



# **MINUTES**

**Ordinary Council meeting  
Monday, 16 September 2024**

## Order of Business

<b>1</b>	<b>Opening karakia</b> .....	<b>4</b>
<b>2</b>	<b>Apologies</b> .....	<b>4</b>
	2.1 Apologies .....	4
<b>3</b>	<b>Public forum</b> .....	<b>5</b>
	3.1 John Robson.....	5
<b>4</b>	<b>Acceptance of late items</b> .....	<b>5</b>
<b>5</b>	<b>Confidential business to be transferred into the open</b> .....	<b>5</b>
<b>6</b>	<b>Change to the order of business</b> .....	<b>5</b>
<b>7</b>	<b>Confirmation of minutes</b> .....	<b>6</b>
	7.1 Minutes of the Council meeting held on 15 August 2024 .....	6
	7.2 Minutes of the Council meeting held on 19 August 2024 .....	6
<b>8</b>	<b>Declaration of conflicts of interest</b> .....	<b>6</b>
<b>9</b>	<b>Deputations, presentations, petitions</b> .....	<b>6</b>
	Nil	
<b>10</b>	<b>Recommendations from other committees</b> .....	<b>6</b>
	Nil	
<b>11</b>	<b>Business</b> .....	<b>6</b>
	11.1 Final Statement of Intent 2024/25 to 2026/27 for Bay of Plenty Local Authority Shared Services.....	6
	11.2 Private Plan Change 35 Tauriko Business Estate Stage 4 - Adoption and Notification of Decisions .....	7
	11.3 Plan Change 34 Belk Road Rural Residential - Approval of Independent Commissioner's Recommendations .....	8
	11.4 Temporary alcohol-free areas for the summer period 2024/25 .....	9
	11.5 Rating Policy and Rating Valuations.....	10
	11.6 User fees and charges - Long-term Plan background.....	12
	11.7 National Land Transport Programme 2024–27 Release Update .....	13
	11.8 Update on Long-term Plan High Level Financials.....	14
	11.9 Long-term Plan Amendment Process .....	16
	11.10 Leave of absence.....	17
	11.11 Background Information - 90 Devonport Road .....	19
<b>12</b>	<b>Discussion of late items</b> .....	<b>20</b>
<b>13</b>	<b>Public excluded session</b> .....	<b>21</b>
	13.1 Public Excluded Minutes of the Council meeting held on 19 August 2024 .....	21
	13.2 Appointment of Hearings Panel for Proposed Plan Change 39 (120 Upper Ohauti Road).....	21
	13.3 Procurement of Cleansing & Drainage Works Outside the TCC Maintenance Contract .....	21

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Confidential Attachment 1	11.5 - Rating Policy and Rating Valuations .....	21
Confidential Attachment 2	11.12 - Background Information - 90 Devonport Road .....	21
Confidential Attachment 5	11.12 - Background Information - 90 Devonport Road .....	22
<b>14</b>	<b>Closing karakia .....</b>	<b>22</b>

UNCONFIRMED

**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, 16 SEPTEMBER 2024 AT 9.30AM**

**PRESENT:** Mayor Mahé Drysdale, Cr Hautapu Baker, Cr Glen Crowther, Cr Rick Curach, Cr Steve Morris, Cr Marten Rozeboom, Cr Kevin Schuler, Cr Rod Taylor

**APOLOGIES AND LEAVE OF ABSENCE:** Cr Mikaere Sydney, Deputy Mayor Jen Scoular

**IN ATTENDANCE:** Marty Grenfell (Chief Executive), Paul Davidson (Chief Financial Officer), Barbara Dempsey (General Manager: Community Services), Nic Johansson (General Manager: Infrastructure), Christine Jones (General Manager: Strategy, Growth & Governance), Alastair McNeill (General Manager: Corporate Services), Sarah Omundsen (General Manager: Regulatory and Compliance), Andrew Mead (Manager: City Planning and Growth), Caroline Lim (CCO Specialist), Sam Fellows (Manager: City Partnerships), Phillip Martelli (Principal Planner: Structure Planning), Jim Taylor (Manager: Rating Policy & Revenue), Craig Dunlop (Principal Investment Advisor), Mike Seabourne (Head of Transport), Raj Naidu (Senior Investment Advisor: Transport), Rebekah Warwick (Senior Investment Advisory Transport), Kathryn Sharplin (Manager: Finance), Tracey Hughes (Financial Insights & Reporting Manager), Coral Hair (Manager: Democracy & Governance Services), Aimee Aranas (Governance Advisor), Janie Storey (Governance Advisor)

**EXTERNAL:** None

## **1 OPENING KARAKIA**

Cr Hautapu Baker opened the meeting with a karakia.

## **2 APOLOGIES**

### **2.1 Apologies**

#### **RESOLUTION CO19/24/1**

Moved: Cr Rick Curach  
Seconded: Cr Rod Taylor

That the apologies of Deputy Mayor Jen Scoular and Cr Mikaere Sydney (who had been granted leave of absence) be received.

