



# **MINUTES**

**Ordinary Council meeting  
Monday, 21 August 2023**

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**MINUTES OF TAURANGA CITY COUNCIL  
ORDINARY COUNCIL MEETING  
HELD AT THE BAY OF PLENTY REGIONAL COUNCIL CHAMBERS, REGIONAL HOUSE,  
1 ELIZABETH STREET, TAURANGA  
ON MONDAY, 21 AUGUST 2023 AT 9.30AM**

**PRESENT:** Commission Chair Anne Tolley, Commissioner Shadrach Rolleston, Commissioner Stephen Selwood, Commissioner Bill Wasley

**IN ATTENDANCE:** Marty Grenfell (Chief Executive), Paul Davidson (Chief Financial Officer - via Teams), Barbara Dempsey (General Manager: Community Services), James Woodward (Acting General Manager: Infrastructure), Jeremy Boase (Acting General Manager: Strategy, Growth & Governance), Sarah Omundsen (General Manager: Regulatory and Compliance), Gareth Wallis (General Manager: City Development & Partnerships), Kelvin Eden (Capital Programme Manager: Major Community Amenity), Anne Payne (Principal Strategic Advisor), Nick Chester (Principal Strategic Advisor), Sarah Searle (Principal Strategic Advisor), Kathryn Sharplin (Manager: Finance), Tracey Hughes (Financial Insights & Reporting Manager), Malcolm Gibb (Project Manager – Rating Review), Reece Wilkinson (Parking Strategy Manager), Coral Hair (Manager: Democracy & Governance Services), Sarah Drummond (Governance Advisor), Anahera Dinsdale (Governance Advisor), Janie Storey (Governance Advisor)

## **1 OPENING KARAKIA**

Commissioner Shadrach Rolleston opened the meeting with a karakia.

## **2 APOLOGIES**

Nil

## **3 PUBLIC FORUM**

Mr Murray Guy interjected from the public gallery and objected to not been given permission to speak in the public forum. Mr Guy was asked by the Chairperson to sit down. The Chairperson cautioned Mr Guy to stop disrupting the meeting or she may ask him to leave the meeting. Mr Guy continued to interject and refused to leave, and the Chairperson advised Mr Guy that he was required to withdraw immediately as his conduct was disorderly and creating a disturbance.

Mr Guy continued to interject, and the Chairperson advised Mr Guy that she was now requesting staff/security personnel to remove him from the meeting for the rest of the meeting as his conduct was disorderly and creating a disturbance.

The Chairperson adjourned the meeting at 9.37 am and Mr Guy left the room.

At 9.41am the meeting reconvened.

## 4 ACCEPTANCE OF LATE ITEMS

### 4.1 Acceptance of late item - Draft Long Term Plan Operational Financials

#### RESOLUTION CO14/23/1

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Bill Wasley

That the Council:

- (a) Accepts the late tabled item "Draft Long Term Plan Operational Financials" for consideration in the report "Long Term Plan 2024-2034 update at the meeting:

The above item was not included in the original report because it was not available at the time the agenda was issued, and discussion cannot be delayed until the next scheduled meeting of the Committee because a decision is required in regard to this item.

**CARRIED**

## 5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

## 6 CHANGE TO THE ORDER OF BUSINESS

Nil

## 7 CONFIRMATION OF MINUTES

Nil

## 8 DECLARATION OF CONFLICTS OF INTEREST

Nil

## 9 DEPUTATIONS, PRESENTATIONS, PETITIONS

## 10 RECOMMENDATIONS FROM OTHER COMMITTEES

### 10.1 Review of Rating Categories to Differentiate Industrial Ratepayers

**Staff** Paul Davidson, Chief Financial Officer

#### RESOLUTION CO14/23/2

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Shadrach Rolleston

That the Council:

- (a) Receives the report "Review of Rating Categories to Differentiate Industrial Ratepayers
- (b) Approves the recommendations of the Strategy, Finance and Risk Committee to consider introducing a new rating category for industrial properties (Option 1) in the development of the 2024-34 Long-term Plan.

**CARRIED**

## 10.2 Report - 2024 - 2034 Long-term Plan - Update - Funding and Reserves

**Staff** Paul Davidson, Chief Financial Officer

### RESOLUTION CO14/23/3

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Council:

- (a) Receives the report "Report - 2024 - 2034 Long-term Plan - Update - Funding and Reserves".
- (b) Approves the recommendations of the Strategy, Finance and Risk Committee that the following matters are considered in the LTP to address both the significant impacts of large asset revaluations on depreciation and the current risks and impacts on the depreciation reserves.
  - (i) Phasing in of increased funding of depreciation expense in the early years of the LTP to mitigate the otherwise significant up-front increases in rates arising from significant asset revaluation.
  - (ii) Restoring depreciation funding and the level of reserve balances within the ten years of the LTP.
  - (iii) Short term loan funding of capital renewals for activities where there are insufficient depreciation reserves.
  - (iv) additional rates funding to retire debt for those activities where there are insufficient depreciable assets to repay debt over time.
- (c) Approves the recommendations of the Strategy, Finance and Risk Committee that the phased retirement of debt in the weathertight and unfunded liabilities reserve subject to rates affordability should aim to significantly reduce these reserve deficits through the period of the LTP.
- (d) Approves the recommendations of the Strategy, Finance and Risk Committee to consider the value of risk reserve funded through the LTP taking into account both debt headroom maintained in the debt to revenue ratio below LGFA funding limits and the value of the reserve.

