



# **MINUTES**

**Strategy, Finance and Risk Committee  
meeting**

**Monday, 7 August 2023**

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**MINUTES OF TAURANGA CITY COUNCIL  
STRATEGY, FINANCE AND RISK COMMITTEE MEETING  
HELD AT THE BAY OF PLENTY REGIONAL COUNCIL CHAMBERS, REGIONAL HOUSE,  
1 ELIZABETH STREET, TAURANGA  
ON MONDAY, 7 AUGUST 2023 AT 9.30AM**

**PRESENT:** Commission Chair Anne Tolley, Dr Wayne Beilby, Commissioner Shadrach Rolleston, Commissioner Stephen Selwood, Ms Matire Duncan, Mr Te Pio Kawe, Ms Rohario Murray, Mr Bruce Robertson

**IN ATTENDANCE:** Christine Jones (Acting Chief Executive), Paul Davidson (Chief Financial Officer), Nic Johansson (General Manager: Infrastructure), , Alastair McNeill (General Manager: Corporate Services), Gareth Wallis (General Manager: City Development & Partnerships), Brendan Bisley ( Director of Transport), Diane Bussey, (Contractor - Three Water Reforms), Jeremy Boase (Manager: Strategy and Corporate Planning) Sheree Covell, (Treasury & Financial Compliance Manager), Amanda Davies (Manager: Spaces and Places Project Outcomes), Cathy Davidson ( Manager: Directorate Services) Malcolm Gibb, (Contractor - Rating Review), Vicky Grant-Ussher, (Policy Analyst), Kelvin Hill ( Manager: Water Infrastructure Outcomes) Sarah Holmes, (Corporate Planner), Kathryn Hooker, (Corporate Planner), Tracey Hughes, (Financial Insights & Reporting Manager), Josh Logan, (Team Leader: Corporate Planning), Rob Lahey, (Principal Strategic Advisor) , Kathryn Sharplin (Manager: Finance), Frazer Smith, (Manager: Strategic Finance & Growth), Jim Taylor, (Manager: Rating Policy and Revenue), Kath Norris, (Team Leader: Democracy Services), Darren West (Health, Safety & Wellbeing Manager), Reece Wilkinson (Parking Strategy Manager), Coral Hair (Manager: Democracy & Governance Services), Sarah Drummond (Governance Advisor), Anahera Dinsdale (Governance Advisor),

**EXTERNAL:** Suresh Ranchhod, Head of Treasury Advisory, (Bancorp)  
Philip Jones, Principal, (PJ and Associates)

## **1 OPENING KARAKIA**

Commissioner Shadrach Rolleston opened the meeting with a karakia.

## **2 APOLOGIES**

### **APOLOGY**

### **COMMITTEE RESOLUTION SFR5/23/1**

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Stephen Selwood

That the apology for absence received from Commissioner Bill Wasley be accepted.

**CARRIED**

### 3 PUBLIC FORUM

Nil

At 9.34 am, Mr Te Pio Kawe entered the meeting.

### 4 ACCEPTANCE OF LATE ITEMS

Nil

### 5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

### 6 CHANGE TO ORDER OF BUSINESS

Nil

### 7 CONFIRMATION OF MINUTES

#### 7.1 Minutes of the Strategy, Finance and Risk Committee meeting held on 26 June 2023

#### COMMITTEE RESOLUTION SFR5/23/2

Moved: Dr Wayne Beilby

Seconded: Commissioner Stephen Selwood

That the Open and Public Excluded minutes of the Strategy, Finance and Risk Committee meeting held on 26 June 2023 be confirmed as a true and correct record.

**CARRIED**

### 8 DECLARATION OF CONFLICTS OF INTEREST

Commissioner Shadrach Rolleston declared that he had worked on the Three Waters Legislation and Resource Management Act reform and would not take part in discussion or voting of any reports on the agenda that regarded these matters.

Committee Member Rohario Murray declared that she had worked on the Three Waters Legislation and Resource Management Act reform, and would not take part in discussion or voting of any reports on the agenda that regarded these matters.

### 9 BUSINESS

#### 9.1 Six Monthly Treasury Strategy Update

**Staff** Paul Davidson, Chief Financial Officer  
Sheree Covell, Treasury & Financial Compliance Manager  
Kathryn Sharplin, Manager: Finance

**External** Suresh Ranchhod, Head of Treasury Advisory, Bancorp Treasury

#### Key points

- Mr Ranchhod of Bancorp attended the meeting on-line and provided a presentation to the Committee.

