



PAPAIOEA
PALMERSTON
NORTH
CITY

PALMERSTON NORTH CITY COUNCIL

AGENDA

COUNCIL LATE ITEMS

9AM, MONDAY 20 DECEMBER 2021

COUNCIL CHAMBERS, FIRST FLOOR
CIVIC ADMINISTRATION BUILDING
32 THE SQUARE, PALMERSTON NORTH

MEMBERS

Grant Smith (Mayor)	
Aleisha Rutherford (Deputy Mayor)	
Brent Barrett	Patrick Handcock ONZM
Susan Batty	Leonie Hapeta
Rachel Bowen	Lorna Johnson
Zulfiqar Butt	Billy Meehan
Vaughan Dennison	Orphée Mickalad
Renee Dingwall	Karen Naylor
Lew Findlay QSM	Bruno Petrenas

AGENDA ITEMS, IF NOT ATTACHED, CAN BE VIEWED AT

pncc.govt.nz | Civic Administration Building, 32 The Square
City Library | Ashhurst Community Library | Linton Library

Heather Shotter

Chief Executive | PALMERSTON NORTH CITY COUNCIL

COUNCIL MEETING

20 December 2021

ORDER OF BUSINESS

5A. Notice of Motion: Ferguson Street Safety Improvements

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RECOMMENDATIONS FROM COMMITTEE MEETINGS

**13. Presentation of the Public Finance & Audit Committee
Recommendations from its 15 December 2021 Meeting**

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"That the Committee's recommendations be adopted or otherwise
dealt with."

NOTICE OF MOTION

TO: Council

MEETING DATE: 20 December 2021

TITLE: Notice of Motion: Ferguson Street Safety Improvements

FROM: Councillor Lorna Johnson

THAT THE COUNCIL RESOLVES:

1. That submissions from the public on the Ferguson Street Safety Improvements and the updated design for the project are reported to Planning and Strategy Committee on 9 February 2022 prior to the tender process for the work being initiated.
-

NOTICE OF MOTION

I, Councillor Lorna Johnson, in accordance with Standing Order 2.7.1. hereby GIVE NOTICE OF MOTION that I will move at the next Council meeting on December 20th, 2021 the following motion:

1. That submissions from the public on the Ferguson Street Safety Improvements and the updated design for the project are reported to Planning and Strategy Committee on 9th February 2022 prior to the tender process for the work being initiated.

AND I further give notice that in compliance with Standing Order 2.7.2 the reasons for the Notice of Motion include:

It is many years since this project was initially planned and there has been no recent reporting to Elected Members on the precise nature of what is planned and whether this still aligns with our current 10-year plan strategies. Elected Members are unaware of the nature of public feedback on the project.

Due to the turnover in Elected Members since this was first discussed it is appropriate for the project, and any public submissions on it, to be presented to Council.



Moved: Cr Lorna Johnson
Seconded: Cr Brent Barrett

ATTACHMENTS

1. Officer Response [↓](#) 

MEMORANDUM

TO: Council

MEETING DATE: 20 December 2021

TITLE: Officer Response - Notice of Motion on Ferguson/ Pitt Street Intersection Upgrade.

PRESENTED BY: Sandra King, Transport and Infrastructure Manager

APPROVED BY: Sarah Sinclair, Chief Infrastructure Officer

RECOMMENDATION TO COUNCIL

1. That the officer response be received.
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1. STRATEGIC CONTEXT

- 1.1 Palmerston North's Inner Ring Road – Pitt/Walding/Grey/Princess/Ferguson – has long been earmarked as the primary route for motor vehicles intending to cross from one side of the city to the other, with the project being delivered across many phases spanning some 50 years. Through the provision of high capacity dual lanes and optimised signalised intersections, it connects the four key high vehicle volume roads of Pioneer Highway, Fitzherbert St, Rangitikei St (SH3) and Main St East (SH3).
- 1.2 The Inner Ring Road has a key strategic function to serve freight and heavy vehicle traffic, by providing a consistent and reliable route across the city which will keep heavy vehicles off residential and inner-city streets that cater more for pedestrians and people on bikes. The continued enhancement of the Inner Ring Road's function enables major improvements in city amenity and character, attractiveness of walking and cycling trips and the overall safety of the transport network.



