
Minutes for a meeting of the Strategy & Finance Committee of the Waikato District Council held via Audio Visual Conference on **WEDNESDAY, 30 MARCH 2022** commencing at **9.30am.**

Present:

Cr JM Gibb (Chairperson)
His Worship the Mayor, Mr AM Sanson
Cr AD Bech
Cr JA Church
Cr CA Eyre
Cr SL Henderson
Cr SD Lynch
Cr FM McNally
Ms M Moana-Tuwhangai
Cr RC McGuire
Cr EM Patterson
Cr JD Sedgwick
Cr NMD Smith

Attending:

Ms N Greenwell (Hamilton & Waikato Tourism)
Mr S Kendall (Waikato Regional Airport Limited)
Mr G Ion (Chief Executive)
Mr T Whittaker (Chief Operating Officer)
Ms A Diaz (Chief Financial Officer)
Ms J Dolan (Economic and Community Led Development Manager)
Mr R MacCulloch (General Manager Service Delivery)
Mrs S O’Gorman (General Manager Customer Support)
Mr J Ebenhoh (Planning & Policy Manager)
Mr C Bailey (Finance Manager)
Ms G Shaw (Democracy Advisor)
Mrs G Kanawa (Democracy Team Leader)

APOLOGIES AND LEAVE OF ABSENCE

No apologies were received.

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (Crs Sedgwick/Lynch)

THAT:

- a. the agenda for a meeting of the **Strategy & Finance Committee** held on **Wednesday, 16 February 2022** be confirmed;
- b. all items therein be considered in open meeting with the exception of those items detailed at agenda item 8 which shall be considered with the public excluded; and
- c. all reports be received.

CARRIED

S&F2203/01

DISCLOSURES OF INTEREST

His Worship the Mayor, Cr Church and Cr McGuire declared conflicts of interest pertaining to Agenda Items 6.6 and 6.7 and therefore abstained from voting in these items.

CONFIRMATION OF MINUTES

Resolved: (Crs Eyre/Lynch)

THAT the minutes for a meeting of the **Strategy & Finance Committee** held on **Wednesday, 16 February 2022** be confirmed as a true and correct record.

CARRIED

S&F2203/02

REPORTS

Action Register – February 2022
Agenda Item 5

The report was received [*S&F2203/02 refers*] and the following discussion was held:

- Cr Sedgwick made enquiries relating to when Councillors could expect to receive full details of the governance questions survey results by ward. It was confirmed that staff were making progress on this piece of work.

- Cr Patterson confirmed he would meet with NZTA in the following weeks regarding cycleways and walkways, therefore would likely have an update at the next committee meeting.
- His Worship the Mayor confirmed a discussion had been held with Hamilton City Council and WEL Energy Trust previously and there was limited capacity to make further progress in this matter.

ACTION: Staff to follow up and provide Councillors with full details of governance survey results, by ward and under separate cover.

Draft Annual Plan 2022 -23 Consultation

Agenda Item 6.1

The report was received [*S&F2203/02 refers*] and the following discussion was held:

- The Corporate Planning Team Leader introduced the report and its purpose to confirm outcomes that arose from discussions at a workshop held on 18 February 2022.
- The most significant changes proposed were to the roading budget which were a result of the changes to the Waka Kotahi subsidy.
- Amendments to budgets across the organisation have resulted in a \$1.4 million deficit which is proposed to be funded through the Gearing for Growth and Greatness Reserve, and the General Accounting Reserve Fund (GARF).
- As a result, no changes to either the general rate or targeted rate have been proposed and Council is still on track for a 3.5 percent rate increase.
- Staff are seeking to not consult on the Draft Annual Plan for the 2022/23 financial year but did acknowledge they would be doing work to keep communities informed, particularly around significant projects and any rate increases they may face.
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- Cr Church noted a preference towards having greater transparency in the general accounting fund (e.g. greater clarity regarding the grants changes).
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- Cr Church noted that while a 3.5 percent rates increase is noted in the draft plan, it appeared that actual increases would more likely sit at 6-7 percent once targeted rates are included. She suggested there could be greater clarity for ratepayers regarding what to expect when it is time to pay their rates.
- Have assumed a carry forward of \$50 million from this financial year to the next financial year. Will continue to monitor this going forward.
- A regular bi-weekly modelling exercise was in place to determine what the general rate and volume rate increases are.

