

## **MINUTES OF COUNCIL EXTRAORDINARY MEETING**

File Reference: ECM8281946  
Meeting Date: Tuesday 5 May 2020 at 1pm  
Venue: Via Zoom

### **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, Stacey Hitchcock, Colin Johnston, Richard Jordan, Dinnie Moeahu and Marie Pearce

### **Non Members Present**

Doug Hislop (Kaitake Community Board Chairperson), Mel Cook (Inglewood Community Board Chairperson) and Jonathan Marshall (Waitara Community Board Chairperson)

### **Staff in Attendance**

Craig Stevenson, Julie Straka, Nadia Phillips, David Langford, Paul Lamb, Greg Stephens, Joy Buckingham, Liam Hodgetts, Kelvin Wright, Shaun McDougall, Cheryl McGrath, Jacqueline Baker, Callum Williamson, Shawn Scott, Alison Trustrum-Rainey, Richard Gater, Teresa Turner, Damien Morrissey, Ian Baker, Mitchell Dyer, Steven McIntosh, Rowan Betts, Lisa Lowe

### **Media Attendance**

Christina Persico and Jim Tucker – Taranaki Daily News

### **Conflicts of Interest**

Cr Carlson – Proposed Annual Plan 2020/21 – “Get Us Back On Our Feet” plan (Tab 2) – Clause g (v) – (vii)

## **COUNCIL RESOLUTIONS**

### **Impact of Covid-19 Pandemic on the Taranaki Economy**

ECM8277892

This report provides the Council with an Infometrics report co-commissioned by the Council and Venture Taranaki on the projected impact of the Covid-19 pandemic on the Taranaki economy.

#### *Council Resolution:*

Cr Moeahu )

Cr Handley )

That having considered all matters raised in the report, the report from Infometrics “Economic Impacts of COVID-19 on the Taranaki Economy Early Estimates for Venture Taranaki and New Plymouth District Council, April 2020” be noted.

Carried

## **Proposed Annual Plan 2020/21 – “Get Us Back On Our Feet” Plan**

ECM8274989

The matter for consideration by the Council is to reconsider the Council decisions (10 March 2020) on the Proposed Annual Plan 2020/21 in light of the Covid-19 pandemic in order to reflect the economic downturn, and consider a suite of new policy initiatives.

### Council Resolution:

Mayor Holdom )

Cr Johnston )

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

- a) Notes the forecast economic implications of the Covid-19 pandemic see an economic decline of around 8 per cent nationally and unemployment reach 10 per cent or higher, and Taranaki is expected to see similar levels of decline
- b) Notes that the Proposed Annual Plan 2020/21 has been revised in light of the Covid-19 pandemic through the forecast net reduction of \$5.4 million in revenue (\$7.0 million reduction in revenue offset by \$1.6 million in lower costs)
- c) Notes that adding rates funding of the net reduction in revenue to the Proposed Annual Plan 2020/21 as agreed on 10 March 2020 the total rates rise would be approximately 11.82 per cent.
- d) Revokes the decisions made at the extraordinary Council meeting of 10 March 2020 on the Proposed Annual Plan 2020/21 (that set a rate of 6.47 per cent).

Carried

### Council Resolution:

Mayor Holdom )

Cr Bublitz )

- e) Adopts the 3.95 per cent rates rise option as outlined in the report for the Proposed Annual Plan 2020/21
  - i) Including an increase in operational funding of \$300,000 to go towards the feasibility study into expanding the wastewater reticulation network to include Urenui, Onaero, Lepperton, Egmont Village and Okato
  - ii) Including an increase of \$100,000 operational funding to fast track stormwater improvements to the Waitara township
  - iii) Reducing the operational expenditure of the Govett-Brewster Art Gallery/ Len Lye Centre by \$400,000 to offset the increases mentioned above – a reduction of 8.5%, and
  - iv) Instructs the Chief Executive to seek further operational savings across Council activities to reduce the forecast deficit.

