

**MINUTES OF CENTRAL HAWKE'S BAY DISTRICT COUNCIL
FINANCE, INFRASTRUCTURE & PERFORMANCE COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA
ON THURSDAY, 7 NOVEMBER 2024 AT 9.00AM**

UNCONFIRMED

PRESENT: Chair Brent Muggeridge
Deputy Chair Jerry Greer
Mayor Alex Walker
Cr Tim Aitken (*from 9.06am*)
Cr Kelly Annand (*Online*)
Cr Pip Burne
Cr Gerard Minehan
Cr Kate Taylor
Pou Whirinaki Amiria Nepe-Apatu

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)
Mark Kinvig (Group Manager Community Infrastructure and Development)

Jane Budge (Strategic Governance Manager)
Rebecca England (Project Manager)
Chris Gordon (Programme Manager)
Rob Hon (Environmental Waste Manager)
Phillip Stroud (Infrastructure Delivery Director)
Ben Swinburne (3 Waters Manager)
Annelie Roets (Governance Lead)

1 KARAKIA

Cr Brent Muggeridge welcomed everyone to the meeting and invited Cr Kate Taylor to lead the group in a karakia.

2 APOLOGIES

COMMITTEE RESOLUTION: 24.11

Moved: Cr Kate Taylor
Seconded: Deputy Chair Jerry Greer

That apologies from Cr Exham Wichman and Pou Whirinaki Piri Galbraith be received and accepted.

CARRIED

3 DECLARATIONS OF CONFLICTS OF INTEREST

There were no Declarations of Conflict of Interest received.

4 STANDING ORDERS

COMMITTEE RESOLUTION: 24.12

Moved: Chair Brent Muggerridge
Seconded: Deputy Chair Jerry Greer

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

COMMITTEE RESOLUTION: 24.13

Moved: Mayor Alex Walker
Seconded: Cr Gerard Minehan

That the minutes of the Finance, Infrastructure & Performance Committee Meeting held on 19 September 2024 as circulated, be confirmed as true and correct.

CARRIED

6 REPORT SECTION

6.1 FIRST QUARTER FINANCIAL RESULTS FOR THE 2024/2025 FINANCIAL YEAR

PURPOSE

The purpose of this report is to provide Council with visibility of how Council's finances are tracking for the first three months of the 2024/25 financial year.

COMMITTEE RESOLUTION: 24.14

Moved: Cr Gerard Minehan
Seconded: Deputy Chair Jerry Greer

That the Finance, Infrastructure & Performance Committee notes the First Quarter Financial Results for the 2024/2025 Financial Year Report.

CARRIED

Brent Chamberlain presented the financial report for Quarter 1, highlighting significant subsidies received from external parties, lower than normal volumes in consenting and solid waste activities, and a detailed funding impact statement. Discussions traversed:

- Mr Chamberlain also covered Council's external debt and interest rate swaps.

Cr Tim Aitken arrived 9.06am.

- Rob Hon provided a high level overview on the Solid Waste Contractual Arrangements with Tararua for solid waste, focusing on financial risks and the need to rethink the strategy to mitigate these risks.
- Mr. Hon provided insights into the contract terms and conditions, including pricing and volume issues.

Actions:

- Solid Waste Contract: Engage with Rob Hon to discuss the financial reforecasting and potential strategy changes for the solid waste contract with Tararua. (Add section in Section 17a report).
- Prepare a reforecast bar to sit next to the budget and actual bars for the next quarterly financial reporting, considering the NZT programme and other variables.

6.2 ANNUAL PLAN 2024/25 - PROPOSED PROGRAMME AND UPDATE

PURPOSE

The purpose of this report is to provide an update on the annual plan process for setting the 2025/2026 budgets and rates.

COMMITTEE RESOLUTION: 24.15

Moved: Mayor Alex Walker

Seconded: Cr Tim Aitken

That the Finance, Infrastructure and Performance Committee notes the Annual Plan 2024/25 – Proposed Programme and Update report.