- Inflation was still an unfolding story and a matter of concern. It appeared that the peak of inflation had been reached and globally inflation was on a downward trend as evidenced in the United States of America (USA) where inflation had last been reported at 3%.
- Due to quarterly reporting (as opposed to monthly in other Countries) used in New Zealand inflation was last reported at 6%. That showed more work would be required to control inflation, and that we were yet to see a peak in the reported inflation number. An assumption had been made that inflation had moved, reducing from that peak.
- A greater concern for New Zealand was the position of our largest trading partner the Peoples Republic of China (China) where inflation was reported at 0%. That was a new concern and caused more significant worry than inflationary pressure, as it indicated the possibility of an unstable inflationary environment in China that could tip their economy into deflation that could affect our trading market.
- Inflation cost for household food increased by 12.3% and household utilities (rent, rates and related household services) increased by 6%.
- Commodity prices had fallen, and the New Zealand dollar was under pressure at the value of 0.61 cents against the American Dollar.
- Fonterra New Zealand had released their forecast milk commodity price payment to farmers and it had reduced by one dollar. The effect of that reduction had cost the New Zealand economy an estimated \$5 billion dollars.
- Most sectors are declining in their borrowing, especially household and business borrowing.
- The agriculture sector had for the previous five years paid down debt and the slight increase in borrowing in the sector was seen as a case of having to borrow to keep business going.
- There was still a concern that New Zealand placed at number 55 of 56 of the worst worldwide markets that ranked housing unaffordability. That was an improvement from 2022 when New Zealand was ranked number two behind Turkey (with an inflation of between 50% and 80%). That measurement reflected unease on the position of high interest rates in New Zealand, that were considered unsustainable for the long term but the current curtailment of inflation seemed to be working..
- The Reserve Bank of New Zealand (RBNZ) considered house price inflation had peaked. Noted that house prices were now at the level last reached during the 2007 Global Financial Crisis (GFC). Headline mortgage interest rates would peak at an expected 7%. The effect of that rate on consumer spending and household expense had not been seen, as a tranche of households had yet to be required to refix/refinance their mortgages rates. The rate was currently at around the 4% mark.
- The effect of that anticipated interest rate rise had been seen in the projected and actual number of resource consents lodged to build new houses or develop new housing areas and investment in those areas. It was expected that high interest rates would continue to cause a downward trend in the number of houses available.
- Further change to the Official Cash Rate (OCR) (last adjusted by the RBNZ in May 2023). The RBNZ still saw the neutral rate between 2% and 3.75%, with the OCR well above that at 5.50%, and this would expect to do damage to the economy. .
- The rates were at their peak and the swap rates reflected guidance on when interest rates would fall. The market had priced cuts by August 2024 with the OCR anticipated below 5%. This would depend on how the economy behaved. Hopefully next year all councils would get some relief on interest rates.
- Staff then provided a brief overview of the report and highlighted pertinent points to the Committee.
- The report sought to increase cash holdings from \$10 Million Dollars (\$10M) to \$15M reflected the increased cash flow requirements in monthly outflows.
- Ongoing work had been completed on where our retentions would be held, either in Trust or through another financial vehicle. Further information on this would be provided next month.
- Outstanding debt as at 30 June 2023 had increased from the projected \$903M to \$948M, an increase of \$45M, that had been approved during the year to cover borrowing requirements.
- The level of debt for 2024 would be \$1.1 Billion.. The average cost of borrowing was 3.92%.

- The fixed debt profile of Council was projected both with and without Three Waters included and was based on high level assumptions around the debt settlement.
- Debt swaps had allowed this profile to remain above the line until there was certainty on water reform.

### **In response to questions**

- The Committee thanked Mr Raschhod for his insight and presentation and acknowledged that while the situation was largely unchanged from previous reports, it made for depressing reading at times.
- Household costs were already under extreme pressure and the drivers of those costs (increase in food, rent, mortgages, rates, power, debt levels ), were mostly outside the control of households and had to be paid.
- Under pressure households would find cost increases, including potential rate rises, a further burden. The situation was not unique and was faced by most Territorial Authorities in New Zealand. There would be a flow through in potential debt risk of unpaid rates and a downturn in the local economy, that resulted from reduced discretionary spending as people prioritised budgets and household commitments under those constraints.
- Staff confirmed that retentions would be held in trust to protect subcontractors who had completed Council contracted work.
- Staff were in constant negotiations and conversations with the National Transition Unit (NTU) Three Waters Reform . Negotiations would be ongoing, although agreement had been reached on the numbers to the end of 2022.
- That issues had not yet concluded, and staff had been in close contact with the NTU on the matter and noted that while there was still on-going work, the numbers were close to the debt ceiling and did not allow for large movement.
- Staff constantly monitored rates collection data.
- Interest rates were factored into the Long Term Plan with the best information that was provided at the time of preparation.
- In the preparation of the Long-Term Plan, the modelling of the debt to revenue ratio, staff provided for internal limits that built in capacity for unforeseen circumstances.

