

Absolutely Positively
Wellington City Council

Me Heke Ki Pōneke

Ordinary Meeting of Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee Ngā Meneti | Minutes

9:30am Rāapa Wednesday, 31 Haratua May 2023

Ngake (16.09)

Level 16, Tahiwī

113 The Terrace

Pōneke | Wellington



PRESENT

Mayor Whanau
Deputy Mayor Foon
Councillor Abdurahman
Councillor Apanowicz (Deputy Chair)
Councillor Brown
Councillor Calvert
Councillor Chung
Councillor Free (via audiovisual link)
Pouiwi Hohaia
Pouiwi Kelly
Councillor Matthews (Chair)
Councillor McNulty
Councillor O'Neill
Councillor Pannett
Councillor Paul
Councillor Randle
Councillor Wi Neera
Councillor Young

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1. Meeting Conduct

1.1 Karakia

The Chairperson declared the meeting (hui) open at 9.30am and read the following karakia to open the hui.

Whakataka te hau ki te uru,	Cease oh winds of the west
Whakataka te hau ki te tonga.	and of the south
Kia mākinakina ki uta,	Let the bracing breezes flow,
Kia mātaratara ki tai.	over the land and the sea.
E hī ake ana te atākura.	Let the red-tipped dawn come
He tio, he huka, he hauhū.	with a sharpened edge, a touch of frost,
Tihei Mauri Ora!	a promise of a glorious day

(Councillor McNulty and Councillor Abdurahman joined the hui at 9.31am)

1.2 Apologies

Moved Councillor Matthews, seconded Councillor Paul

Resolved

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

1. Accept the apologies received from Councillor Calvert for lateness.

Carried

(Councillor Pannett joined the hui at 9.33am)

1.3 Conflict of Interest Declarations

No conflicts of interest were declared.

1.4 Confirmation of Minutes

Moved Councillor Matthews, seconded Holden Hohaia

Resolved

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

1. Approves the minutes of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee Meeting held on 18 May 2023, having been circulated, that they be taken as read and confirmed as an accurate record of that meeting.

Carried

(Councillor Calvert and Councillor Brown joined the hui at 9.35am)

1.5 Items not on the Agenda

There were no items not on the agenda.

1.6 Public Participation

1.6.1 Liz Springfield

Liz Springfield addressed the committee regarding Item 2.3 2023 Annual Plan – Deliberation and Budget Variances.

2. General Business

2.1 CCO 22/23 Quarter 3 Report

Moved Deputy Mayor Foon, seconded Councillor McNulty

Resolved

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

1. **Receive** the information.
2. **Note** the contents of the report.

Carried

(Councillor Randle left the hui at 10.28am and returned at 10.33am)

(Councillor McNulty left the hui at 9.53am and returned at 9.55am)

Secretarial note: The hui adjourned at 10.42am and returned at 10.58am with all members present.

(Mayor Whanau left the meeting at 11.11am and returned at 11.12am)

2.2 Quarter 3 Performance Report

Moved Councillor Matthews, seconded Councillor Apanowicz

Resolved

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

1. **Receive** the Quarter 3 (Q3) Performance Report on the 2021-31 Long-term Plan (LTP);
2. **Note** the key headlines covered in the executive summary and in each section of the report;
3. **Recommend to Council** an increase to Wellington Water Limited's (WWL) CAPEX budget by \$15m from \$50m to \$65m as a bring forward from the 2023/24 financial year;
4. **Recommend to Council** an increase to the project Capex budget for the Ngaio Gorge project by \$3.1m from \$10.3m to \$13.4m to cater for the total variation costs of contract works, professional services and labour; and
5. **Note** this report supports the governance and monitoring oversight of the LTP by the Kōrau Tōtōpū | Long-Term-Plan, Finance and Performance Committee (the LTPF&P Committee).

Carried

Secretarial note: The hui adjourned at 12.02pm and reconvened at 12.34pm with the following members present: Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz (Deputy Chair), Councillor Brown, Councillor Calvert, Councillor Chung, Councillor Free (via audiovisual link), Pouiwi Hohaia, Pouiwi Kelly, Councillor Matthews (Chair), Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Randle, Councillor Wi Neera, Councillor Young.