**CARRIED**

## 11 BUSINESS

### 11.1 2024-2034 Long-term Plan - Tauranga Community Stadium - update

**Staff** Gareth Wallis, General Manager: City Development & Partnerships  
Kelvin Eden, Capital Programme Manager: Major Community Amenity  
Jeremy Boase, Acting General Manager, Strategy, Growth and Governance

**External** Nigel Tutt – Priority One

#### Key points

- The work to date had been a team effort with a number of people involved.
- Public engagement had included a survey carried out by Key Research, which was a demographically representative view and resulted in more people in favour of the stadium than not in favour.

- There was more support with the younger age group and males but this diminished when the questions got to willingness to pay.
- A self-select survey was carried out via a link, however there were more negative comments and misinformation sent out by groups which coloured the results somewhat. Some support letters had been received from businesses and individuals who were generally in favour of the stadium.
- Benefits included the attraction of events and the alignment of the CBD rejuvenation with negative comments including parking and disruption.
- The social and economic benefits outlined by Market Economics was more comprehensive and outlined the many benefits that could be realised across the Western Bay of Plenty and the wider Bay of Plenty.
- The facility would take the load off Baypark as it was currently at capacity with more facilities needing to be provided. The economic development report outlined that the lack of investment in community amenities also led to poor attraction and retention of talent, and there was a need to ensure there was a good workforce into the future.
- Investigations had been commenced to set up a charitable trust to generate external funding for civic amenities.
- Key risks included ground conditions. Initial geotech reporting had been undertaken, based on the information to hand, showed an additional \$9M would need to be included for the grandstand than what was included in the business case, but more borehole testing was needed on the site. There may be a possibility to decrease the length of the piles which would result in a lesser cost. There was also some slope stability and retaining work required on the western bank which could cost up to \$19M in the worst-case scenario.
- Continued engagement was being undertaken with the athletic, bowls and croquet clubs and other users.
- Consideration was being given to the relocation of the athletic track to Baypark in the long term. The current track would need to be replaced in 2028 and had a useful lifespan up until then.
- The lawn bowls and croquet clubs' leases were due to expire in 2029 and the team were working through some relocation options with them.
- The recommendation was to push out the development of the stadium in association with the wider masterplan to relocate users and the development of the Te Manawataki o Te Papa precinct.
- Option 2 was the preferred option, with a staged plan and thorough community consultation, with the project team continuing to work on funding mechanisms and staging the design and cost. Once the project was included in the 2024-34 Long Term Plan (LTP) for deliberation there would be more community feedback and more information to guide the decision making.

### **In response to questions**

- In relation to a query regarding the cost, access to external funding and engagement with regional and sub-regional partners to share the costs, it was noted that the cost of developing the first stage was estimated at \$70M, which was subject to what was to be built. The \$30M relating to displacement costs was already in the budget as part of the Active Reserves Masterplan work.

### **Discussion points raised**

Commissioners noted the following comments:

- There was a divided view within the community and the recommendations set a clear pathway for the need for further consultation.
- Option 2, the staged implementation plan, would be out for consultation as part of the LTP and would provide opportunities for all the community to express their views.
- The Commission was appointed to provide and focus on the long-term best interests of the city it serves. This included infrastructure and community amenities, of which sporting and wider community amenities and facilities were a key component of a great city.

- The proposal provided existing users to have their current needs met and provided opportunities for them to have better amenities as a result of the decision. Some clubs also had divided views.
- The proposal would have wider social and economic benefits across the city and would release the capacity at Bay Park which was not able to accommodate some indoor sports because of lack of space.
- Commissioners needed to consider both sides of the story based on the evidence and information before any decision was made. The process had started before the Commission commenced and it would do the community a disservice if the Commissioners did not follow through with this process and make a considered decision as part of the LTP 2024-34.
- The two surveys were helpful in terms of perspectives provided and understating the demographic of those inputting, and to get a full perspective of age groups across the city.
- There were 4,000 new residents entering the city each year and more coming into the Western Bay of Plenty, with a projected population for the sub-region in 2063 being 300,000. This was a 50% increase from 2018. Council needed to respond to the transformation, recognise that growth, listen to the needs of those coming to live here and provide for them.
- There had been a lot of misinformation of what the stadium was going to be and seeks to do for the community. It would not be locked up and unattainable on a daily basis, it would still be a community greenspace valued by the community and the public would continue to have access, there would be no restricted access to the Domain. Activities would include rugby, soccer, cricket, indoor sports, events and concerts and the proposed stadium would provide for all opportunities.
- Parking and noise were some of the concerns expressed, and while these needed to be carefully considered. The Council was exploring with the Bay of Plenty Regional Council better transport options and opportunities to move around the city more easily.
- The Commission would protect and look after the trees in the Domain during this process.
- Financially the city could not afford the stadium at present with the building of Te Manawataki o Te Papa. The proposal would not be included into the budget in the next few years.
- Working in with the athletic club to relocate their track by its use by date made sense. It would take time to move some of the existing users from the site and to make sure that they were well looked after and provided for with better facilities.
- Council was required by law to make room for more housing to cope with the growing population and had a responsibility to the young people to increase the economic activity in the city.
- Growth had not adequately been addressed in the last two decades which had overwhelmed the city but now it had to be managed. With the underinvestment in infrastructure and the city centre dying, Commissioners had to make hard decisions on what was best for the long-term interests of the city and make investments.
- There was a clear divide between the young and older residents, but Council needed to look at what was best for the city in next 30 years. The underinvestment in community facilities had been obvious and resulted in the Commission reviewing all community facilities. This including looking at The Domain which could take more use by more people on a regular basis.

