

**MINUTES OF WESTERN BAY OF PLENTY DISTRICT COUNCIL
ANNUAL PLAN AND LONG TERM PLAN COMMITTEE MEETING NO. APLTP21-1
HELD IN THE COUNCIL CHAMBERS, BARKES CORNER, TAURANGA
ON TUESDAY, 23 FEBRUARY 2021 AT 9.30AM**

1 PRESENT

Deputy Mayor J Scrimgeour (Chairperson), Cr M Dean, Cr J Denyer, Cr M Grainger, Cr M Gray, Cr A Henry, Cr K Marsh, Cr M Murray-Benge, Cr D Thwaites and Mayor G Webber

2 IN ATTENDANCE

M Taris (Chief Executive Officer), G Allis (Deputy CEO/Group Manager Infrastructure Services), K Perumal (Group Manager Finance and Technology Services), R Davie (Group Manager Policy Planning and Regulatory Services), E Watton (Policy and Planning Manager), D Jensen (Senior Financial Planner), O McVicker (Corporate Development/Business Improvement Advisor), J Rickard (Senior Policy Analyst), G Payne (Strategic Advisor), L Balvert (Senior Communications Specialist), and B Clarke (Senior Governance Advisor)

COMMUNITY BOARDS

Nil.

OTHERS

Clarence Susan (Audit Director) and Warren Goslett (Audit Manager) both of Audit NZ.

3 APOLOGIES

APOLOGIES

RESOLUTION APLTP21-1.1

Moved: Mayor G Webber
Seconded: Cr M Murray-Benge

That an apology for absence from Cr Dally, and apologies for lateness from Cr Marsh and Cr Gray be accepted.

CARRIED

4 CONSIDERATION OF LATE ITEMS

Nil.

5 DECLARATIONS OF INTEREST

Nil.

6 PUBLIC EXCLUDED ITEMS

Nil.

7 PUBLIC FORUM

Nil.

8 PRESENTATIONS

Nil.

9 REPORTS

9.1 ADOPTION OF DRAFT OVERALL REVENUE AND FINANCING POLICY (INCLUDING THE SPECIFIC RATES POLICIES) FOR INCLUSION INTO THE LONG TERM PLAN 2021-31 SUPPORTING INFORMATION

The Senior Financial Planner introduced the report noting the following:

- The Revenue and Financing Policy had been reviewed at an 'overall' level and an 'individual activity' level. The report recommended that minor changes to the Policy be adopted and that it be taken out for public consultation.
- Specific Rates Policies had been considered at a workshop in May 2020. There were two that had been amended slightly through the Policy Committee on 18 February 2021, and these would be consulted on, alongside the Long Term Plan. There were no other changes to Council's Rates Policies.

RESOLUTION APLTP21-1.2

Moved: Mayor G Webber

Seconded: Cr M Dean

1. That the Senior Financial Planner's report dated 18 February 2021, titled 'Adoption of draft Overall Revenue and Financing Policy (Including the Specific Rates Policies) for inclusion into the Long Term Plan 2021-31 Supporting Information' be received.
2. That the report relates to an issue that is considered to be of medium significance in terms of Council's Significance and Engagement Policy.
3. That the draft overall Revenue and Financing Policy (set out in pages 2 – 40 of Attachment 1 of the agenda report), including the specific rates policies (set out in page 40 of Attachment 1 of the agenda report), be adopted for public consultation, noting the amendments to the specific Revenue and Financing Policies for the following groups of activities: Community Building, Libraries and Service Centres, Recreation & Leisure, Storm Water and Natural Environment.
4. That the draft overall Revenue and Financing Policy (set out in pages 2 – 40 of Attachment 1 of the agenda report), including the specific rates policies (set out in page 40 of Attachment 1 of the agenda report), be included in the Supporting Information to the Consultation Document, to give effect to sections 82 and 102(4) of the Local Government Act 2002.
5. That in accordance with Sections 82 and 102 of the Local Government Act 2002, the draft Revenue and Financing Policy 2021 and the related draft statement of proposal and draft feedback form, (as set out in Attachment 2 of the agenda report) be adopted for public consultation.