(Deputy Mayor Foon and Councillor Paul joined the meeting at 12.35pm)

2.3 2023 Annual Plan - Deliberation and Budget Variances

Moved Mayor Whanau, seconded Councillor Apanowicz

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee, recommend to Council:

- 1) Receive the information

2023/24 Annual Plan Community Engagement Feedback

- 2) **Receive the** community feedback on the draft Annual Plan in Attachment One.

2023/24 Financial and budget recommendations

- 3) **Agree** to include the following cost pressures into the 2023/24 Annual Plan budget:
 - a. LED Street lamps urgent repair - \$3m;
 - b. Employee costs (increase to living wage) - \$5m;
- 4) **Note** that following cost pressures and budget variances will be included as they are adjustments to existing items in the budget or items that are required to for operation:
 - a. GRWC bulk water purchase - \$5m
 - b. Insurance premium increase - \$5m
 - c. Other operating cost (WWL, software licenses etc) - \$1m
 - d. CERF Revenue – Climate Change Response - \$(0.4m)
 - e. CERF Revenue – Cycleways Programme - \$(5m)
 - f. Other Adjustments - \$(5m)
- 5) **Agree** to mitigate cost pressures on the budget by applying an across organisation saving of 2% of operating costs while not impacting levels of service - \$15m (\$13m of which will directly impact rates, with remainder applied to ring-fenced activities such as waste management and city housing).
- 6) **Agree** to the Mayor's proposal to fund Wellington Water Limited (WWL) an additional \$2.3m to fix urgent leaks. Operational pressures will be managed closely through joint prioritisation and monthly reporting to ensure budgets are efficiently managed by WWL (NB: the Mayor's proposal to provide additional funding to WWL has been reviewed and is supported by Officers);
- 7) **Agree** to include vested asset revenue of \$100k per annum from carbon credits allocated by the Government related to our forestry assets;
- 8) **Agree** the fees and user charges as included in the engagement document;
- 9) **Note** the correct description of proposed fees and user charge changes for Waterfront Public Space activity outlined in Attachment Three;

- 10) **Agree** the changes to the rates remissions and postponement policies as outlined in the engagement document;
- 11) **Note** that there are projects such as work required on Council buildings on the waterfront, and Frank Kitts Park development that require additional funding which has not been included in the budget for the Annual Plan.
 - a) **Agree** to have officers report back on options for minor provision of temporary play equipment at Frank Kitts Park to be made available for the public over Summer 2023/24, to be funded within the current budget.

Community additional funding requests

- 12) **Agree** to recommend funding of \$0.15m (from reprioritising the existing capital programme) for temporary toilets installed on southern end of Ian Galloway Park by the BMX tracks;
- 13) **Agree** to pause the Huetepara Park project due to capex cost increases and reconsider the budget as part of the 2024-34 LTP process;
- 14) **Note** we will continue to provide shade in community playgrounds as appropriate and within existing capital and operating budgets.
- 15) **Note** the cycleway on the South Coast is part of the bike network with areas being completed according to priority. The route is a low priority for completion i.e. prioritised as 13 out of the 14 areas

2023/24 Draft Annual Plan

- 16) **Agree** the 2023/24 Annual Plan budget;
- 17) **Note** that the recommendations of this report result in a proposed rates increase of 12.3 percent (after growth) in 2023/24 as per the budget that was engaged on, and that any changes to the officer recommendations may have a resulting impact on the projected rates increase which will be confirmed in the finalisation of the budget for adoption on 29 June 2023;
- 18) **Note** the draft 2023/24 Annual Plan document structure (Attachment Six) for Councillor review and feedback.

Next steps recommendations

- 19) **Agree** that Officers prepare the 2023/24 Annual Plan (including associated activity statements, budgets, financial statements, funding impact statements and plans) to reflect any changes agreed at this meeting of the Committee, and that it be considered for adoption by the Council on 29 June 2023.
- 20) **Agree** to delay \$7m of the funding for the MOB/CAB demolition to 2024/25, which would result in a budget of \$1m for 2023/24.
- 21) **Agree** that the increase in Opex funding committed to Wellington Water Limited (WWL) is conditional on WWL agreeing to a part of the funding being used to undertake a review of its services with the objective of improving its efficiency, identifying potential cost savings, and improving transparency/reporting.

