

## MINUTES OF COUNCIL MEETING

**File Reference:** ECM8320116

**Meeting Date:** Tuesday, 30 June 2020 at 5.30pm

**Venue:** Civic Centre, Liardet Street, New Plymouth

### Members Present:

Mayor Neil Holdom, Councillors Tony Bedford, Sam Bennett, Gordon Brown, David Bublitz, Aneka Carlson, Murray Chong, Amanda Clinton-Gohdes, Harry Duynhoven, Richard Handley, Colin Johnston, Richard Jordan, Dinnie Moeahu and Marie Pearce

### Non Members Present:

Howie Tamati ((Co-Chairperson) – Te Huinga Taumatua)

### Staff in Attendance:

Craig Stevenson, Julie Straka, Greg Stephens, Joy Buckingham, Liam Hodgetts, Kelvin Wright, Jacqueline Baker, Teresa Turner, David Langford, Mitchell Dyer, Alison Trustum-Rainey, Paul Lamb and Charles Woollin

### Deputations

- Mr Geoff Leadley (Operating Structure Options for Papa Rererangi i Puketapu)

### Apologies

#### Council Resolution:

Mayor Holdom )

Cr Johnston )

That the apology for absence from Cr Stacey Hitchcock be received.

*Carried*

## COUNCIL MINUTES

### ADOPTION OF ANNUAL PLAN 2020/21, AMENDMENTS TO FEES AND CHARGES, AND SETTING OF RATES

ECM8263248

The matter for consideration by the Council is to adopt the Annual Plan 2020/21, and the amendments to the Schedule of Fees and Charges, and then to set rates for the 2020/21 financial year.

#### Council Resolution:

Mayor Holdom )

Cr Johnston )

That having considered all matters raised in the report, the Council:

a) Notes that the Council:

- 1) made decisions on the contents of the Annual Plan at an extraordinary Council meeting on 10 March 2020.
- 2) revised those decisions at an extraordinary Council meeting on 5 May 2020 following the Covid-19 pandemic and lockdown, and

- 3) finalised the Get Us Back On Our Feet Plan on at an extraordinary Council meeting on 17 June 2020 following community engagement with nearly 1000 survey responses from members of the public.
- b) Adopts the following proposed amendments to the Schedule of Financial Delegations in the Council's Delegations Register for the 2020/21 financial year (1 July 2020 to 30 June 2021) reflecting the Procurement Recovery Plan (Covid-19), including agreeing that these temporary amendments will be revoked on 30 June 2021 and the current delegations restored on 1 July 2021:

Current Financial Authority	Proposed Financial Authority (1 July 2020 to 30 June 2021)	Delegate
Over \$500,000 Procurement policy exemption * under \$250,000 CE approval, or  over \$250,000 exception approved by appropriate Council committee	Over \$500,000 LTP/AP approved, Procurement policy exemption * CE & Group Manager jointly approve; or  Over \$500,000 Not LTP/AP approved, no exemption approved by appropriate Council committee	Chief Executive jointly with Group Manager
Not exceeding \$500,000	Not exceeding \$500,000	Any 2 Group Managers jointly
Not exceeding \$100,000	Not exceeding \$300,000	Group Manager
Not exceeding \$75,000	Not exceeding \$200,000	Functional Manager
Not exceeding \$50,000	Not exceeding \$50,000	Operational Manager
Not exceeding \$25,000	Not exceeding \$25,000	Lead

\* Procurement Policy exemption is defined as such actions as sole sourcing.

- c) Notes that the Annual Plan 2020/21 includes initiatives that form the Get Us Back On Our Feet Plan which will be funded by the Covid-19 and Economic Development Reserve and debt of up to \$20m, and are therefore not incorporated into the financial statements and forecasts.
- d) Notes that the Covid-19 pandemic and economic impact means the Council projects a reduction in non-rates net revenue of \$5.4 million that will be met through internal costs savings and debt funded.

- e) Notes that the Council determined at the 5 May Council meeting:
- 1) That it is financially prudent to have lower projected operating revenue than projected operating expenditure (s100 Local Government Act 2002).
  - 2) To fund operating expenditure through borrowing despite being inconsistent with the Revenue and Financing Policy (section 80(1) Local Government Act 2002).
- f) Notes the Annual Plan 2020/21 has a rates requirement increase of 3.95 per cent, resulting in the average residential rate increasing 2.71 per cent (or \$1.22 per week).
- g) Adopts the *Annual Plan 2020/21* (appendix 1) and the revised *Schedule of Fees and Charges* (appendix 2).
- h) Sets in accordance with the Local Government (Rating) Act 2002 (the Act) the rates for the financial year commencing on 1 July 2020 and ending on 30 June 2021 as follows:

Note: Goods and Services Tax

All rates below include Goods and Services Tax.