Fig 1 Inner Ring Road and High Volume Roads

- 1.3 The 2013 City Centre Framework outlines the ten key strategic moves to achieve enhanced diversity, connectivity, character and improved public realm across the city centre. Two of the ten key moves emphasise the importance of building upon the function of the Inner Ring Road as the primary traffic circulation route around the city centre. This addresses the vehicle/pedestrian balance and enables the city centre prioritisation of people and those on active modes.
- 1.4 The City Centre Framework also demonstrates how the continued implementation of the Inner Ring Road is inextricably linked to the successful outcomes of several other major projects such as the extension of the Cuba Link and Streets for People, not to mention numerous other projects developed after the City Centre Framework such as the Bus Station Redevelopment and Innovating Streets projects.



Fig 2 City Centre Framework 2013 – Streets for People (KD1) and Connectors (KD2)

- 1.5 While one of the objectives of PNITI (Palmerston North Integrated Transport Initiative) is to direct freight and heavy traffic to the proposed Regional Freight Ring Road on the outskirts of the city, there will still be a requirement for the urban network to cater for freight and heavy traffic to service the city, particularly as we transition from the current state to the long term outcomes contained within PNITI.
- 1.6 The enhancement of the Inner Ring Road is therefore a key enabler of the PNITI (Palmerston North Integrated Transport Initiative) – the long term vision for the city to function as the Lower North Island's primary freight and distribution hub while maintaining a safe and accessible transport network for Palmerston North's residents. Work is underway to review and update the hierarchy of the city's roads based on their intended function; the Inner Ring Road will play a key part in enabling Palmerston North's streets – particularly those within the city centre – to be a more attractive, safer and more vibrant proposition for walking and cycling. In the medium to long term, the funding and delivery of the Regional Freight Ring Road by Waka Kotahi will rely on completion of the Inner Ring Road and associated changes to the urban network.

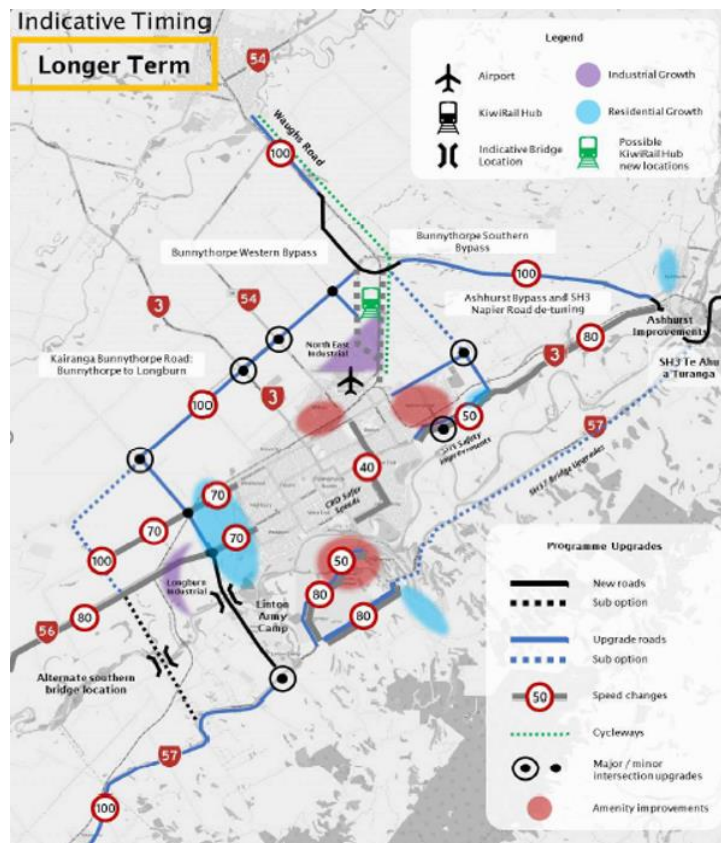


Fig 3 Palmerston North Integrated Transport Initiative (PNITI) – Programme Upgrades

- 1.7 Subsequently, the Inner Ring Road also plays a key part within the 2019 Urban Cycle Network Masterplan. The route provides vehicle priority with limited cycling facilities to move vehicles away from other roads so that a network of calmed streets both within the city centre and leading to and across the Inner Ring Road can serve to provide safe and comfortable connections for those wishing to walk or cycle to/from the city centre.
- 1.8 The Ferguson Street and Pitt Street intersection is currently a constraint within the Inner Ring Road. Planning for the widening and safety improvements has been underway for several years, because of its influence on the ring road performance as a whole, and on road user behaviour with regards to the city centre.
- 1.9 Enabling works, such as land purchase and underground infrastructure upgrades have already been undertaken to facilitate the delivery of this project.

