

**MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL
COUNCIL MEETING
HELD AT THE CHB MUNICIPAL THEATRE, 18 KENILWORTH ST, WAIPAWA
ON THURSDAY, 23 MAY 2019 AT 9.00AM**

PRESENT: Mayor Alex Walker
Cr Ian Sharp (Deputy Mayor)
Cr Shelley Burne-Field
Cr Kelly Annand
Cr Tim Aitken
Cr Tim Chote
Cr Gerard Minehan
Cr Brent Muggeridge
Cr David Tennent
Dr Roger Maaka

IN ATTENDANCE: Joshua Lloyd (Group Manager, Community Infrastructure and Development)
Bronda Smith (Group Manager, Corporate Support and Services)
Doug Tate (Group Manager, Customer and Community Partnerships)
Nicola Bousfield (People and Capability Manager)
Leigh Collecutt (Governance and Support Officer)
Kim Parker (Communications Manager)
Kyra Low (Finance Manager)

6 Members of the public were in attendance at the commencement of the meeting. A number of people came and went throughout the meeting.

1 PRAYER

Dr Maaka opened the meeting with a karakia

2 APOLOGIES

Cr Chote was previously granted a leave of absence at the Council meeting held 10th April. Cr Chote was briefly in attendance at the meeting as an observer.

3 DECLARATIONS OF CONFLICTS OF INTEREST

No conflicts of interest were declared.

4 STANDING ORDERS

RESOLVED: 19.27

Moved: Cr Ian Sharp
Seconded: Cr Kelly Annand

THAT the following standing orders are suspended for the duration of the meeting:

20.2 Time limits on speakers

20.5 Members may speak only once

20.6 Limits on number of speakers

And that Option C under section 21 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

CARRIED

Mayor Walker provided a reminder of standing orders around speaking rights for members of the public and the rules of debate for Councillors.

5 CONFIRMATION OF MINUTES

RESOLVED: 19.28

Moved: Cr Shelley Burne-Field

Seconded: Cr Gerard Minehan

That the minutes of the Ordinary Council Meeting held on 9 May 2019 as circulated, be confirmed as true and correct.

CARRIED

6 REPORTS FROM COMMITTEES

Nil

7 REPORT SECTION

7.1 DELIBERATIONS - ANNUAL PLAN 2019/2020 - MANAGEMENT OVERVIEW

PURPOSE

The purpose of this report is to present to Council for deliberation a management overview and issues identified since the adoption of the Annual Plan Consultation Document and Supporting Information.

RECOMMENDATION

That having considered all matters raised in the report:

- a) That Council note the changes requested to the 2019/2020 Annual Plan budget, which will be included in the Annual Plan 2019/2020 that is presented for adoption on 20th June 2019.

MOTION

Moved: Cr David Tennent

Seconded: Cr Ian Sharp

That Council note the changes requested to the 2019/2020 Annual Plan budget, and that topics 2, 3, 5 and 6 are approved with the decision on topic 1 and topic 4 to be deferred to a further meeting between now and 20th June and topic 2 is funded over ten years rather than five.

CARRIED

AMENDMENT

Moved: Cr Shelley Burne-Field

Seconded: Cr Gerard Minehan

That topic two for LiDAR funding be reduced to \$50,000.

In Favour: Crs Shelley Burne-Field and Gerard Minehan

Against: Crs Alex Walker, Ian Sharp, Kelly Annand, Tim Aitken, Brent Muggeridge and David Tennent

LOST 2/6

Cr Tennent indicated his concern about the significant increases being proposed and asked that each topic in the report be covered separately to ensure clarity.

Topic One: Three Waters compliance

Cr Annand sought clarification about how this would fit in with the regional and national three waters reviews. Officers confirmed that the final report for the regional 3 waters review would be presented to regional Chief Executives the week following the meeting and at that stage would be in a better position to update elected members.

Cr Annand sought clarification about what the consequences would be if the Council waited for an outcome from these reviews. Officers confirmed that there was a potential risk of prosecution and enforcement for not meeting the required standards for water compliance. It was also confirmed that

it was necessary to prepare budgets appropriately given the length of time the programme would likely take to come to a resolution.