### **Discussion points raised**

- In the near term (three years) potential would occur that a “new normal” for household costs and pressures would be reached, that reduced discretionary spending and the flow on effects to the wider economy. In that term, interest rate rises, and inflationary pressures, would encourage councils to look at funding models and sources that were not provided through rates.
- Noted increased pressure to find new funding sources and other tools to manage risk and the potential rate arrears that could occur would require further investigation by Council.
- Those investigations were to be included in the ongoing conversation with Central Government on the shape and funding of Local Government, Three Waters and the need for Local Government to continue to provide services and the investment that infrastructure and other priority areas required.
- The Committee Chair Anne Tolley noted that council had begun to look at all the services provided by the Council to consider who was benefiting from these services to ensure those who benefitted paid their fair share of these services.
- Concern was expressed that should the peak inflation last longer than anticipated, or have a longer tail than expected, there was assurance that this would not impact negatively on council’s budget.

### **COMMITTEE RESOLUTION SFR5/23/3**

Moved: Commissioner Stephen Selwood

Seconded: Mr Bruce Robertson

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Six Monthly Treasury Strategy Update".
- (b) Approves the issuance of long- and short-term debt on a wholesale basis to manage cashflows.
- (c) Approves maintenance of a minimum of \$15M of cash and short-term investments to manage cashflows.
- (d) Approves hedging of all significant foreign exchange exposures.
- (e) Approves to hold new retentions monies in a trust account to adhere to new legislation.

**CARRIED**

## **Attachments**

- 1 Presentation from S Rachhod - Bancorp - Update - to Strategy Finance and Risk Committee - 7 August 2023

## **9.2 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

**External** Philip Jones, Principal - PJ and Associates

### **Key points**

- The Rating Policy was amended in the 2022/2023 Annual Plan that phased in a commercial rating differential for the general rate and a transportation targeted rate that reflected a 50/50 funding split between commercial and residential rating units.
- The differential was considered insufficient by commercial sector and they sought that further differentiation be considered by Council to reflect the significant benefits received by the industrial sector.
- The Judgement of the Supreme Court of New Zealand in the successful appeal by Auckland Council, for a targeted rate on commercial accommodation providers, had provided important principles in setting rates by a local authority.
- Commissioners requested and staff had investigated whether there was justification to introduce a new industrial rating category which provided a fairer and more equitable funding outcome.
- Staff concluded there was insufficient data that supported further separation of the commercial and industrial rating category. That was in part reflected by Tauranga City Council's (TCC) data limitations. The earlier studies had not considered the impact of heavy vehicles on the Council's costs or community wellbeing.
- Mr Philip Jones, of PJ and Associates, had been engaged and investigated and reported on whether the introduction of a new rating category could be supported.
- Noted that the report focused on the assessment of proposed Council expenditure to the developed Asset Management Plan, in conjunction with the development process followed for the Draft Long-Term Plan 2024/34.
- A lack of data had made support of that process unsustainable.

### **In response to questions**

- S101(3)(b) Local Government Act (LGA) could be used by Council to assess data collected and the effect on not only the City but how that affected the four wellbeings for all residents not only industrial and commercial users. This was not commonly done around the country, but there were some cases before the courts that had opened the door. This needed to be carefully

explained and articulated. Council would need to understand the impacts and clearly articulate why it would have a higher differential for that group of properties.

- It was noted that the industrial categories had effect on people and communities using the four wellbeing measures set out in s101(3)(b) of the LGA and this would allow Council to assess impacts on people and infrastructure.
- That further allowed for the use of differentials for calculations and forecasting of budgets.
- There remained a number of unidentified issues that were not covered in data collected to date. That included differentials that were not in common use (two had been identified at present), Congestion and projected City Growth and its impact.
- The primary data to be collected would be congestion on local roads and State Highways, and the impact of congestion on residents and ratepayers ability to undertake their normal course of activities.
- As data collection increased other challenges had been identified, e.g. there was no state highway access to the Port of Tauranga which created additional impacts.
- Environment Impacts would also need to be considered to include in the differential.
- City expansion in areas such as the Industrial estate in Tauriko highlighted the need for timely and accurate collection of data to enable future planning and budgeting.