CARRIED

9.2 ADOPTION OF INTEREST RATE AND INFLATION ASSUMPTIONS

The Senior Financial Planner introduced the report noting the following:

- For inflation, the report recommended remaining with the 'Faster Re-build' Assumption as the most appropriate for the District. Recent events had shown a faster recovery than forecast in September 2020.
- Council had started with an Interest Rate inflation of 3.8%, which was adopted as part of the Annual Plan. In September 2020 there had been uncertainty about interest rates. Currently, interest rates were stabilising. The report recommended that Council remain at 3.8% as that would allow some flexibility should rates increase. This was expected sooner rather than later.
- It was important to remember that Council was not looking at the rate for the duration of ten years, but could choose to revise the rate, should the situation change as part of the Annual Plan process. It was beneficial for Council to have a level of financial prudence for the future.

9.38am Cr Marsh entered the meeting.

RESOLUTION APLTP21-1.3

Moved: Deputy Mayor J Scrimgeour

Seconded: Cr A Henry

1. That the Senior Financial Planner's report dated 23 February 2021, titled 'Adoption of Interest Rate and Inflation Assumptions' be received.
2. That the report relates to an issue that is considered to be of low significance in terms of Council's Significance and Engagement Policy.
3. That the Business and Economic Research Limited (BERL) Economic Inflation 'Faster Rebuild' Assumptions (as set out in Attachment 1 of the agenda report) are adopted for the purposes of preparing the 2021–2031 Long Term Plan.
4. That the Interest Rate Assumptions, as follows, are adopted for the purpose of preparing the 2021–2031 Long Term Plan.

<i>Year</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>2030</i>	<i>2031</i>
<i>Borrowing</i>	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%
<i>Lending</i>	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%	3.30%

CARRIED

9.3 ADOPTION OF THE CONSULTATION DOCUMENT AND THE SUPPORTING INFORMATION FOR THE LONG TERM PLAN 2021-2031, AND THE DRAFT SCHEDULE OF FEES AND CHARGES 2021-2022

The Chairperson welcomed Audit New Zealand representatives, Clarence Susan (Audit Director) and Warren Goslett, (Audit Manager), who were in attendance for the item.

The Policy and Planning Manager introduced the report noting the following:

- The report sought the adoption of the Consultation Document, Supporting Information and draft Schedule of Fees and Charges.
- Council had undertaken a series of workshops over the last fourteen months and had robustly considered these documents. The package of information reflected the direction that Elected Members had given to staff in those workshops, and the resolution they had passed in September 2020.
- The proposed consultation approach was also set out in the report and was consistent with discussions held at the LTP workshop held on 2 February 2021.

- A 'Frequently Asked Questions' sheet providing a guide for engagement purposes was being prepared by staff and would be circulated to Councillors in advance of the consultation period.

Audit NZ in response to questions of clarification

At the invitation of the Chairperson, Clarence Susan, (Audit Director), provided comments and responses to questions as follows:

- In terms of change happening in the region, the Bay of Plenty Regional Council (BOPRC) recently had its Consultation Document adopted with a significant rates increase. Tauranga City Council (TCC) had not yet issued its Consultation Document, although there were indications of a rates increase.
- It was suggested that Western Bay of Plenty District Council (WBOPDC) could manage any communications relevant to the Consultation Document, to inform its communities, in an appropriate way through its Communications Team.
- Audit NZ's role was to ensure that the documentation was clear in its intent, and that it fulfilled the purpose of section 93G, which was to form a good basis for consultation. If it was not appropriately and clearly informing the public, ergo, it would not fulfil the purpose of section 93G.
- From Audit NZ's perspective, when reviewing WBOPDC's Consultation Document, it was considered that it fulfilled its purpose under section 93G, and the document was based on the best available underlying information. As it was a document that was "looking forward", it was based on assumptions, growth projections, inflation, and all related matters that "came into play". In the next 2-3 years, WBOPDC also had its Annual Plans and, in Audit's opinion, to address the potential impact of the 'Three Waters Reform'. Currently, the LTP assumption was that three waters activities would stay with WBOPDC, although there were further decisions being made in 2021, in respect of this. If that did not have a significant impact on WBOPDC, then a LTP amendment would have to be done for the next two years to the end of that project.
- WBOPDC was advised to proceed to go out with its Consultation Document as prepared.