An amendment was moved:

Cr Carlson )

Cr Clinton-Gohdes )

Remove clause e (iii) from the original motion.

The amendment was lost

A Division was called (ECM8282453):

Those voting for the amendment were Crs Bennett, Carlson, Clinton-Gohdes, Duynhoven, Hitchcock, Johnston and Pearce.

Those voting against the amendment were Crs Bedford, Brown, Bublitz, Chong, Handley, Jordan, Moeahu, and Mayor Holdom.

The original motion was put and carried

Council Resolution:

Mayor Holdom )

Cr Brown )

f) Notes that this results in the average residential rate increasing by 2.54 per cent (\$59.36 per year or \$1.14 per week additional)

Carried

Council Resolution:

Cr Johnston )

Cr Chong )

g) Adopts the following initiatives for the "Get Us Back On Our Feet" Plan, funded by the Covid-19 and Economic Development Reserve and debt, for engagement with the community:

i) Establishing the *Ngā Whare Ora Taiao o Ngāmotu* Scheme as an expansion on the Voluntary Targeted Rate for Home Energy Scheme.

Carried

Council Resolution:

Cr Brown )

Cr Duynhoven )

ii) Temporary Use Licences fee reductions

Carried

Council Resolution:

Cr Johnston )

Cr Hitchcock )

iii) Earthquake prone buildings and main street package

Carried

Council Resolution:

Mayor Holdom )

Cr Hitchcock )

iv) Fee relief to business owners in the hospitality industry

Carried

Council Resolution:

Cr Handley )

Cr Johnston )

- v) Fee reductions for building consents
- vi) Fee reductions for resource consents

Carried

Council Resolution:

Mayor Holdom )

Cr Brown )

- vii) Delaying payments on development contributions

Carried

*Having declared her conflict of interest in clause g (v) – (vii), Cr Carlson removed herself from the discussion and voting on these items.*

Council Resolution:

Cr Bublitz )

Cr Moeahu )

- viii) Expanded community funding

Carried

Council Resolution:

Cr Clinton-Gohdes )

Cr Carlson )

- h) Notes it has already expedited supplier payments and adopted the temporary Rates Remission and Postponement Policies. It is also considering other options for stimulus through Rent Relief for Council's Commercial and Community Group Tenants and a Procurement Recovery Plan (Covid-19) elsewhere in this agenda.

Carried

Council Resolution:

Mayor Holdom )

Cr Handley )

- i) Determines:

- i) That it is financially prudent to have a lower projected operating revenue than projected operating expenditure, in order to address the projected reduction in revenue and to fund the "Get Us Back On Our Feet" initiatives, having considered the matters specified in section 100 of the Local Government Act 2002.
- ii) To fund operating expenditure through borrowing, in order to fund the reduction in revenue and the "Get Us Back On Our Feet" initiatives, which is inconsistent with the Revenue and Financing Policy, having considered the matters specified in section 8 (1) of the Local Government Act 2002.
- iii) That debt funding is the only reasonably practicable option for the variation caused by the reduction in revenue and therefore shall not be consulted on.
- iv) That none of the other variations to the Proposed Annual Plan 2020/21 are significant or material variations from the Long-Term Plan and consultation on

the Annual Plan is not required. However, the Council will engage the community on relief and stimulus items, as well as the Procurement recovery plan.

Carried

Council Resolution:

Mayor Holdom )

Cr Carlson )

- j) Notes the Council will be provided with a finalised Annual Plan for adoption before 30 June 2020.
- k) Agrees that any general rates surplus from the 2019/20 financial year be applied to the Covid-19 and Economic Development Reserve.

Carried

Council Resolution:

Mayor Holdom )

Cr Carlson )

- l) Approves the Council undertaking any additional capital expenditure funded by Central Government as part of the economic recovery through to 30 June 2022.
- m) Delegates authority to the Chief Executive through to 30 June 2022 to approve up to \$20 million in Council funded capital expenditure if the Council is required to co-fund any project with Central Government or to cover any other costs for projects or initiatives substantively funded by Central Government.