**CARRIED**

### 3 PUBLIC FORUM

#### 3.1 John Robson

##### Key Points:

Mr Robson:

- Congratulated elected members on the election results, noting that together they had the makings of a good Council with an impressive skill set, but were short on knowledge so advised Members to keep asking questions.
- Welcomed the equal pay for all Councillors, noting that committees in part were not a good outcome as the Councillor role was full time.
- Requested that the Chairperson call the vote as it was held as it was not clear how votes were cast when viewing meetings on live stream.
- Requested that the public forum time revert back to 10 minutes per submitter.
- Considered that Tauranga had the worse governance over the past three years and considered that people had been let down on many things on a number of issues in that time.
- Noted that Councillors were in charge of the Chief Executive and it was important that the community determined where that line was.
- Suggested the need to put the right questions to the finance and rating teams so that Councillors would be better informed and ratepayers better off.
- Considered that the rating figures in the city were worse than all of the other metro councils.
- Noted that he had two requests for the future which included addressing three waters and the rate burden for those less well off as this was an obligation under the LGA.

##### In response to questions

- In answer to a query as to where there were opportunities for savings, Mr Robson noted that everything had a cost and benefit so what comes before elected members must be taken into consideration. Those on fixed and low income made up the largest sectors of the community.
- In relation to Te Manawataki o Te Papa, the submitter considered that there was no consideration for an obvious third option of changing the scale of the proposal. Staff should provide all options and this should have been put in front of Council.
- Examine the numbers for the proposed ferry as they were crazy and did not add up.
- All items should have an analysis in the LTP with rate and debt figures.
- Discuss opex costs for Te Manawataki o Te Papa as it was much bigger than the capex costs.

Mayor Drysdale thanked Mr Robson for attending the public forum.

### 4 ACCEPTANCE OF LATE ITEMS

The Chief Executive noted that Te Manawataki o Te Papa Theoretical Termination Cost Advice had been circulated to Councillors and was available to the public.

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

Nil

### 6 CHANGE TO THE ORDER OF BUSINESS

Nil

## 7 CONFIRMATION OF MINUTES

### 7.1 Minutes of the Council meeting held on 15 August 2024

#### RESOLUTION CO19/24/2

Moved: Cr Rod Taylor  
Seconded: Cr Marten Rozeboom

That the Minutes of the Council meeting held on 15 August 2024 be confirmed as a true and correct record.

**CARRIED**

### 7.2 Minutes of the Council meeting held on 19 August 2024

#### RESOLUTION CO19/24/3

Moved: Cr Rod Taylor  
Seconded: Cr Marten Rozeboom

That the Minutes of the Council meeting held on 19 August 2024 be confirmed as a true and correct record, subject to the following correction/s:

- (a) Resolution 17/24/5 – Deputy Mayor Jen Scoular voted in favour of the motion and did not abstain.

**CARRIED**

## 8 DECLARATION OF CONFLICTS OF INTEREST

Nil

## 9 DEPUTATIONS, PRESENTATIONS, PETITIONS

Nil

## 10 RECOMMENDATIONS FROM OTHER COMMITTEES

Nil

## 11 BUSINESS

### 11.1 Final Statement of Intent 2024/25 to 2026/27 for Bay of Plenty Local Authority Shared Services

**Staff** Caroline Lim, CCO Specialist  
Sam Fellows, Manager City Partnerships

#### Key Points

- No feedback had been given to the Bay of Plenty Local Authority Shared Services (BOPLASS) from Council on their Statement of Intent.

**In response to questions**

- The percentage of funding was based on the size of each council with Tauranga City Council (TCC), the Bay of Plenty Regional Council and Rotorua Lakes District Council paying a proportionate amount more than others. Further details on the proportion of council's payment would be provided to councillors.
- The net savings associated and delivered, the net benefit for each council's costs and how they were calculated would be provided in the next BOPLASS annual report
- The most interface was for IT projects and procurement. There were a number of staff that dealt with BOPLASS working on different activities. There were also times when staff worked with Waikato Local Authority Shared Services.
- The Chief Executive of BOPLASS was full time and one person was part time. The Council finance team assisted the organisation when required.
- In response to a query as to whether the organisation offered value for money, it was noted that there were savings provided on a number of projects over the 12 years they had been in operation.

**Discussion points raised**

- It was requested that further details be provided in the annual report on the savings to Council and the number of shared opportunities.

**RESOLUTION CO19/24/4**

Moved: Cr Hautapu Baker

Seconded: Cr Glen Crowther

That the Council:

- (a) Receives the report "Final Statement of Intent 2024/25 to 2026/27 for Bay of Plenty Local Authority Shared Services".
- (b) Receives Bay of Plenty Local Authority Shared Services Limited's Final Statement of Intent 2024/25 to 2026/27 (Attachment 1).

**CARRIED**

**11.2 Private Plan Change 35 Tauriko Business Estate Stage 4 - Adoption and Notification of Decisions**

**Staff** Christine Jones, General Manager: Strategy, Growth & Governance  
Phillip Martelli, Principal Planner: Structure Planning  
Andrew Mead, Manager: City Planning & Growth

**In response to questions**

- In relation to whether the widening of the road gave an exemption to a property owner, it was noted that there would be no constraints on land as that section had been separated from the block of land. The land in question was not in the initial stage of the development, which allowed five years to move through all of the other processes and access options to provide a road corridor for the Upper Belk area.
- Feedback from hapū and iwi included the creation of a buffer zone along the Omanawa River to allow planting and stop stock grazing to the water.
- Staff were as confident as they could be that the project would not cause any undue problems on the transport network. There were triggers to carry out modelling with plan changes so as to not compromise future works. There were also staging rules in areas of up to 43Ha with enabling works and more transport options with State Highway 36 to avoid creating more congested areas around The Tauranga Crossing. There would be some constrained areas until larger transport options were delivered over the next three years being aligned to the developed land.

