally adopted.

Infrastructure Strategy and DCs update

Dominic Kula presented on the Infrastructure Strategy. Dominic updated Elected Members on the review undertaken since August's briefing.

The strategy has been reviewed against issues emerging from Activity Management Plans (AMPs), financial parameters and Audit/sector guidance.

Points of issues identified included:

- Whau Valley Water to be carried through to 2018 as a potentially significant project
- Due to the Havelock North issue a higher standard and monitoring could be required
- A new airport has not been included as it is still in the feasibility stage but potential roading requirements have been noted
- Ruakaka growth is likely to result in the Ocean Outfall being identified as a significant project
- Stormwater asset condition and the ability to maintain LoS has been noted as a key emerging issue
- Land acquisition for parks and recreational space is noted in order to meet growth

The 2018 Infrastructure Strategy is inclined towards a continuation of 'holding and maintaining.' Options identified to enhance the strategy include:

- Focusing on asset and condition data improvement and modelling
- Focusing on stormwater issues in the early years
- Ongoing prioritisation on renewals spend across the activities

Areas of discussion focused on:

- Growth model accuracy and spatial plan considerations. Work being undertaken with Strategic Planning.
- Whangarei Heads Road congestion and safety
- Allowances for changes in technology in relation to transportation
- Changing demographics of the community and aligning parks and recreation to accommodate these
- Improvement in asset data management providing more accurate depreciation assessments

Development Contributions Review

Dominic Kula continued with the presentation on the Development Contributions Review.

From the Briefing held in June 2017 potential amendments were highlighted:

- Minor changes to catchment areas
- Reviewing the Marsden/Ruakaka Waste Water HUE rates
- Combining Marsden and Ruakaka catchments
- 30-year Development Contributions projects
- Reviewing DC's for Parks land
- DC's to be applied to stormwater projects

The following are items reviewed to date:

- Administrative and Marsden/Ruakaka changes incorporated
- Stormwater and 30 year projects discounted
- Parks land dependent upon budget decisions
- Legal review of Policy completed – minor amendments required under LGA

Key Issues Identified included:

- Increased capex and changes to the growth model are leading to significant changes to DC rates – particularly in smaller catchments
- Creates the potential for developer uncertainty

Areas of discussion focused on:

- In the event of a DC's levied project being cancelled, Council can deliver an activity with a substitute project within that catchment
- Capping of Wastewater
- Stormwater projects – severe weather events

3. Closure of Meeting

The meeting concluded at 12.00 pm.