



PAPAIOEA
PALMERSTON
NORTH
CITY

PALMERSTON NORTH CITY COUNCIL

AGENDA

COUNCIL

9AM, WEDNESDAY 14 JUNE 2023

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

MEMBERS

Grant Smith (Mayor)	
Debi Marshall-Lobb (Deputy Mayor)	
Mark Arnott	Leonie Hapeta
Brent Barrett	Lorna Johnson
Rachel Bowen	Billy Meehan
Vaughan Dennison	Orphée Mickalad
Lew Findlay (QSM)	Karen Naylor
Roly Fitzgerald	William Wood
Patrick Handcock (ONZM)	Kaydee Zabelin

AGENDA ITEMS, IF NOT ATTACHED, CAN BE VIEWED AT

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City Library | Ashhurst Community Library | Linton Library

Waid Crockett

Chief Executive | PALMERSTON NORTH CITY COUNCIL

Te Marae o Hine | 32 The Square
Private Bag 11034 | Palmerston North 4442 | New Zealand
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COUNCIL MEETING

14 June 2023

ORDER OF BUSINESS

1. Karakia Timatanga

2. Apologies

3. Notification of Additional Items

Pursuant to Sections 46A(7) and 46A(7A) of the Local Government Official Information and Meetings Act 1987, to receive the Chairperson's explanation that specified item(s), which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded, will be discussed.

Any additions in accordance with Section 46A(7) must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Any additions in accordance with Section 46A(7A) may be received or referred to a subsequent meeting for further discussion. No resolution, decision or recommendation can be made in respect of a minor item.

4. Declarations of Interest (if any)

Members are reminded of their duty to give a general notice of any interest of items to be considered on this agenda and the need to declare these interests.

5. Public Comment

To receive comments from members of the public on matters specified on this Agenda or, if time permits, on other Committee matters.

(NOTE:If the Committee wishes to consider or discuss any issue raised that is not specified on the Agenda, other than to receive the comment made or refer it to the Chief Executive, then a resolution will need to be made in accordance with clause 2 above.)

6. Confirmation of Minutes

Page 7

"That the minutes of the ordinary meeting of 31 May 2023 Part I Public be confirmed as a true and correct record."

REPORTS

7. Fees and Charges - Confirmation Following Public Consultation

Page 23

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

8. 2023/24 Annual Budget - Adoption

Page 37

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

9. Setting Rates for 2023/24

Page 175

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

10. Resolutions to Authorise Borrowing

Page 189

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

11. Work Schedule

Page 193

12. Exclusion of Public

To be moved:

“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
13.	Tender Award - Custom Street Upgrade	Third Party Commercial	s7(2)(b)(ii)
14.	Proposed District Plan Change G: Aokautere Urban Growth - Appointment of Commissioner	Privacy	s7(2)(a)

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.

Also that the persons listed below be permitted to remain after the public has been excluded for the reasons stated.

[Add Third Parties], because of their knowledge and ability to assist the meeting in speaking to their report/s [or other matters as specified] and answering questions, noting that such person/s will be present at the meeting only for the items that relate to their respective report/s [or matters as specified].

PALMERSTON NORTH CITY COUNCIL

Minutes of the Council Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 31 May 2023, commencing at 9.04am

Members Present: Grant Smith (The Mayor) (in the Chair) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Councillor Billy Meehan left the meeting at 2.51pm during consideration of clause 88.12. He entered the meeting again at 2.54pm after the consideration of clause 88.12. He left the meeting at 4.22pm during consideration of clause 88.18. He entered the meeting again at 4.26pm during the consideration of clause 88.19. He was not present for clauses 88.12 and 88.18.

Karakia Timatanga

Councillor Roly Fitzgerald opened the meeting with karakia.

81-23 Debating Style

The following motion was put to allow full discussion on the Annual Budget.

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. To adopt Option C as debating style for Item 8 '2023/24 Annual Budget – Deliberations' (SO 2.12.1).

Clause 81-23 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

82-23

Late Item

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. To receive the late item for the following reasons:

Reason for lateness: The remit was received after the Agenda was published.

Reason for urgency: Whanganui District Council have requested a response by Friday 2 June 2023.

Clause 82-23 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Declaration of Interests

Councillor Debi Marshall-Lobb declared an interest in Item 8 '2023/24 Annual Budget – Deliberations' (clause 88.5 alone) and took no further part in discussion or debate on that particular matter.

Councillor Patrick Handcock declared an interest in Item 10 'Presentation of the Part I Public Community Committee's Recommendations from its 24 May 2023 Meeting' (clause 85) and took no further part in discussion or debate on that item. Details of the interest had been declared at the 24 May 2023 Community Committee meeting.

83-23

Confirmation of Minutes

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. That the minutes of the ordinary meeting of 16 May 2023 Part I Public be confirmed as a true and correct record.

Clause 83-23 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

RECOMMENDATIONS FROM COMMITTEE MEETINGS

84-23 Strategy & Finance Committee Part I Public - 10 May 2023

Consideration was given to Strategy & Finance Committee recommendations stated below.

Moved Vaughan Dennison, seconded Karen Naylor.