#### **RESOLUTION CO14/23/4**

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Bill Wasley

That the Council:

- (a) Receives the report "2024-2034 Long-term Plan - Tauranga Community Stadium - update".
- (b) Approves Option 2 – Staged Implementation Plan for inclusion in the draft 2024-2034 Long-term Plan, and budgets and consultation document. Current details of this option include:
  - (i) Staged delivery of the stadium commencing in 2029/30.

- (ii) Capital expenditure of \$70 million for the first stage of which \$40 million is financed for budgeting purposes from rates-funded loans and \$30 million from other sources.
  - (iii) Balance of the capital expenditure budget to be incurred beyond the term of the 2024-2034 Long-term Plan.
  - (iv) Operating costs of \$1 million per annum, plus appropriate debt servicing and depreciation allocations.
  - (v) Continuation of work with existing users of the Tauranga Domain to explore alternative site options (e.g. athletics, bowls and croquet).
  - (vi) Continuation of efforts to secure non-council funding for the capital costs of the community stadium.
- (c) Notes that further details of the 'staged implementation plan' approach will be established prior to the adoption of the final 2024-2034 Long-term Plan, currently scheduled for April 2024.
- (d) Approves unbudgeted expenditure of a maximum of \$900,000 in 2023/24 to further develop and cost the 'staged implementation plan' option, and to seek funding contributions from other project partners to share these costs. Council's share of the expenditure to be loan-funded operating expenditure, based on the expenditure offering long-term benefit associated with the proposed investment. Rate funded debt retirement over ten years should be included in the budgets from 2024/25 onwards.
- (e) **Attachment 4** can be transferred into the open when all funding negotiations have been completed.

**CARRIED**

## **11.2 Draft Long Term Plan 2024-2034 - Memorial to Elizabeth Waterfront Recreation Connection \ Te Hononga ki Te Awanui**

**Staff** Gareth Wallis, General Manager: City Development & Partnerships  
Kelvin Eden, Capital Programme Manager: Major Community Amenity

**External** Rebecca Ryder – Boffa Miskell  
Craig Batchelor – Independent Consultant  
Rachel Wright – Boffa Miskell

### **Key points**

- The work began in 2021 to consider a walkway from Memorial Park to the CBD in two parts, stage 2 of which was to provide an extended harbour edge connection between Memorial Park and the city centre.
- Objectives were adopted in July 2022 to understand the key priorities and became the focus for all of the project.
- Engagement was undertaken with tangata whenua and one on one meetings with landowners with waterfront-based properties to understand their needs, interests and issues on the recreation connection in front of their properties. A meeting was also held with the Tauranga Harbour Protection Society on 5 March 2023 where discussions were held in detail.
- There were 10 different topology options and 17 properties with riparian rights for which the property rights were investigated.
- Two workshops in May 2023 had also been held covering off the options and to get the three viable options that were noted within the report. These had been further informed from the workshops and focused to the public realm area and dropping some of the components that had been raised by landowners as a way of responding to them.
- Each of the three options had been considered against the planning framework requirements for district, regional and national coastal plans. Most came under the Regional Environmental Coastal Plan as they were all discretionary activities with lots of assessments required.

- While there were no critical issues to obtaining a resource consent, a real critical risk was around resolving the riparian rights, property and access rights with the property owners. The property owners' legal advisor proposed that the Council look at a declaration from the High Court on the legality of what's proposed. The view of the landowners was that any infringement of their access across their frontage was contrary to their legal rights, however the Council's legal advice was that this could be managed and ensure that their rights could be provided for in a reasonable way. The intention is to develop design solutions and have those tested with evidence before a high court or other alternative. It was critical this be sorted before any resource consent process was undertaken.
- There were also issues around hazard management in the long term, as the area was affected by land instability and complications of a walkway, including mitigation and repair work, as some properties had structures close to the space.
- While the matters were complex, these were not insurmountable.
- The team was not in a position to recommend that the funding be put into the LTP but were seeking funds to proceed with the design and go through the legal processes. This highlighted the opportunity to use the \$6M already included in the LTP and provide time to design avenue connections to allow public access to the waterfront and low tide access to the CBD. It would also allow proceeding with some capital works where they were able to achieve access.
- The team thanked all residents and landowners that they had engaged with, they had been welcomed into many homes and spent time with people who were passionate about their properties and had held some robust and challenging conversations.

#### **In response to questions**

- If Option C, limited intervention, was adopted it would remain as it was and no declaration from the court would be required.
- The use of the \$6M would include creating the nodes, beach replenishment where it was a viable option and creating the walkway in areas that were not subject to riparian rights as included in the 2021-31 LTP for the years 2026-27. In parallel with that, work would be carried out to get the High Court determination and set up a Memorandum of Understanding with tangata whenua.
- Beach replenishment has been seen as a positive concept with a number of property owners, with an issue raised as to whether it would lead to accretion and if so, would landowners be able to claim the land. While this was not considered a risk, any claim would become a court process.
- The team were aware of pending iwi claims and potential changes around the sea floor and this had been part of the conversation with tangata whenua. Part of the process going forward was that they be included in each step to avoid any issues later. Engagement with mana whenua had been positive to date.

