

PALMERSTON NORTH CITY COUNCIL

Minutes of the Finance & Audit Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 24 March 2021, commencing at 9.02am

Members Present: Councillor Susan Baty (in the Chair) and Councillors Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Bruno Petrenas, and Mr Stephen Armstrong.

Non Members: Councillors Rachel Bowen, Zulfiqar Butt, Billy Meehan and Orphée Mickalad.

Apologies: The Mayor and Councillor Brent Barrett (late arrival, on Council business) and Councillor Aleisha Rutherford (absent on Council business).

Councillor Brent Barrett entered the meeting at 11.02am during consideration of clause 20. He was not present for clauses 16-19 inclusive.

Councillor Lew Findlay was not present when the meeting resumed at 2.27pm. He entered the meeting again at 2.45pm during discussion of clause 22. He was not present when the meeting resumed at 3.48pm. He was not present for clauses 23 to 25 inclusive.

Councillor Rachel Bowen left the meeting at 3.04pm during discussion of clause 22. She was not present for clauses 22 to 25 inclusive.

Councillor Leonie Hapeta was not present when the meeting resumed at 3.48pm. She was not present for clauses 23 to 25 inclusive.

Councillor Billy Meehan was not present when the meeting resumed at 3.48pm. He was not present for clauses 23 to 25 inclusive.

16-21 Apologies

Moved Susan Baty, seconded Leonie Hapeta.

The COMMITTEE RESOLVED

1. That the Committee receive the apologies.

Clause 16-21 above was carried 14 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Orphée Mickalad and Mr Stephen Armstrong.

17-21 Presentation - Café Esplanade

Mr Mark Tregoweth, owner of Café Esplanade and Ms Rachel Graham, Duty Manager, provided an overview of café operations, changes implemented in the six years of Mr Tregoweth's ownership, and future plans for the café.

Mr Tregoweth stated when he purchased the business six years ago that he spoke to Council Officers about the possibility of lease renewals past 2023 and was assured that this would not be an issue; he was therefore surprised to discover last year that this may not be the case. He commented that he had always been a loyal, honest tenant, paying his rent on time and keeping up with licensing and food and safety requirements. Mr Tregoweth employs 15 staff, and in a time of pandemic that has seen many hospitality businesses having to close, Café Esplanade has survived.

The café offers something that caters for every age, budget and taste, with an emphasis on affordability and accessibility. He and his team have worked hard to market the business, establishing a following with specialty dietary meals and cabinet food, and inviting key groups and associations to hold meetings at the café. It was important to him and his team that customers were always made welcome, and that they had a place where they can enjoy what the team have created.

Mr Tregoweth noted concerns that had been raised relating to mobile vendors, and having food available in the miniature golf area. He noted there are a number of mobile vendors present in the Esplanade but he has preferred to focus on building up his business, and only made Council aware of vendors that members of the public had complained about.

It was noted the Officer's report mentions the lease being discussed at a user group meeting in February. Mr Tregoweth stated that he was not present at this meeting due to illness, and did not realise until seeing the Minutes of this meeting that the lease had been discussed. He stated that he was shocked the lease had been discussed publicly as in his opinion it was commercially sensitive at that point.

Moved Susan Baty, seconded Patrick Handcock ONZM.

The **COMMITTEE RESOLVED**

1. That the Finance & Audit Committee receive the presentation for information.

Clause 17-21 above was carried 14 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Orphée Mickalad and Mr Stephen Armstrong.

18-21

Victoria Esplanade - Café lease extension proposal

Report, presented by Kathy Dever-Tod, Manager - Parks and Reserves and Bryce Hosking, Manager - Property.

After discussion Elected Members were of the opinion that the decision

regarding the café lease extension proposal should be deferred until completion of a strategic review of provision of hospitality services in the Esplanade.

Elected Members requested that findings of the strategic review be reported back to Finance & Audit Committee by November 2021, and that negotiations with the café tenant be entered into to vary the terms and conditions of the lease with a view to extending it for a further three years, and that this also be reported back to the Committee.

Moved Susan Baty, seconded Karen Naylor.

The **COMMITTEE RECOMMENDS**

1. That Council defer the decision on the request from the café tenant, Esplanade Enterprises Limited, to extend their lease of the café premises within the Victoria Esplanade until the completion of the strategic review is reported to Committee by November 2021.

Clause 18.1 above was carried 9 votes to 5, the voting being as follows:

For:

Councillors Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Patrick Handcock ONZM, Leonie Hapeta, Billy Meehan, Bruno Petrenas and Mr Stephen Armstrong.

Against:

Councillors Renee Dingwall, Lew Findlay QSM, Lorna Johnson, Karen Naylor and Orphée Mickalad.

Moved Susan Baty, seconded Karen Naylor.

2. That Council note that the findings of a strategic review of the provision of hospitality services in the Victoria Esplanade will be reported back to Finance & Audit Committee by November 2021.

Clause 18.2 above was carried 14 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Orphée Mickalad and Mr Stephen Armstrong.

Moved Vaughan Dennison, seconded Karen Naylor.