**RESOLUTION CO19/24/5**

Moved: Cr Kevin Schuler

Seconded: Cr Rod Taylor

That the Council:

- (a) Receives the report "Private Plan Change 35 Tauriko Business Estate Stage 4 - Adoption and Notification of Decisions".
- (b) Pursuant to clause 10 of Schedule 1 of the Resource Management Act 1991 accepts and adopts as its decision the recommendations of the Independent Hearing Commissioner on Private Plan Change 35 Tauriko Business Estate Stage 4 included as Attachment 1 - Recommended Changes to Private Plan Change 35, and Attachment 2 - Recommendations on Decisions.
- (c) Delegates authority to the Chief Executive to notify the decisions in accordance with clause 10 of Schedule 1 of the Resource Management Act.
- (d) Delegates authority to the Chief Executive to approve any minor and technical changes to the plan content in the recommendations of the Independent Hearing Commissioner Report (Attachment 1).

**CARRIED**

**11.3 Plan Change 34 Belk Road Rural Residential - Approval of Independent Commissioner's Recommendations**

**Staff** Christine Jones, General Manager: Strategy, Growth & Governance  
Phillip Martelli, Principal Planner: Structure Planning

**In response to questions**

- In relation to a query as to what implications there were with further subdivisions in the area with the large industrial estate next door, it was noted that reverse sensitivity was picked up in Plan Change 35 to ensure measures such as noise control on boundaries between zones were put in place.
- The land was owned by private land owners and there were no financial considerations to Western Bay of Plenty District Council for the transfer of the land area. The land becomes part of the TCC rating base who would then pick up the plan change and servicing costs.

**RESOLUTION CO19/24/6**

Moved: Cr Rod Taylor

Seconded: Cr Marten Rozeboom

That the Council:

- (a) Receives the report "Plan Change 34 Belk Road Rural Residential - Approval of Independent Commissioner's Recommendations".
- (b) Pursuant to clause 10 of Schedule 1 to the Resource Management Act 1991 accepts and adopts as its decision the recommendations of the Independent Hearing Commissioner on Plan Change 34 – Belk Road Rural Residential as attached (Attachment A).
- (c) Delegates authority to the General Manager Strategy, Growth & Governance to be able to notify the decisions in accordance with clause 10 of Schedule 1 of the Resource Management Act.



- (d) Delegates authority to the General Manager Strategy, Growth & Governance to approve any minor and technical changes to the Plan Change Content in the Recommendations of the Independent Hearing Commissioner Report (Attachment A).

**CARRIED**

**11.4 Temporary alcohol-free areas for the summer period 2024/25**

**Staff** Sarah Omundsen, General Manager: Regulatory and Compliance

**RESOLUTION CO19/24/7**

Moved: Cr Steve Morris

Seconded: Cr Kevin Schuler

That the Council:

- (a) Receives the report "Temporary alcohol-free areas for the summer period 2024/25".
- (b) Agrees that the proposed temporary alcohol-free areas are appropriate and proportionate in the light of the evidence; and justified as a reasonable limitation on people’s rights and freedoms.
- (c) Resolves under clause 8 of the Alcohol Control Bylaw 2018 to implement a temporary alcohol-free area between the hours of 9pm and 7am for all beaches, reserves and public places on the seaward side of Marine Parade (eastwards from its intersection with Grove Avenue), Oceanbeach Road and Maranui Street including, Surf Road, Yale Street and Sunbrae Grove from 21 October 2024 to 6 April 2025.
- (d) Resolves under clause 8 of the Alcohol Control Bylaw 2018 to implement temporary alcohol-free areas to support events across Tauranga as follows:

Fergusson Park	Fergusson Park including Tilby Drive from the intersection of Tainui Street and Waratah Street (all inclusive) from 10am, 31 December 2024 to 6am, 1 January 2025.
Gordon Spratt Reserve	Gordon Spratt Reserve and Alice Lane (all inclusive) and Parton Road (between Tara Road and Papamoa Beach Road) from 10am, 31 December 2024 to 6am, 1 January 2025.
Tauranga Racecourse Reserve	Tauranga Racecourse Reserve from 10am, 31 December 2024 to 6am, 1 January 2025.
Soper Reserve	Soper Reserve and Newton Street (all inclusive) as follows from 6am to midnight on the following dates. <ul style="list-style-type: none"> <li>• 1 November 2024</li> <li>• 23 November 2024</li> <li>• 1 March 2025</li> </ul>

- (e) Resolves under clause 8 of the Alcohol Control Bylaw 2018 to implement a temporary alcohol-free area 10am, 31 December 2024 to midnight, 4 January 2025 as follows:

Girven Road	From Gloucester Road to State Highway 2
State Highway 2	From Girven Road to Sandhurst Drive
Te Maunga Lane	All inclusive
Truman Lane	All inclusive
Mangatawa Link Road	All inclusive

State Highway 29A	From Truman Lane to the intersection with State highway 2 (including the roundabouts)
Gloucester Road	From Eversham Road to Girven Road
Eversham Road	All inclusive
Tudor Place	All inclusive
Palliser Place	All inclusive
Harrow Place	All inclusive
Exeter Street	All inclusive
Lambeth Terrace	All inclusive
Dover Place	All inclusive
Weymouth Place	All inclusive
Eversham Road Reserve	All inclusive
Kingsley Place	All inclusive
Penrhyn Place	All inclusive
Ernie Way	All inclusive
Hadleigh Reserve	All inclusive

- (f) Clarifies that during the period from 26 December 2024 to 6am on 6 January 2025, a temporary alcohol-free area is in place, 24 hours a day, seven days a week, for:
  - (i) All beaches, reserves and public places on the seaward side of Marine Parade (eastwards from its intersection of Grove Avenue to its intersection of Tweed Street)
  - (ii) Omanu Surf Club and car park area
  - (iii) Waiariki Street.