Cr Minehan asked whether other Councils around the country found themselves in a similar situation. Officers confirmed that this was a national issue.

Cr Muggeridge sought clarification about whether the Council could defer any capex programmes to soften the rates impact.

Officers indicated that this was high risk because there had been a number of projects previously deferred which needed doing. It was also raised that there had been clear feedback from the community that progressing water projects was a priority.

Cr Sharp asked whether the Council could advocate to Central Government to consider the impact continued regulation has on rates.

Mrs Davidson acknowledged that the reason the reform programme was put in place was to address these affordability issues.

Topic two LiDAR:

Cr Sharp sought clarification on how funding was being split for this project.

It was confirmed that Hawke's Bay Regional Council had set \$300,000 in their LTP budget for year two. Central Hawke's Bay and Wairoa District Councils were to pay \$100,000 each and \$550,000 was to be shared between Napier City and Hastings District Councils.

Cr Tennent raised concerns about the regional split amounts.

Cr Sharp asked if the rating impact could be reduced by extending the 5 year loan to a 20 year loan given benefit would continue into future. Mrs Smith indicated that 10 years would be possible but that 20 years would be too long a period of time to extend the loan for.

Cr Aitken sought clarification about whether any cost benefit analysis had been done.

Officers confirmed that there would be significant benefit including improved asset management modelling.

Topic three: Elected Member remuneration

Cr Minehan sought clarification about whether it was a legal requirement to increase elected members' remuneration amounts. Officers confirmed that it was a requirement through the Remuneration Authority Determination and that the organisation was legally required to pay gazetted amounts.

Topic four: Community Trust Request for Funding

Cr Aitken sought clarification about why the trust could not seek other ways of increasing its income.

Cr Sharp highlighted his support for the facility and sought clarification about whether the insurance included the stadium or just the pool? It was confirmed that the insurance was only for the pool complex.

Cr Burne-Field sought clarification about whether other funding opportunities had been explored and whether the Council could offer insurance for a lower price.

Officers confirmed that the trust currently had no other funding avenues available to meet these costs. Mrs Smith highlighted that the trust had previously been part of Council's insurance package but had sought to get insurance independently.

Cr Sharp spoke to the motion that he would like to see some increased transparency about the running of the community trust and the way it functions.

Cr Aitken also requested that additional information was provided regarding the CHB Community Trust's finances.

Topic five: Addressing Deficiencies in Council's Emergency Management Preparedness

Cr Aitken sought clarification about whether alternative technology was available which would suit the purpose. Officers confirmed that the cost of alternative technology would not be viable.

Mrs Davidson also highlighted that this preparedness was necessary to ensure business continuity to run the Emergency Operations Centre and still be able to operate the Council's business as usual.

Cr Burne-Field asked where the existing 27 radios in the district were located and raised concern that there were only 7 across a wide area. Officers confirmed that analysis had been undertaken which took into account the risk of losing communication with key areas of the district.

Cr Annand sought clarification about regional versus district emergency funding.

Officers confirmed that service delivery was a regional function and cost but that local Councils are still legally required to provide base infrastructure.

Cr Sharp sought clarification about what the ongoing servicing costs be to keep up to date. Officers confirmed that this had already been budgeted for.

Topic Six Building Control Fees and Charges

Cr Tennent sought clarification about whether recovery rates would change for consents.

Officers confirmed that they would not change. However it was noted that revenue targets were currently under budget and that the proposed changes to the fees schedule could assist in meeting those targets.

Cr Burne-Field noted her objection to the inclusion of Topic 6 in the motion.

Further discussion relating to motion:

Officers provided advice around what the implications would be of deferring topic 1 – water compliance and topic 4 – CHB Community trust funding in terms of striking the rates for the annual plan. In order for Councillors to receive the information needed to make a decision on these items an extraordinary meeting would need to be called before the adoption date of 20th June.

Meeting suspended 10.44am for morning tea

Meeting reconvened at 11.00am

7.2 DELIBERATIONS - ANNUAL PLAN 2019/20 - #THE EVEN BIGGER WATER STORY**PURPOSE**

The purpose of this report is to present to Council the submissions received on the Annual Plan consultation in relation to whether the Council should provide a suspensory loan to Water Holdings CHB for the purpose of exploring and assessing workable options to achieve water security.

