

**MINUTES OF CENTRAL HAWKE'S BAY DISTRICT COUNCIL
COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA
ON THURSDAY, 15 FEBRUARY 2024 AT 9.00AM**

PRESENT: Mayor Alex Walker
Deputy Mayor Kelly Annand
Cr Brent Muggeridge
Cr Tim Aitken
Cr Gerard Minehan
Cr Pip Burne
Cr Exham Wichman
Cr Jerry Greer
Cr Kate Taylor

IN ATTENDANCE: Doug Tate (Chief Executive)
Nicola Bousfield (Group Manager, People and Business Enablement)
Brent Chamberlain (Chief Financial Officer)
Dennise Elers (Group Manager Community Partnerships)
Dylan Muggeridge (Group Manager Strategic Planning & Development)
Phillip Stroud (Acting GM Community Infrastructure and Development)

Kim Anstey (Planning Manager)
Alison Bell (Strategic Communications Advisor)
Rebecca England (Project Manager)
Reuben George (Director Projects & Programmes)
Lisa Harrison (LTP Programme Manager)
Robert Hon (Environmental Waste Manager)
Riley Kupa (Recovery Manager)
Ben Swinburne (3 Waters Manager)
Annelie Roets (Governance Lead)

1 WELCOME / KARAKIA / NOTICES

Her Worship, The Mayor Alex Walker welcomed everyone to the meeting opened with a karakia.

The Mayor requested everyone to remain standing to commemorate the 1 year anniversary of Cyclone Gabrielle.

The Mayor also recognise the passing of former Councillor Mark Williams and wished his family our thoughts and prayers. A minute of silence was held.

2 APOLOGIES

There were no apologies received.

3 DECLARATIONS OF CONFLICTS OF INTEREST

There were no Declarations of Conflicts of Interest received.

4 STANDING ORDERS

LVED: 24.1

Moved: Cr Jerry Greer

Seconded: Cr Kate Taylor

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

- 21.2 Time limits on speakers
- 21.5 Members may speak only once
- 21.6 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

5 CONFIRMATION OF MINUTES

RESOLVED: 24.2

Moved: Deputy Mayor Kelly Annand

Seconded: Cr Gerard Minehan

That the minutes of the Ordinary Council Meeting held on 14 December 2023 as circulated, be confirmed as true and correct.

CARRIED

Correction page 5 of the Minutes:

2023 Waipawa Building Society Scholarship: Her Worship, The Mayor welcomed Ellyn Ross and ~~Ellyn~~ Ella Malcolm to the meeting.

6 REPORTS FROM COMMITTEES

Nil

7 REPORT SECTION

7.1 RESOLUTION MONITORING REPORT

PURPOSE

The purpose of this report is to present to Council the Resolution Monitoring Report. This report seeks to ensure Council has visibility over work that is progressing, following resolutions from Council.

RESOLVED: 24.3

Moved: Deputy Mayor Kelly Annand

Seconded: Cr Exham Wichman

That the report be noted.

CARRIED

Mr Doug Tate introduced the report with discussions noting:

- Item 3 “Tukituki Swingbridge”: Councillors will note that it shows complete, but there is currently sitting an action on this item going forward.
- Item 5 “Adoption of Draft Statement of Proposal – Freedom Camping”: Officers busy reviewing the content of submissions which will be presented to council on the next steps forward at the 14 March 2024.
- Item 6 “Representation Review – Maori Representation”: Finalising pre-engagement with an online survey with the aim to present the 2024 timeline and next steps at the 6 March Council workshop. This is been supported by Warwick Lamm from Electionz.

7.2 CYCLONE GABRIELLE - RECOVERY UPDATE

PURPOSE

The purpose of this report is to provide the monthly formal update on progress on the recovery from Cyclone Gabrielle against the key four priorities and issues identified for the district through locality planning.

RESOLVED: 24.4

Moved: Cr Gerard Minehan

Seconded: Cr Jerry Greer

That the report be noted.

CARRIED

Report was introduced by Riley Kupa who gave an update on the progress made on recovery. The report was taken as read. Further discussions noted:

- Mr Kupa provided a summary of the report and noted that this week has been a week of reflection following the 1 year anniversary of Cyclone Gabrielle.
- Work continues with the Pōrangahau community around flood mitigation scheme.
- Question
- Question arose around the connection between stormwater modelling and land categorising

and river modelling in Pōrangahau and whether any progress has been made on the stormwater modelling connected to this work?