An amendment was moved:

Cr Carlson )

Cr Johnston )

That clause 'm' of the original motion be removed.

The amendment was lost

A Division was called (ECM8282452):

Those voting for the amendment were Crs Bedford, Bennett, Carlson, Chong, Clinton-Gohdes, Duynhoven and Johnston.

Those voting against the amendment were Crs Brown, Bublitz, Handley, Hitchcock, Jordan, Moeahu and Pearce, and Mayor Holdom.

The original motion was put and carried

Cr Handley )

Cr Bublitz )

- n) Approves an increase in the borrowing limit up to \$270 million for the 2020/21 financial year.

Carried

*For clarity the resolution is restated below in its entirety.*

Council Resolution:

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

- a) Notes the forecast economic implications of the Covid-19 pandemic see an economic decline of around 8 per cent nationally and unemployment reach 10 per cent or higher, and Taranaki is expected to see similar levels of decline
- b) Notes that the Proposed Annual Plan 2020/21 has been revised in light of the Covid-19 pandemic through the forecast net reduction of \$5.4 million in revenue (\$7.0 million reduction in revenue offset by \$1.6 million in lower costs)
- c) Notes that adding rates funding of the net reduction in revenue to the Proposed Annual Plan 2020/21 as agreed on 10 March 2020 the total rates rise would be approximately 11.82 per cent.
- d) Revokes the decisions made at the extraordinary Council meeting of 10 March 2020 on the Proposed Annual Plan 2020/21 (that set a rate of 6.47 per cent).
- e) Adopts the 3.95 per cent rates rise option as outlined in the report for the Proposed Annual Plan 2020/21
  - i) Including an increase in operational funding of \$300,000 to go towards the feasibility study into expanding the wastewater reticulation network to include Urenui, Onaero, Lepperton, Egmont Village and Okato
  - ii) Including an increase of \$100,000 operational funding to fast track stormwater improvements to the Waitara township
  - iii) Reducing the operational expenditure of the Govett-Brewster Art Gallery/ Len Lye Centre by \$400,000 to offset the increases mentioned above – a reduction of 8.5%, and
  - iv) Instructs the Chief Executive to seek further operational savings across Council activities to reduce the forecast deficit.
- f) Notes that this results in the average residential rate increasing by 2.54 per cent (\$59.36 per year or \$1.14 per week additional)
- g) Adopts the following initiatives for the “Get Us Back On Our Feet” Plan, funded by the Covid-19 and Economic Development Reserve and debt, for engagement with the community:
  - i) Establishing the *Ngā Whare Ora Taiao o Ngāmotu* Scheme as an expansion on the Voluntary Targeted Rate for Home Energy Scheme.
  - ii) Temporary Use Licences fee reductions
  - iii) Earthquake prone buildings and main street package

- iv) Fee relief to business owners in the hospitality industry
  - v) Fee reductions for building consents
  - vi) Fee reductions for resource consents
  - vii) Delaying payments on development contributions
  - viii) Expanded community funding
- h) Notes it has already expedited supplier payments and adopted the temporary Rates Remission and Postponement Policies. It is also considering other options for stimulus through Rent Relief for Council's Commercial and Community Group Tenants and a Procurement Recovery Plan (Covid-19) elsewhere in this agenda.
- i) Determines:
- i) That it is financially prudent to have a lower projected operating revenue than projected operating expenditure, in order to address the projected reduction in revenue and to fund the "Get Us Back On Our Feet" initiatives, having considered the matters specified in section 100 of the Local Government Act 2002.
  - ii) To fund operating expenditure through borrowing, in order to fund the reduction in revenue and the "Get Us Back On Our Feet" initiatives, which is inconsistent with the Revenue and Financing Policy, having considered the matters specified in section 8 (1) of the Local Government Act 2002.
  - iii) That debt funding is the only reasonably practicable option for the variation caused by the reduction in revenue and therefore shall not be consulted on.
  - iv) That none of the other variations to the Proposed Annual Plan 2020/21 are significant or material variations from the Long-Term Plan and consultation on the Annual Plan is not required. However, the Council will engage the community on relief and stimulus items, as well as the Procurement recovery plan.
- j) Notes the Council will be provided with a finalised Annual Plan for adoption before 30 June 2020.
- k) Agrees that any general rates surplus from the 2019/20 financial year be applied to the Covid-19 and Economic Development Reserve.
- l) Approves the Council undertaking any additional capital expenditure funded by Central Government as part of the economic recovery through to 30 June 2022.
- m) Delegates authority to the Chief Executive and the Mayor through to 30 June 2022 to approve up to \$20 million in Council funded capital expenditure if the Council is required to co-fund any project with Central Government or to cover any other costs for projects or initiatives substantively funded by Central Government.
- n) Approves an increase in the borrowing limit up to \$270 million for the 2020/21 financial year.