**CARRIED**

### 11.5 Rating Policy and Rating Valuations

**Staff** Paul Davidson, Chief Financial Officer  
 Jim Taylor, Manager: Rating Policy & Revenue

#### In response to questions

- Categories were aligned with land use zones. Valuers visit sites as part of a three-yearly revaluation process and use the web with a best fit use for industrial rating units.
- A rating team member would carry out inspections of the property for rating purposes if there was a query on the premises.
- None of the other metro councils had an industrial seapartion between commercial and industrial zones.
- Storage sheds covered a wide range of activities with no differentiation by type or ownership.
- The primary driver for the rate was to target transport rather than storage. Two reports had been undertaken to define light verses heavy transport, one of which was included in the transport plan.
- The introduction of a new industrial rating category was based on the evidence around roading costs i.e the impact of heavier vehicles on the roading network required additional maintenance costs, and the wellbeing impacts including congestion and safety. Consideration was given to fairness and equity of council’s policies when setting the industrial rate.
- The rating was more aligned to the district plan category, therefore if a café was established in an industrial area it would become a commercial use and rated as such.
- The definition of storage could be amended to relate to the size of the unit, with commercial for smaller and industrial for larger units.

- Generally valuers used the highest and best use of the storage units as a guide to valuation. Council does not have the resources to inspect each of the units and relied on the valuers assessment. If there was a dispute with the rates, staff would consider the objection and make a decision. Information could be provided on different definitions and land use codes used by valuers for each category if required.
- It would be difficult to maintain an up to date record on the use of each rating unit and would require additional resourcing for staff to visit each property.
- The commercial property differential was kept at 2.1m less than industrial differential of 2.6, due to the cost of living crisis being experienced within the retail sector.
- The industrial percentage as a proportion of the general rates was set at 20% to capture those heavier vehicles coming from outside of the city, especially to the port.
- Defining commercial storage to a suggested size of 125m<sup>2</sup>, with industrial being any size greater than that could be implemented without the need for onsite inspections. Development of the definition of an appropriate square meterage would need to ensure that it was made clear whether it included the land size and/or the unit size.
- This was the first rating year the new industrial rate and no understanding had been gained of any light commercial or industrial businesses such as plumbers and electricians moving out of the estate because of the rating impact, apart from self storage as it became too expensive.
- Council had a rates postponement policy where rates for a new zone could be deferred until any change in the use of the land occurred.
- The option of a separate transport rate was not discussed, it was more related to a commercial differential. Looking at an area and considering the best rating opportunity for the Council to utilise.
- The percentage of rating differentials would reduce and move around to keep level with growth to create certainty on the proportion of rates staying within each sector and sharing the load of the general rate.
- The option to leave the definition as it currently was would impact between 8-20 ratepayers who would be required to pay the rates assessed resulting in an undercollection of approximately \$20,000 this financial year.
- The portion of transport costs covered by the IFF levy was \$177M for a total of \$800M of projects in the LTP.
- Standardising industrial and commercial definitions for the next rating year was an option.

#### **Discussion points raised**

- It was agreed to keep the industrial rating definition in place for private storage or leisure purposes.
- A new resolution was proposed to better define industrial businesses, how the industrial rate operated and how the differential worked in practice.
- Understand why other metro councils do not differentiate between commercial and industrial uses given the practical difficulty of doing so.
- Agreed to better define both the commercial and industrial differential rate classification to understand what rate would be charged on each property.
- Continued further work on the share of rates to be paid by each of the categories, including options for transportation targeted rates.

At 11.13am the meeting adjourned.

At 11.35am the meeting reconvened.

#### **RESOLUTION CO19/24/8**

Moved: Cr Marten Rozeboom

Seconded: Cr Rick Curach

That the Council:

- (a) Receives the report "Rating Policy and Rating Valuations".
- (b) Confirms that Industrial rating units in Industrial zoned land used primarily for private storage or leisure purposes aligns with the land use code in the District Valuation Roll and is correctly defined in the Industrial Rating Category.
- (c) Retains Attachment 1 in confidential as it contains personal information from ratepayers regarding the private use of industrial rating units.
- (d) Requests that staff provide existing reports on the comparisons of Light and Heavy vehicles, used to define the impact of different transport requirements have on the Commercial Rate and Industrial Rate.
- (e) For the purposes of the 2025/26 Annual Plan request staff:
  - (i) to better define both the Commercial rate and Industrial rate differential classification including the definitions of "Self-Storage facility", "Industrial warehousing" and "bulk storage"
  - (ii) to provide the 5 November 2024 Accountability, Performance & Finance Committee meeting with options on the definition of each rate category.
  - (iii) to continue further work on the appropriate share of rates to be paid by each category including options for transportation targeted rates.