1. Uniform Annual General Charge  
Pursuant to section 15 of the Act, a Uniform Annual General Charge of \$438.94 per Separately Used or Inhabited Part of a rateable Rating Unit.
2. General Rate  
Pursuant to section 13 of the Act, a General Rate on all rateable land on the basis of land value and assessed differentially against each property group as described below at the rate of cents in the dollar:

Differential rates (cents per dollars of rateable value):

Group 1 – Commercial/Industrial	1.4906c
Group 2 – Residential	0.3575c
Group 3 – Small Holdings	0.2916c
Group 4 – Farmland	0.2939c

3. Targeted Rates
  - 3.1. Roading Targeted Rate  
Pursuant to section 16 of the Act, a Targeted Rate for Roothing of \$132.86 per separately used or inhabited part of a rateable rating unit on all rateable land in the district.

3.2. Refuse Collection and Disposal Targeted Rate

Pursuant to section 16 of the Act, a Targeted Rate for Refuse Collection and Disposal (including kerbside recycling) of \$189.88 per separately used or inhabited part of a rating unit used as a household unit situated in defined areas of the New Plymouth District, in which the Council provides the service.

3.3. Sewage Treatment and Disposal Targeted Rate

Pursuant to section 16 of the Act, a Targeted Rate for Sewage Treatment and Disposal as:

- a) A fixed amount per separately used or inhabited part of a rating unit in respect of rating units (other than commercial and industrial rating units and schools) connected either directly or through a private drain to a public sewerage drain.

The amount per separately used or inhabited part of a rating unit is \$522.00 for 2020/21.

- b) An amount per water closet or urinal depending on the number in each rating unit for rating units used for commercial and industrial uses (including schools) connected either directly or through a private drain to a public sewerage drain as shown below.

Sewage Treatment and Disposal, charges per water closet or urinal:

One to two	\$522.00
Three	\$437.00
Four	\$382.00
Five	\$332.01
Six to 10	\$297.00
11 to 15	\$277.00
16 to 20	\$267.00
21 or more	\$262.01

- c) A fixed amount for the Sewage Treatment and Disposal Part-Charge for Oakura at \$272.00 per separately used or inhabited part of a rating unit for rating units in the Oakura sewerage scheme area that have agreed to connect to the sewer pipe and have not done so.

### 3.4 Water Supply Targeted Rate

3.4.1 Pursuant to section 16 of the Act, Targeted Rates for Water Supply as below:

(Connected and not-metered, and not restricted flow connections)

- a) A network fixed charge of \$36.80 per separately used or inhabited part of a rating unit, and
- b) A standardised consumption charge of \$311.65 per separately used or inhabited part of a rating unit.

(Connected and metered)

- c) A supply charge of \$36.80 per separately used or inhabited part of a rating unit.

3.4.2 Pursuant to sections 16 and 19 of the Act, a Targeted Rate for Water Supplied by Volume as below:

Standard rate for consumption up to 50,000m <sup>3</sup> ( per cubic metre)	\$1.38
Rate for consumption in excess of 50,000m <sup>3</sup> (per cubic metre) per annum*	\$1.40
Waitara Industrial untreated Water Supply (per cubic metre)	\$0.94
Restricted flow connections (per Water Supply as defined by Water, Wastewater and Stormwater Services Bylaw, Part 14) – per 1m <sup>3</sup> unit per day	\$221.52

\* Large users are charged the standard water-by-meter rate to 50,000m<sup>3</sup> and the excess rate for amounts in excess of 50,000m<sup>3</sup>.

### 3.5 Swimming Pool Compliance Targeted Rate

Pursuant to section 16 of the Act, a Targeted Rate for Swimming Pool Compliance of \$48.52 per separately used or inhabited part of a rateable rating unit which has a swimming pool/spa pool.