RESOLVED

1. Quarterly Performance and Financial Report - Period Ending 31 March 2023

3. That Council approve an overspend in the following operating activity budgets:
 - a. Manawatū River- of \$135,000, and
 - b. Active & Public Transport- of \$480,000.
4. That Council note that the increases in a) and b) are expected to be offset from savings in Council's other activities, with this to be reported back in the 4th quarter report.
5. That Council approve a Capital Renewal budget transfer between activities of \$50,000, reducing 1051-CET Arena - Arena Renewals by \$50,000 and increasing 1825-City Reserves - Manawatū River Park – Renewals by \$50,000.

2. Amendment to the Palmerston North Traffic and Parking Bylaw 2018 (Light Motor Vehicle Prohibitions) - Deliberations Report

2. That Council adopt the proposed amendment for Light Motor Vehicle Prohibitions to the Palmerston North Traffic and Parking Bylaw 2018 and Palmerston North Traffic and Parking Bylaw 2018 Administration Manual, (Attachments 2 and 3 of the memorandum).

3. Remit to Local Government New Zealand 2023 Annual General Meeting

1. That Council endorse the 2023 remit proposal from New Plymouth District Council (Attachment 1).

Clause 84-23 above was carried 15 votes to 0, with 1 abstention, the voting being as follows:

For:

Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Abstained:

The Mayor (Grant Smith).

85-23 Community Committee Part I Public - 24 May 2023

Consideration was given to Community Committee recommendation stated below.

Moved Lorna Johnson, seconded Billy Meehan.

RESOLVED

Development Subsidy request from the Methodist Church of New Zealand Te Haahi Weteriana o Aotearoa Manawatū Rangitikei Methodist Parish

1. That Council approve a Development Subsidy of \$13,000 for the Methodist Church of New Zealand Te Haahi Weteriana o Aotearoa Manawatū Rangitikei Methodist Parish.

Clause 85-23 above was carried 12 votes to 0, with 4 abstentions, the voting being as follows:

For:

Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Lew Findlay, Roly Fitzgerald, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor and Kaydee Zabelin.

Abstained:

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Patrick Handcock and William Wood.

Note:

Councillor Patrick Handcock declared an interest and abstained.

REPORTS

86-23 Remit to Local Government New Zealand 2023 Annual General Meeting
Memorandum, presented by Hannah White, Democracy & Governance Manager.

The mover stated that Council Controlled Organisations would not be able to afford increases in audit fees in the order of 15-20%.

Moved Leonie Hapeta, seconded Grant Smith.

RESOLVED

1. That Council endorse the 2023 remit proposal on Reduction of fees for audits from Whanganui District Council (Attachment 1).

Clause 86-23 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent

Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

87-23 Urban Growth Work Programme: Analysis of Budgetary Need for the 2023/24 Financial Year

Memorandum, presented by Michael Duindam, Acting Planning Manager David Murphy, Chief Planning Officer.

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. That Council refer additional budget of \$491,100 for accelerating Urban Growth Work to deliberations on the 2023/24 Annual Plan.
2. That Council note additional budget of \$491,100 in 2023/24 could be reduced if the Council was willing to accept the risks and lost opportunities associated with deferring work on one or a combination of the "other plan changes or projects" listed in Table 3 of the Memorandum.

Clause 87-23 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

88-23 2023/24 Annual Budget - Deliberations

Memorandum, presented by Cameron McKay, Chief Financial Officer, and Steve Paterson, Strategy Manager - Finance.

The meeting adjourned at 10.30am.

The meeting resumed at 10.49am.

Moved Grant Smith, seconded Debi Marshall-Lobb.

RESOLVED

1. That Council receive:
 - a. the Engagement Summary (Attachment 1).
 - b. the Summary of Submissions (Attachment 2).
 - c. Officer Comments to the Summary of Submissions (Attachment 3).

Clause 88.1-23 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Moved Grant Smith, seconded Debi Marshall-Lobb.

2. That Council approve the following changes to charges for swimming pools effective from 1 July 2023:

- a. a maximum increase of \$0.80 for all casual admittance charges; and
- b. a maximum increase of 15% for all concession charges.

Clause 88.2-23 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

The mover stated that Plan Change H Kākātangiata and Industrial Growth were significant planning projects for the city which should not be delayed.

Moved William Wood, seconded Grant Smith.

3. To increase the planning budget for Plan Change H Kākātangiata by \$341,100 and create a planning budget for Industrial Growth of \$150,000.

Clause 88.3-22 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

The following motion was put in response to a request from Te Manawa Museums Trust to support three specific projects considered opportunities to increase audience and enhance their experience. Te Rangi Whenua project would contribute to the relationship between the Council and Rangitāne o Manawatū.

Moved Rachel Bowen, seconded Grant Smith.

4. To increase Te Manawa Museum Trust's operating grant by \$250,000 in 2023/24 to support the Te Rangi Whenua, 6 Extinctions, and Peter

Bush Archive projects.

Clause 88.4-23 above was carried 10 votes to 6, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan and Orphée Mickalad.

Against:

Councillors Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Karen Naylor, William Wood and Kaydee Zabelin.

The meeting adjourned at 12.40pm.

The meeting resumed at 1.41pm.

The mover expressed that an increase in the operating grant would enable the Globe Theatre to address urgent staffing issues and build on current success.

Moved Rachel Bowen, seconded Grant Smith.

5. To increase the Globe Theatre Trust operating grant by \$50,000 in the 2023/24 budget and note Council's intention to maintain this level of funding in the Long-Term Plan.

Clause 88.5-23 above was carried 14 votes to 1, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, William Wood and Kaydee Zabelin.