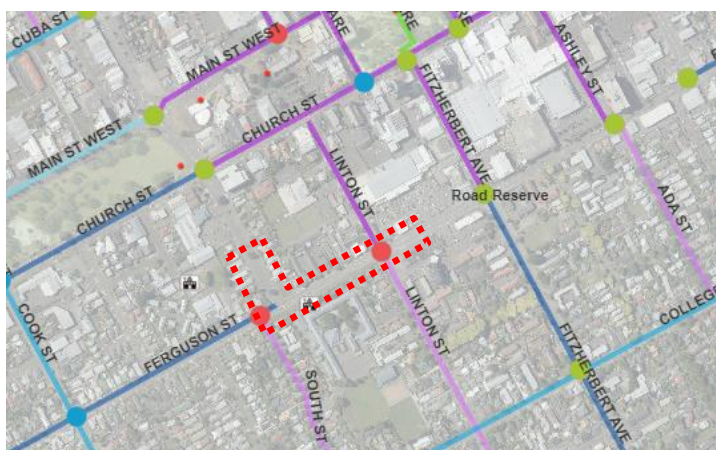


Fig 4 Urban Cycle Masterplan – Ferguson/Pitt Street upgrade location (red)

- 1.10 The Ferguson/Pitt Street intersection upgrade is therefore a critical activity to enable the vision of Palmerston North's city centre to be a destination that is safe and people-focused for all ages and abilities, rather than the status quo for vehicles using these streets as a thorough-fare taking a shortcut across town.
- ## 2. PROGRAMME FUNDING
- 2.1 Programme 2059 – Urban Transport Improvements – Enabling PNITI is a capital programme approved by Council to achieve the strategic outcomes identified above. The programme provides investment in the CBD and inner

ring road to improve safety, efficiency and deliver benefits sought in the CBD plan. The programme consists of Ferguson Street (Linton Street to Pitt Street) Improvements 2021/22, City Entrance Treatments (streetscape improvements) 2024-27, Signalised intersection timing improvements 2022-24, Grey Street (Rangitikei to Princess) Improvements 2027-29, and other minor transport improvements

- 2.2 Ferguson Street (Linton to Pitt Street) improvements project commenced this year (noting this is the final stage of a longer term series of works). Draft design followed confirmation of co-funding from Waka Kotahi through Council's Low Cost Low Risk programme of works. Following key landowner and community engagement, officers will finalise designs and prepare tender documentation, with the aim to commence construction in April/May 2022.
- 2.3 Delivery of this co-funded project this financial year is a key priority for officers, given the signals from Waka Kotahi that funding may be reallocated for projects where commitment to delivery in the identified timeframe is unlikely.

3. DESIGN

- 3.1 The Ferguson Street (Linton to Pitt Street) intersection project provides the following improvements:
 - Continuation of dual lane road widening along both Ferguson and Pitt Streets,
 - Signalised intersection improvements at Ferguson/Pitt Street, including safe signalised pedestrian/cyclist crossing,
 - Left turn only restrictions out of Linton Street onto Ferguson Street (right and left turn in from Ferguson Street is still enabled),
 - Cycle/Pedestrian refuge crossing point in front of Pak n Save (to the east of Linton Street),
 - Shared cycle/pedestrian path along the southern side of Ferguson Street widening
 - Removal of unsafe pedestrian zebra crossing facilities on Ferguson Street and South Street