3. That the Chief Executive enter into negotiations with Esplanade Café tenant to vary the terms and conditions, with a view to extend the lease for a further three years, and that this is reported to the Finance & Audit Committee.

Clause 18.3 above was carried 14 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen

Naylor, Bruno Petrenas, Orphée Mickalad and Mr Stephen Armstrong.

The meeting adjourned at 10.36am.

The meeting resumed at 10.53am.

19-21 Confirmation of Minutes

Moved Susan Baty, seconded Vaughan Dennison.

The **COMMITTEE RESOLVED**

1. That the minutes of the Finance & Audit Committee meeting of 24 February 2021 Part I Public be confirmed as a true and correct record.

Clause 19-21 above was carried 13 votes to 0, with 1 abstention, the voting being as follows:

For:

Councillors Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas and Mr Stephen Armstrong.

Abstained:

Councillor Orphée Mickalad.

20-21 Palmerston North Airport Ltd - Interim Report for 6 months to 31 December 2020

Memorandum, presented by Steve Paterson, Strategy Manager - Finance.

Councillor Brent Barrett entered the meeting at 11.02am.

Moved Susan Baty, seconded Leonie Hapeta.

The **COMMITTEE RECOMMENDS**

1. That the Interim Report and Financial Statements of Palmerston North Airport Ltd for the period ended 31 December 2020, presented to the Finance & Audit Committee on 24 March 2021, be received.

Clause 20-21 above was carried 15 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Orphée Mickalad and Mr Stephen Armstrong.

21-21 Palmerston North Airport Ltd - Draft Statement of Intent for 2021/22

Memorandum, presented by Steve Paterson, Strategy Manager - Finance.

Moved Leonie Hapeta, seconded Billy Meehan.

The **COMMITTEE RECOMMENDS**

1. That the Palmerston North Airport Ltd (PNAL) draft Statement of Intent for 2021/22, presented to the Finance & Audit Committee on 24 March 2021, be received and PNAL be advised that the Council supports the proposed direction and implementation strategy.

Clause 21-21 above was carried 15 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Orphée Mickalad and Mr Stephen Armstrong.

Moved Karen Naylor, seconded Brent Barrett.

Note:

On a motion that the following words be added: 'subject to amending the Statement of Intent to include reinstating a dividend of 20% net profit after tax by Year 2 and 40% net profit after tax by Year 3' the motion was lost 2 votes to 13, the voting being as follows:

For:

Councillors Brent Barrett and Karen Naylor.

Against:

Councillors Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Bruno Petrenas, Orphée Mickalad and Mr Stephen Armstrong.

The meeting adjourned at 11.57am.

The meeting resumed at 2.27pm.

Councillor Lew Findlay was not present when the meeting resumed.

22-21

Papaioea Place - Stage 3 Options

Report, presented by Bryce Hosking, Manager - Property.

Councillor Lew Findlay entered the meeting at 2.45pm.

Councillor Rachel Bowen left the meeting at 3.04pm.

Moved Lorna Johnson, seconded Lew Findlay QSM.

The COMMITTEE RECOMMENDS

1. That Council considers the report titled 'Papaioea Place – Stage 3 Options' presented to the Finance & Audit Committee on 24 March 2021 and amends the associated current budget provision of \$5,000,000 incl. GST in Programme 1743 in the 2021-31 LTP, to proceed with:
 - a) Option 2
 - Build 7 Additional Units and a Tenant Lounge within the complex; and
 - Reduce the capital new budget to \$3,688,965 incl. GST with a financial year split of \$2,000,000 incl. GST in 2021/22 (Year 1) and \$1,688,965 incl. GST (plus inflation) in 2022/23 (Year 2).

Clause 22-21 above was carried 9 votes to 4, with 1 abstention, the voting being as follows:

For:

Councillors Brent Barrett, Zulfiqar Butt, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas and Orphée Mickalad.

Against:

Councillors Susan Baty, Vaughan Dennison, Renee Dingwall and Leonie Hapeta.

Abstained:

Mr Stephen Armstrong.

Moved Susan Baty, seconded Karen Naylor.

Note:

On a motion: 'That Council considers the report titled 'Papaioea Place – Stage 3 Options' presented to the Finance & Audit Committee on 24 March 2021 and amends the associated current budget provision of \$5,000,000 incl. GST in Programme 1743 in the 2021-31 LTP, to proceed with:

Option 1

- Build 10 Additional Units within the complex.
- Reduce the capital new budget to \$3,843,070 incl. GST with a financial year split of \$2,000,000 incl. GST in 2021/22 (Year 1) and \$1,843,070 incl. GST (plus inflation) in 2022/23 (Year 2)'

the motion was lost 3 votes to 10, with 1 abstention, the voting being as follows:

For:

Councillors Susan Baty, Vaughan Dennison and Karen Naylor.

Against:

Councillors Brent Barrett, Zulfiqar Butt, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Bruno Petrenas and Orphée Mickalad.

Abstained:

Mr Stephen Armstrong.

The meeting adjourned at 3.36pm.

The meeting resumed at 3.48pm.