RECOMMENDATION

That, having considered all matters raised in the report that Council deliberate to determine their preferred option.

MOTION

Moved: Mayor Alex Walker

Seconded: Cr Tim Aitken

That security of access to water is a significant issue for Central Hawke's Bay and that water storage is an important part of a package of solutions.

CARRIED

MOTION

Moved: Cr Brent Muggeridge

Seconded: Cr Tim Aitken

That Council agree in principle to provide a suspensory loan to Water Holdings CHB Limited of up to \$250,000.00

That the chief executive be delegated authority to negotiate a draft services agreement with Water Holdings CHB limited which includes key terms and conditions to bring back to council for further consideration.

That the draft services agreement which includes key terms and conditions include provisions for a staged approach to the funding with a high level of checks and balances.

In Favour: Crs Tim Aitken and Brent Muggeridge

Against: Crs Alex Walker, Ian Sharp, Shelley Burne-Field, Kelly Annand, Gerard Minehan and David Tennent

MOTION LOST

MOTION

Moved: Mayor Alex Walker

Seconded: Cr David Tennent

- a) That \$250k from the rural reserve fund is tagged for supporting water security initiatives in Central Hawke's Bay.
- b) That council supports a collaborative approach at both a local and regional level for development of water security initiatives.
- c) That council requests staff bring back a framework which includes further information on the potential role of Central Hawke's Bay District Council together with Water Holdings CHB, HBRC and the Tukituki taskforce, for understanding issues of water security and creating a local package of solutions.

CARRIED

Cr Muggeridge highlighted that the \$250,000 requested was money for research and development of water storage solutions, not to build a dam. He noted that Water Holdings CHB was simply a vehicle for a water security conversation to take place.

Cr Aitken highlighted the benefit of exploring options available and that a public/private partnership opportunity would be needed to do this. Cr Aitken was supportive of the Chief Executive coming back with further reporting and the expected funding milestones which would need to be demonstrated.

Cr Tennent agreed with the initial motion from Mayor Walker about the impact of water security but raised concern with the potential of revisiting the dam.

Mayor Walker raised that she would not support the motion from Cr Muggeridge because of the need for a wider conversation about water security and how it fits with other initiatives in the district.

Mayor Walker provided an additional motion.

Speaking in support of this motion, Mayor Walker highlighted that it was important to provide a funding platform which would help conversations in the district to take place about what community

priorities are. Mayor Walker raised that it was vital to address wide community outcomes with the funding, not commercial outcomes. She noted that there was commitment and passion about water in the community and felt it was important the community should have an opportunity to be considered and heard.

In seconding the motion, Cr Tennent raised that this was an excellent way forward and acknowledged submitters who were concerned about tying all funds in with one entity. Cr Tennent raised the importance of the Council demonstrating its desire to do something to address the water security issue. He also acknowledged Water Holdings CHB and wanted to ensure they would be involved in ongoing discussions.

Cr Aitken and Cr Minehan spoke in support of the motion given the broader view to explore other options.

Cr Burne-Field highlighted the importance of building trust back in the community, given how divisive the issue of water storage issue has been. Cr Burne-Field raised some concern over the dollar amount still being high but was in support of the motion.

Cr Sharp supported the motion and acknowledged Water Holdings CHB for the role they had played in initiating the conversation.

Cr Annand supported a collaborative approach and raised the importance of maintaining momentum and action.

Mayor Walker acknowledged the importance of community healing and about needing to move forward without being on opposite sides of equation. Mayor Walker also agreed with Cr Annand that there was a need to be focussed to ensure some urgency around developing a framework.

Mayor Walker recognised of the value of the leadership Water Holdings CHB had demonstrated by purchasing the IP for the benefit of the community. She highlighted that they were an important partner in the framework but in a wider context.

Mayor Walker also thanked submitters for their valuable input.

3 DELIBERATIONS - ANNUAL PLAN 2019/20 - REVENUE AND FINANCING POLICY

PURPOSE

The purpose of this report is to present to Council for deliberation of the submissions received on the Annual Plan consultation in relation to proposed minor variations to the Council's Revenue and Financing Policy.

