
**ORDINARY MEETING
OF
LONG-TERM AND ANNUAL PLAN COMMITTEE
MINUTES**

Time: 1:04pm
Date: Wednesday, 7 March 2018
Venue: Committee Room 1
Ground Floor, Council Offices
101 Wakefield Street
Wellington

PRESENT

Mayor Lester
Councillor Calvert
Councillor Calvi-Freeman
Councillor Dawson
Councillor Day (Chair)
Councillor Fitzsimons
Councillor Foster
Councillor Free
Councillor Gilbert
Councillor Lee
Councillor Marsh
Councillor Pannett
Councillor Sparrow
Councillor Woolf
Councillor Young

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1 Meeting Conduct

1.1 Apologies

No apologies were received.

[**Secretarial Note:** With leave of the meeting, the Chairperson re-ordered the items for discussion in the following order – Items 2.3, 2.1 and then 2.2.]

1.2 Conflict of Interest Declarations

Councillor Foster declared a conflict of interest on any item that relates to the airport runway as he will not vote nor will not take part in the discussion.

1.3 Confirmation of Minutes

Moved Councillor Day, seconded Councillor Gilbert

Resolved

That the Long-term and Annual Plan Committee:

1. Approve the minutes of the Long-term and Annual Plan Committee Meeting held on 13 February 2018, having been circulated, that they be taken as read and confirmed as an accurate record of that meeting.

Carried

(Councillor Pannett arrived at the meeting at 1:08p.m)

1.4 Public Participation

There were no requests for public participation

1.5 Items not on the Agenda

There were no items not on the agenda.

2. General Business

2.3 The 2018-28 PROPOSED LONG TERM PLAN – BUDGET AND FUNDING CONSIDERATIONS

Moved Mayor Lester, seconded Councillor Calvert

Resolved

That the Long Term and Annual Plan Committee:

1. Receive the information.

Carried

2.1 Supporting Information to the Consultation Document 2018-28 LTP Financial and Funding Policies

Moved Councillor Foster, seconded Councillor Young

Recommendations

That the Long-term and Annual Plan Committee:

1. Receive the information.
2. Note the changes to the Revenue and Financing Policy included as attachment 1.
3. Note the summary of the Revenue and Financing Policy compliance discussed at workshops included as attachment 2.
4. Note the changes to the Rates Remission Policy included as attachment 3.
5. Note the changes to the Rates Postponement Policy included as attachment 4.
6. Note the changes to the Investment and Liability Management Policy included as attachment 5.
7. Note the proposed changes to fees and charges discussed at workshops included as attachment 6.
8. Agree to recommend to Council to adopt the draft Revenue and Financing Policy as outlined in attachment 1 as a supporting document to be consulted alongside the 2018-28 Long-term Plan consultation document.
9. Agree to recommend to Council to adopt the draft Rates Remission Policy as outlined in attachment 3 as a supporting document to be consulted alongside the 2018-28 Long-term Plan consultation document.
10. Agree to recommend to Council to adopt the draft Rates Postponement Policy as outlined in attachment 4 as a supporting document to be consulted alongside the 2018-28 Long-term Plan consultation document.
11. Agree to recommend to Council to adopt the draft Investment and Liability Management policies as outlined in attachment 5 as a supporting document to be consulted alongside the 2018-28 Long-term Plan consultation document.

12. Agree to recommend to Council to adopt the proposed fees and charges as outlined in attachment 6 as a supporting document to be consulted alongside the 2018-28 Long-term Plan consultation document.
13. Note that the Draft 2018-28 Long-term Plan is subject to Audit NZ review and changes may eventuate from their review. Where there are changes, these will be incorporated into the draft 2018-28 Long-term Plan Statement of Proposal for adoption at Council on 28 March.
14. Note that Asset Management Plans have been reviewed by the R&F Working Party for existing asset levels of service and draft budgets as part of their review.
15. Note that the draft Asset Management Plans budgets were used to prepare the draft service statements.
16. Note that the Asset Management Plans will be updated to reflect feedback received from the R&F working party and any decisions made as part of the 2018-28 Long Term Plan process.
17. Agree to recommend to Council to accept the proposed Wellington City Council Performance Framework. Note: these are included in the activity statements in report 3 to this agenda.

Moved Councillor Foster, seconded Councillor Young the following amendments (amended substantive) by way of addition to recommendation 8:

Resolved

That the Long-term and Annual Plan Committee:

- a) agree that activity 5.2.3 Community Advocacy (page 9)– the policy position on who benefits has been proposed as 20% Individuals/80% Whole Community
- b) agree that activity 5.2.6 Community Centres and Halls (page 107), the policy position on who benefits should change from the current position of 60% Individuals/40% whole community to 30% Individuals/70% whole community.