Against:

Councillor Karen Naylor.

Note:

Councillor Debi Marshall-Lobb declared an interest, withdrew from the discussion and sat in the gallery.

The mover explained that without the proposed extra funding for accommodation the Artist in Residence scheme would not be able to continue.

Moved Rachel Bowen, seconded Grant Smith

6. To increase the operating budget for the Artist in Residence scheme by up to an additional \$15,000 in the 2023/24 budget and note Council's intention to maintain this level of funding in the Long-Term Plan.

Clause 88.6-23 above was carried 14 votes to 2, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor and William Wood.

Against:

Councillors Mark Arnott and Kaydee Zabelin.

Resolutions 88.7 and 88.8 below were moved to provide the Niuvaka Trust and Palmerston North Medical Museum with advice and support to broaden their fundraising opportunities, acknowledging the valuable impact of their work in the community.

Moved Grant Smith, seconded Mark Arnott.

7. To direct the Chief Executive to provide Niuvaka Trust with support to apply to other external funding sources.

Clause 88.7-23 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Moved Mark Arnott, seconded Grant Smith.

8. To direct the Chief Executive to provide the Palmerston North Medical Museum with support to apply to other external funding sources.

Clause 88.8-23 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

The mover proposed to develop a Community Housing Partnership Program Plan to support and grow the capacity of community housing providers in our community.

Moved William Wood, seconded Lorna Johnson.

9. To develop a Community Housing Partnership Program (CHPP) plan

for consideration in the 2024 – 2034 Long Term Plan.

Clause 88.9-23 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

The mover stated that a city-wide Food Resilience and Security Policy would provide strategic cohesion and prioritisation to some of the wide and varied but ad hoc work being done in the city in that space.

Moved Kaydee Zabelin, seconded Lorna Johnson.

10. To establish a new operating programme of \$20,000 to develop a city-wide Food Resilience and Security Policy.

Clause 88.10-23 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

The mover expressed that NZ Rural Games was one of the city's top major events and generated benefits for the city.

Moved Grant Smith, seconded Leonie Hapeta.

11. To establish a new operating programme of up to \$100k (\$75K cash and \$25K in-kind) per year for five years to support the NZ Rural Games.

Clause 88.11-23 above was carried 13 votes to 3, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Billy Meehan, Orphée Mickalad and Kaydee Zabelin.

Against:

Councillors Lorna Johnson, Karen Naylor and William Wood.

Councillor Billy Meehan left the meeting at 2.51pm.

The mover stated that New Zealand Food Awards fitted with the city's food strategy and that supporting the event was a way of supporting

key partners such as Massey University and others from the food sector.

Moved Grant Smith, seconded Leonie Hapeta.

12. To establish a new operating programme of up to \$64K (\$12k in 2023/24, \$12k in 2024/25 & \$40k in 2025/26) over three years to support the New Zealand Food Awards.

Clause 88.12-23 above was carried 11 votes to 4, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Orphée Mickalad and William Wood.

Against:

Councillors Rachel Bowen, Lorna Johnson, Karen Naylor and Kaydee Zabelin.

Councillor Billy Meehan entered the meeting again at 2.54pm.

The following motion was put to formally address concerns raised by submitters from the Bunnythorpe community.

Moved Patrick Handcock, seconded Brent Barrett.

13. That the Chief Executive investigate what would be needed to address infrastructure deficits identified by the Bunnythorpe community, including footpath renewals, extensions and maintenance; Baring Street raised crossing at school; street lighting improvements; maintenance of open drains including feasibility of undergrounding and flood resilience, to be reported to Council with a view to developing a targeted programme for consideration in the Long Term Plan process.

Clause 88.13-23 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

The meeting adjourned at 2.58pm.

The meeting resumed at 3.23pm.

Elected Members requested a feasibility study to be carried out in 2023-2024 in order to be able to have a thorough understanding of the current needs for more community space.

Moved Leonie Hapeta, seconded Grant Smith.

14. To include up to \$150,000 (maximum) to fund a feasibility (only) study to review the needs/use of Awapuni Library, Te Pātikitiki Library, a Pasifika Hub and more Community Space/Hub in Highbury.

Clause 88.14-23 above was carried 15 votes to 1, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, William Wood and Kaydee Zabelin.

Against:

Councillor Karen Naylor.

The mover stated that additional funding would be needed to better support Council and community's wish for Palmerston North to become an accredited Age Friendly City. The accreditation process needs to be led by the Council in compliance with the Age Friendly Aotearoa programme requirements.

Moved Lew Findlay, seconded Grant Smith.

15. To establish an Age Friendly Programme to develop an Age Friendly strategy/plan with a budget of \$50K in 2023/24 and refer ongoing costs of \$30K annually to the Long Term Plan deliberations.

Clause 88.15-23 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

A report was requested to the Chief Executive in response to concerns from submissions regarding the city losing performance spaces.

Moved Rachel Bowen, seconded Lorna Johnson.

16. That the Chief Executive provide a report to Culture and Sport Committee on the potential scope and cost of a needs assessment process for performance/theatre space in the City, in time to inform the Long Term Plan process.

Clause 88.16-23 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Moved Grant Smith, seconded Debi Marshall-Lobb.

17. To agree the proposed operating budget changes as outlined in clause 2.2.1 be incorporated in the final draft of the Annual Budget 2023/24, incorporating resolutions 88.3 to 88.8 above.