RESOLVED: 19.29

Moved: Cr Ian Sharp

Seconded: Cr David Tennent

That, having considered all matters raised in the report:

- a) That Council adopt the Revenue and Financing Policy as proposed.**

CARRIED

Cr Sharp raised the point that the variations needed to happen, otherwise the Council would be going over the rate affordability index for some people.

Cr Tennent highlighted that this was a pragmatic option, though noting some concerns with spreading activities to the general rate from the UAGC.

Cr Aitken spoke against the motion. His concern was that the governance and leadership activity should be allocated to the UAGC.

Mayor Walker spoke in support of the motion, given the current crisis in the affordable property market.

Cr Sharp raised that this was the only fair system at this time.

7.4 DELIBERATIONS - ANNUAL PLAN 2019/20 - FINANCE

PURPOSE

The purpose of this report is to present to Council the submissions received on the Annual Plan consultation in relation to Finance.

RECOMMENDATIONS

That having considered all matters raised in the report:

MOTION

Moved: Cr Ian Sharp
Seconded: Cr Shelley Burne-Field

That funding for Ongaonga Historical Society is increased to \$4,000 each year as a grant for mowing and this year's increase is funded out of interest from the Rural Reserve Fund.

CARRIED

MOTION

Moved: Cr David Tennent
Seconded: Cr Brent Muggeridge

That Council continues to invest in our facilities in CHB to allow us to act as a feeder to the Regional Programme but are fully in support of the trust's initiatives.

CARRIED

MOTION

Moved: Mayor Alex Walker
Seconded: Cr Tim Aitken

That Biodiversity Hawke's Bay is granted funding of \$10,000 for 2019/20 year to contribute to the biodiversity endowment fund and that funding comes from rural fire reserve fund.

CARRIED

Cr Sharp spoke in support of providing additional funding to Ongaonga Historical society as long as there was no rates impact and moved that this funding come from the rural reserve fund.

Cr Tennent raised that the Council could not afford to provide \$20,000 to the Hawke's Bay Community Fitness Trust at this time but fully supported the objectives of the facility. Mayor Walker agreed that the facility is an outstanding investment in the health and wellbeing of people of Hawke's Bay, but that the council needed to focus on Central Hawke's Bay facilities at this time.

Cr Annand acknowledged Sir Graeme's commitment to making the facility happen.

7.5 DELIBERATIONS - ANNUAL PLAN 2019/20 - ENVIRONMENT

PURPOSE

The purpose of this report is to present to Council the submissions received on the Annual Plan consultation in relation to Environmental matters.

RESOLVED: 19.30

Moved: Cr Ian Sharp

Seconded: Cr Brent Muggeridge

That having considered all matters raised in the report;

- a) That submitters' comments are noted, with no specific recommendation necessary with regard to the Annual Plan 2019/2020.**

CARRIED

Cr Tennent highlighted that maintenance of rural roads is done on a request for service basis and sought that this was communicated to the community. He raised that Council can't afford to do it all and have to prioritise wisely.

Cr Muggeridge sought clarification about whether people received individual communications around maintenance of rural roads.

Officers confirmed that this was the case but also considered that there was an opportunity to do it better.

7.6 DELIBERATIONS - ANNUAL PLAN 2019/20 - COMMUNITY

PURPOSE

The purpose of this report is to present to Council the submissions received on the Annual Plan consultation in relation to Community activities.

RESOLVED: 19.31

Moved: Cr Ian Sharp

Seconded: Cr Gerard Minehan

That having considered all matters raised in the report:

- a) That the provision of a new toilet at Whangaehu be considered as part of the Long Term Plan 2021-31;**

CARRIED

RESOLVED: 19.32

Moved: Cr Ian Sharp

Seconded: Cr Shelley Burne-Field

That having considered all matters raised in the report:

- a) **That the points raised in submission 123 for the landscaping of Abercrombie Street, Porangahau, are considered as part the community plan, for consideration as part of the 2021-31 Long Term Plan review;**

CARRIED

RESOLVED: 19.33

Moved: Cr Tim Aitken

Seconded: Cr Brent Muggeridge

That having considered all matters raised in the report:

- a) **That Officers work with the Porangahau Community as part of their community planning process to determine the most appropriate location for a netball/tennis court in Porangahau, for consideration as part of the Annual Plan 2020/21 process;**

CARRIED

RESOLVED: 19.34

Moved: Cr Ian Sharp

Seconded: Cr Kelly Annand

That having considered all matters raised in the report:

- a) **That Officers work with Forest and Bird to understand local priorities and opportunities for Lindsay bush for consideration as part of the Long Term Plan 2021-31**

CARRIED

7.7 DELIBERATIONS - ANNUAL PLAN 2019/20 - THE ESTABLISHMENT OF A DISASTER RELIEF FUND TRUST

PURPOSE

The purpose of this report is to present to Council for deliberation the submissions received on the Annual Plan consultation in relation to the proposal to establish a Disaster Relief Fund Trust.

RESOLVED: 19.35

Moved: Mayor Alex Walker

Seconded: Cr Kelly Annand

That having considered all matters raised in the report:

- a) **Council approves the establishment of a Disaster Relief Fund Trust as a Council Controlled Organisation under the Local Government Act.**

CARRIED

**Meeting was suspended at 12.52pm for lunch
Meeting reconvened at 1.34pm**

7.8 DELIBERATIONS - ANNUAL PLAN 2019/20 - DRAFT ENVIRONMENTAL AND SUSTAINABILITY STRATEGY

PURPOSE

The purpose of this report is to present to Council the submissions received on the Annual Plan consultation in relation to the draft Environmental and Sustainability Strategy.

RESOLVED: 19.36

Moved: Cr Gerard Minehan

Seconded: Cr Kelly Annand

That, having considered all matters raised in the report;

- a) That Council adopt the Environmental and Sustainability Strategy and**
- b) That Council consider future funding requirements to implement the Environmental and Sustainability Strategy as part of the Annual Plan 2020/21**

CARRIED

Cr Minehan highlighted that the strategy aligned very well with the values of the solid waste minimisation reference group.

Cr Sharp congratulated Council in the development of the strategy and was pleased that Council could use the document as a lens for further policy development.

Mayor Walker highlighted that the strategy helped the Council to articulate its role in managing its impact on the environment.

7.9 DELIBERATIONS - ANNUAL PLAN 2019/20 - GOVERNANCE AND LEADERSHIP**PURPOSE**

The purpose of this report is to present to Council submissions received in relation to Governance and Leadership activities

RESOLVED: 19.37

Moved: Cr Shelley Burne-Field

Seconded: Cr Gerard Minehan

That having considered all matters raised in the report;

- a) That submitters' comments are noted, with no specific recommendation necessary with regard to the Annual Plan 2019/20.**

CARRIED

Items 7.11 and 7.12 were considered prior to item 7.10

7.10 QUARTERLY FINANCIAL REPORTING FOR MARCH 2019**PURPOSE**

Provide Council with a summary of Council's third quarter financial performance for the 2018/19 financial year.

RESOLVED: 19.38

Moved: Cr David Tennent

Seconded: Cr Tim Aitken

That, having considered all matters raised in the report, the report on Council's third quarter financial performance for the 2018/19 financial year be noted.

CARRIED

7.11 DELIBERATIONS - ANNUAL PLAN 2019/20 - PROPOSED DOG POUND**PURPOSE**

The purpose of this report is to present to Council for deliberation the proposed options for the issues identified since the adoption of the Annual Plan Consultation Document and Supporting Information in regards to the development of the Dog Pound for Central Hawke's Bay.

RESOLVED: 19.39

Moved: Cr David Tennent

Seconded: Cr Tim Aitken

That having considered all matters raised in the report:

- a) **That Council approve additional capital expenditure of \$297,000 in the 2019/20 for the development of a pound facility in Central Hawke's Bay; and further:**
- b) **That a report is brought back to Council on the proposed new pound, prior to any capital expenditure commencing.**

In Favour: Crs Alex Walker, Ian Sharp, Tim Aitken, Gerard Minehan and David Tennent

Against: Crs Shelley Burne-Field and Kelly Annand

Abstained: Cr Brent Muggeridge

CARRIED 5/2

CARRIED

Mayor Walker Sought clarification about what the rates impact would be to develop a pound facility. Officers confirmed that they were proposing no rates increase. The first year would be debt funded and subsequent years be recovered in Animal Control Fees and Charges.