#### **Discussion points raised**

- Commissioners acknowledged the work done by Boffa Miskell and Tonkin and Taylor noting that the evidence-based information with the comprehensive engagement, analysis, range of issues and considerations had been helpful.
- Additions were made to the recommendations to include the amount of the consultancy costs in recommendations (c) and (d) and to provide a determination of the legal position regarding property right issues.

#### **RESOLUTION CO14/23/5**

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

That the Council:

- (a) Receives the report "Draft Long Term Plan 2024-2034 - Memorial to Elizabeth Waterfront Recreation Connection \ Te Hononga ki Te Awanui".

- (b) Approves delivery of Option C, which is limited intervention of the city fringe and escarpment link zones from 1<sup>st</sup> to 7<sup>th</sup> Avenue, which may include some beach replenishment between 6<sup>th</sup> and 7<sup>th</sup> Avenues as an achievable short/medium-term outcome, acknowledging that it does not achieve the accessible linear connection along the shoreline but does however, improve public access at the road ends to the harbour edge.
- (c) Approves consultancy costs of \$585,000 to progress the consenting, legal, planning and design work for short/medium-term Option C, acknowledging the construction costs of \$6M, which are currently included in the Draft Long-term Plan 2024-2034.
- (d) Approves consultancy costs of \$1.65M to progress the consenting, legal, planning and design work for long-term Option B, including determination of the legal position regarding property right issues. Any construction costs to be considered as part of deliberations for the following long-term plan.
- (e) Enters into a Memorandum of Understanding with Mana Whenua.

**CARRIED**

### **11.3 Our Direction (Council's strategic framework) - adopt final action and investment plans and strategies**

**Staff** Anne Payne, Principal Strategic Advisor  
Jeremy Boase, Manager: Strategy & Corporate Planning  
Nick Chester, Principal Community Advisor

#### **Key points**

- The project work had begun in mid-2021 with action and investment plans being developed in 2022 to deliver on Council's strategic directions.
- Eight plans were being presented as part of this report and the Tauranga Climate Action and Investment Plan would be presented in a separate report to this meeting.
- Two strategies had been held in draft until the Action and Investment Plans were completed to ensure consistency across the framework.
- As a result of the plans, 10 strategies could be superseded.

#### **In response to questions**

- In relation to beliefs being omitted from the Community Centres Action and Investment Plan opening statement it was noted that citizenship ceremonies were held every month with 70-80 people from a variety of denominations and religious beliefs becoming New Zealand residents and it was noted that the city needed to make room for those beliefs as they were a strong part of people's cultures. Staff apologised for the miscommunication and agreed to add beliefs back into the opening statement.

#### **Discussion points raised**

- Commissioners acknowledged that the plans had been a huge amount of work and staff had been challenged at every step. They noted their appreciation for the work from all of the team for such a good and robust process.
- It was requested that if the framework for accessing the plans was on the website, was it possible to have a diagram as the link point to funding as this was important.
- It was suggested that an increased focus was needed on the use of grey water and the opportunities this would bring.
- It was requested that the names of the Action and Investment Plans be included in the recommendation (e), the inclusive city strategy added into recommendation (f) and the plans that were to be superseded in recommendation (i).

**RESOLUTION CO14/23/6**

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

That the Council:

- (a) Receives the report "Our Direction (Council's strategic framework) - adopt final action and investment plans and strategies", including Attachments 1 to 5 to this report.
- (b) Acknowledges and thanks Te Rangapū Mana Whenua o Tauranga Moana, particularly the appointed AIP representatives, for their valuable contribution to development of these plans and strategies.
- (c) Acknowledges and thanks the many other groups, organisations and individuals from our communities who have also provided valuable contributions to development of these plans and strategies.
- (d) Approves the eight *Action and Investment Plan consultation feedback and proposed response summaries, July 2023*, contained in **Attachment 1**, including the resultant proposed amendments to the draft plans.
- (e) Adopts the eight Tauranga City Council Action and Investment Plans contained in **Attachment 2 (Appendices A to H)**, namely:
  - Accessible Tauranga,
  - Safer Communities,
  - Art, Culture and Heritage,
  - Our Public Places Strategic Plan,
  - Reserves and Open Space,
  - Play, Active Recreation and Sport,
  - Community Centres,
  - Nature and Biodiversity

and notes that the eight adopted plans will be:

- (i) Updated to reflect final 2024-2034 Long-term Plan funding once the Long-term Plan is adopted in April 2024, and
  - (ii) Available online as designed documents in early October 2023, with printed copies available on request.
- (f) Adopts Tauranga City Council's *Tauranga Mataraunui – Inclusive City Strategy, 2023-2033*, contained in **Attachment 3**, noting the summary of final changes provided and that the strategy's opening aspiration statement is to be retained as:
- We lift each other up. We are an inclusive city that celebrates our past, is connected in our present and invested in our future, where people of all ages, beliefs, abilities and backgrounds are included, feel safe, connected and healthy.*
- (g) Adopts Tauranga City Council's *Tauranga Taurikura – Environment Strategy, 2023-2033*, contained in **Attachment 4**, noting the summary of final changes provided.
  - (h) Delegates the Group Manager: Strategy, Growth and Governance to approve minor amendments to the eight Action and Investment Plans and two strategies if required prior to publication.
  - (i) Formally supersedes or rescinds the ten existing strategies or plans as proposed in **section C** of this report, and notes that partners to any superseded joint strategies or plans will be advised accordingly, namely
    - Age-Friendly Strategy 2013
    - Disability Strategy 2013
    - Tauranga Western Bay Safer Communities Strategic Plan 2020-2025

City Safety Action Plan 2018  
Toi Moana Arts and Culture Strategy 2018-2021  
Vegetation Management Strategy (Growing Tauranga Green) 2006  
Aquatic Network Strategy 2012  
Open Space Strategy 2012  
Our Community Places Strategy 2008  
Sport and Active Living Strategy 2006

- (j) Notes that, subject to today's decisions, Tauranga City Council's strategic framework, *Our Direction*, has now been refreshed and is presented on Council's [Our Future / Our Direction](#) webpages. A summary of where strategies and plans fit is contained in **Attachment 5** of this report.

**CARRIED**

#### **11.4 Tauranga Climate Action and Investment Plan - adoption**

**Staff** Sarah Searle, Strategic Advisor  
Jeremy Boase, Manager: Strategy & Corporate Planning

##### **Key points**

- Working with dedicated interested group to create the first climate action plan which would continue to be updated and improved.

##### **In response to questions**

- In relation to priority actions 33 and 34 regarding sub-regional waste it was noted that the business case was currently being reworked, and funding was provided in the LTP. It was requested that regional input would also be sought.
- Staff would recheck priority 34 as to whether a community recovery and waste minimisation education centre was still proposed due to lack of room on the site.
- Additional information would be provided on the sources of funding for priority 56 – the Mana Kai Mana Ora - WBoP Food Sovereignty and Food Security Plan.
- In response to a comment regarding any meaningful change to reducing carbon emissions through road pricing, it was noted that the LTP needed to start that conversation for it to gain momentum across the city.
- Much of the feedback was challenging the concept of having alternative modes of transport available before changing the targets.

##### **Discussion points raised**

- While ambitious goals could be set there was no way they would ever be reached in the city, therefore the plan needed to be realistic to encapsulate that some targets would be met, but also acknowledging that there was no way to achieve some of the science-based targets as some of the changes needed were not ones that the Council could influence. The goal around mitigation was amended in resolution (e) - *as a city we will work towards reducing our greenhouse gas emissions in line with national net zero 2050 commitments*.
- Commissioners thanked the staff, Te Rangapū Mana Whenua o Tauranga Moana and others for the significant amount of the work done to provide the plan.

#### **RESOLUTION CO14/23/7**

Moved: Commissioner Bill Wasley  
Seconded: Commissioner Shadrach Rolleston

That the Council:

- (a) Receives the report " Tauranga Climate Action and Investment Plan - adoption" including attachments 1 and 2.

- (b) Acknowledges and thanks Te Rangapū Mana Whenua o Tauranga Moana for their valuable contribution to development of the Plan.
- (c) Acknowledges and thanks the many other groups, organisations and individuals from our communities who have also provided valuable contributions to development of the Plan.
- (d) Approves the *Action and Investment Plan consultation feedback and proposed response summary, July 2023*, contained in **Attachment 1**, including the resultant proposed amendments to the Plan.
- (e) Approves the updated goal around mitigation to “*as a city we will work towards reducing our greenhouse gas emissions in line with national net zero 2050 commitments*”
- (f) Adopts the Tauranga Climate Action and Investment Plan, 2023-2033, contained in **Attachment 2**, and notes that the adopted Plan will be:
  - (i) Updated to reflect final 2024-2034 Long-term Plan funding once the Long-term Plan is adopted in April 2024, and
  - (ii) Available online as a designed document in early October 2023, with printed copies available on request.
- (g) Delegates the Group Manager: Strategy, Growth and Governance to approve minor amendments to the Plan if required prior to publication.

**CARRIED**

At 11.35am the meeting adjourned.

At 11.49am the meeting reconvened.

## 11.5 Long-term Plan 2024 - 2034 Update

**Staff** Paul Davidson, Chief Financial Officer  
Kathryn Sharplin, Manager: Finance  
Tracey Hughes, Financial Insights & Reporting Manager

Tabled were a copy of the Draft LTP Operational Financials prior to final decisions.

### Key points

- The budget reflected the recommendations made by the Strategy, Finance and Risk Committee in relation to lessening the funding of depreciation in the early years and reversing it in later years and reflecting the size and scale of the revaluations that had occurred.
- The LTP increased debt requirement of unfunded liability and weathertightness reserves after year 3 of the LTP and sought resolution around long-term loan funding where there was a long-term benefit.
- It assumes that the infrastructure funding and financing (IFF) transactions for decisions on Te Manawataki o Te Papa were included but this would be separately consulted in the next month.
- No IFF levy had been added in the rates which would be an additional 2% in 2026 to reflect that transaction. All of the debt had been included in the budget.
- The financials reflect the priorities set for the LTP as a flow through from 2021-31 priorities
- The capital programme summaries were high level capital expenditure in the key priority areas of existing growth, intensification, growth in the west, the city centre and transportation. In total \$3.4B over the 10 years.
- There was a programme of works was larger in the earlier years than Council expected to achieve, so debt and interest would not be rated. There was a capital ability adjustment to bring it to more realistic associated rate increases.