Carried

Moved Councillor Dawson, seconded Mayor Lester the following amendment by way of addition to recommendation 8:

Resolved

That the Long-term and Annual Plan Committee:

8. agree that for activity 5.2.5 Housing (page 106), the policy position on who benefits remain at current settings (90% individuals / 10% whole community) and that this be revisited in June once Council's review of social housing is further advanced.

Carried

Secretarial Note: Pursuant to Standing Order 3.18.5 Councillor Foster requested that his vote against the above amendment be recorded.

Moved Councillor Calvert, seconded Councillor Free the following amendment by way of addition to recommendation 6:

Resolved

That the Long-term and Annual Plan Committee:

6. Note that officers will be reviewing the current draft Investment and Liability Management policy (section titled "Income generating commercial equity investments) for recommendation to Council as per feedback from Finance, Audit and Risk Management sub-committee on 7th March 2018.

Carried

Moved Councillor Foster, seconded Councillor Young the following substantive motion:

Resolved

That the Long-term and Annual Plan Committee:

1. Receive the information.
2. Note the changes to the Revenue and Financing Policy included as attachment 1.
3. Note the summary of the Revenue and Financing Policy compliance discussed at workshops included as attachment 2.
4. Note the changes to the Rates Remission Policy included as attachment 3.
5. Note the changes to the Rates Postponement Policy included as attachment 4.
6. Note the changes to the Investment and Liability Management Policy included as attachment 5 with the following addition:
 - a) **Note that officers will be reviewing the current draft Investment and Liability Management policy (section titled "Income generating commercial equity investments) for recommendation to Council as per feedback from Finance, Audit and Risk Management sub-committee on 7th March 2018.**
7. Note the proposed changes to fees and charges discussed at workshops included as attachment 6.
8. Agree to recommend to Council to adopt the draft Revenue and Financing Policy as outlined in attachment 1 as a supporting document to be consulted alongside the 2018-28 Long-term Plan consultation document with the following addition:
 - a) **That activity 5.2.3 Community Advocacy (page 9)– the policy position on who benefits has been proposed as 20% Individuals/80% Whole Community**
 - b) **That activity 5.2.6 Community Centres and Halls (page 107), the policy position on who benefits should change from the current position of 60% Individuals/40% whole community to 30% Individuals/70% whole community.**
 - c) **That for activity 5.2.5 Housing (page 106), the policy position on who benefits remain at current settings (90% individuals / 10% whole community) and that this be revisited in June once Council's review of**

social housing is further advanced.

9. Agree to recommend to Council to adopt the draft Rates Remission Policy as outlined in attachment 3 as a supporting document to be consulted alongside the 2018-28 Long-term Plan consultation document.
10. Agree to recommend to Council to adopt the draft Rates Postponement Policy as outlined in attachment 4 as a supporting document to be consulted alongside the 2018-28 Long-term Plan consultation document.
11. Agree to recommend to Council to adopt the draft Investment and Liability Management policies as outlined in attachment 5 as a supporting document to be consulted alongside the 2018-28 Long-term Plan consultation document.
12. Agree to recommend to Council to adopt the proposed fees and charges as outlined in attachment 6 as a supporting document to be consulted alongside the 2018-28 Long-term Plan consultation document.
13. Note that the Draft 2018-28 Long-term Plan is subject to Audit NZ review and changes may eventuate from their review. Where there are changes, these will be incorporated into the draft 2018-28 Long-term Plan Statement of Proposal for adoption at Council on 28 March.
14. Note that Asset Management Plans have been reviewed by the Revenue & Funding Working Party for existing asset levels of service and draft budgets as part of their review.
15. Note that the draft Asset Management Plans budgets were used to prepare the draft service statements.
16. Note that the Asset Management Plans will be updated to reflect feedback received from the Revenue & Funding working party and any decisions made as part of the 2018-28 Long-term Plan process.
17. Agree to recommend to Council to accept the proposed Wellington City Council Performance Framework. Note: these are included in the activity statements in report 3 to this agenda.

Carried - Unanimous

2.2 2018-28 Draft Long-term Plan

Moved pro-forma Mayor Lester, seconded Councillor Day

Recommendations

That the Committee recommend to Council:

- A. Receive the information.
- B. Note the consultation material and budget information included in this report – and other reports on this agenda – are preliminary and subject to the resolutions agreed by this Committee.
- C. Note that any changes arising as part of these deliberations will be incorporated into the final draft 2018 Long-term Plan Statement of Proposal presented to Council on 28 March 2018.