- The Chief Financial Officer noted that the finance team would require additional details from the infrastructure teams over the following months to determine whether there were any supply chain issues that may affect projects.
- Councillors requested that the name of report authors be placed at the beginning of agenda reports. Staff would investigate.
- Cr Smith suggested that if Council was not going to spend the budget it had, then some reduction in general rates would be expected.
- Mrs Moana-Tuwhangai enquired why Section 7 (Confirmation of Statutory Compliance) of the report considered the impact on Māori non-applicable. A response was provided confirming that all impacts were considered and discussed in relevant workshops.
- Mrs Moana-Tuwhangai requested to be included/invited to all relevant discussions and meetings, particularly when discussing matters concerning Māori.
- His Worship the Mayor noted that general rates would only be increased by 3.5 percent. Any further increases are for general utilities (e.g. water, wastewater) and it was misleading to suggest rates were increasing by 6-7 percent.
- In response to questioning, the Finance Manager confirmed that zone and village summaries figures are consistent year-to-year and acknowledged it could be worthwhile to review these figures.
- The Finance Manager estimated that 17,000 people (approximately 50 percent) will be affected by targeted water rates increases and approximately 12,000 will be affected by targeted wastewater rates.

ACTION: Staff to review the Zone and Village Summary figures.

ACTION: Staff to ensure Mrs Moana-Tuwhangai is invited and included in all relevant discussions/meetings relating to Māori.

ACTION: Staff to investigate placing author details at the front of agenda reports.

Resolved: (Crs Sedgwick/Smith)

THAT the Strategy and Finance Committee confirms that Council will not be consulting on a draft Annual Plan for the 2022/23 financial year.

CARRIED

S&F2203/03

Value on Objections received to the 2020 District Valuation
Agenda Item 6.2

The report was received [*S&F2203/02 refers*] and the following discussion was held:

- The Finance Manager confirmed that all objections from the 2020 District Valuation have now been processed and finalised.
- Incurred a loss of \$64,000 of general rates revenue, which is not a poor result considering increases in capital values.
- There had been concerns regarding the valuation service provider, which had been covered in the report, and actions were underway to manage these concerns.
- There was an update concerning licenses for gold kiwifruit growers. The Valuer General provided nationwide guidance to include the value of these licenses on the capital value of properties that grow gold kiwifruit. This guidance was challenged by a ratepayer in the Gisborne District and the High Court determined that the Valuer General's guidance was incorrect. However, the Valuer General has given notice that he would appeal this decision.
- Waikato District Council currently had 23 gold kiwifruit licensed properties within its district, valued at NZD \$79 million. If the gold kiwifruit license value is excluded from the capital value of these properties, the impact is estimated at up to \$75,000 (approximately) of general rate revenue per year.
- A point was raised suggesting that there may be an opportunity for Councils to introduce a differential rating on gold kiwifruit licensed properties/orchards (that have a high value per hectare).
- There is one objection proceeding through the Land Valuation Tribunal.

ACTION: Staff to consider the option of unique/differential rates for gold kiwifruit licensed properties/orchards in the future.

THAT the Strategy and Finance Committee receives the Update on Objections received to the 2020 District Valuation report.

CARRIED

S&F2203/04

Approved Counterparty Review
Agenda Item 6.3

The report was received [*S&F2203/02 refers*] and no discussion was held.

Local Government Funding Agency Draft Statement of Intent
Agenda Item 6.4

The report was received [*S&F2203/02 refers*] and the following discussion was held:

- The Chief Financial Officer answered questions regarding risk management and stated there was minimal risk.
- A point was raised that being a guarantor without being a shareholder did not have many upsides and it was suggested that Council become a shareholder.

Resolved: (Crs Thomson/Eyre)

THAT the Strategy & Finance Committee:

- a. receives the Local Government Funding Agency draft Statement of Intent; and**
- b. notes that the attached Statement of Intent is in draft form and is subject to adjustment based on shareholder feedback.**

CARRIED

S&F2203/05

Local Government Funding Agency Half Yearly Report
Agenda Item 6.5

The report was received [*S&F2203/02 refers*] and no following discussion was held:

Draft Statements of Intent for 2022/23
Agenda Item 6.6

The report was received [*S&F2203/02 refers*] and the following discussion was held:

- Scott Kendall from the Waikato Regional Airport Limited (WRAL) delivered a presentation [*Attachment 6.6 to minutes*]
- July to December 2021 initially saw strong levels of domestic tourism with the closure of international borders.
- The Terminal Resilience Project was a significant piece of work, bringing the building up to code and future proofing it for future building code changes. This project was on time for completion in September 2022 and within budget
- Northern Precinct is a major transaction proposal that will respond to future growth in Hamilton City.
- Omicron disruption initially saw a 40 percent drop in passenger traffic.