- Three waters had not been included from Year 3 and changes to the existing programme of funding for Te Manawataki o Te Papa and ongoing changes for Tauriko West funding .
- The operational financials were tabled. The capital programme and the flow through costs that come from interest were influenced by the expectation of external funding or asset realisation for Te Manawataki of Te Papa of \$150M and Waka Kotahi supporting the transportation capital programme. If the funding was not realised the ratios would be worse and decisions would need to be made around timing of those projects.
- The revenue included those assumptions, and the growth was expected to be 1%.
- The medium rates increase modelling was based on the first year only and included the transport plan and the IFF which had already been agreed to.

### In response to questions

- In response to a question regarding the Department of Internal Affairs (DIA) approval on the stormwater levy being renamed to the flood control reserve, it was noted that they would look at the draft. Discussions had been held with DIA staff around remediation of those areas and addressing future flooding, but it would be put through as part of the consultation process. Flood control activities were a legislative set activity for councils after movement of three waters to a separate entity.
- In relation to clarity around the funding of depreciation cost funding over the life of the LTP now and as new completed projects were brought in with messaging around addressing the inadequate funding previously. It was noted that would be included in the financial strategy and reserves identified for each activity over the ten years.

### RESOLUTION CO14/23/8

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Council:

- (a) Receives the report developing LTP Budgets.
- (b) Receives the tabled draft financials based on continuation of the strategic direction set in the 2021-31 LTP for both capital and operational expenditure, to be further amended as decisions are made by Council at this meeting.
- (c) Agrees to draft capital budgets for the LTP as summarised in **Attachment A** as the basis for LTP draft financials, and consultation which includes:
  - (i) updated projects from 2021-31 LTP with revisions to cost and timing
  - (ii) new projects and revised scope for projects from previous council decision or Chief Executive delegation for minor projects.
- (d) Agrees to include the following funding decisions with respect to operational costs:
  - (i) the phasing in of funding of depreciation across activities of council and CCOs through the period of the LTP and other approaches to manage depreciation reserves back into balance
  - (ii) increasing debt retirement of unfunded liability and weathertight reserve deficits after year 3 of the long term plan
  - (iii) phasing further rates funding to the risk reserve over the period of the LTP
  - (iv) Renaming of the stormwater reserve to flood control reserve to remain with Tauranga City Council in the new Flood Control activity after movement of three waters to a separate entity
  - (v) Increases in user fees and adoption of additional user fees
  - (vi) loan funding of operational costs associated with a portion of the increased expenditure on climate action and sustainability and of software as a service-related development, where this work provides benefit of a long-term nature

- (vii) Phasing in of additional operational grant to Bay Venues Limited
- (e) Agrees to develop financials on the basis of using Infrastructure Funding and Financing through IFF levy to fund the ratepayer portion of Te Manawataki o te Papa.
- (f) Notes that full financials and funding impact statements by activity will be presented within the groups of activities to the September 11 Council meeting and financial statements in the supporting documentation.

**CARRIED**

### Attachments

- 1 Tabled Document - Council - Draft LTP financials 21 Aug 2023

### 11.6 Draft Revenue and Financing Policy Framework

**Staff** Paul Davidson, Chief Financial Officer  
Kathryn Sharplin, Manager: Finance

#### Key points

- All of paragraph 23 in the report was incorrect and should be removed as neither Site B nor the stadium were included in the draft financials.
- The policy incorporated IFF as a preferred option and would be looking at an industrial rating category as an option later in the meeting.
- A specific annual targeted rate was being considered for private pool inspections as an alternative to a user fee.

#### In response to questions

- In response to being able to revert back to a community facilities targeted rate if required, it was noted that this was being consulted on and staff would come back with any provisions that may come out of that process.
- The IFF would be consulted on separately to the LTP and as a result of that process it would allow either the IFF levy or a targeted rate based on the feedback.
- The proceeds from any asset sales would include the reserve fund for that asset.
- The asset realisation reserve would be an alternative funding source once the balance grew.

### RESOLUTION CO14/23/9

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Bill Wasley

That the Council:

- (a) Receives the report "Draft Revenue and Financing Policy Framework".
- (b) Approves (as amended) the draft Revenue and Financing Policy and Funding Needs Analysis, acknowledging that:
  - (i) The draft policy is subject to legal review, and
  - (ii) It will be presented back to Council on 11 September as part of the supporting information to the 2024-34 Long-term Plan Consultation Document, and
  - (iii) Public views will be sought through consultation alongside the 2024-34 Long-term Plan.