Draft Design Engagement

- 3.2 Significant engagement on the draft design layout with surrounding property owners, residents and the wider community has been undertaken. Details of the proposal have been delivered to residents/businesses in the surrounding area, discussions have been held with directly affected key businesses, two drop-in sessions have been held at the conference and function centre, and social media promotion has been undertaken.
- 3.3 The intent of the feedback is engagement with affected parties to understand concerns and enable officers to discuss and work through operational design decision making. In some cases this will result in design modifications or improvements in how we manage the construction effects, in others, improved communication and shared understanding around the strategic direction and alignment, and safety of users.
- 3.4 To date, engagement has raised the following issues or themes:
- accessibility during construction,
 - stormwater discharge from private property,
 - suggested right turn access to both motel and bowls club from Ferguson Street,
 - suggested removal of existing dangerous pedestrian crossings,
 - suggested ability to turn both right and left into Linton Street from Ferguson Street,
 - suggested enabling active modes to cross Ferguson Street from Linton Street,
 - suggested removal of the dual lanes from the project to enable safe pedestrian/cycling facilities both along and across Ferguson Street.
- 3.5 The process undertaken is not a formal consultation process, and there have been no 'submissions' to Council officers.



- 3.6 From the above feedback, it can be seen that some of the suggested changes relate to not implementing the strategic direction in regard to the Inner Ring Road. Further, there are constraints to what the road corridor can be used for, due to the width of the land currently owned by Council for the widening work. Officers note that not everyone supports change, and that strategic changes for the benefit of the city are unlikely to be fully embraced by every affected party. However, from an engagement perspective, this discursive approach allows officers to be more transparent in what can and cannot be changed and helps build public understanding of Council strategy.

4. PROGRAMME IMPLICATIONS OF DELAYS

- 4.1 The project has been somewhat delayed in its final stage because of the late advice on funding from Waka Kotahi. It is planned to go to tender in early February, to enable the contract to be let, commenced and progressed as much as possible before the end of the financial year, noting that the construction sum will need Council approval to award the contract because of the CEO's delegation. This means the decision on contract award will likely go to Council in the early April meeting, allowing (if approved) commencement on site probably after Easter (approx. 19 April).
- 4.2 Waka Kotahi have signalled that they will closely monitor co-funded project delivery and expenditure, to be able to identify from Year 2 onwards any unspent funds that can be reallocated to other unfunded projects across the country. Traditionally, this has been undertaken in Year 3 only. Delivery of our co-funded programme is a priority for Officers, to ensure that we retain our funding allocations.
- 4.3 If the project is delayed such that design cannot be finalised until after Councillor consideration and direction in February, consideration has to be given of whether we will achieve tender award this financial year, which will in turn depend on whether Councillors then wish to be informed of final design outcome prior to the tender process. Papers take between 6-8 weeks from initiation to presentation at a Council meeting, so a further decision would move the likely award date to June 2022.

5. CONCLUSION

- 5.1 The Ferguson/Pitt Street project is aligned to the Council direction and strategy for the Inner Ring Road and will improve the outcomes of other significant investments in the city centre.
- 5.2 The engagement process undertaken by officers enables direct discussion and modification of designs where possible to address stakeholder concerns, and where the concerns cannot be addressed, to understand the basis for the design and its alignment with Council strategy. Issues raised have been worked through to ensure the design is flexible whilst maintaining alignment to Council's strategic direction and addressing any safety concerns associated with having an effective inner-city ring road.



ATTACHMENTS

Nil

RECOMMENDATIONS FROM COMMITTEE

TO: Council

MEETING DATE: 20 December 2021

TITLE: Presentation of the Public Finance & Audit Committee Recommendations from its 15 December 2021 Meeting

Set out below are the recommendations only from the Finance & Audit Committee meeting Public held on 15 December 2021. The Council may resolve to adopt, amend, receive, note or not adopt any such recommendations. (SO 3.18.1)

86-21 Additional Director for Palmerston North Airport Ltd

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

The **COMMITTEE RECOMMENDS**

1. That in response to a request from the Board of Palmerston North Airport Ltd it be agreed the maximum number of directors for the Board of the Company be increased from five to six.
2. That the Council's shareholder representative be authorised to sign shareholder resolutions required under the Company's Constitution to give effect to this change.
3. That expressions of interest be sought from applicants with the requisite skills to fill the position of an additional director for the Company.