Clause 88.17-23 above was carried 15 votes to 1, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, William Wood and Kaydee Zabelin.

Against:

Councillor Karen Naylor.

Councillor Billy Meehan left the meeting at 4.22pm.

Moved Grant Smith, seconded Debi Marshall-Lobb.

18. To agree the proposed operating programmes as outlined in Attachment 5 be incorporated in the final draft of the Annual Budget 2023/24, incorporating resolutions 88.9 to 88.16 above.

Clause 88.18-23 above was carried 14 votes to 1, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, William Wood and Kaydee Zabelin.

Against:

Councillor Karen Naylor.

Councillor Billy Meehan entered the meeting again at 4.26pm.

The mover expressed that there was urgency in relation to the safety issues at the College St/ Botanical Road intersection.

Moved Brent Barrett, seconded Lorna Johnson.

19. To include a Capital New Programme of \$120,000 in the 2023/24 annual budget for safety improvements at the College St/ Botanical Road intersection, including right turn infrastructure and phases change.

Clause 88.19-23 above was carried 15 votes to 1, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, William Wood and Kaydee Zabelin.

Against:

Councillor Karen Naylor.

Moved Grant Smith, seconded Debi Marshall-Lobb.

20. To agree the proposed capital new programmes as outlined in Attachment 6, including the amendments to carry forwards, be incorporated in the final draft of the Annual Budget 2023/24, incorporating resolution 88.19 above.

Clause 88.20-23 above was carried 15 votes to 1, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, William Wood and Kaydee Zabelin.

Against:

Councillor Karen Naylor.

Moved Grant Smith, seconded Debi Marshall-Lobb.

21. To agree the proposed capital renewal programmes as outlined in Attachment 7, including the amendments to carry forwards, be incorporated in the final draft of the Annual Budget 2023/24.

Clause 88.21-23 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Moved Brent Barrett, seconded Rachel Bowen.

Note:

On a motion 'To include an operating budget of \$60,000 in the 2023/24 budget to support one month free travel when the new urban bus network launches in 2024', the motion was lost 7 votes to 9, the voting being as follows:

For:

Councillors Debi Marshall-Lobb, Brent Barrett, Rachel Bowen, Patrick Handcock, Lorna Johnson, Orphée Mickalad and Kaydee Zabelin.

Against:

The Mayor (Grant Smith) and Councillors Mark Arnott, Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Leonie Hapeta, Billy Meehan, Karen Naylor and William Wood.

Moved Vaughan Dennison, seconded Karen Naylor.

Note:

On a motion to amend resolution 88.4 to set the operating grant increase in \$135,000 and only for Te Rangi Whenua project excluding 6 Extinctions and Peter Bush Archive projects, the motion was lost 6 votes to 10, the voting being as follows:

For:

Councillors Vaughan Dennison, Lew Findlay, Roly Fitzgerald, Billy Meehan, Karen Naylor and William Wood.

Against:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Brent Barrett, Rachel Bowen, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad and Kaydee Zabelin.

Moved Karen Naylor, seconded William Wood.

Note:

On a motion to amend resolution 88.11 to add 'And this is offset by a reduction of \$60K from Programme 1344 (Major Events Fund), and a reduction of \$15K from Programme 1480 (Sponsorship opportunities with Economic Benefits)', the motion was lost 7 votes to 9, the voting being as follows:

For:

Councillors Brent Barrett, Rachel Bowen, Roly Fitzgerald, Lorna Johnson, Karen Naylor, William Wood and Kaydee Zabelin.

Against:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Vaughan Dennison, Lew Findlay, Patrick Handcock, Leonie Hapeta, Billy Meehan and Orphée Mickalad.

Moved Karen Naylor, seconded William Wood.

Note:

On a motion that: 'That the Chief Executive report back with options to reduce 'Maintained Service Level' operating budgets by \$650,000 to be considered by Elected Members at the 14 June 2023 Council meeting', the motion was lost 6 votes to 10, the voting being as follows:

For:

Councillors Mark Arnott, Vaughan Dennison, Roly Fitzgerald, Billy Meehan, Karen Naylor and William Wood.

Against:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Brent Barrett,

Rachel Bowen, Lew Findlay, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad and Kaydee Zabelin.

Moved Lorna Johnson, seconded Brent Barrett.

Note:

On a motion that: 'That the final draft Annual Budget 2023-2024 include an assumption of Uniform Annual General Charge at \$50 per rating unit', the motion was lost 5 votes to 11, the voting being as follows:

For:

Councillors Brent Barrett, Rachel Bowen, Lew Findlay, Lorna Johnson and Kaydee Zabelin.

Against:

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Mark Arnott, Vaughan Dennison, Roly Fitzgerald, Patrick Handcock, Leonie Hapeta, Billy Meehan, Orphée Mickalad, Karen Naylor and William Wood.

Karakia Whakamutunga

Councillor Roly Fitzgerald closed the meeting with karakia.