**CARRIED**

## **11.6 User fees and charges - Long-term Plan background**

**Staff** Paul Davidson, Chief Financial Officer  
Barbara Dempsey, General Manager: Community Services

### **In response to questions**

- All user fees, including the Art Gallery and Library activities, were considered with fairness and equity.
- A lot of feedback had been received through the LTP and a proposal to charge per square metre had led to a reduction for community service groups as there was concern at the affordability for them.
- There would be further opportunity to review fees and charges when considering the Revenue and Financing Policy which dictated the way activities were funded.
- Activities such as the library, which provided a number of services free, was consistent with other councils.
- There was an intention to charge entrance to the museum and to generate revenue.

### **Discussion points raised**

- It was agreed to take the time to set the right user fees and charges, or as close as possible to doing it right, to ensure healthy and happy communities.

## **RESOLUTION CO19/24/9**

Moved: Mayor Mahé Drysdale

Seconded: Cr Glen Crowther

That the Council:

- (a) Receives the report "User fees and charges - Long-term Plan background".

**CARRIED**

## 11.7 National Land Transport Programme 2024–27 Release Update

**Staff** Nic Johansson, General Manager: Infrastructure  
Craig Dunlop, Principal Investment Advisor  
Mike Seabourne, Head of Transport  
Raj Naidu, Senior Investment Advisor: Transport  
Rebekah Warwick, Senior Investment Advisory: Transport  
Andrew Mead, Manager: City Planning and Growth

### Key Points

- A report outlining the options on the impact of the changes would be provided to Members.

### In response to questions

- Waka Kotahi funding to address footpath and cycle lane repairs had reduced, so an options report with a series of transport funding outcomes and noting possible trade-offs would be provided in October.
- TCC priorities did not align with the Government Policy Statement (GPS) priorities which focused on core business and outcomes.
- There were not many options for new funding, therefore adjustments were needed to the programmes to take advantage of the miscellaneous government funding that had been made available for projects nationally. Staff were working with Waka Kotahi preparing programmes to access funding and get some of the list of projects completed.
- Waka Kotahi funding included an element of timing so programmes such as Connect Mt Maunganui were not in the time frame, so have been deprioritised in the list. While strategically this project fitted within the GPS, it was too far off for Waka Kotahi to signal an investment at this stage.
- Council needed to submit a remediation plan by 27 September 2024 for the Cameron Road Stage 2 works, outlining how it was addressing the business case which had not approved by Waka Kotahi. Review work and a revised business case would include reference to the amount of housing intensification within the corridor. The project was on hold to resubmit the business case and if it was not approved Council would need to make a decision on how to proceed and renegotiate the outcomes that would be delivered with funding parties. The funding would not remain if there was a significant difference to the purpose and intent.
- Council had secured land 10 years ago from the Tauriko business estate to link the road into SH36 as route options were limited due to the escarpments in the area. The land was currently zoned rural and the predictions for the area were based on 15,000 homes being built. The previous Council had provided a clear direction to future proof and acquire land across the city before being developed so the provision of roading and amenities was not as expensive to acquire.
- A long term flow through would occur as the timing for each programme approached as there were opportunities for changes every three years at which point Council would be ready with a business case narrowing down the road alignment.
- Council would be provided with a cycleways option programme to consider priorities across the city.
- Staff were looking at a process for re-investigation of projects and would start costing some again from scratch to reflect on prices, understanding the design brief, procurement, labour and to ensure plant was used efficiently across all projects and with TCC's neighbours. Staff were continually working to keep costs to a minimum.

### Discussion points raised

- TCC needed to position itself as one of the five major cities in the country and to make public transport attractive for users, with good interchanges. Many were advocating for park and ride amenities.

**RESOLUTION CO19/24/10**

Moved: Cr Glen Crowther

Seconded: Cr Rod Taylor

That the Council:

- (a) Receives the report "National Land Transport Programme 2024–27 Release Update".

**CARRIED**

**11.8 Update on Long-term Plan High Level Financials**

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

**Key Points**

- The report sets out an update of the Long Term Plan (LTP) financials. Changes had been made since the adoption of the LTP in April 2024 following the decision not to use IFF levy for Te Manawataki o Te Papa and the decision of the government to change capital subsidies (including the NZTA funding programme changes).
- The rating agencies have signalled a strong look at councils and last week both Hamilton and Wellington city councils had a downgrade in their credit rating. Standard and Poors would be reviewing TCC's credit rating in October 2024.
- The graph in paragraph 21 of the report showing the debt to revenue changes was presented. This graph included changes made to the LTP and showed the increase in debt of \$155.5M back on balance sheet as a result of the decision not to use the IFF levy and a loss of \$230M from government capital subsidies.
- \$33M for 15th Avenue/Turrett Road had been revised down to \$27M.
- There were no changes to revenue assumptions although there would be changes to operational expenditure with changes to the capital programmes and a reduction in interest charges.
- Delivery of capital projects sat at approximately 80%. Capital projects would be managed to deliver \$40M less than forecasts to ensure that the debt limits were not exceeded.
- Key financial table in attachment 2 was explained.
- In relation to credit ratings, if Council Controlled Organisations (CCO's) were created for waters the CCO's would have the capacity for higher borrowing limits than other core aspects of council, subject to commercial charging for water costs over time.