Cr Burne-Field sought clarification about whether we had been asked to vacate the current pound. Officers confirmed that notice had been given that no ongoing provisions would be made for a Council pound facility.

Cr Aitken sought clarification about numbers of dogs impounded each year. Officers confirmed that this was 25 in the 2nd quarter of the financial year.

Cr Tennent moved the recommendation and spoke in support of the motion, though raised concerns that MPI and the SPCA needed to be made aware of the rating impact and the cost to the community.

Cr Aitken seconded the motion but highlighted that he did so reluctantly. Cr Aitken and Cr Sharp both raised concerns about the requirements from the Ministry of Primary Industries (MPI) without consideration given for how to fund them.

Cr Burne-Field asked whether another report could come back about what the facility would actually look like and requested that a holding facility was considered rather than full of facility.

Cr Minehan – agreed with Cr Burne-Field regarding a potential holding facility.

Mayor Walker and Cr Annand sought clarification from officers about what the implications would be for the Council if funding was not allocated. Officers confirmed there were potential fines and exposure to Council being prosecuted. It was raised that the reason for raising the issue at this time, was to prevent further implications for next year's Annual Plan.

Cr Annand spoke against the motion and requested that officers work with SPCA to understand their strategic direction for Central Hawke's Bay.

Cr Sharp noted that Council's decision had been forced by new regulations and that the Council could be exposed to legal action so he was forced to support the recommendation but wanted his objection noted.

Cr Aitken requested that the Mayor and Chief Executive write a letter to SPCA and MPI stating the Council's objections to the new regulations.

7.12 IMPLEMENTATION OF DUST SUPPRESSION POLICY

PURPOSE

The purpose of the report is for Council to consider the options to expedite the implementation of the Dust Suppression Policy.

RESOLVED: 19.40

Moved: Cr Shelley Burne-Field

Seconded: Cr Brent Muggeridge

That, having considered all matters raised in the report that Council deliberate to determine their preferred option.

MOTION

Moved: Cr Shelley Burne-Field

Seconded: Cr Brent Muggeridge

- a) That Council approve targeting external funding through the creation of business cases to support investment in sealing to control dust by reallocating \$50,000 from existing carry forward budgets

- b) That Council reprioritise \$200,000 of the existing Land Transport budget/work programme to contribute to sealing of roads to control dust if required.

CARRIED

Cr Tennent sought clarification about whether NZTA would look at funding sealing of a road based on the number of houses the road services.

Officers confirmed that the NZTA criteria for dust suppression was prescriptive and had previously not applied to particular roads in the district needing to be sealed. However it was noted that if business cases were prepared that there could be potential for some roads to be considered in the future.

Mayor Walker sought clarification about what the implications might be if Council were to reprioritise land transport funds. Officers confirmed that this could mean that some work would be carried over to next year.

Cr Burne-Field moved both option 2 and option 4 from the officer's report.
Cr Muggeridge was in support of motion as it provided some ability to progress a longstanding issue.

Cr Tennent raised concerns with reprioritising land transport budgets given that some submitters to the Annual Plan had raised concerns about the condition of rural roads.

Mayor Walker raised that the Long Term Plan may need to happen earlier than planned due to Wastewater requirements. Mayor Walker indicated that this could provide scope to clearly outline expected levels of service for land transport.

8 CHIEF EXECUTIVE REPORT

Nil

9 PUBLIC EXCLUDED BUSINESS

NIL

10 DATE OF NEXT MEETING

RESOLVED: 19.1

Moved: Mayor Alex Walker
Seconded: Cr Brent Muggeridge

THAT the next meeting of the Central Hawke's Bay District Council be held on 30 May 2019.

CARRIED

11 TIME OF CLOSURE

The Meeting closed at 2.56pm.

The minutes of this meeting were confirmed at the Council Meeting held on 20 June 2019.

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CHAIRPERSON