The meeting finished at 5.01pm

Confirmed 14 June 2023

Mayor

MEMORANDUM

TO: Council

MEETING DATE: 14 June 2023

TITLE: Fees and Charges - Confirmation Following Public Consultation

PRESENTED BY: Steve Paterson, Strategy Manager - Finance

APPROVED BY: Cameron McKay, Chief Financial Officer

RECOMMENDATION(S) TO COUNCIL

1. That Council approve the fees and charges for Planning & Miscellaneous Services, as scheduled in Attachments A and B, effective from 1 July 2023.
 2. That Council approve the fees and charges for Trade Waste Services, as scheduled in Attachment C, effective from 1 July 2023.
-

1. ISSUE

At its meeting on 15 March 2023 Council approved fees and charges for planning and miscellaneous services and for trade waste services for public consultation. This memorandum advises that no specific submissions were received to the targeted public consultation process but a number of submitters to the draft Annual Budget process did take the opportunity to comment on the fees and charges question posed in the consultation document. As no matters of significance were raised this memo recommends confirmation of the fees and charges as attached.

2. BACKGROUND

2.1 Previous Council Decisions

On 15 March Council adopted recommendations approving a schedule of fees and charges for planning and miscellaneous services and trade waste services for public consultation.

2.2 Public Consultation

Public consultation was carried out over the period from 27 March to 28 April 2023. It involved public notices in local media and on Council's website and social media platforms.

No submissions were received in relation to this consultation.

The Council's Annual Budget consultation document did draw attention to the separate consultation process and in the response form provided an opportunity to respond to the question "Do you support the changes we have proposed to the user charges for trade waste, planning and miscellaneous services"?

17 submitters made some comment. 15 said they supported what was proposed. 2 said they either did not know what the fees and charges are or that they did not concern them.

Following the approval for consultation in March, it has been decided operationally that as from 1 July 2023 fees and charges for planning and miscellaneous services will be invoiced on a monthly basis, rather than using a system based on deposits being paid before work by the Council commences. This change has been driven by the new financial and regulatory system due to become operative from 1 July. It does not provide a practical approach for accounting for deposits.

The planned new approach will not impact the total sum payable by applicants, just the timing of when payment will be expected. For the time being it is proposed that the option to take deposits will be retained but in practical terms this will be the exception rather than the rule. The notes within the fees and charges schedules have been updated to reflect this. New wording is highlighted in red.

The schedules have also been updated to recognise the latest hourly rate charges (adopted by the Council on 16 November 2022) for elected members in their roles as hearing commissioners. This change was overlooked in the initial schedules.

The proposed charges to be approved are outlined in **Attachments A, B and C**.

3. NEXT STEPS


Once approved the fees and charges will be published on Council's website and in all other relevant places and implemented from 1 July 2023.

4. COMPLIANCE AND ADMINISTRATION

Does the Council have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	Yes
Is there funding in the current Annual Plan for these actions?	Yes

Are the recommendations inconsistent with any of Council's policies or plans?		No
The recommendations contribute to Goal 5: A Driven & Enabling Council		
The recommendations contribute to the achievement of action/actions in (Not Applicable)		
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Setting fees and charges as proposed is consistent with the Council's Revenue & Financing Policy and therefore with the strategic direction of the Council.	

ATTACHMENTS

1. Attachments A to C - schedules of charges [↓](#) 

MEMORANDUM

TO: Council

MEETING DATE: 14 June 2023

TITLE: 2023/24 Annual Budget - Adoption

PRESENTED BY: Steve Paterson, Strategy Manager - Finance

APPROVED BY: Cameron McKay, Chief Financial Officer

RECOMMENDATION(S) TO COUNCIL

1. That Council adopt the Annual Budget (Plan) for 2023/24 as attached.
 2. That Council delegate authority to the Mayor and Chief Executive to approve minor amendments to the final Annual Budget (Plan) 2023/24 for publication.
 3. That Council confirm the adoption of the Annual Budget (Plan) 2023/24 is a significant decision within the parameters of the Local Government Act 2002 and that 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.
 4. That Council 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.
-

1. ISSUE

At its meeting on 31 May Council resolved to instruct the Chief Executive to prepare a final Annual Budget document for 2023/24 incorporating a number of matters considered by Council in response to submissions to the draft budget and updated information from Council officers.

The report includes as appendix the proposed budget document for adoption.

2. BACKGROUND

Council responded to the submissions made and the updated information provided by officers by approving changes to the draft budget that resulted in the need to increase total rates further than initially proposed i.e. an overall increase of 7.7% compared with 6.4% that was consulted on.

The proposed final budget document is based on the supporting information for the Consultation Document updated to reflect the changes approved by Council on 31 May.

3. NEXT STEPS

Once the Annual Budget is adopted, Council will be able to set the rates for the 2023/24 year. The budget formalises the work programme for the organisation for the year and this will now be able to proceed with certainty. The budget document will be published on Council's website and those who have made submissions to the consultation process will be advised of the outcomes.

4. COMPLIANCE AND ADMINISTRATION

Does Council have delegated authority to decide?		Yes
Are the decisions significant?		Yes
If they are significant do they affect land or a body of water?		No
Can this decision only be made through a 10 Year Plan?		No
Does this decision require consultation through the Special Consultative procedure?		No
Is there funding in the current Annual Plan for these actions?		Yes
Are the recommendations inconsistent with any of Council's policies or plans?		No
The recommendations contribute to Goal 5: A Driven & Enabling Council		
The recommendations contribute to the achievement of action/actions in (Not Applicable)		
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Adopting the Annual Budget is an essential part of the process of facilitating the achievement of Council's strategic direction.	