- The organisation had undertaken significant modelling to investigate what levels of workforce loss could be sustained.
- The Distinction Hotel in Te Rapa had been a community isolation facility and the Airport Hotel had been receiving border arrivals. Would continue to run a community facility (for those recovering from COVID-19 who are not border arrivals) until 30 June 2022.
- There had been personnel changes, for example new General Managers.
- Lost 25 percent of business in 2020 due to the initial phase/response to the COVID-19 pandemic.
- In 2023 (and beyond) would be several exciting aeronautical developments, sustainability investigation and future property development. Examples included the corporate jet precinct, runway designation renewal, Central Precinct final stage and Northern Precinct plan change.

Resolved: (Crs Lynch/Sedgwick)

THAT the Strategy & Finance Committee:

- a. receives the draft Statements of Intent for
 - i. **Waikato District Community Wellbeing Trust;**
 - ii. **Waikato Local Authority Shared Services Limited (trading as Co-Lab); and**
 - iii. **Waikato Regional Airport Limited;**
- b. requests that the Chief Financial Officer delivers the Committee's feedback to the Council Controlled Organisations; and
- c. notes that feedback on the draft Statements of Intent is required by 30 April 2022.

CARRIED

S&F2203/06

Council Controlled Organisations' Interim Accounts

Agenda Item 6.7

The report was received [*S&F2203/02 refers*] and no discussion was held.

Raglan Holiday Park Papahua Special Purpose Financial Report for the period 1 July 2021 to 31 January 2022
Agenda Item 6.8

The report was received [*S&F2203/02 refers*] and the following discussion was held:

- The camp had not avoided the impacts of COVID-19, but was still doing well thanks to prudent financial management and the appointment of a new manager.
- The Board had been working very effectively.
- The camp operations have been brought in-line with Council business over the previous 18 months. This appeared to be working successfully.
- It was noted that the financial data demonstrated the commitment and work of the Board.
- It was noted that the rates had increased by 50 percent and queried if there was any way this could be mitigated. It was confirmed that the increased rates were related to a change in valuation, therefore no grounds to mitigate it (as it is deemed a commercial activity).
- It was noted that Board expenses increased, although no additional Board members had been recruited.
- It was queried whether the camp had any sustainability initiatives planned in the immediate future (e.g. around waste/recycling). It was confirmed that this had been explored, particularly regarding climate change mitigation, solar energy and coastal erosion.

Hamilton to Waikato Tourism – Six Monthly Report 1 July – 31 December 2021
Agenda Item 6.9

The report was received [*S&F2203/02 refers*] and the following discussion was held:

- Nicola Greenwell from Hamilton and Waikato Tourism delivered a presentation.
- From July to December 2021, Waikato was the fifth highest in New Zealand for domestic visitor spend.
- Work was still being done in the international travel space, but it would take time for these numbers to build up.
- Work was underway in collaboration with the Fieldays and the World Rally.
- Accommodation had been an ongoing challenge, exacerbated by the COVID-19 response.

Economic and Community Led Development Update
Agenda Item 6.10

The report was received [*S&F2203/02 refers*] and the following discussion was held:

- The Economic and Community Led Development Manager delivered a presentation (as attached to the agenda).
- The purpose of the Community Led Development Work Programme 2022/2023 is to support communities to lead and achieve their blueprint aspirations.
- In response to questioning, the Economic and Community Led Development Manager clarified that a needs assessment considers a community's requirement for additional funding or further engagement/ support to achieve their goals.
- Cr Church requested that Councillors be added to the Economic and Community Led Development email distribution list to be aware of workshops/initiatives taking place in their communities.
- There are 280 blueprint initiatives across the district.
- A Key Account Management Framework had been developed to focus on larger developers in the district.

ACTION: Staff to add Councillors to the Economic and Community Led Development email distribution list to ensure they are aware of workshops/initiatives in their communities.

EXCLUSION OF THE PUBLIC

Agenda Item 8

The report was received [*S&F2203/02 refers*] and no discussion was held.

Resolved: (Crs Church/Eyre)

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the
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		passing of this resolution
<p>Item number 1 – Confirmation of Public Excluded Minutes</p> <p>PEX 2.1 Draft Development Agreement – Deferral of Development Contributions (Tamahere Eventide Homes Trust)</p> <p>Item PEX 2.2 Draft Development Agreement - Deferral of Development Contributions (Sanderson Group)</p>	<p>Good reason to withhold exists under Section 7 Local Government Official Information and Meetings Act 1987</p>	<p>Section 48(1)(a)</p>

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