CARRIED

The report was introduced by Brent Chamberlain and Jane Budge with discussions noted:

- The annual plan for 2025-2026 was discussed, with particular attention to the forecasted 14.9% rate increase and the differences in rate rises between urban and rural areas.
- The need for a reforecast based on updated assumptions—such as CPI and the roading budget—was highlighted.
- The committee identified the key cost drivers behind the 14.9% increase in the Council's funding requirement for the 2025/26 year, noting the following points:
 - Land Transport Step Change Year 2: Explore options for reducing this cost driver.
 - Additional FTEs: Investigate whether these positions can be funded through alternative means.
 - Better-Off Funding for Stormwater: Assess the possibility of reducing the stormwater catchup funding, which would otherwise effectively double the stormwater rate.
 - Levels of Service & Phasing of Investment in Stormwater: Consider how adjustments to the levels of service or the timing of stormwater investments could reduce costs.

Actions:

- Loan repayments: Provide advice on the possibility of deferring loan repayments or extending loan terms to reduce budget impact.
- Email to councillors to get feedback by next Friday, 15 Nov 2024 to incorporate into working assumptions etc.

6.3 QV RATING REVALUATION UPDATE

PURPOSE

The purpose of this report is to provide and update on the Three-Yearly revaluation of the district's rating database being undertaken by Quotable Valuation.

COMMITTEE RESOLUTION: 24.16

Moved: Cr Kate Taylor

Seconded: Cr Pip Burne

That the Finance, Infrastructure and Performance Committee notes the Quotable Value Rating Revaluation Update Report.

CARRIED

Brent Chamberlain presented this report highlighting the process and timeline for the QV rating revaluation, with an emphasis on the impact of recent floods on property valuations and the audit process by the Office of the Valuer General.

Actions:

- Identify and provide a list of underutilised assets that could potentially be sold to improve financial standing.
- Prepare a communication plan to educate the community about the QV valuation process and encourage objections if necessary.

6.4 LOCAL WATER DONE WELL: ENDORSEMENT TO PROCEED TO BUSINESS CASE DEVELOPMENT

PURPOSE

The purpose of this report is to recommend that the Committee endorse the continuation of the joint Hawke's Bay Water work by moving to the development of a Business Case. Business Case development follows the initial financial modelling undertaken to date and will evaluate Hawke's Bay water services delivery options (within council, council CCO or a Mult council CCO), summarising key financial and non-financial impacts for each council and its ratepayers. The Business Case will also provide a consistent basis for councils to make an informed decision on a preferred delivery model, ahead of the required public consultation.

COMMITTEE RESOLUTION: 24.17

Moved: Mayor Alex Walker

Seconded: Deputy Mayor Kelly Annand

That Finance, Infrastructure & Performance Committee:

1. **Notes the policy and legislative requirements under central Government's Local Water Done Well framework for the future of water service delivery.**
2. **Notes the initial scenario modelling work undertaken to date.**
3. **Endorses the process to progress with the development of a Business Case.**

CARRIED

Doug Tate spoke on the report with discussions noting:

- Noting the Policy and legislative requirements on councils relating to the delivery of local water infrastructure and services under its Local Water Done Well (LWDW) framework.
- Early modelling work has been undertaken.
- The committee discussed the development of a business case for the local water service

delivery plan.

- Key points included the need for a governance structure, ownership, and addressing financial sustainability.
- Concerns were raised about ensuring equitable investment across different areas and managing risks related to natural disasters.
- Focus on regional collaboration and financial modelling.
- The committee endorsed the process to develop a business case for the local water service delivery plan, with a focus on governance structure, ownership, and addressing financial sustainability.

Actions:

- The committee endorse the process to develop a business case for the local service delivery plan and to create a Principles, Values, and Outcomes summary document for the water services business case, reflecting CHBDCs priorities

The meeting adjourned for morning tea at 10.28am and reconvened at 10.46am.

6.5 KEY PROJECT STATUS REPORT - #BIGSTORMWATER STORY

PURPOSE

The purpose of this key project status report serves as an opportunity to report to Elected Members on the progress on #thebigstormwaterstory.

COMMITTEE RESOLUTION: 24.18

Moved: Cr Pip Burne

Seconded: Deputy Chair Jerry Greer

That the Finance, Infrastructure and Performance Committee notes the #BigStormwaterStory status report October 2024.