ATTACHMENTS

1. Annual Budget (Plan) for 2023/24 [!\[\]\(d328bb1c8b293dce97ce8ae48fe06a23_img.jpg\) !\[\]\(de0615d88b2098828c20ab3d39ea2ef6_img.jpg\)](#)

MEMORANDUM

TO: Council

MEETING DATE: 14 June 2023

TITLE: Setting Rates for 2023/24

PRESENTED BY: Steve Paterson, Strategy Manager - Finance

APPROVED BY: Cameron McKay, Chief Financial Officer

RECOMMENDATIONS TO COUNCIL

1. That Council adopt the resolution to set the rates for the 2023/24 year (Appendix One).
 2. That Council note that the setting of rates is a significant decision within the parameters of the Local Government Act 2002 and that it is satisfied there has been compliance with the decision-making and consultation requirements of the Act.
-

1. ISSUE

- 1.1 Section 23 of the Local Government (Rating) Act 2002 prescribes that the rates must be set by resolution of the Council and be in accordance with the relevant provisions of the Funding Impact Statement (contained within the 10 Year Plan or Annual Plan) for the year.
- 1.2 Rates are the Council's principal source of revenue. It is important that rates be set in the timeframes outlined so that Council will have the ability to fund its approved budget. The rates outlined in the attached resolution are calculated to generate the rates revenue for 2023/24 as outlined in the Council's Annual Budget (Plan) 2023/24 to be formally adopted on 14 June 2023.
- 1.3 The recommendations assume the Council will have adopted the Annual Budget 2023/24 earlier in the meeting.

2. BACKGROUND

- 2.1 It is assumed the Council will adopt the Annual Budget on 14 June. The Budget determines the net revenue to be sought from ratepayers to fund operations and new programmes for the 2023/24 year.

- 2.2 The rates to be set are designed to cover a net sum of external income for Council of \$124.25 million (plus GST) plus a sum to cover rates for Council owned properties as approved by the adoption of the Budget.
- 2.3 The resolution *attached* (**Appendix One**) outlines the details of the rates to be set. Rates throughout the report and the resolution are GST inclusive unless stated otherwise.
- 2.4 The following table demonstrates the changes for the Uniform Annual General Charge (UAGC) and the fixed amounts for services:

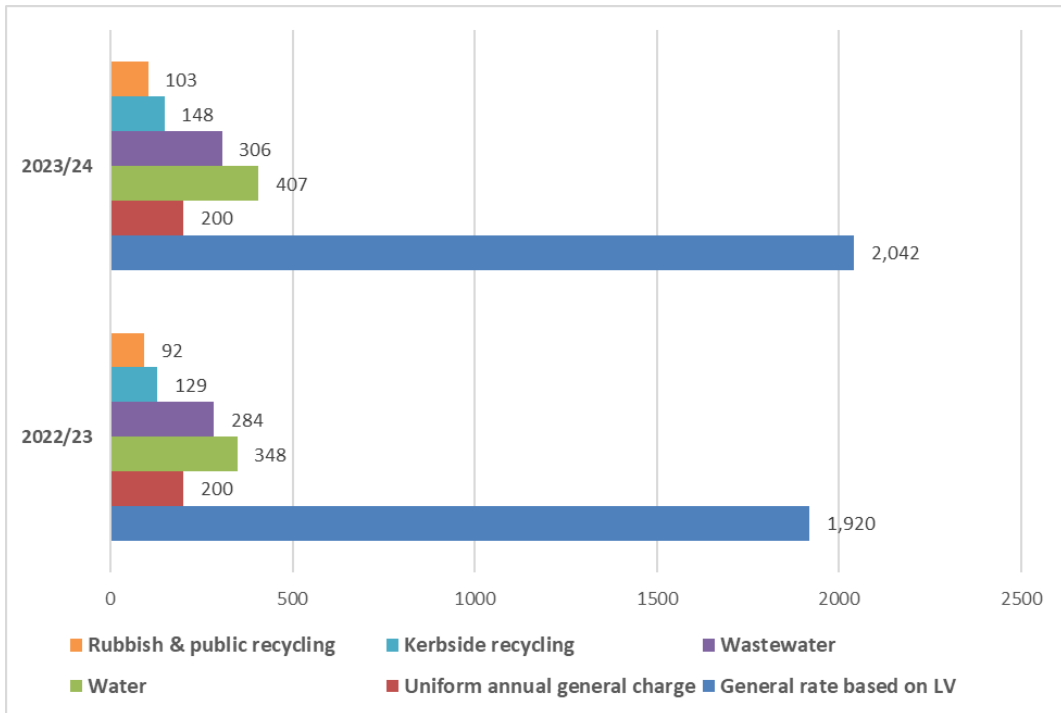
	2022/23	2023/24
	GST incl.	GST incl.
Uniform Annual General Charge	\$200	\$200
Water Supply	\$348	\$407
Kerbside Recycling	\$129	\$148
Rubbish & Public Recycling	\$92	\$103
Wastewater disposal	\$284	\$306
Wastewater pan charge	\$284	\$306
Metered water charge (p cu metre)	\$1.53065	\$1.65313

- 2.5 The budgeted revenue from the UAGC plus the Rubbish & Recycling fixed charges represents 10.5% of total rates revenue (including metered water charges) compared with 10.5% in 2022/23, 18.1% in 2021/22, 19.3% in 2020/21, 19.8% in 2019/20 and a band of 25 to 26% over the previous five years and the legislative maxima of 30%.
- 2.6 Information about the structure of the rates assessed by broad differential grouping is attached as **Appendix Two**.
- 2.7 **Appendix Three** shows graphically by broad differential grouping the land values and the impact on the distribution of the general rate and total rate for 2023/24 compared with 2022/23.