Carried

### **Short Term Financial Support for Papa Rererangi i Puketapu Limited**

ECM8277680

The matter for consideration by the Council is approval of short term financial support of Papa Rererangi i Puketapu Ltd required as a result of the impact of Covid-19 has had on its operations.

#### Council Resolution:

Cr Carlson )

Cr Jordan )

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

- a) Approve short term financial support by delegating authority to the Chief Executive to execute an amendment to the Facility Agreement increasing the limit of Tranche B by \$1.9 million to \$ 4.9 million.
- b) Notes the funding to action this resolution has been included in the Proposed Annual Plan 2020/21 report also in this agenda.

Carried

#### A Division was called (ECM8282454):

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

*Cr Chong voted against the motion.*

*Cr Moeahu abstained from voting on the motion.*

#### Council Resolution:

Mayor Holdom )

Cr Brown )

That pursuant to Standing Order 4.2 the Council resolves to sit beyond six hours.

Carried

### **Adoption of Procurement Recovery Plan (Covid-19)**

ECM8276503

The matter for consideration by the Council is a proposed Procurement Recovery Plan (Covid-19). The temporary plan will work as a recovery document that is underpinned by the current Procurement Policy. Community engagement on the plan is proposed.

#### Council Resolution:

Mayor Holdom )

Cr Hitchcock )

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

- a) Adopt the Proposed Procurement Recovery Plan (Covid-19) for community engagement.
- b) Note that when the results of the community engagement are reported back, amendments to the financial delegations register will be sought for the period that the Procurement Recovery Plan (Covid-19) is in existence.



**Rent Relief for Council's Commercial and Community Group Tenants (Covid-19 Pandemic)**

ECM8276503

The matter for consideration by the Council is to consider an offer of rent relief to Commercial Tenants and Community Groups who occupy Council owned property, the requirement due to the Tenant (or Group) being unable to fully conduct the Tenants business from their leased premises as a result of the Covid-19 pandemic.

Council Resolution:

Cr Clinton-Gohdes )

Cr Duynhoven )

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

- a) Approves the offer of a percentage rent reduction (net leases at 60%; gross leases at 50%) to Commercial Tenants for the period that they are unable to fully conduct their business from their leased premises due to the Covid-19 pandemic except for essential businesses (5 tenants), leases where the rent is based solely on a percentage of turnover (3 tenants), and tenancies that are effectively ground leases (2 tenants).
- b) Approves the offer of a full refund (where paid) or offset of rental (if about to become due) of rental to all Community Group tenants for a three month period commencing 26 March 2020.
- c) Authorises the property manager to negotiate terms of rent relief with commercial lessees and community groups regardless of whether their lease includes clause 27.5 of the 2012 ADLS lease and, where necessary, prepare and sign variations to Lease Agreements
- d) Authorises the property manager to negotiate variations to commercial leases, including variations to rent based on percentage rental turnover, where appropriate, given the economic circumstances.

Mayor Holdom closed the meeting with a karakia at 8.02pm