CARRIED

Ben Swinburne and Mark Kinvig introduced the report with discussions noting:

- The stormwater management strategy was discussed, focusing on the increased operational program and procurement approach.
- The need for community engagement to shape future management strategies was emphasised.
- The importance of maintaining and inspecting open drains regularly was highlighted.

Actions:

- To continue with the increased operational program and engage with the community to shape future management strategies.
- Develop a comprehensive system view strategy for stormwater management, including private drains and enforcement policies.

6.6 PROPOSED CHANGE TO WEIGHT BASED CHARGING - WAIPUKURAU TRANSFER STATION

PURPOSE

The purpose of this report is to consider changing from volume-based charges to weight-based charges at the Waipukurau Transfer Station for both general waste and green waste disposal and agree on an implementation date.

COMMITTEE RESOLUTION: 24.19

Moved: Cr Pip Burne

Seconded: Deputy Chair Jerry Greer

That the Finance, Infrastructure and Performance Committee approves the proposed weight-based charges for general waste and green waste at the Waipukurau Transfer Station, effective from Monday 9 December 2024.

CARRIED

Rob Hon and Mark Kinvig presented the proposed change to weight-based charges at the Waipukurau Transfer Station for both general waste and green waste disposal. Discussions traversed:

- The committee approved the change to a weight-based charging system for the transfer station.
- New pricing for general and green waste was set, with an implementation date of 9 Dec 2024.
- The impact on different customer segments was analysed, showing that smaller waste producers would pay less, while larger commercial producers would pay more.

Actions:

- To implement the new weight-based charging system for the transfer station by 9 Dec 2024.
- To communicate the new pricing structure to all customers, including commercial clients.

6.7 INSOURCING, VALUE FOR MONEY AND SERVICE DELIVERY EXCELLENCE UPDATE

PURPOSE

The purpose of this paper is to confirm Councils position on infrastructure insourcing and set out Central Hawke's Bay District Councils 'Service Delivery Excellence' focus areas over the forthcoming Three Year Plan.

COMMITTEE RESOLUTION: 24.20

Moved: Mayor Alex Walker

Seconded: Cr Gerard Minehan

That the Finance, Infrastructure and Performance Committee:

1. **Receives the paper titled Insourcing, Value for Money and Service Delivery Excellence'.**
2. **Supports not prioritising the insourcing of services at this current time.**

CARRIED

Mark Kinvig introduced the report noting this is a follow up report following discussions back in September 2024.

- The committee decided not to insource services at this time, focusing instead on building internal capability and becoming a smart client.

7 DATE OF NEXT MEETING

THAT THE NEXT MEETING OF THE FINANCE, INFRASTRUCTURE & PERFORMANCE COMMITTEE WILL BE CONFIRMED FOLLOWING THE ADOPTION OF THE 2025 COUNCIL MEETING SCHEDULE IN DECEMBER 2024.

8 PUBLIC EXCLUDED BUSINESS

RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION: 24.21

Moved: Cr Kate Taylor

Seconded: Cr Pip Burne

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
8.1 - Public Excluded Resolution Monitoring Report	<p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(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
8.2 - Racecourse Road Water Renewal Contract C1215 - Variation	<p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(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
8.3 - Three Waters Procurement Plan - 2024/25 Year Programme Delivery	<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</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

	Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	
CARRIED		

COMMITTEE RESOLUTION: 24.22
 Moved: Cr Kate Taylor
 Seconded: Cr Pip Burne
That the Finance, Infrastructure & Performance Committee moves into Public Excluded business at 11.28am.

CARRIED

COMMITTEE RESOLUTION: 24.23
 Moved: Deputy Chair Jerry Greer
 Seconded: Cr Pip Burne
That the Finance, Infrastructure & Performance Committee moves out of Public Excluded business at 12.00pm.

CARRIED

9 TIME OF CLOSURE

The Meeting closed at 12.00pm.

The Minutes of this meeting will be confirmed at the next Finance, Infrastructure & Performance Committee Meeting to be confirmed.

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CHAIRPERSON