Councillors Lew Findlay, Leonie Hapeta and Billy Meehan were not present when the meeting resumed.

23-21 Fees and Charges Review

Report, presented by Steve Paterson, Strategy Manager - Finance.

During discussion Elected Members requested that the free one hour parking at Hancock House King Street Car Park be retained.

Moved Renee Dingwall, seconded Lorna Johnson.

The **COMMITTEE RECOMMENDS**

1. That the report titled 'Fees and Charges Review', presented to the Finance & Audit Committee on 24 March 2021, be received, and that the current status of fees and charges be noted.

Trade Waste

2. That the proposal to adopt updated fees and charges for Trade Waste services effective from 1 July 2021 as attached in Appendix 2, be approved for public consultation and the Chief Executive be authorised to undertake the necessary consultative process under sections 82 and 150 of the Local Government Act 2002.

Planning & Miscellaneous

3. That the Statement of Proposal (and the associated summary) to adopt updated fees and charges for Planning Services and Miscellaneous Services effective from 1 July 2021 as attached in Appendix 3, be approved for public consultation and the Chief Executive be authorised to undertake the necessary consultative process under sections 83 and 150 of the Local Government Act 2002.

Building

4. That the fees and charges for Building Services, as proposed in Appendix 4 be adopted and following public notification take effect from 1 July 2021.

Environmental Health

5. That the fees and charges for Environmental Health Services (in terms of regulation 7 of the Health (Registration of Premises) Regulations 1966) as proposed in Appendix 5 (as per updated version tabled), be adopted and following public notification, take effect from 1 July 2021.

Animal Control

6. That the fees and charges for the Impounding of Animals (in terms of section 14 of the Impounding Act 1955) and for Dog Registration and Dog Impounding (in terms of sections 37 and 68 of the Dog Control Act 1996) as proposed in Appendix 6 be adopted, and following public notification, take effect from 1 July 2021.

Burial & Cremation

7. That the fees and charges for Burial and Cremation, as proposed in Appendix 7 be adopted and following public notification, take effect from 1 July 2021.

Service Connections

8. That the fees and charges for Service Connections, as proposed in Appendix 8 be adopted and take effect from 1 July 2021.

Waste Management

9. That the fees and charges for Waste Management as proposed in Appendix 9, including an increase in the maximum retail price for rubbish bags, increases in charges for the Ashhurst Transfer Station and a new charge for recycling of tyres, be adopted and take effect from 1 July 2021.

Sportsfields

10. That the fees and charges for Sportsfields as proposed in Appendix 10 be adopted and take effect from 1 July 2021.

Backflow Prevention

11. That the fees and charges for Backflow Prevention testing and maintenance as proposed in Appendix 11 be adopted and take effect from 1 July 2021.

Corridor Access Request

12. That the fees and charges for Corridor Access Requests as proposed in Appendix 12 be adopted and take effect from 1 July 2021.

Parking

13. That the fees and charges for Parking as proposed in Appendix 13 be adopted and take effect from 1 July 2021 subject in the case of the increase to the Gold card permit fee to any public consultative process that is required under section 82 of the Local Government Act 2002.
14. Retain the free one hour parking at Hancock House King Street Car Park.

Clause 23-21 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Brent Barrett, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Lorna Johnson, Karen Naylor, Bruno Petrenas, Orphée Mickalad and Mr Stephen Armstrong.

24-21

Committee Work Schedule

Elected Members requested that Rates Review be added to the work schedule, and that attendance approved and expenditure of the Elected Member Development & Training budget be provided quarterly to the Finance & Audit Committee.

Moved Lorna Johnson, seconded Brent Barrett.

The **COMMITTEE RESOLVED**

1. That the Finance & Audit Committee receive its Work Schedule dated March 2021, and add Rates Review to be brought in September 2021.

Clause 24.1 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Brent Barrett, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Lorna Johnson, Karen Naylor, Bruno Petrenas, Orphée Mickalad and Mr Stephen Armstrong.

Moved Karen Naylor, seconded Lorna Johnson.

2. That attendance approved, and expenditure of the Elected Member Development & Training budget is provided quarterly to the Finance & Audit Committee.

Clause 24.2 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Brent Barrett, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Lorna Johnson, Karen Naylor, Bruno Petrenas, Orphée Mickalad and Mr Stephen Armstrong.

EXCLUSION OF PUBLIC

25-21 Recommendation to Exclude Public

Moved Susan Baty, seconded Vaughan Dennison.

The **COMMITTEE RESOLVED**

1. "That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

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 passing this resolution
14.	Assurance Report on Review of Information Technology Disaster Recovery Plan	Third Party Commercial, Health Safety and Gain Advantage	s7(2)(b)(ii), s7(2)(d) and s7(2)(j)

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 the relevant part of the proceedings of the meeting in public as stated in the above table.

Clause 25-21 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Brent Barrett, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Lorna Johnson, Karen Naylor, Bruno Petrenas, Orphée Mickalad and Mr Stephen Armstrong.

The public part of the meeting finished at 4.35pm

Confirmed 28 April 2021

Chairperson