**In response to questions**

- In response to a query regarding the credit rating of A+ and whether there was further potential for a downgrade which may affect LGFA funding, it was noted that Standard and Poors reviewed a number of factors when determining the credit rating, including the debt to revenue ratio, liquidity and deficit after capital. TCC's debt was at a level close to the limit with all factors considered at 270-280% of debt to revenue ratio that Standard and Poors may consider a downgrade. An A rating would be the lowest rating accepted by Local Government Funding Agency (LGFA), but the AGM would clarify whether this was an A or A- rating.
- If councils exceeded LGFA borrowing limits or fell outside the borrowing covenants, they would have to pay back borrowings and refinance elsewhere.
- The waters funding was based on it becoming a Council guaranteed CCO. LGFA already lent to CCO's with higher debt to revenue ratios. However the scale of the waters CCO would be new and need to be considered. The parent councils were not a CCO and how large that debt could be was limited.
- Voting at the LGFA AGM was by the shareholding councils, with information on the AGM being included in the Accountability, Performance & Finance Committee agenda for 8 October 2024.

- The operating deficit this year was \$85M taking into account that some depreciation had not been funded, the revaluations, use of debt to fund opex lines previously categorised as capital expenditure but changed due to accounting practice, such as software as a service, and Tauriko West infrastructure funding agreements, which was not a Council asset but had a long term benefit.
- Staff would work through the LTP and annual plan processes and provide information on the implications of any changes to capital programme to keep within the borrowing limits, and look at bespoke covenants and affordability if debt levels were higher than they currently were.
- The forecasting for the current year was that if capital projects were spent there would be a breach of borrowing limits. However history indicated that it would not reach that level and staff would closely manage it to ensure borrowing stayed below the limit, which may result in changes to some of the projects.
- Overspend on project costs verses what was in the budget was a cost level adjustment approval process with complete visibility of any project increases. One project was moving faster than anticipated, which had resulted in bringing a significant amount forward and had an effect on the spending for this year.
- In response to a query as to the changes since the approval of the LTP it was noted that this related to the carry forwards taken through. The process this year needed to be deliberate and to have a monthly capital review on when to release budget as a stage-gating process. This would come back through the annual plan process.
- It was noted that not all projects were commenced for the year and a summary would be provided noting which ones were being held.
- A report on accounting and funding of operational expenditure and revenue and its implications for the balanced budget would be going to the Accountability, Performance and Finance Committee on 8 October 2024 which would explain these in more detail.
- The TCC water entity would go close to or above limits because of the growth and new infrastructure that was needed for it. The revenue for waters within the LTP had been kept at 10% but this did not have any operational cost increases. The balance was to help pay down debt and catch up on depreciation reserves.
- Necessary or essential infrastructure with the Local Water Done Well had an element of trade off and how to balance providing for growth and keeping house prices down. For example Council was running to capacity on wastewater so expansion of Te Maunga was considered necessary infrastructure.
- Council needed to recognise how much growth could occur and noted that some growth areas may not be able to proceed at pace. Staff were constantly looking at the timing of the growth as all of the technical work and plan changes needed to be in place, as well as enabling RMA environment, and funding and financing aligned. Previous decisions made through the LTP was that where these factors were not likely to come together therefore some growth infrastructure was not needed at this stage and could be pushed out.
- The IAF funding of \$68M was split into two parts with \$56M for Cameron Road and \$12M related to two other projects in the Te Papa corridor, Cameron Road transport connections and Chadwick water main project. If Cameron Road Stage 2 did not proceed in its current form other aspects may look to proceed.
- In most LTPs capital grew for four years and then plummeted in last six years. While councils try to look at long term needs, the later years of an LTP were more difficult to quantify.

At 1.35pm the meeting adjourned.

At 2.05pm the meeting reconvened.

- The Chief Executive noted the changes within the LTP over the past three months and the use of LGFA borrowing instead of the IFF levy had an impact, as had the recent announcements by NZTA between the planned and approved transport programme.
- Staff would work with Council to reset the operational and capital programme for this year to understand the impacts, and how the decisions and prioritisation flowed into the annual plan.



## Discussion points raised

- An alternative motion was proposed to cover the points raised above.
- The intention was that on 29 October 2024 Council would make decisions on a recast budget to provide the discipline needed for the balance of this financial year to achieve the outcomes wanted.
- The projects in the following financial year were part of the annual plan process and for those after that would be better dealt with in the next LTP.

## RESOLUTION CO19/24/11

Moved: Cr Marten Rozeboom

Seconded: Cr Hautapu Baker

That the Council:

- (a) Receives the report "Update on Long-term Plan High Level Financials".
- (b) Notes that the revised financials (incorporating the impact of recent Te Manawataki o Te Papa and transport funding decisions) show an increase in the debt to revenue ratio above 280% from 2025/26 based on delivery of the full capital programme in the Long-term Plan.
- (c) Requests staff to:
  - a. For the 2024/25 financial year
    - i Arrange a Council workshop early in October 2024 to discuss the current 2024/25 capital and operational budget and its priorities prior to updating projects for council decision and to model operational impacts.
    - ii Following the workshop present to Council on 29 October 2024 the reforecast capital and operational budgets and implications, together with options for Council decision.
  - b. For the 2025/26 year, through the Annual Plan process:
    - i Model changes from 2024/25 operational and capital budgets that flow through to the Annual Plan process for the 2025/26 years.
    - ii Present further options for 2025/26 operational, capital and revenue budgets.
  - c. For the later years of the Long-Term Plan:
    - i Model changes to operational and capital budgets that flow from the 2024/25 and subsequent Annual Plan, through to the later years of the LTP noting that these will be addressed at a later time including the impacts of any change to water delivery models.
- (d) Notes that the implications on projects and community outcomes will be presented as part of those options.