- 22) Delegate the power to agree the terms of the review with WWL to the Mayor and Chief Executive.
- 23) Agree to increase funding by \$1.2m in the 2023/24 Annual Plan (from \$1.2m to 2.4m capex) to complete stage 1 of the proposed Huetepara Park development.
- 24) Agree to fund through the 2023/2024 Annual Plan \$150,000 from the Sportsville Partnership Fund the independent review into Council's sports field charges and for the results to be considered in the Council's next long term plan for 2024-2034 (subject to Council determining such a review is warranted at its meeting on 1 June 2023).

Secretarial note: The motion was moved with amendments, supported by officers, as marked in red.

Moved Councillor Randle, seconded Councillor Young the following amendment:

Resolved

11b) **Agree** that officers report back on options to resolve the Frank Kitts Playground project, including the option to return this area to open public space.

Carried

Moved Councillor Calvert, seconded Councillor Abdurahman

Resolved

24) **Agree** to fund through the 2023/2024 Annual Plan \$150,000 from the Sportsville Partnership Fund the independent review into Council's sports field charges and for the results to be considered in the Council's next long term plan for 2024-2034 (subject to Council determining such a review is warranted at its meeting on 1 June 2023).

Carried

2.3 2023 Annual Plan - Deliberation and Budget Variances

Moved Mayor Whanau, seconded Councillor Apanowicz

Resolved

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee, recommend to Council:

1) Receive the information

2023/24 Annual Plan Community Engagement Feedback

2) **Receive the** community feedback on the draft Annual Plan in Attachment One.

2023/24 Financial and budget recommendations

3) **Agree** to include the following cost pressures into the 2023/24 Annual Plan budget:

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4) **Note** that following cost pressures and budget variances will be included as they are adjustments to existing items in the budget or items that are required to for operation:

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- 5) **Agree** to mitigate cost pressures on the budget by applying an across organisation saving of 2% of operating costs while not impacting levels of service - \$15m (\$13m of which will directly impact rates, with remainder applied to ring-fenced activities such as waste management and city housing).
- 6) **Agree** to the Mayor's proposal to fund Wellington Water Limited (WWL) an additional \$2.3m to fix urgent leaks. Operational pressures will be managed closely through joint prioritisation and monthly reporting to ensure budgets are efficiently managed by WWL (NB: the Mayor's proposal to provide additional funding to WWL has been reviewed and is supported by Officers);
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- 9) **Note** the correct description of proposed fees and user charge changes for Waterfront Public Space activity outlined in Attachment Three;
- 10) **Agree** the changes to the rates remissions and postponement policies as outlined in the engagement document;
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- 22) Delegate the power to agree the terms of the review with WWL to the Mayor and Chief Executive.
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Carried

Secretarial note: The motion was decided part by part, divisions for which were as follows:

Clause 23

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz (Deputy Chair), Councillor Brown, Councillor Calvert, Councillor Chung, Deputy Mayor Foon, Councillor Free, Holden Hohaia, Liz Kelly, Councillor Matthews (Chair), Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Randle, Councillor Wi Neera, Councillor Young

Against:

Majority Vote: 18:0

Carried

All remaining clauses

For:

Mayor Whanau, Councillor Abdurahman, Councillor Apanowicz (Deputy Chair), Councillor Brown, Councillor Calvert, Deputy Mayor Foon, Councillor Free, Holden Hohaia, Liz Kelly, Councillor Matthews (Chair), Councillor McNulty, Councillor O'Neill, Councillor Pannett, Councillor Paul, Councillor Wi Neera

Against:

Councillor Chung, Councillor Randle, Councillor Young

Majority Vote: 15:3

Carried

2.4 Actions Tracking

Moved Councillor Matthews, seconded Liz Kelly

Resolved

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

1. Receive the information.

Carried

2.5 Forward Programme

Moved Councillor Matthews, seconded Liz Kelly

Resolved

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

1. Receive the information.

Carried

The meeting concluded at 1.27pm with the reading of the following karakia:

Unuhia, unuhia, unuhia ki te uru tapu nui	Draw on, draw on
Kia wātea, kia māmā, te ngākau, te tinana, te wairua	Draw on the supreme sacredness To clear, to free the heart, the body and the spirit of mankind
I te ara takatū	
Koia rā e Rongo, whakairia ake ki runga	Oh Rongo, above (symbol of peace)
Kia wātea, kia wātea	Let this all be done in unity
Āe rā, kua wātea!	

Authenticated: _____
Chair