3.6 Ngā Whare Ora Taiao o Ngāmotu (New Plymouth Sustainable Homes Voluntary Targeted Rate) Scheme Targeted Rate

Pursuant to section 16 of the Act, a Targeted Rate for Ngā Whare Ora Taiao o Ngāmotu per rating unit which has been granted funding assistance for capital improvements to undertake household sustainability measures as below:

For borrowers applying before 17 June 2020	11.1 per cent of the service amount (the cost of borrowed funds and finance charges)
For borrowers applying after 17 June 2020, who elected to pay over a nine year period	11.1 per cent of the service amount (the cost of borrowed funds and finance charges)
For borrowers applying after 17 June 2020 who elected to pay over a five year period	20.0 per cent of the service amount (the cost of borrowed funds)

4. Due Dates and Penalties

4.1 Resolves that the Council's rates (except metered water) for the 2020/21 year (1 July 2020 to 30 June 2021) will become due and payable by four equal instalments on the following dates:

Instalment 1 1 August 2020

Instalment 2 1 November 2020

Instalment 3 1 February 2021

Instalment 4 1 May 2021

4.2 The Council will charge a penalty of 10 per cent on any part of each respective instalment that remains unpaid after the due date listed below. The date the penalty will be applied is:

Instalment 1 (penalty date) 26 August 2020

Instalment 2 (penalty date) 25 November 2020

Instalment 3 (penalty date) 24 February 2021

Instalment 4 (penalty date) 26 May 2021

- 4.3 In addition, the Council will charge a penalty of 10 per cent on any rates (except metered water) that were assessed in any previous financial years prior to 1 July 2020 and which remain unpaid on 1 July 2020. The penalty will be applied on 30 September 2020 and a further additional penalty of 10 per cent on any rates (except metered water) that were assessed in any previous financial years and which remain unpaid on 31 March 2021.
- 4.4 Resolves that the Council's rates for metered water will generally be invoiced on a quarterly basis. However, rating units may be invoiced monthly if the unit has previously been invoiced monthly or who has notified the Council before 30 June 2020 to be invoiced monthly.
- 4.5 Resolves that the Council's rates for metered water for rating units invoiced on a quarterly basis for the 2020/21 year (1 July 2020 to 30 June 2021) will become due and payable by instalments on the following dates:
- Instalment 1 25 November 2020
  - Instalment 2 24 February 2020
  - Instalment 3 26 May 2021
  - Instalment 4 25 August 2021
- 4.6 Resolves that the Council's rates for metered water for rating units invoiced on a monthly basis for the 2020/21 year (1 July 2020 to 30 June 2021) will become due and payable on the following dates:
- Instalment 1 20 August 2020
  - Instalment 2 21 September 2020
  - Instalment 3 20 October 2020
  - Instalment 4 20 November 2020
  - Instalment 5 21 December 2020
  - Instalment 6 20 January 2021
  - Instalment 7 22 February 2021
  - Instalment 8 22 March 2021
  - Instalment 9 20 April 2021
  - Instalment 10 20 May 2021
  - Instalment 11 21 June 2021
  - Instalment 12 20 July 2021

*Carried*

## **OPERATING STRUCTURE OPTIONS FOR PAPA RERERANGI I PUKETAPU LIMITED**

ECM8309276

The matter for consideration by the Council is approval of a legal and operational structure for Papa Rererangi i Puketapu Limited (PRIP), to maintain functionality of the airport whilst considering the cost to the NPDC ratepayer. This review has arisen as a result of the impact Covid-19 has had on the airport operations.

### *Council Resolution:*

Mayor Holdom        )

Cr Bennett            )

That having considered all matters in the report, the advice received from PWC and the response from Papa Rererangi i Puketapu Limited, the Council:

- a) Note the significant impact Covid-19 has had on operations of the New Plymouth Airport.
- b) Note that without recapitalisation, Papa Rererangi i Puketapu would likely become insolvent within the next six months.
- c) Approve the recapitalisation of Papa Rererangi i Puketapu Limited at \$22 million allowing for sensitivity margin of 15 per cent as recommended by independent financial advisors PWC.
- d) Note that any resulting costs to Council will be spread over two years.
- e) Note this will require consideration for LTP.

*Carried*

*A Division was called: (ECM8320094)*

*Those voting for the motion were Councillors Bedford, Bennett, Bublitz, Carlson, Clinton-Gohdes, Duynhoven, Handley, Johnston, Jordan and Pearce, and Mayor Holdom.*

*Those voting against the motion were Councillors Brown, Chong and Moeahu.*

The Council meeting closed at 6.43pm