

PALMERSTON NORTH CITY COUNCIL

Minutes of the Committee of Council Meeting Part I Public, held in the Elwood Room, Conference & Function Centre, 354 Main Street, Palmerston North on 10 June 2020, commencing at 9.00am.

Members Present: The Mayor (Grant Smith) (in the Chair) and Councillors Tangi Utikere, Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

Apologies: Councillor Lew Findlay QSM (for lateness)

Councillor Lew Findlay entered the meeting at 10.41am during consideration of clause 14. He was not present for clause 14.1 inclusive.

11-20 Apologies

Moved Grant Smith, seconded Tangi Utikere.

The COMMITTEE RESOLVED

1. That the Committee receive the apologies.

Clause 11-20 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Tangi Utikere, Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

The Meeting adjourned at 9.01am

The Meeting resumed at 9.30am

12-20 Amended Minutes - 8 May 2020

Memorandum, presented by Hannah White, Democracy and Governance Manager.

Moved Grant Smith, seconded Vaughan Dennison.

The COMMITTEE RESOLVED

1. That the amended minutes of the ordinary meeting of 8 May 2020 Part 1 Public be confirmed as a true and accurate record.

Clause 12-20 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Tangi Utikere, Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

13-20 Confirmation of Minutes

Moved Grant Smith, seconded Tangi Utikere.

The **COMMITTEE RESOLVED**

1. That the minutes of the Committee of Council meeting of 20 May 2020 Part I Public be confirmed as a true and correct record.

Clause 13-20 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Tangi Utikere, Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

14-20 Finalising the Annual Budget (Plan) for 2020/21

Memorandum, presented by Stuart McKinnon, Chief Financial Officer.

The Chief Financial Officer reported that the plan in Appendix 1 contained all the amendments asked for by the Committee at the previous meeting including the additional saving of \$500k. He explained that there was an error in the figures regarding the depreciation in the previous meeting, which meant that the Council's budget had shown as a surplus. In fact, the Council's budget will be in deficit.

The deficit is not a cash deficit only a paper one. It fundamentally doesn't change the Council's financial situation as the Council does not fund depreciation, it only funds actual expenditure on renewals. The ERP project which is being funded over 7 years rather than one year, is also contributing to the deficit.

Officers are comfortable to recommend the deficit be approved, due to the reasons behind it. Audit NZ does not have an issue with it.

The Committee queried the following parts of the draft Annual Budget:

- Officer salaries - the Chief Executive is not looking to reduce wages or have redundancies, but will be encouraging staff efficiencies.
- Venues – reduced revenue assumptions are still correct. It's going to take a while for event usage to return to pre-Covid levels.
- Libraries - no service level cut but overhead costs will be reduced.
- Deferrals and carry forwards in the Capital Programme will be looked at during the Long Term Plan in 2021.
- Carry forwards have no effect on the rates. They are already funded but the work has not been completed.
- Refurbishment of the Community Centres - this project is ahead of schedule so the budget can be reduced.
- Council does not borrow to pay for renewals.
- \$500k for the streetscape project is enough for this financial year.

- This year, Council is not penalising ratepayers who have not paid their (quarter 4) rates, instead officers are urging ratepayers to contact Council and set up payment plans.

The Committee asked the Chief Executive to reinstate Programme 279 (minor road projects) budget because it is jointly financed by NZTA and Council.

The motion on library renewals was lost, as the Committee felt that despite the reduced funding for 2020/21, the level of library service was not going to decrease.

The Committee acknowledged that ratepayers (especially businesses) needed assistance from Council via a smaller rate increase than was consulted on.

The Committee congratulated the Chief Executive, the Chief Finance Officer and the Finance team for the work they had done to reduce the proposed council rate increase to 1.95%.

Councillor Lew Findlay entered the meeting at 10.41am

Moved Aleisha Rutherford, seconded Lorna Johnson.

The **COMMITTEE RESOLVED**

1. That Programme 279 (minor road projects) budget be reinstated from \$200k back to \$851K (noting this is a capital new budget).

Clause 14.1 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Tangi Utikere, Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

Moved Grant Smith, seconded Tangi Utikere.

The **COMMITTEE RECOMMEND THAT COUNCIL**

2. Adopt the Amended Annual Budget 2020/21, with the report titled "Finalising the Annual Budget (Plan) 2020/21".

Clause 14-20 above was carried 12 votes to 4, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Tangi Utikere, Susan Baty, Rachel Bowen, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Billy Meehan, Karen Naylor and Bruno Petrenas.

Against:

Councillors Brent Barrett, Zulfiqar Butt, Lorna Johnson and Aleisha Rutherford.

Moved Grant Smith, seconded Tangi Utikere.

The **COMMITTEE RECOMMEND THAT COUNCIL**

3. Acknowledge that the Prospective Statement of Comprehensive Revenue and Expense for the Annual Budget shows a budgeted deficit of \$3.95m for the 2020/21 year, and that using the calculation required by the Local Government (Financial Reporting and Prudence) Regulations 2014, projects a deficit of \$6.84m. For the reasons outlined in the memorandum the Council resolves this outcome is financially prudent having regard for the matters contained in Section 100 of the Local Government Act 2002.
4. Delegate Authority to the Mayor and Chief Executive to approve the final Annual Budget (Plan) document for publication.
5. Acknowledge that the adoption of the Annual Budget (Plan) 2020/21 be confirmed as a significant decision within the parameters of the Local Government Act 2002 and that the Council is satisfied that all submissions have been considered and that there has been compliance with the decision-making and consultation requirements of the Act.
6. Delegate Authority to the Chief Executive to authorise payments to Council-controlled organisations and other external organisations in accordance with their respective service level agreements.

Clauses 14-20 - 14.6 above were carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Tangi Utikere, Brent Barrett, 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 Aleisha Rutherford.

Note:

Moved Lorna Johnson, seconded Aleisha Rutherford.

On a motion: 'That the library renewals for programme 188 be reinstated to the 10 Year Plan budget amount of \$885K'.

The motion was lost 4 votes to 11, with 1 abstention, the voting being as follows:

For:

Councillors Brent Barrett, Zulfiqar Butt, Lorna Johnson and Aleisha Rutherford.

Against:

The Mayor (Grant Smith) and Councillors Tangi Utikere, Susan Baty, Rachel Bowen, Vaughan Dennison, Renee Dingwall, Patrick Handcock ONZM, Leonie Hapeta, Billy Meehan, Karen Naylor and Bruno Petrenas.

Abstained:

Councillor Lew Findlay QSM.

The meeting finished at 11.21am

Confirmed 17 February 2021

Chairperson