- Initial meetings were held with HBRC which identified CHBDC's assets within the community and how it fits in with the mitigation schemes for Pōrangahau. Further meetings also held with the CE of HBRC to confirm the project governance arrangements around this project.
- Expect to have a full detailed project plan early next week.
- Was requested whether a list of the 26 Bridges at risk of scour and erosion be shared with public to be open and transparent? The lists can be shared as it poses no risk to the community in terms of their traveling.
- The Projects Status reports notes all the funding, delivery, contractor performance and detailed summary of actions underway including HBRC river management gravel (Tukituki scheme review) and Land categorisation etc.

Due to livestream technical difficulties, the meeting adjourned from 9.35am and reconvened at 9.45am.

7.3 ENDORSEMENT OF THREE-YEAR PLAN 2024-2027 DIRECTION

PURPOSE

The purpose of this report is for Council to formally endorse the direction of the 3 Year Plan 2024 - 2027, in order for Officers to prepare the Consultation Document and supporting information for the draft Three Year Plan 2024 – 2027.

RESOLVED: 24.5

Moved: Cr Gerard Minehan
Seconded: Cr Brent Muggeridge

1. **That the report be noted.**
2. **That Council endorses the direction and draft estimated budget and rates requirement for the Three Year Plan 2024-2027 outlined in this report for the continued development of the Three Year Plan.**

CARRIED

Doug Tate introduced the item recognising the significant impacts Cyclone Gabrielle had on Council's infrastructure and roading network. Discussions traversed:

- Noting the challenges the district face as well as recognising the uncertainty around the financial pressures.
- The Three-Year Plan 2024-2027 propose areas of priority to prioritise investment in and sets out the financial implications of the plan.
- Mr Tate highlighted the overall approach proposed for the three-year plan including engagement with community.
- Noted the early work officers have done with Councillors in terms of the review of the Revenue and Financing Policy and other key policies, and in particular the significant trade-offs and implications on Council's budget.
- Key priorities have been highlighted i.e
 - Land Transport investment in particular,
 - Increasing urban stormwater investment and operational maintenance,
 - Focussing on Land Transport Recovery,
 - Continuing to prioritise #thebigwaterstory, continuing with drinking water risk and

- resilience Projects,
- Maintaining the strategy and approach to #thebigwastewaterstory and the completion of the associated river management reviews and
- Continuing to progress alternative funding and delivery models for three waters, including the Hawke's Bay Waters model.
- Gave an update on Council's Operating Expenditure for the Three-Year Plan 2024-2027 and associated challenges council faces.
- Key financial impacts that Council is unable to control of \$2.427 million across the total rates increase required of \$6.67m.
- The key uncontrollable costs includes (1) Higher interest costs, (2) higher loan repayments, (3) Landfill contract escalations, (4) insurance increases higher than inflation as well as (5) loss in fees forecast in resource and building consent activities.
- A number of service changes and options to mitigate and defer costs across the organisation to achieve the proposed Year 1 budget estimates have already been included.
- An update on Council's Capital Projects and Forecast Debt as well as outlining the proposed engagement topics in the Consultation Document.
- It was proposed to work through the 4 proposed topics and seeks suggestions and guidance from councillors which may assist council to make an informed decision.

7.4 PROPOSED AMENDMENTS AND UPDATES TO COUNCIL DELEGATIONS MANUAL

PURPOSE

The purpose of this report is to present to Council the recommendations to the Delegations Manual following legals reviews from Rice Speir and Asher Davidson.

RESOLVED: 24.6

Moved: Deputy Mayor Kelly Annand

Seconded: Cr Exham Wichman

That Council accepts and adopts the changes recommended in the Central Hawke's Bay Council Delegations Manual and requests that the Governance Structures and representation components are added to the policy review for policy refinement.