### Discussion points raised

- Future growth demand would require further investment in the quality of the roading network.
- Using the collated data would allow Council to create policy where costs were paid for using a 'fair share' model. Determining the benefits derived from the industrial sector, identifying the costs and identifying who were the beneficiaries and who were the exacerbators would build evidence to justify more equitable funding models.
- Industrial and Commercial users had indicated a willingness to pay increased costs, however, there remained a risk that ratepayers would be burdened with increased costs as work was completed and paid for from rates revenue.
- As more accurate data was received, Council had the ability to develop policy that would look at additional funding sources outside of rates e.g. road tolls and partnership agreements with industrial users and determine impacts of growth on environment effects and roading congestion.
- Data that related to bus use and effects was already collected, and not included in the data collected for this report.
- The current resolution did not clearly reflect Council's ability to use s101(3)(b) in the development of a 'Fair Share, user pays model.
- The Committee thanked Mr Jones and staff for a clear and informative report.

### COMMITTEE RESOLUTION SFR5/23/4

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Receives the council report "Review of Rating Categories to Differentiate Industrial Ratepayers".
- (b) Receives the attachment "Report on Rating Categories – Differential by P J and Associates".
- (c) Recommends to Council to consider introducing a new rating category for industrial properties (Option 1) in the development of the 2024-34 Long-term Plan.

**CARRIED**



### 9.3 Capital Programme 23/24 Update

Staff            Nic Johansson General Manager: Infrastructure  
                  Amanda Davies, Manager: Spaces and Places Project Outcomes  
                  Kelvin Hill, Manager: Water Infrastructure Outcomes  
                  Brendan Bisley, Director of Transport

Refer to attached Presentation Capital Programme Update 23/24.

#### Key points

- The Committee received reports from the major project groups that provided an update on current project deliverables and recent projects completed.
- The Committee directed that this update be attached to the confirmed minutes.

#### Spaces and Places – Amanda Davies

- Graphics and brief updates of completion dates for specific projects.
- Marine Parade Coastal Path – completion early 2024
- Pāpāmoa shared pathway – completion early 2024
- Kopurererua steam – northern alignment and path network – completion summer 202
- Omanawa Falls – completion early 2024
- Destination Skatepark – completion early 2024
- Gate Pa and Merivale Community Centres
- Gordon Spratt Community Sports Pavillion
- Links Ave Artificial Turf

#### Transport Brendan Bisley

- Artificial intelligence was revolutionising fault data collection of our roading network.
- 50 safety improvement projects completed before the end of the year.
- Te Okuroa Drive and Sands intersection – completion by Christmas 2023.
- Pāpāmoa East Interchange –embankment works completed and would allow for ground settlement. Construction would be later in the year.
- Positive feedback provided to staff on smaller projects, such as the crossing outside St Mary's School showed that small jobs could have high positive impact for communities.
- Totara Street resealing had taken longer than projected, the delay had occurred due to two factors. Concrete was used in sealing the road to provide a longer life before replacement was needed. Inclement weather lengthened the curing time for the road.

#### Waters – Kelvin Hill

- Waters was a 24/7 operation that had faced a challenging year.
- Opal Drive work had progressed well and was on track.
- Tatau raw water pipeline duplication to enhance supply resilience between the stream intake pump station and Oropi Gorge Road reservoir.
- Bioreactor ground improvements were being constructed under adverse weather conditions to stop liquefaction in earthquake conditions.
- A robot was designed to investigate the ocean outfall and had the capacity to take CCTV camera footage of the pipe as well as pull out large pieces of concrete material from the previous joint repairs.
- As part of the upgrade of the wastewater pipe a boardwalk had been installed behind Fashion Island to mount the pipeline alongside the board walk. This had proved a popular addition to the area. Residents raised concerns on the lack of security along the boardwalk and Council had responded with the installation of CCTV. This was appreciated by residents.

**City Centre and Civic Programme – Gareth Wallis**

- Work was now completed on the Dive Crescent North car park and would be opened shortly.
- Dive Crescent South carpark – completion before Christmas 2023.
- Elizabeth Street East – completion before Christmas 2023.
- 97 carparks at 160 Devonport Road – completion before Christmas 2023.
- Red square and Grey street activation – completion before Christmas 2023.
- End of trip cycle facilities – Grey Street - 80 bike parks – completion before Christmas 2023.
- Detailed design of Library/Community Hub – completion by Christmas 2023.
- Concept design and costings for Memorial Park -completion by Christmas 2023.
- 79 Grey Street Laneways concept design – completion Christmas 2023.
- Waterfront Boardwalk construction – completion – March 2024.
- Strand North and shared pathway construction – completion – April 2024.
- Beacon Walk – completion April 2024.
- Masonic Park and Tauranga Art Gallery– start 1 October 2023 completion by mid-2024.
- Waterfront Playground – completion July 2024.
- Northern Sea Wall – commence before year end 2023.
- Elizabeth Street West streetscape and laneway – completion February 2024.