**CARRIED**

## 11.7 Paying a Fair Share - Approaches to Funding the draft 2024/34 Long-term Plan

**Staff** Paul Davidson, Chief Financial Officer  
Kathryn Sharplin, Manager: Finance  
Reece Wilkinson, Parking Strategy Manager  
Malcolm Gibb, Contractor – Rating Review

### Key points

- User Fees and Charges were part of paying a fair share, with the Funding and Financing Policy considering who benefits, which then flows into either charging user fees or rates.
- A solid review had been undertaken of activities and some areas identified as potential new user fees and areas where self-funding was more challenging and may result in some more significant increases in charges.
- Consistency across councils was a feature with some of the sporting codes charges.
- Reflecting capital investment, looking at how the Council funded new investments with opportunities to relate that to who was accessing and using them and a way to capture non-ratepayer users.
- Fees had helped with demand management, to reflect the value of the asset and the environment it was impacting.
- The animal and building services reflect assessments of costs against potential deficits over the 10 years and looked to model what the increase in fees and charges would be to balance out the deficit. The dog registration fees would see an increase of \$21 a year to \$121 and building services an increase in fees by 5% annually.
- There was a need to ensure that parking was applied throughout the city fairly and equitably.
- The expansion of paid parking would come in November to areas within a 15 minute walk to the city centre and domain.
- A Parking Management Plan for Mount Maunganui would be provided in the future. It was acknowledged that all of the same stresses from introducing paid parking years ago in the area still existed.
- A review was carried out of all the community services fees and charges and the team had been asked to go through their specific fees to understand if they were covering the cost of providing the service, whether they met the Revenue and Financing Policy and provide a benchmark. The information would be provided to the 11 September 2023 Council meeting.
- There were more complex areas that had not been charged and there were opportunities to pick up more fees so a direction was needed. Some of these would be picked up over time and some had contractual arrangements not to increase, but staff wished to deliver on principles, provide a clear direction to look at user pay, be consistent and to look at capital investment with activities. The holiday park and Historic Village were several examples of which Council had heavily invested in.

### In response to questions

- In answer to a question in relation to any opportunity to encourage Western Bay of Plenty District Council to align their dog fees with Tauranga City Council's it was noted that conversations were held with them regularly. They had a smaller dog pool with much of the animal control services in the rural area and dealt with other animals and had to be rated differently, so it was not the same comparison.
- The dog registration fees reflected a way of recovering the costs of the activity such as running the dog pound and the animal services teams rather than it being charged across the Council. It was only recently that they had been able to see that the deficit was larger than anticipated.
- Commissioners wanted to be sure that the parking spaces were being utilised well and to ensure there was parking for workers in the city and at Mount Maunganui. Information was requested on the difference between summer congestion to winter use, the turnover of parking and time limits and what provisions had been made for parking in the CBD for people coming into work each day. This would provide alternative options so that any resentment could be

covered by offering good solutions. There were also a number of tensions and frustrations around Marine Parade and Pilot Bay by locals with much of the parking being used for accommodation. Given there was no requirement for parking provision for accommodation because of government policy direction, this information needed to be included in the report.

- The income from parking was ringfenced for the activity unless it was used on an investment supported by parking activity. It could be noted that any excess funds from parking at the Mount would only be used in the Mount.
- Telfer Young provided a valuation on reserve land which was discounted from a market value within the different zones providing a difference in valuation and square metre rate. Staff then looked at the charge rate to community organisations against these valuations. The rate currently started at \$2.68 m<sup>2</sup> with the range going from \$8 to \$21.50m<sup>2</sup> at Mt Maunganui which was quite a big difference in what was being charged and what was a reasonable rate based on a reserve valuation. This showed a derived subsidy for use of Council reserve land.
- The report illustrated where the subsidy was invested in golf courses and land for horse sports, marine society etc. It gave a better understanding of where the subsidy was and whether it was fair and reasonable or whether it should be done differently as it segregates different groups that use that land. Over time the policy could put the Council in a better position financially.
- In response to a query relating to different areas of the city having different valuations, it was noted that the recommendation was to use an average across the city for community organisations where each sporting code would be treated the same.
- The Council had requested more public access to the land leased to the Racing and Golf Clubs at Greerton. It was noted that a percentage could be applied to incorporate a type of methodology that would take into account the added public use benefit and come up with a fair rate. Also taken into consideration would be the work done by an organisation on the upkeep and maintenance of the areas they used.
- The fees collected from community services activities countered the expenditure and offset the amount of rates needed to go towards that activity.
- Cemetery and Crematorium fees would be included in the report to the 11 September 2023 Council meeting. No general rates were currently applied to this activity.
- A further report with more information and detail on the user fees would be provided to the 11 September 2023 Council meeting.

#### Discussion points raised

- To make the recommendation clearer and to provide further detail prior to the adoption of the fees and charges, recommendation (c) was amended adding - *to be included in the user fees and charges schedule to be adopted at the 11 September 2023 Council meeting.*

#### RESOLUTION CO14/23/10

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Bill Wasley

That the Council:

- (a) Receives the report " Paying a Fair Share - Approaches to Funding the draft 2024/34 Long-term Plan".
- (b) Notes in areas requiring full or partial cost recovery fees are increased to cover costs consistent with the revenue and financing policy
- (c) Approves the following specific funding recommendations to be included in the user fees and charges schedule to be adopted at the 11 September 2023 Council meeting for the draft 2024/34 Long-term Plan for community facilities:
  - (i) The introduction of new fees and charges for the use of boat ramps and active reserves (sport fields and cricket wickets for adult/seniors use only) to reduce the extent of general rate revenue needed to fund these activities,