CARRIED
Against: Cr Tim Aitken

Dylan Muggeridge and Brent Chamberlain introduced the item noting Asher Davidson, Council's barrister joining online. Discussions noted:

- Minor changes are being proposed to the existing policy to account for legislation changes
- Highlighted the key changes being proposed i.e general changes warrant & legislation changes and District Plan delegations
- Dylan Muggeridge spoke on District Plan delegations noting that council is now moving into the appeals mediations phase which expects to begin from 5 March 2024.
- Updating the District Plan Delegations, will allow an officer to participate in mediation and any other alternative dispute resolution processes that may be directed by the Environment Court and to reach agreements to resolve appeals.
- Other minor changes proposed including updating the names of roles to reflect changes in Council's organisational structure.
- Council's Delegations Manual can be amended as the need exists and doesn't need to be on a three-yearly cycle.
- P84 of the Agenda, (P9 Delegations Manual) – an update on presentation schedule to be made under "*Professional Development and Learning*" – "*Councillors will all participate in the Governance Training run by either LGNZ or the NZ Institute of Directors as a collective and as*

individuals”.

The meeting adjourned at 10.41am and reconvened at 11.04am.

7.5 HALF YEAR FINANCIAL RESULTS FOR THE 2023/2024 FINANCIAL YEAR

PURPOSE

The purpose of this report is to provide Council with visibility of how Council's finances are tracking for the first six months of the 2023/24 financial year.

RESOLVED: 24.7

Moved: Cr Brent Muggeridge

Seconded: Deputy Mayor Kelly Annand

- 1. That the report be noted.**

CARRIED

Brent Chamberlain introduced the report and gave a brief summary and overview on council's finances over the first six months of 2023/24 recognising the financial pressures. Further discussions traversed:

- The paper was written in two parts being (1) Half-year results and (2) Proposed fee change.
- Revenue down in budget (fees and charges, specifically Resource Consents, Building Consents and Solid Waste respectively).
- The largest driver of revenue shortfall is volume (Annual Plan volumes were set based on 2021/22 volumes which included additional volumes from wastewater pond desludging and a more buoyant building/house renovation market), and to a lesser extent price.
- 85% of council's total debt relates to 3 Waters and only being serviced by 50% of ratepayers connected to these services.
- Council's capital expenditure is below both budget and last year's levels reflecting the pause and wait approach Council has taken until some clarity appears as to what the recent election mean for the 3 waters reform programme.
- Council is currently compliant on its Treasury Policy.
- Question was asked what capital programmes are being delivered between now and the end of this financial year, particular the Renewals Programme.
- The Chief Financial Officer will provide a forecast towards the end of the year together with clarity on what capital programmes are being delivered this year.
- It was noted that full schedule of fees and attachments were missing as an attachment to the report.
- That council bring back a full report to the March 2024 council meeting on the proposed changes to Fees and charges relating to the transfer station and refuse bag pricing to take effect from 1 April 2024.

7.6 TREASURY MANAGEMENT POLICY REVIEW

PURPOSE

The matter for consideration by the Council is the review of its Treasury Management Policy ahead of setting the Three Year Plan budgets. This policy has been recommended for Adoption without change from the Risk and Assurance Committee from its meeting of 7 December 2023.

RESOLVED: 24.8

Moved: Mayor Alex Walker

Seconded: Cr Kate Taylor

That Council rejects the proposed recommendations from the Risk & Assurance Committee meeting held on 7 December 2023 and that Council requires some additional advice and analysis on the Treasury Policy, including advice and guidance from the Risk & Assurance Committee's Independent chair, to be reconsidered at the March 2024 Council meeting.

CARRIED

The paper was introduced by Brent Chamberlain with discussions noting:

- Debt forecasted to continue to grow – projecting by Year 3 of Council's Three-Year Plan 2024-2027, Council will be exceeding their current Treasury Policy settings and as a result, Treasury
- BanCorp presented at the Risk & Assurance Committee meeting in December 2023 and recommended some adjustments to the Treasury Policy settings and presented to Councillors today.
- It was recommended that the debt cap restriction lifting it from 150% to 200% of revenue, requiring Council to obtain an external credit rating and amend its treasury management policy to allow borrowing at a higher level.
- The bank's limit debt cap is currently to up to 175%, but a credit rating is obtained, Council can borrow up to 280%.
- The Risk & Assurance Committee at their December 2023 meeting, recommended to Council to adopt the revised Treasury Policy.
- Council rejected the recommendation as proposed and requested that officers come back to the March Council meeting to be reconsidered with some additional advice.