87-21 Palmerston North Airport Limited - Annual report for 12 months ended 30 June 2021 & Instructions relating to Annual Meeting

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

The **COMMITTEE RECOMMENDS**

1. That the Annual Report and Financial Statements of Palmerston North Airport Limited for the year ended 30 June 2021 be received.
2. That the Council shareholder representative be instructed to support the proposed resolutions (as listed in 2.12) to be considered at the Annual Meeting of Palmerston North Airport Limited to be conducted by way of resolution in writing with the total remuneration of directors being \$135,000 per annum.

88-21 Debt funding arrangements for Palmerston North Airport Ltd

Memorandum, presented by Steve Paterson, Strategy Manager Finance.

The **COMMITTEE RECOMMENDS**

1. That approval be given to the request from Palmerston North Airport Ltd (PNAL) for the Council and PNAL to enter a formal loan agreement that would enable the Council to borrow sums from the Local Government Funding Agency and on-lend to PNAL in the form of fixed rate unsecured debt.
2. That it be noted that this arrangement will not impact on the Council's ability to borrow from the Local Government Funding Agency for Council's own requirements.
3. That the Chief Executive be delegated authority to agree the terms and conditions of the loan agreement for subsequent approval by the Council as required by Council's Treasury Policy.

89-21 2021 Rating Valuations

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

The **COMMITTEE RECOMMENDS**

1. That it be noted the 2021 City rating revaluation has been completed and new values, with an effective date of 1 September 2021, have been authorised for implementation by the Valuer-General through the issue of an unqualified audit opinion on 19 November 2021.

90-21 2021 Rating Valuations - Impact on Rating Incidence

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

The **COMMITTEE RECOMMENDS**

1. That it be noted:
 - a. that the new rateable values are first used as the basis for rates effective from 1 July 2022 and whilst they do not increase the total rates revenue for the Council, the 2021-31 10 Year Plan assumes total rates revenue will need to increase by 8.1% to fund the Council's operations in 2022/23.

- b. the new rateable land values will significantly alter the incidence of rates both within and between the differential groups of property and, in particular transfer a significantly greater share of the rates to the residential sector with greater than average increases in rates on residential properties with lower values.
 - c. it is possible to alter the incidence of rates by mechanisms such as altering the level of uniform annual general charge or the differential surcharges applying to the general rate or a combination of both.
2. That the Chief Executive be instructed to develop scenarios prior to public consultation through the 2022/23 annual budget process that seeks to moderate the effects of the revaluation on the rates incidence by changing the level of the uniform annual general charge and the differential surcharges for the general rate.

91-21 **Review of Rating System**

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

The **COMMITTEE RECOMMENDS**

1. That the Chief Executive continually review aspects of the rating system and in particular investigate options for introducing new targeted rates for the 2023/24 year and also for a revised trigger mechanism for determining the interface between rural and urban rating.
2. That the Council determines that in principle it believes a rating system with a general rate based on the capital value is more appropriate and the Chief Executive be instructed to develop options incorporating a capital value based rate and in reporting back:
 - i. demonstrate how implementation might be transitioned over a period of up to three years beginning in 2023/24, and
 - ii. outline a proposed public engagement process.
3. That the Chief Executive report to Council on options, including approaches to rating system implementation, to encourage utilisation of vacant buildings and brownfield land within the city.

92-21 **Adoption of Annual Report 2020/21**

Report, presented by Cameron McKay, Finance Manager.

The **COMMITTEE RECOMMENDS**

1. That the Annual Report 2020/21 and Summary Annual Report 2020/21 be adopted.
2. That the Council note that an Auditor's 'opinion' from Audit New Zealand would be expected to be received following recommended adoption by Council on 20 December 2021 and Council signing of the reports.
3. That delegated authority be given to the Chairperson and Deputy Chairperson of the Finance and Audit Committee to make minor amendments to the Annual Report 2020/21 and Summary Annual Report 2020/21.

95-21

Updated 2022 Business Assurance Audit Plan

Memorandum, presented by Masooma Akhter, Business Assurance Manager.

The **COMMITTEE RECOMMENDS**

1. That Council approve the updated Business Assurance Audit Plan for the 2022 calendar year, included as Attachment One of the memorandum titled 'Updated 2022 Business Assurance Audit Plan' presented to the Finance & Audit Committee on 15 December 2021.