-
- D. Note that the Draft 2018 Long-term Plan is subject to Audit NZ review and changes may eventuate from their review. Where there are changes, these will be incorporated into the 2018 Draft 2018 Long-term Plan Statement of Proposal for adoption at Council on 28 March.
 - E. Agree the draft Consultation Document as outlined in **attachment 1**.
 - F. Agree the draft Statement of Service Provision as outlined in **attachment 2**
 - G. Agree the draft Three Year Waterfront Development Plan as outlined as **attachment 3**.
 - H. Agree the draft Significant Forecasting Assumptions as outlined **attachment 4**.
 - I. ~~Agree the Funding and Financial Statements as outlined in **attachment 5** as tabled at the meeting. – **Removed with leave of the meeting**~~
 - J. Agree the Project and Programme budgets as outlined in **attachment 6**.
 - K. Agree that having due regard to the requirements of section 100 of the Local Government Act 2002, the Council's forecasting assumptions and the Revenue and Financing Policy it is financially prudent not to set a level of operating revenue that meets the projected operating expenses of Council.
 - L. Agree that for 2018/19 it is financially prudent to forecast a surplus of \$9.040m, please see **Attachment 7** of this report
 - M. Agree that officers prepare the Draft 2018 Long term Plan Statement of Proposal based on the deliberations and recommendations of this Committee meeting (of 7March 2018) and present this to the Council for adoption on 28 March 2018.

Secretarial Note: Councillor Foster requested that it be noted that he would not vote on anything to do with the airport runway.

Moved Mayor Lester, seconded Councillor Day the following amendments:

Resolved

- E1: Agree to amend the proposed budgets for the following activities 1036 to 1040 relating to waste and landfill operations to reflect a reduction in forecast expenditure for carbon liabilities and adjustment to allocations and increased revenue from landfill waste as outlined in the attachment
- E2: Agree to amend the proposed budgets for activity 1051 (bulk water purchase) to reflect rephrasing of investment by Greater Wellington Regional Council resulting in reduce costs over the first 6 years of the plan
- E3: Note that the amended average rates increase forecasts for the 2018-28 long Term Plan after these adjustments are as follows:

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	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Average rates increase before growth	4.7%	5.3%	7.7%	7.3%	6.5%	6.9%	5.0%	4.3%	3.3%	2.4%
Growth	0.8%	1.0%	1.2%	1.0%	1.0%	0.8%	0.8%	0.8%	0.8%	0.8%
Average rates increase after growth	3.9%	4.3%	6.5%	6.3%	5.5%	6.1%	4.2%	3.5%	2.5%	1.6%
Potential tourism sector targeted rate			2.8%							
Forecast average rates increase	3.9%	4.3%	3.8%	6.3%	5.5%	6.1%	4.2%	3.5%	2.5%	1.6%

E4: Agree to instruct officers to amend the Consultation Document (attachment 1) and Statement of Service Provision (attachment 2) to reflect Councillor feedback as outlined in attachment 1 and any minor editorial changes required and agreed by the Mayor and the Chief Executive – Passed with leave of the meeting.

Carried

Moved: Councillor Pannett, seconded Councillor Woolf the following amendment

E. Agree the draft Consultation Document as outlined in attachment 1 with the following changes:

Increase the Built Heritage Incentive Fund to \$1,000,000 per year from 1 July 2018-30 June 2021 and agree to find the money through savings in the budget through the Long-term Plan process and additionally agree to review the criteria with the Fund to try and ensure that money from the Fund only goes to those in financial need and to look at the issue of how much money from the Fund should go to the maintenance of heritage buildings.

A division was called for, voting on which was as follows:

For:

Councillor Calvi-Freeman
Councillor Dawson
Councillor Foster
Councillor Free
Councillor Lee
Councillor Pannett
Councillor Woolf

Against:

Mayor Lester
Councillor Calvert
Councillor Day (Chair)
Councillor Fitzsimons
Councillor Gilbert
Councillor Marsh
Councillor Sparrow
Councillor Young

Majority Vote: 7:8

Lost

Moved Councillor Pannett, seconded Councillor Woolf the following amendments by way of addition to F:

Resolved

F. Agree to the draft Statement of Service Provision as outlined in attachment 2

i) with the following change to the Performance Standards in relation to the amount of waste diverted from the landfill to

2019FY	2020FY	2021FY	2022FY +
17,500	18,500	20,000	20,000

ii) to request officers to amend all statements to reflect all the 2040 goals

Carried by leave of the meeting

Moved pro forma Councillor Young, seconded Councillor Calvert the following amendment:

Resolved

- J. To provide an option within the Long-term Plan to consider increasing the Built Heritage Fund from \$400,000 to \$1,000,000 from 1 July 2018 to 30 June 2021 if commensurate savings can be found to retain the proposed 2018/19 rates increase to 3.9% per annum.

Carried

Moved Councillor Marsh, seconded Councillor Woolf the following amendments:

Resolved

- E.
- i. Economic and Tourism Initiatives in the City - Identify opportunities for Wellington's visitor industry to assist or contribute to funding economic and tourism initiatives in the city.
 - ii. In the coming year we will explore options around how the Wellington visitor industry might assist or contribute from year three of this plan to fund activities currently budgeted to be funded from year three onwards.