**In response to questions**

- Project Management had been an ongoing area of assessment, process improvement and training for staff. A further report would be brought back to the Committee.
- A cultural lens was used in all project planning. Project Teams worked closely with the internal teams and external iwi and hapū groups to provide that lens.
- Noted a threefold increase in capital expenditure programmes in three years.
- Noted the work completed by the teams was a great news story and one that should be told to Tauranga through media channels.
- Health and Safety procedures and adherence to guidelines had received a renewed focus and was included in all contracts with external suppliers. That work was being actively managed with training and ensuring expectations were understood and met.
- Delayed roading work had caused concern there was a lack of communication from Council on that work. Delays were at times not able to be identified until work had commenced. Staff had taken learnings of earlier projects and had improved communication plans for the active projects.

**Discussion points raised**

- More communication of the fantastic work on-going in the city was needed.
- More communication of timeframes and delays in projects.
- The Committee was extremely proud of the Dive Crescent project now completed and commended all involved.

**COMMITTEE RESOLUTION SFR5/23/5**

Moved: Mr Bruce Robertson

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

- (a) Receives the council report "Capital Programme 23/24 Update".

**CARRIED**

**Attachments**

- 1 Capital Programme Update Presentation

At 11.30am the meeting adjourned.

At 11.36am the meeting reconvened.

#### 9.4 Q4 Financial and Non-Financial Monitoring report to 30 June 2023 - Draft results

**Staff** Paul Davidson, Chief Financial Officer  
Tracey Hughes, Financial Insights & Reporting Manager  
Jeremy Boase, Manager: Strategy and Corporate Planning

Refer to attached Memorandum - Draft Results Amendment to Report Attachment 7.

##### Key points

- A minor corrections memorandum was provided to the Committee, that updated figures from the original report. The Committee directed that this be attached to the minutes.
- Noted that the financial figures were still preliminary and would be refined.
- A year end adjustment from the purchase and licence agreements for Software as a Solution (SaSS) was an operational expenditure (OPEX) and a resolution would come to the Council to loan fund that expenditure of \$10M.

##### In response to questions

- No questions were received from the Committee.

##### Discussion points raised

- There were no surprises in the report or memorandum figures that had not already been communicated to the Committee.
- The Committee was pleased to see the timeframes for processing resource consents was improving, but still allowed for reporting of any long-term lag in the timeframe data.

#### COMMITTEE RESOLUTION SFR5/23/6

Moved: Dr Wayne Beilby  
Seconded: Commissioner Stephen Selwood

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Q4 Financial and Non-Financial Monitoring report to 30 June 2023 Draft results and tabled Memorandum - Draft Results Amendment to Report Attachment.

**"CARRIED**

#### Attachments

- 1 Memo to Item 9.4 - Draft Results Amendment to Report - Attachment - 7 August 2023

#### 9.5 Annual Residents' Survey 2022/23

**Staff** Christine Jones, General Manager: Strategy, Growth & Governance  
Jeremy Boase, Manager: Strategy and Corporate Planning

##### Key points

- The report brought together four 'waves' of Community feedback.
- The report was taken as read.
- 

##### In response to questions

- There were no questions from the Committee

##### Discussion points raised

- A majority of measures surveyed had risen.

- Roading and footpaths and outdoor spa es continued to be of concern to residents.

### COMMITTEE RESOLUTION SFR5/23/7

Moved: Commissioner Stephen Selwood

Seconded: Ms Rohario Murray

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Annual Residents' Survey 2022/23".

**CARRIED**

## 9.6 2024 - 20234 Long-term Plan - Revenue and Finance Policy Framework - Funding Needs Analysis

**Staff** Paul Davidson, Chief Financial Officer  
Kathryn Sharplin, Manager: Finance  
Jeremy Boase, Manager: Strategy and Corporate Planning

### Key points

- Analysis was ongoing of depreciation and funding requirements.
- Proposed fee for flood protection was included, despite there being a targeted Three Waters Levy, it did not allow for flood related damage or issues.
- A proposed targeted rate for swimming pool inspections to be paid by one third each year over three years.
- Fair Share/user payments. There have been a number of these proposed in the Long Term Plan discussion on user fees and charges, e.g., boat ramps and use of sports fields and facilities and parking charges.

### In response to questions

- There were no questions to the report.

### Discussion points raised

- A separate report would be provided to Council regarding the Industrial and Commercial Rates.
- The targeted rate for swimming pool inspections was the preferred method as it did not incur set up costs.