7.7 REVENUE AND FINANCING POLICY REVIEW

PURPOSE

The matter for consideration by the Council is the review of Council's Revenue and Financing Policy for inclusion in the 3 Year Plan consultation documents.

RESOLVED: 24.9

Moved: Cr Pip Burne

Seconded: Cr Exham Wichman

1. **That Council accept the proposed changes to the Revenue and Financing Policy as recommended for inclusion in the Three-Year Plan Consultation Document and Supporting Information for public feedback.**

CARRIED

The report was introduced by Brent Chamberlain noting the minor changes made to the Policy as proposed from the Nov 2023 Council meeting. Discussions noted:

- This Policy is another key document for the Three-Year Plan 2024-2024 (or Long Term Plan)
- Following from the 15 Nov 2023 Council meeting, Council recommended a number of changes.
- Feedback from this meeting, two further changes were made being
 - (1) Commentary to include around Category 3 properties. Category 3 property buy-outs sections are now being removed from the policy.
 - (2) Section on swimming pools be reworded to ensure this was 100% private funding. The policy has been changed to suggest that the swimming pool inspections for those permanent council notified swimming pools are part of a targeted rate and that the targeted rate is 100% recovery of officer's time.
- Further clarity from the Nov meeting was sought about stormwater targeted rates, and in particular the network maps of properties in the stormwater zone. Commentary in the paper.

The meeting adjourned at 12.29pm and reconvened at 1.07pm.

8 CHIEF EXECUTIVE REPORT

8.1 ORGANISATION PERFORMANCE REPORT - QUARTER 2 UPDATE

PURPOSE

The purpose of this report is to present to Council the Organisation Performance Report – Quarter 2 for the period of 1 October to 31 December 2023.

This updated format of reporting also includes the non-financial quarterly reporting, previously reported separately to Council each quarter.

RESOLVED: 24.10

Moved: Deputy Mayor Kelly Annand

Seconded: Cr Kate Taylor

That the Organisation Performance Report for quarter 2 (1 October – 31 December 2023) be noted.

CARRIED

The paper was introduced by the Chief Executive, Doug Tate with discussions noting:

- This is the second time that this report also includes the quarterly non-financial performance results, normally reported on separately.
- LGOIMA requests are being reported again on in this document.
- This quarter, the Organisational key focus areas includes (1) Developing the Supplier Improvement Programme and its next steps. (2) Enhancing our visibility over contractor performance through shared Key Performance Indicators (KPI) and reporting. (3) Continued focus on the Land Transport Improvement Plan. This has included shaping the Activities direction of key procurement.
- Comments and feedback received taken as actions for the next report in May 2024.

9 DATE OF NEXT MEETING

RESOLVED: 24.11

Moved: Mayor Alex Walker
 Seconded: Cr Brent Muggeridge

That the next meeting of the Central Hawke's Bay District Council be held on 14 March 2024.

CARRIED

10 PUBLIC EXCLUDED BUSINESS

RESOLUTION TO EXCLUDE THE PUBLIC

RESOLVED: 24.12

Moved: Cr Pip Burne
 Seconded: Cr Jerry Greer

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
<p>10.1 - Public Excluded Resolution Monitoring Report</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>	<p>s48(1)(a)(i) - 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</p>

<p>10.2 - District Plan Review Key Project Status Report</p>	<p>s48(2)(a)(i) - the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the Council to deliberate in private on its decision or recommendation where a right of appeal lies to any court or tribunal against the final decision of the Council in these proceedings</p>	<p>s48(2)(a)(i) - the exclusion of the public from the part of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation</p>
<p>10.3 - Ruataniwha Basin Tranche 2 Groundwater takes appeals - update and next steps</p>	<p>s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege</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>	<p>s48(1)(a)(i) - 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</p>

CARRIED

RESOLVED: 24.13
 Moved: Cr Pip Burne
 Seconded: Cr Jerry Greer
That Council moves into Public Excluded business at 1.22pm.

CARRIED

RESOLVED: 24.14
 Moved: Cr Tim Aitken
 Seconded: Cr Exham Wichman
That Council moves out of Public Excluded business at 2.07pm.

CARRIED

11. TIME OF CLOSURE

The Meeting closed at 2.07pm.

The minutes of this meeting will be confirmed at the next Council meeting to be held on 14 March 2024.

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CHAIRPERSON