- (ii) Introduction of Boat Ramps charges at the Sulphur Point, Pilot Bay and Whareroa boat ramps, to park vehicles and trailers at the designated parking, to be charged at a rate of \$20 per day (incl GST) or \$200 per annum (incl GST).
  - (iii) Exclusive use of sport fields and cricket wickets at the rate of \$225 (plus GST) per winter or summer season per pitch for adult/senior participants only.
  - (iv) Use of council land for a lease or licence or licence to occupy by commercial organisations at the zonal market rates currently valued at between \$25.00 (plus GST) to \$65.00 (plus GST) per m2 per annum subject to updated valuations.
  - (v) Use of council land for a lease or licence or licence to occupy by community organisations at a city average rate based on a 50% subsidy of the city-wide average of the zonal reserve rates. Including the subsidy this is currently valued at \$6.05 (plus GST) per m2 per annum subject to current valuations
  - (vi) Note that negotiations will be undertaken with the bespoke community organisations who use large areas of council land for their activities to align their charges, over time, closer to the proposed levels for other community organisations.
  - (vii) Moving the range of Licence to Occupy fees for buildings at the Historic Village to one set fee for the different bands and using the mid-point independent valuation rate for most categories, with the exception of the retail and office LTOs which will be at the higher end of the valuation bands.
  - (viii) Develop an engagement plan for these community fees for the draft 2024/34 Long-term Plan which provides sufficient resource and time to consult with user and stakeholder groups who may be impacted by these proposals.
- (d) Notes a report will be considered by Council on 4 September on options for parking management and charging at Mount Maunganui and in other areas outside the city centre.

**CARRIED**

## **11.8 Review of Rating Categories to Differentiate Industrial Ratepayers**

**Staff** Paul Davidson, Chief Financial Officer  
Jim Taylor, Manager: Rating Policy and Revenue  
Kathryn Sharplin, Manager: Finance  
Malcolm Gibb, Contractor – Rating Review

### **Key points**

- A new industrial rating category suggested moving to a 2.7:1 category in the first year of the LTP which was comparable to other authorities commercial rates given the amount of small and medium size enterprises.
- From Year 2 onwards the plan was to go away from a fixed differential and move to a percentage split, so that each time there was a general revaluation, the percentages could still be worked on these and was a consistent approach as opposed to the amount of money collected from each sector as it moved quite a lot with the valuation increases.
- The proposal was a continuation of the review the Commissioners commenced in the 2021-31 LTP, to ensure fairness and equity with all funding and to decide whether to split the commercial category into industrial and commercial categories.
- Non-financial impacts on heavy traffic on the whole community was provided in the report which also noted other impacts and a funding needs analysis. It provided three options to consider including the introduction of an industrial category at 2.7:1 and leaving the commercial at 2.1:1, or to introduce an industrial category but not change the differential as getting the information to show the impacts as it could take some time to collect. The third option was to retain the status quo.

- Definition of the possible industrial rating category included the Port, industrial related sites over the city and utilities which use the roading corridor substantially in their daily operation. With utilities it was difficult to get specific information on how much they used and what impact they had on the transportation and roading activity especially when digging up the road to get to their utilities on council land. This had not been fitted into the definition and did not have the same rationale as the overall benefits that the industrial and port related businesses got from all of Council's activities. Further work could be done on this to get the link if required.

#### **Discussion points raised**

- Commissioners noted that it was a good report with the comparisons of light and heavy vehicles and the significance of the difference between the two and agreed that more work should be done on this and on the industrial category definition.
- There was a change to recommendation (b) to include - *to propose the introduction of the new rating category.*
- Add a further resolution (g) *Agree staff continue further work on the appropriate definition of industrial category and the appropriate share of rates to be paid by each category.*

#### **RESOLUTION CO14/23/11**

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

That the Council:

- (a) Receives the report "Review of Rating Categories to Differentiate Industrial Ratepayers".
- (b) Approves the Recommendation from the Strategy, Finance and Risk Committee to propose the introduction of a new rating category for industrial properties (Option 1) in the development of the 2024-34 Long-term Plan.
- (c) Agrees the evidence around roading costs and other wellbeing impacts including congestion and safety provides justification for considering a higher differential charge for the industrial category.
- (d) Agrees to consult as part of the LTP on setting a rating differential for the industrial category at 2.7:1 (Option 1) over the residential rate.
- (e) Agrees to retain the commercial differential category to 2.1:1 (option 1) over the residential rate as previously resolved.
- (f) Agrees to phase in further differential changes over years 2 to 4 of the LTP to reach a percentage share of general rates by category of approximately 65% residential, 15% commercial and 20% industrial.
- (g) Agrees that staff continue further work on the appropriate definition of industrial category and the appropriate share of rates to be paid by each category

**CARRIED**

## **12 DISCUSSION OF LATE ITEMS**

Nil

## **13 PUBLIC EXCLUDED SESSION**

A resolution to exclude the public was not required as the item had been dealt with in resolution (e) of Item 11.1 - 2024-2034 Long-term Plan - Tauranga Community Stadium – update.

**14 CLOSING KARAKIA**

Commissioner Shad Rolleston closed the meeting with a karakia.

**The meeting closed at 1.01 pm.**

**The minutes of this meeting were confirmed as a true and correct record at the Ordinary Council meeting held on 11 September 2023.**

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**CHAIRPERSON**