### COMMITTEE RESOLUTION SFR5/23/8

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Stephen Selwood

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "2024 - 20234 Long-term Plan - Revenue and Finance Policy Framework - Funding Needs Analysis".
- (b) Adopt the draft Funding Needs Analysis (Attachment 1) to confirm step one of the processes and to inform the drafting of the Revenue and Finance Policy for consideration at Council on 21 August 2023.

**CARRIED**

## 9.7 2024 - 2034 Long-term Plan - Update - Funding and Reserves

**Staff** Paul Davidson, Chief Financial Officer  
Kathryn Sharplin, Manager: Finance  
Frazer Smith, Manager: Strategic Finance & Growth

**Key points**

- Depreciation and funding to the Council (over the ten-year long-term plan) in the current economic climate remained challenging.
- Reserves for liabilities e.g., weather tight building pays outs, resulted in there being some head room in Council budgets.
- If Council was required to 'smooth' funding in the event of unexpected increases in values and or of larger than expected depreciation, budgets could, at the current data be moved back to their original terms. That would have the effect of smaller rates revenue and require increased debt levels.

**In response to questions**

- No questions were asked by the Committee

**Discussion points raised**

- The funding and financing of Local Government in New Zealand was no longer relevant or sufficient to meet the demands placed on councils. The level of funding to run operations on a day to day level and provide future investment in infrastructure was too large a burden for growth councils. Central Government was receiving the benefit of these works at the detriment of councils.

**COMMITTEE RESOLUTION SFR5/23/9**

Moved: Commissioner Shadrach Rolleston

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "2024 - 2034 Long-term Plan - Update - Funding and Reserves".
- (b) Recommends to Council 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) Recommends to Council 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) Recommends that Council 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**

**9.8 2024-2034 Long-Term Plan - Non-Financial Performance Measures**

**Staff** Christine Jones, General Manager: Strategy, Growth & Governance  
Rob Lahey, Principal Strategic Advisor

**Key points**

- The Local Government Act 2002 required councils to consult on 24 Mandatory performance measures.
- Tauranga City Council previously had consulted on 100 measures.
- Staff had reviewed those measures and provide a sharpened focus of measures.
- Measures were reduced to 80 and further work on how these would be presented was underway and would be reported back through the Long Term Plan process.

**In response to questions**

- A report on measurements would be brought to the Committee in early 2024 prior to final adoption of the Draft Long-Term Plan 2024-2034.

**Discussion points raised**

- The Committee would like to see further rationalisation of measures and that they were produced in a format that would allow the public to easily see and understand the measurements based on high level outcomes under key metrics relating to the existing pillars of the Council's Vision and Strategic Direction.

**COMMITTEE RESOLUTION SFR5/23/10**

Moved: Commissioner Stephen Selwood

Seconded: Mr Bruce Robertson

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "2024-2034 Long-Term Plan - Non-Financial Performance Measures".
- (b) Approves the draft non-financial performance measures for inclusion the Groups of Activities section of the Long-term Plan 2024-2034 as proposed in **Attachment 1 – Appendices 1-12**.
- (c) Recommends to Council that Council:
  - (i) Adopts the draft non-financial performance measures for inclusion in the Long-term Plan 2024-2034 (**Attachment 1 – Appendices 1-12**) to form part of the supporting documentation for the purpose of public consultation for the proposed Long-term Plan 2024-2034.
  - (ii) Authorises the Chief Executive to make any minor amendments to the documentation necessary to ensure accuracy and to correct minor drafting errors.

**CARRIED**

**9.9 Parking Management Plan roll out adjustment.**

**Staff** Nic Johansson, General Manager: Infrastructure  
Reece Wilkinson, Parking Strategy Manager  
Brendan Bisley, Manager of Transport

**Key points**

- As proposed in the parking management plan, Council was due to roll out the next phase of changes from 1 November 2023 onwards. The reduced number of all-day parking spaces in the city centre, disruption caused by ongoing development and cost of living concerns among residents were seen as barriers to the roll out of the policy.
- There was an opportunity for Council to consider and amend the timeframe of the roll out.
- Transactions showed that the majority of payments were made on Wednesday and Thursday.

Changes to extend parking to 11<sup>th</sup> Avenue in October 2023 could have unforeseen issues that may affect parking use.

- There was a need for flexibility around parking with ongoing road and construction work in the city centre.

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

- Reserved parking spaces were increasing in the City as building work was completed.
- The Committee noted that there were still misconceptions on the availability of parking in the City and more positive communications were needed.
- Further work with the Regional Council and Central Government was needed to further investigate bus routes and fees, recovery of parking costs and where those funds were spent.

#### **Discussion points raised**

- Staff had initiated a stream of work that investigated options for parking for construction workers.