**CARRIED**

## 11.9 Long-term Plan Amendment Process

**Staff** Christine Jones, General Manager: Strategy, Growth & Governance  
Paul Davidson, Chief Financial Officer



**In response to questions**

- The annual plan could be completed before the decision regarding the water delivery model, depending on the preferred model selected by Council, and this did not need to be completed until September 2025.
- A limited scope LTPA could be completed in a shorter time frame, being explicit with what was included and what was excluded. The consequences of this could be that the overall picture of all activities was not being seen.
- Council had the option to reduce the scale of investment in the next two years in the annual plan.
- There were gateways in the previous report and it was anticipated that a report would be brought to Council in February 2025 in relation to Memorial Park Aquatic Centre when there would be further developed concept designs and cost estimates understanding the technical nature of the various aspects of the project and a decision made at that point whether to proceed or not.
- This would also apply to Cameron Road Stage 2, which would be considered by the NZTA Board in March 2025. A decision would need to be made by Council whether to proceed or not.
- A full LTP including reviewing policies takes 18 months to prepare and adopt. Council would also need to be provided with sufficient information on all issues so that informed decisions could be made across the entire capital work and operations portfolio.
- As part of the annual plan process, the LTP projects could be provided.

**Discussion points raised**

- An additional resolution was added to investigate a dedicated Your Rates webpage when carrying out a property search online.

**RESOLUTION CO19/24/12**

Moved: Cr Marten Rozeboom

Seconded: Cr Rod Taylor

That the Council:

- (a) Receives the report "Long-term Plan Amendment Process".
- (b) Notes that a Long-Term Plan Amendment may be required due to changes to the Water Delivery Models, depending on the preferred model selected by Council after having considered the business case.
- (c) Notes other changes to the 2025/26 financial year may be undertaken through the Annual Plan process.
- (d) Investigates a dedicated Your Rates webpage based on the currently available property search webpage and add features to include rates forecast on each year of the LTP projections including Bay of Plenty Regional Council rates and volumetric water rates based on the previous years' water consumption.

**CARRIED**

**11.10 Leave of absence**

**Staff** Christine Jones, General Manager: Strategy, Growth & Governance  
Coral Hair, Manager: Democracy & Governance Services

**In response to questions**

- In answer to a query as to whether other councils had a policy for payments to absent elected members it was noted that none of the metro councils had developed a policy.
- The Remuneration Authority was looking at developing guidance to assist councils regarding leave of absence provisions for elected members. This situation was a very specific set of circumstances that had not occurred elsewhere before.

- Each council would generally make a case by case decision based on individual circumstances.

**Discussion points raised**

- Discussion ensued. Cr Baker advised that Iwi supported the decision that had been made previously to grant leave of absence and thought this had included paying remuneration.
- All wished Cr Sydney a full recovery.

**Procedural Motion****A MOTION WAS PROPOSED:**

Moved: Cr Steve Morris  
Seconded: Cr Glen Crowther

That the Council

- (a) Lets the matter lie on the table until a policy on leave of absence for elected members had been developed.

**DECLARED LOST**

**RESOLUTION CO19/24/13**

Moved: Cr Rick Curach  
Seconded: Cr Marten Rozeboom

That the Council:

- (a) Receives the report "Leave of absence".

**CARRIED**

**RESOLUTION CO19/24/14**

Moved: Cr Rick Curach  
Seconded: Cr Marten Rozeboom

That the Council

- (b) Approves that Councillor Mikaere Sydney will not be remunerated during his leave of absence granted by the Council at the meeting of 15 August 2024.

**CARRIED ON THE MAYOR'S CASTING VOTE**

**For:** Crs Glen Crowther, Rick Curach. Steve Morris and Marten Rozeboom

**Against:** Mayor Mahé Drysdale, Crs Hautapu Baker, Kevin Schuler and Rod Taylor

The Mayor used his casting vote for the motion.

**RESOLUTION CO19/24/15**

Moved: Cr Rick Curach  
Seconded: Cr Marten Rozeboom

That the Council

- (c) Notes that a policy on leave of absence for elected members will be considered in February 2025 as part of the review of the Elected Members' Expenses and Resources Policy and Standing Orders.

**CARRIED**

## 11.11 Background Information - 90 Devonport Road

**Staff** Marty Grenfell, Chief Executive

Attachment 4 – 90 Devonport Road – Financial Information is attached to the minutes

### Key Points

- Attachment 4 – Financial Information was released from confidential into the public arena. The other attachments would be released into the public arena as soon as possible. Any redactions would need to be discussed and agreed with partners before being released.
- The report presented a comprehensive overview of Council's decision-making processes for providing council office accommodation at 90 Devonport Road.