Carried

Moved Councillor Free, seconded Councillor Calvi-Freeman the following amendment

Resolved

- E: Agree the draft consultation document as outlined in attachment 1, with Councillor Calvert as portfolio leader for engagement to continue to work with staff on minor editorial changes to the document.

Carried

Moved Mayor Lester, seconded Councillor Day the following substantive motion:

Resolved

That the Committee recommend to Council:

- A. Receive the information.
- B. Note the consultation material and budget information included in this report – and other reports on this agenda – are preliminary and subject to the resolutions agreed by this Committee.
- C. Note that any changes arising as part of these deliberations will be incorporated into the final draft 2018 Long term Plan Statement of Proposal presented to Council on 28 March 2018.
- D. Note that the Draft 2018 Long-term Plan is subject to Audit NZ review and changes may eventuate from their review. Where there are changes, these will be incorporated

into the 2018 Draft 2018 Long term Plan Statement of Proposal for adoption at Council on 28 March.

E. Agree the draft Consultation Document as outlined in **attachment 1**.

E1: Agree to amend the proposed budgets for the following activities 1036 to 1040 relating to waste and landfill operations to reflect a reduction in forecast expenditure for carbon liabilities and adjustment to allocations and increased revenue from landfill waste as outlined in the attachment

E2: Agree to amend the proposed budgets for activity 1051 (bulk water purchase) to reflect rephrasing of investment by Greater Wellington Regional Council resulting in reduce costs over the first 6 years of the plan

E3: Note that the amended average rates increase forecasts for the 2018-28 long Term Plan after these adjustments are as follows:

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Average rates increase before growth	4.7%	5.3%	7.7%	7.3%	6.5%	6.9%	5.0%	4.3%	3.3%	2.4%
Growth	0.8%	1.0%	1.2%	1.0%	1.0%	0.8%	0.8%	0.8%	0.8%	0.8%
Average rates increase after growth	3.9%	4.3%	6.5%	6.3%	5.5%	6.1%	4.2%	3.5%	2.5%	1.6%
Potential tourism sector targeted rate			2.8%							
Forecast average rates increase	3.9%	4.3%	3.8%	6.3%	5.5%	6.1%	4.2%	3.5%	2.5%	1.6%

E4. Agree to instruct officers to amend the Consultation Document (attachment 1) and Statement of Service Provision (attachment 2) to reflect Councillor feedback as outlined in attachment 1 and any minor editorial changes required and agreed by the Mayor and the Chief Executive.

E5. Agree the draft consultation document as outlined in attachment 1, with Councillor Calvert as portfolio leader for engagement to continue to work with staff on minor editorial changes to the document.

E6. Economic and Tourism Initiatives in the City - Identify opportunities for Wellington's visitor industry to assist or contribute to funding economic and tourism initiatives in the city.

E7. In the coming year we will explore options around how the Wellington visitor industry might assist or contribute from year three of this plan to fund activities currently budgeted to be funded from year three onwards.

F. Agree the draft Statement of Service Provision as outlined in **attachment 2**

i) with the following change to the Performance Standards in relation to the amount of waste diverted from the landfill to

2019FY	2020FY	2021FY	2022FY +
17,500	18,500	20,000	20,000

ii) to request officers to amend all statements to reflect all the 2040 goals

G. Agree the draft Three Year Waterfront Development Plan as outlined as **attachment 3**.

H. Agree the draft Significant Forecasting Assumptions as outlined **attachment 4**.

I. ~~Agree the Funding and Financial Statements as outlined in **attachment 5** as tabled at~~

~~the meeting.~~ – **Removed with leave of the meeting**

- J. Agree the Project and Programme budgets as outlined in **attachment 6**.
 - i. To provide an option within the Long Term Plan to consider increasing the Built Heritage Fund from \$400,000 to \$1,000,000 from 1 July 2018 to 30 June 2021 if commensurate savings can be found to retain the proposed 2018/19 rates increase to 3.9% per annum.
- K. Agree that having due regard to the requirements of section 100 of the Local Government Act 2002, the Council's forecasting assumptions and the Revenue and Financing Policy it is financially prudent not to set a level of operating revenue that meets the projected operating expenses of Council.
- L. Agree that for 2018/19 it is financially prudent to forecast a surplus of \$9.040m, please see **Attachment 7** of this report
- M. Agree that officers prepare the Draft 2018 Long term Plan Statement of Proposal based on the deliberations and recommendations of this Committee meeting (of 7March 2018) and present this to the Council for adoption on 28 March 2018.

Carried

The meeting concluded at 4.20pm.

Confirmed: _____
Chair