#### **COMMITTEE RESOLUTION SFR5/23/11**

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Parking Management Plan roll out adjustment.
- (b) Approves the following changes to the Parking Management Plan, to modify the implementation of parking restrictions across the city centre fringe and wider areas in Te Papa up to Eleventh Avenue as follows:
  - (i) Parking restrictions to be introduced on First Avenue, Second Avenue West, Third Avenue, Fourth Avenue and Mclean Street from 1 November 2023.
  - (ii) From 1 April 2024 paid parking will be expanded West of Cameron Road from Third Ave until Wharepai Domain. From 1<sup>st</sup> September 2024 will see the introduction of time restricted zones down to 11<sup>th</sup> Ave (map showing proposed changes in below report).

**CARRIED**

### **9.10 Street Use Policy Review - Issues and Options Report**

**Staff** Nic Johansson, General Manager: Infrastructure  
Vicky Grant-Ussher, Policy Analyst

#### **Key points**

- The review would retire old policy that was not in use and bring together a number of policies in one place.
- The review provided for input from both applicants and council that used good principals and design in the streetscape.
- Use of zones for outdoor dining including balconies.
- Greater clarity for business owners on expectations.

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

- The Committee was pleased to see the changes proposed allowed for clarity for business.
- Would like to see vaping and smoking banned in dining areas.
- Artificial grass had issues relating to microplastics entering the environment, was wasteful in that it needed to be replaced often (2-10 years) and then went to landfill and degraded quickly with cigarettes melting the plastic. It did not provide the same permeability as grass and other planting options other than grass would be preferable.



- Balcony dining areas could be considered differently however the commercial benefit was similar to street dining. Flexibility in the future for road space was also a factor to be considered. Airspace could be charged for the private benefit of balcony dining and this would be a policy decision and there was discretion on postponing the introduction of this charge.
- Feedback on smoking and vaping free requirements would be discussed with businesses and brought back to the Committee.

#### **Discussion points raised**

- The Committee directed staff to contact the Main Streets Association to discuss the proposed policy, and that staff provide the Committee with further information on the proposal in relation to balcony areas of establishments.

#### **COMMITTEE RESOLUTION SFR5/23/12**

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Street Use Policy Review - Issues and Options Report".
- (b) Gives direction on the following issues to inform the creation of a combined street policy:

#### **Issue One: Principles of the policy**

- (i) Include the proposed tailored policy principles (outlined in Attachment One).

#### **Issue Two: Inconsistent charging for street and balcony dining**

- (ii) Include eligibility criteria for a temporary reduction in street dining fees.
- (iii) Include zoned dining charges for street dining.
- (iv) Include aligned charges for balcony dining and street dining.

#### **Issue Three: Compliance issues**

- (v) Require application fees reflective of the costs of inspection and administration and require bonds to cover potential remediation that could be required from private or commercial users of the street.
- (vi) Waive application fees and bonds where an activity is a community activity or has a primarily community benefit.
- (vii) Do not require design features or verandas approved by council to have a lease or licence to occupy, and do not require ongoing fees.

#### **Issue Four: Accessibility**

- (viii) Progress accessibility improvements through a working group made up of council, businesses, disability representatives, mainstreet associations, and community members.

#### **Issue Five: Other matters**

- (ix) Include a reference to street dining aesthetics and design guidelines in the policy.
- (x) Include smoke-free and vape-free requirement for new licences or leases for street dining.
- (xi) Include information on vehicle crossing relocations in the policy.
- (xii) Do not permit artificial grass in the policy.

**CARRIED**



### 9.11 Water Services Reform Update

**Staff** Nic Johansson, General Manager: Infrastructure  
Diane Bussey, Contractor - Three Water Reforms  
Cathy Davidson Manager: Directorate Services

#### Key points

- A high level of uncertainty around the requirements and expectations of council around water reform still existed.
- The submission from the Council to Government on Water Reform was prepared in a short timeframe at a high level only given the information available.
- Ongoing work included consultation with Te Rangapū Mana Whenua o Tauranga Moana on an issue-by-issue basis, The work was still guided by the original intent of the legislation until such time as more information was released from Central Government.
- Transition matters had been handed to the Department of Internal Affairs from Central Government. This had created extra time for information to be received by Council.

#### In response to questions

- Council would continue to work with other councils that had expressed support of its submission.

#### Discussion points raised

- Commissioners, and following the end of their term in office Councillors, would continue to work with the Minister responsible for transition to Three Waters and local Members of Parliament to ensure that a clear understanding of the issues facing the region, including the cost and financing expected from Council in relation to this transition.
- Given the existing uncertainties work with neighbouring councils was essential.