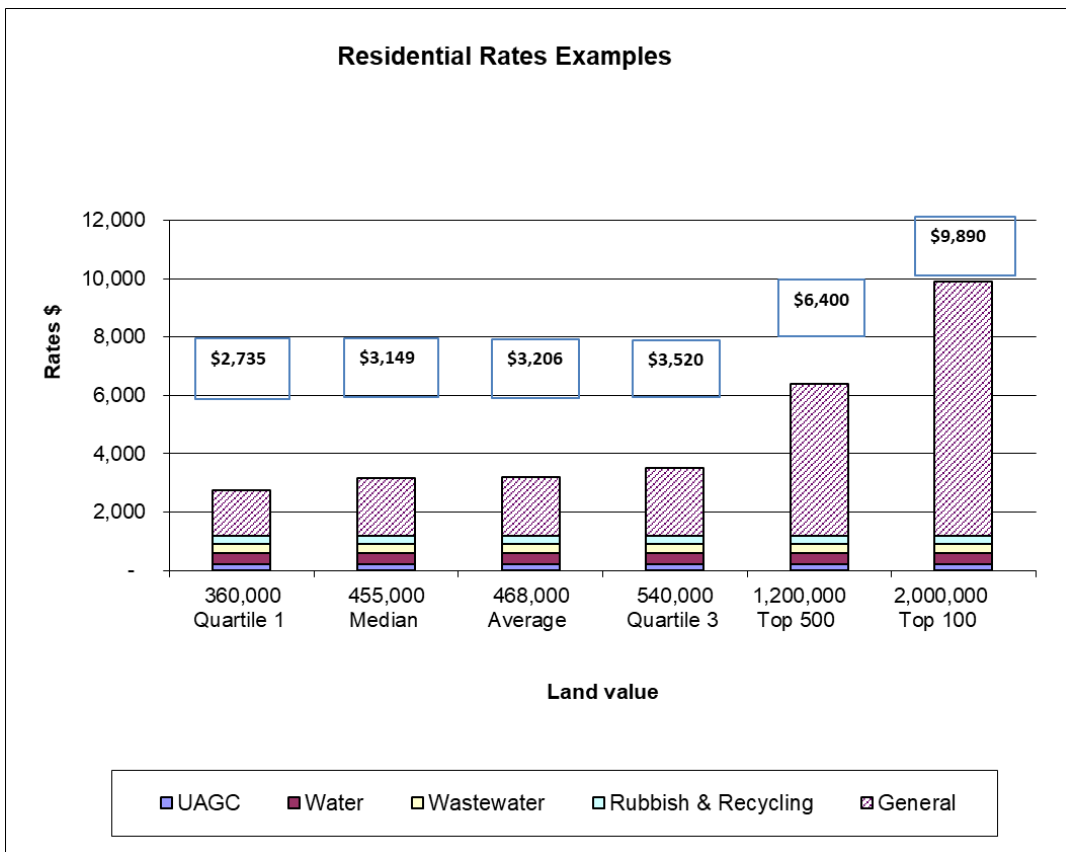
2.8 Examples of the rates which will be assessed are shown below:

	Land Value	Actual Rates 2022/23	Proposed Rates 2023/24
Single unit residential			
Average	468,000	2,973	3,206
Median	455,000	2,920	3,149
Quartile 1	360,000	2,530	2,735
Quartile 3	540,000	3,269	3,520
Two unit residential			
Average	561,000	5,109	5,532
Median	525,000	4,904	5,313
Quartile 1	450,000	4,476	4,858
Quartile 3	625,000	5,475	5,920
Non-residential			
Average	1,022,000	16,492	17,518
Median	620,000	10,231	10,867
Quartile 1	385,000	6,572	6,979
Quartile 3	1,110,000	17,862	18,974
Rural & semi-serviced (5ha or more)			
Average	1,373,000	2,074	2,196
Median	730,000	1,240	1,310
Quartile 1	520,000	967	1,020
Quartile 3	1,218,000	1,873	1,983
Rural & semi-serviced (between 0.2 & 5ha)			
Average	549,000	1,717	1,817
Median	520,000	1,642	1,737
Quartile 1	435,000	1,421	1,503
Quartile 3	590,000	1,824	1,930
Miscellaneous			
Average	916,000	5,047	5,355
Median	550,000	3,147	3,336
Quartile 1	295,000	1,823	1,930
Quartile 3	965,000	5,301	5,625