Through the Chair, the Chief Executive Officer advised that, in response to matters raised by the Mayor, and in respect of Audit NZ's advice, there was no issue with Council managing appropriate and timely communications through its Communications Team, in support of the Consultation Document, which would remain as prepared.

9.49am Cr Gray entered the meeting.

The Chairperson advised that the motion would be **taken in parts** as follows:

RESOLUTION APLTP21-1.4**PART 1**

Moved: Mayor G Webber

Seconded: Cr A Henry

1. That the Policy and Planning Manager's report dated 11 February 2021, titled 'Adoption of the Consultation Document and the Supporting Information for the Long Term Plan 2021-2031, and the draft Schedule of Fees and Charges 2021-2022', be received.
2. That the report relates to an issue that is considered to be of high significance in terms of Council's Significance and Engagement Policy.
3. That in accordance with section 93G of the Local Government Act 2002, the Long Term Plan 2021-2031 Supporting Information, (shown as Attachment B of the agenda report), be adopted for the purposes of providing supporting information for the Long Term Plan 2021-2031 Consultation Document.

CARRIED

Audit NZ Report

At the invitation of the Chairperson, Clarence Susan gave a brief overview, noting that the Auditors had considered all information provided, including financial strategy and infrastructure strategy. He advised that, coming out of a 'Covid-19 environment', councils had found themselves in a pressured position and that was still the case. Mr Susan commended the WBOPDC staff who had produced the Consultation Document under such circumstances.

RESOLUTION APLTP21-1.5**PART 2**

Moved: Cr J Denyer

Seconded: Cr A Henry

4. That in accordance with section 93C(4) of the Local Government Act 2002, the Audit Report on the draft Long Term Plan 2021-2031 Consultation Document be received.
5. That in accordance with section 93A of the Local Government Act 2002, the audited draft Long Term Plan 2021-2031 Consultation Document (as set out in Attachment A of the agenda report) be adopted for the purpose of consultation from 8 March 2021 to 9 April 2021.
6. That in accordance with Sections 82 and 150 of the Local Government Act 2002, the draft Schedule of Fees and Charges 2021-2022, (amended to retain the fee category for fireworks permits), and the related draft statement of proposal and draft feedback form, (as set out in Attachment C of the agenda report), be adopted for public consultation.
7. That the Chief Executive Officer be delegated authority to make minor editorial changes to the supporting information documentation if required.

CARRIED

9.4 COMMUNITY BOARD REQUESTS - RECOMMENDATIONS FOR INCLUSION INTO LONG TERM PLAN 2021 - 2031

The Committee considered an information report from the Customer Services and Governance Manager. The Policy and Planning Manager introduced the report as follows:

- The report summarised recommendations received from the Community Boards late last year, in relation to 'project-related' items they sought to include in the Long Term Plan (LTP).
- The table in the report set out how those requests were currently provided for (or otherwise), within the supporting information and financials for the LTP.
- It was hoped this would be a useful document to inform submissions the Community Boards may wish to make to support the inclusion of items currently shown, or perhaps to ask for items that were currently not included.
- It appeared that the Community Boards may wish to wait for the formal consultation period to make their submissions.

The Group Manager Policy, Planning and Regulatory Services advised that, at the Waihi Beach Community Board meeting the previous night, the Board had indicated that, due to the timing of that Board's scheduled meetings, they had been unable to formally resolve a position in relation to the items they would like to see included in the LTP. However, an email had been sent in lieu of formal resolutions.

RESOLUTION APLTP21-1.6

Moved: Cr M Murray-Benge

Seconded: Cr M Grainger

That the Customer Services and Governance Manager's report dated 23 February 2021, titled 'Community Board Requests – Recommendations for Inclusion into Long Term Plan 2021-2031', be received.

CARRIED

10 INFORMATION FOR RECEIPT

Nil.

The meeting was declared closed at 9.56am.

Confirmed as a true and correct record at a Council meeting held on 8 April 2021.