### COMMITTEE RESOLUTION SFR5/23/13

Moved: Mr Bruce Robertson

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Water Services Reform Update".
- (b) Notes that a joint submission on the Water Services Entities Amendment Bill was submitted on 5 July 2023 (Joint between TCC and Te Rangapu).
- (c) Endorses the Water Services Reform project team to continue with the next steps, summarised as follows:
  - (i) Engage with the remaining legislative processes for Water Services Reform, with relevant communication and engagement activities,
  - (ii) Completion of outstanding deliverables, per National Transition Unit (NTU) advice, and revise transition planning for reforms, once the establishment date for Entity C and regional transition approach have been confirmed.

**CARRIED**

### 9.12 2023 Q4 Apr-June Health and Safety Report

**Staff** Alastair McNeil, General Manager: Corporate Services  
Darren West, Health, Safety & Wellbeing Manager

#### Key points

- The report was taken as read.

**In response to questions**

- Work had been finished on contracts and standards, that allowed a start to finish process of expectations, health and safety training and site management with contractors completing Council work.
- This would feed into procurement processes.
- There was still a level of concern at disorder incidents in library spaces Council had been proactive in engagement with local Community Constables and Human Resources business partners that resulted in library staff expressing that they felt supported.
- Animal Control staff had been equipped with body cameras for safety.

**Discussion points raised**

- From the 2019 Policy Review the only outstanding issue was completion of the Drug and Alcohol Policy.
- Data used in reporting could not be shared with other bodies given its sensitive nature or that it was related to the procurement process.
- Staff had worked proactively to facilitate the provision of monthly reports to the Committee.

**COMMITTEE RESOLUTION SFR5/23/14**

Moved: Commissioner Stephen Selwood

Seconded: Ms Rohario Murray

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "2023 Q4 Apr-June Health and Safety Report".

**CARRIED**

**9.13 LGOIMA and Privacy Annual Report and Q4 for 2022/2023 year**

**Staff** Christine Jones, General Manager: Strategy, Growth & Governance  
Kath Norris: Team Leader, Democracy Services

**Key points**

- A good year had been had for the team, there had been a steady increase in information requests, those were seen to relate to construction work in the city and health and safety issues.
- The marked increase in requests during March 2023 was determined to be in relation to requests regarding extreme weather events and by requests from the Tax Payers Union for their annual reporting.
- The Ombudsman had no questions of Council.

**In response to questions**

- No questions were asked by the Committee.

**Discussion points raised**

- No points raised by the Committee.

**COMMITTEE RESOLUTION SFR5/23/15**

Moved: Mr Bruce Robertson

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

- (a) Receives the report “LGOIMA and Privacy Annual Report and Q4 for 2022/2023 year.

**CARRIED**

## 10 DISCUSSION OF LATE ITEMS

Nil

## 11 PUBLIC EXCLUDED SESSION

### Resolution to exclude the public

#### COMMITTEE RESOLUTION SFR5/23/16

Moved: Commissioner Stephen Selwood

Seconded: Ms Rohario Murray

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
<b>11.1 - Corporate Risk Register - Quarterly Update</b>	<p>s7(2)(b)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>11.2 - Internal Audit &amp; Assurance - Quarterly Update</b>	<p>s6(b) - The making available of the information would be likely to endanger the safety of any person</p> <p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(d) - The withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public</p> <p>s7(2)(g) - The withholding of the information is</p>	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

	necessary to maintain legal professional privilege s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage	
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**CARRIED**

## **12 CLOSING KARAKIA**

Commissioner Shadrach Rolleston closed the meeting with a karakia.

### **Resolutions transferred into the open section of the meeting after discussion**

#### **Item 11.1 – Corporate Risk Register - Quarterly Update report**

##### **COMMITTEE RESOLUTION SFR5/23/17**

Moved: Mr Bruce Robertson

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

- (a) Receives the Corporate Risk Register - Quarterly Update report.
- (b) Transfers this report and attachments to open at the conclusion of this meeting.

#### **Item 11.2 – Audit & Assurance quarterly update report**

##### **COMMITTEE RESOLUTION SFR5/23/18**

Moved: Mr Bruce Robertson

Seconded: Commissioner Stephen Selwood

That the Strategy, Finance and Risk Committee:

- (a) Receives the Audit & Assurance quarterly update report.
- (b) Transfers this report to open at the conclusion of this meeting.
- (c) Retains the Attachments (Unexpected failure of a critical infrastructure asset) as confidential to prevent the disclosure or use of official information for improper gain or improper advantage.

**The meeting closed at 2.25pm.**

**The minutes of this meeting were confirmed as a true and correct record at the Strategy, Finance and Risk Committee meeting held on 18 September 2023.**

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**CHAIRPERSON**