### In response to questions

- In terms of paragraph 44 the interested party was a local management group looking for investment opportunities. They withdrew their proposal at the start of the process as they no longer needed to be involved and nominated Willis Bond to take over the work they had completed to date and this enabled Willis Bond to work with Council.
- There was some commercial sensitivity around the contract negotiations that had been considered and there would be discussions with partners to determine which aspects of the confidential attachments could be redacted to enable the documents to be released into the public arena.
- The increase in floor space was partially due to accommodate additional staff and at that point the thought that waters staff may be located outside the building. The ground floor had been secured to exercise control on what occurred there.
- The office space was based on around 60% work space ratio, with 700-750 staff on site at any one time. Currently this was 48% ratio and there were some staff that would still be working outside of the office including the Te Manawataki o Te Papa project office. The large scale heavy printers could not be accommodated on site and the two staff associated with that activity would be located offsite.
- The total operating costs were expected to be \$3.5M including the lease. There were additional lease costs next year as Council was required to tidy up the buildings and vacate the existing buildings that were currently being leased.
- In relation to the operation of a café it was noted that the building had been designed so that the ground floor would be activated and not be shut off to the public at the street front level. It had been designed by the owners to have a café or food and beverage facility. When considering the agreement to lease conditions the Council wanted to exercise a degree of influence of those operators.
- Expressions of interest had been called with local operators having an opportunity to put a bid in to operate the café. This did not work out. Two operators were approached and negotiations have begun. The offering in the building was different to what other café operators were offering so no other business was disadvantaged in this process.
- In response to a query regarding the difference in the two valuations for the property in 2019 as set out in paragraph 40, it was noted that it was an indication of the economy and market at the time, including a depressed town centre.
- The agreement was struck two years before settlement and before it became unconditional, this was renegotiated, as noted in attachment 5.
- The property market was slow at the time due partly to covid, however recently the capital values across the city had increased significantly.
- In response to a query as to why Council forewent \$2.25-\$3M in the sale price, when property was increasing in value and the fit out costs were increasing, it was noted that the cost escalation was related to the fit out costs and the cost of construction going up markedly. It was being questioned at the time whether the project was feasible for the developer in order to stack up financially and this was the subject of further negotiation. The features such as the internal staircase increased the costs and was a negotiation point as a necessary addition over

and above the build cost. The project would not have proceeded if Council had not gone back to the table in 2021. The Commission had considered there were seven factors to get the deal across the line. The decision had been made that the civic administration building was not going to be on the Willow Street site and significant cost had been put into the design costs.

- The council was now paying what would be considered to be a very good per square metre rate in today's market

#### **Discussion points raised**

- A number of attachments had been and would be released into the open and the public can decide for themselves whether it was a good deal on the property in order to get a good deal on the lease.
- The decision was made and needed to be accepted. It was recognised that for the standard of the building it was a good rate for office accommodation in today's market.

#### **RESOLUTION CO19/24/16**

Moved: Mayor Mahé Drysdale

Seconded: Cr Glen Crowther

That the Council:

- (a) Receives the report "Background Information - 90 Devonport Road".
- (b) Directs staff to review previous public excluded Council reports and attachments regarding the sale and development 90 Devonport Road, and to transfer those reports and attachments into public, unless there is a valid reason not to under the Local Government Official Information and Meetings Act 1987.
- (c) Notes that redactions may be made, if required, and in compliance with the Local Government Official Information and Meetings Act 1987, to previous public excluded Council reports and attachments regarding the sale and development 90 Devonport Road, to facilitate the transfer of these documents into public.

#### **ATTACHMENTS**

- (d) Attachment 2 can be transferred into the open when the contents are no longer commercially sensitive and/or commercially sensitive information has been redacted.
- (e) Attachment 4 can be transferred into the open immediately.
- (f) Attachment 5 can be transferred into the open when the contents are no longer commercially sensitive and/or commercially sensitive information has been redacted

**CARRIED**

#### **Attachments**

- 1 Confidential Attachment 4 - 90 Devonport Road - Financial information - released into public arena at meeting on 16 September 2024

## **12 DISCUSSION OF LATE ITEMS**

Nil

### 13 PUBLIC EXCLUDED SESSION

#### Resolution to exclude the public

#### RESOLUTION CO19/24/17

Moved: Cr Rod Taylor

Seconded: Cr Marten Rozeboom

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>13.1 - Public Excluded Minutes of the Council meeting held on 19 August 2024</b>	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities 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)	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>13.2 - Appointment of Hearings Panel for Proposed Plan Change 39 (120 Upper Ohauti Road)</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	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>13.3 - Procurement of Cleansing &amp; Drainage Works Outside the TCC Maintenance Contract</b>	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	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>Confidential Attachment 1 - 11.5 - Rating Policy and Rating Valuations</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	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>Confidential Attachment 2 - 11.11 - Background Information - 90</b>	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely	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

<b>Devonport Road</b>	unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	which good reason for withholding would exist under section 6 or section 7
<b>Confidential Attachment 5 - 11.11 - Background Information - 90 Devonport Road</b>	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	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

**CARRIED**

**14 CLOSING KARAKIA**

Cr Hautapu Baker closed the meeting with a karakia.

**The meeting closed at 4.42pm.**

**The minutes of this meeting were confirmed as a true and correct record at the Ordinary Council meeting held on 29 October 2024.**

.....  
 Mayor Mahé Drysdale  
**CHAIRPERSON**