



# **ATTACHMENTS MINUTES**

**Ordinary Council meeting**

**Monday, 19 June 2023**



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## Attachment 1 - FUNDING PRINCIPLES

### 1(a) - Current funding principles - found in Tauranga City Council's Enduring Statement of Expectations with Bay Venues [here](#) and summarised below:

Council's Revenue and Financing Policy sets out the key funding principles, including accessibility, affordability and benefit to the user. The rationale being that user fees and charges are set at an appropriate level to promote the sustainable use of facilities, as well as provide access to a diverse range of events and recreational experiences for residents and economic benefits from visitors.

There are four high level funding principles:

1. As a general principle, BVL should look to provide limitations on user charging within the funded facility network, where appropriate, within the guidelines of the Revenue and Financing Policy.
2. The role of Council is to specify the overall mix and level of services to the community, ideally consistent with Council strategy, and to hold BVL accountable for the use of funding from all sources.
3. The BVL Board must be empowered with sufficient flexibility to determine the best use and allocation of funding to meet required levels of service to the community and visitors.
4. BVL is expected to meet the approved annual budget.

### 1(b) - Proposed funding principles - for approval by Council, to be included in the revised Enduring Statement of Expectations from Tauranga City Council to Bay Venues:

1. Bay Venues is expected to achieve the approved budget.
2. Bay Venues loan - over and above its existing assets - should not increase over time, and where possible it should decrease. Debt retirement is not mandatory, however if required it will not be funded by the depreciation reserve.
3. User fees and charges for the funded network should broadly align with comparable facilities in other major cities around New Zealand to optimise return on investment and user affordability. User fees and charges in the non-funded network are to be set at market rates and generate a commercial return.
4. Bay Venues will undertake reviews of user fees across the funded network every three years, as part of the Long-term Plan process, managing minimum CPI (Consumer Price Index) increases along the way.
5. The operating grant from Tauranga City Council to Bay Venues should fully cover the net cost of operating the funded network, based on agreed priorities, after optimising user fees, charges and costs.
6. Depreciation should be funded on all assets in the funded network, unless assets are not intended to be replaced. For clarity, this includes both new capital and renewal assets. Bay Venues has full responsibility for asset maintenance and investment in renewals.
7. Tauranga City Council are responsible for managing the depreciation reserve used for renewal funding.
8. Debt servicing should be funded on all assets in the funded network (both new capital and renewal assets).

9. Bay Venues is expected to make a profit in the non-funded network, therefore should not attract any operating grant. Profits made in the non-funded network could be re-invested into the network to ensure future growth and viability or used to retire debt.
10. Assets in the non-funded network are expected to generate a positive return, therefore should not attract depreciation funding. Bay Venues are responsible for covering the costs of debt and depreciation. Where there are instances that assets in the non-funded network have significant community benefit, Bay Venues can apply to Council for depreciation funding.

Table 1 – Funded and Non-Funded Facilities and Activities, as related to ESE principles

<i>Business Outputs Apply</i>	
<i>Community Outputs Apply</i>	
<b>Funded Networks</b>	<b>Non-Funded Networks</b>
<p><b>Aquatic Network</b></p> <ul style="list-style-type: none"> <li>• Baywave pool</li> <li>• Greerton pool</li> <li>• Otumoetai pool</li> <li>• Memorial pool</li> <li>* <b>Mount Hot Pools</b></li> </ul> <p><b>Community Centre Network</b></p> <ul style="list-style-type: none"> <li>• Arataki Community Centre</li> <li>• Papamoa Community Centre</li> <li>• Papamoa Sport and Recreation Centre</li> </ul> <p><b>Community Hall Network</b></p> <ul style="list-style-type: none"> <li>• Greerton Hall</li> <li>• Bethlehem Hall</li> <li>• Tauriko Hall</li> <li>• Welcome Bay Hall</li> <li>• Matua Hall</li> <li>• Waipuna Pavilion</li> <li>• Elizabeth Community Centre</li> <li>• The Cliff Road Building</li> </ul> <p><b>Community Indoor Sports Network</b></p> <ul style="list-style-type: none"> <li>• Queen Elizabeth Youth Centre (and Memorial Hall)</li> <li>• Mount Sports Centre</li> <li>• Merivale Action Centre</li> <li>• Aquinas Action Centre</li> <li>* <b>Mercury Baypark Arena - 6 court</b></li> <li>* <b>Mercury Baypark Arena - 3 Court</b></li> <li>* <b>Mercury Baypark Arena Suites</b></li> <li>* <b>Mercury Baypark Stadium, Lounge, Pavilions and Fields</b></li> <li>* <b>Bay AV</b></li> <li>* <b>Bay Events</b></li> <li>* <b>Adams High Performance Centre</b></li> </ul>	<p><b>Programmes Network</b></p> <ul style="list-style-type: none"> <li>• BaySwim</li> </ul> <p><b>Indoor Sports Network</b></p> <ul style="list-style-type: none"> <li>• Clubfit</li> </ul> <p><b>Events Network</b></p> <ul style="list-style-type: none"> <li>• Bay Catering</li> <li>• BayStation</li> </ul>

\* Venues that are **highlighted** and marked with an asterisk (\*) have been moved across from the “non-funded network” to the “funded network” in the proposed funding principles.