2.9 The following graph demonstrates the breakdown of the average single unit rates for 2023/24 compared with 2022/23.

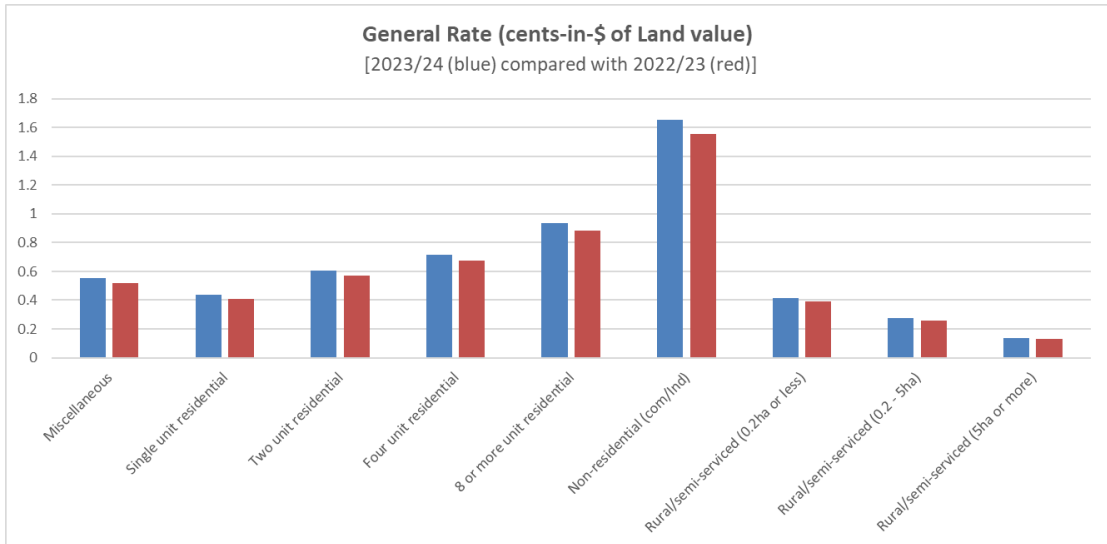


2.10 The following graph shows a further breakdown of the makeup of single unit residential rates for the various land value levels. At the head of each column it shows the total rates for each land value level.



2.11 The City was revalued for rating purposes in September 2021 and these values will remain the base for setting and assessing general rates for 2023/24.

2.12 The following graph shows the rate-in-the-\$ for the general rate for 2023/24 compared with 2022/23.



2.13 The Government's rates rebates scheme for residential homeowners on lower incomes has provided much needed assistance. 2,100 city ratepayers have received a total of \$1.39 million from the scheme during 2022/23 to date – an average of \$668. Each year the Government updates the qualifying criteria for the scheme by a CPI adjustment.

3. NEXT STEPS



3.1 The recommended actions in this report are of a machinery nature to implement the decisions incorporated in the Annual Budget. Although machinery, they are significant and must be passed in the form outlined.

3.2 Once adopted Council staff will complete the administrative actions necessary to assess rates on individual properties then deliver rates assessments and invoices for the first instalment from 1 August 2023. As usual a ratepayer newsletter will be produced and distributed as part of the rates package. Publicity will be given to the availability of the rates rebate scheme.

4. COMPLIANCE AND ADMINISTRATION

Does the Council have delegated authority to decide?	Yes
Are the decisions significant?	Yes
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 5: A Driven and Enabling Council	
The recommendations contribute to the outcomes of the Driven and Enabling Council Strategy	
The recommendations contribute to the achievement of action/actions in Not Applicable	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	Setting the rates for the year is an administrative pre-requisite to being able to fund the delivery of all of the actions in Council plans that contribute to the strategic direction.

ATTACHMENTS

- Appendix One - Rates resolution 2023/24
 Appendix Two - Structure of rates revenue
 Appendix Three - Comparisons by differential categories  

MEMORANDUM

TO: Council

MEETING DATE: 14 June 2023

TITLE: Resolutions to Authorise Borrowing

PRESENTED BY: Steve Paterson, Strategy Manager - Finance

APPROVED BY: Cameron McKay, Chief Financial Officer

RECOMMENDATIONS TO COUNCIL

1. That Council authorise the Chief Executive to borrow, in accordance with delegated authority, up to \$37 million (“the Borrowing”) of additional term debt by way of bank loan or loans or credit facilities or other facilities or the issue of stock for the Borrowing secured by the Debenture Trust Deed.
 2. That Council note that the purpose of the Borrowing is the carrying out or continuing of programmes identified in the Annual Budget 2023/24 year.
 3. That Council note that any sums raised and subsequently on-lent to Palmerston North Airport Limited pursuant to the loan agreement between the Council and the Company will be in addition to the sums to be raised for the Council’s own funding purposes as authorised above.
 4. That Council note that the security for the Borrowing may be the charge over rates under the Debenture Trust Deed if the Chief Executive considers appropriate.
 5. That Council note that the benefits of the Borrowing are that it will enable the Council to carry out the programmes identified in the Annual Budget while spreading the costs for those programmes over time to recognise future benefits. The risk is that interest rates may vary in the future resulting in higher debt servicing costs to the Council.
 6. That Council approve that having regard to the Council’s financial strategy, it is prudent and reasonable to enter into the proposed borrowing for the reasons set out in this report.
 7. That Council note that the raising of the Borrowing will comply with the Council’s Liability Management Policy.
 8. That Council note that the decision to borrow up to \$37 million is a significant decision within the parameters of the Local Government Act 2002 and is satisfied that there has been compliance with the decision-making and consultation requirements of the Act.
-

1. ISSUE

- 1.1 Council's Annual Budget incorporates provision for raising \$36.2m of additional debt during the 2023/24 year based on an assumption that the total debt outstanding as at 1 July 2023 will be \$215m, that there will be capital expenditure (new) of \$65.4m undertaken during 2023/24, and that costs of digital transformation including a new Enterprise Resource Planning (ERP) system will be funded from rates over seven years. It assumes existing and new debt will be serviced at an average of 4.2% per annum and that new borrowings will be raised progressively during the year.
- 1.2 Council's borrowing is governed by the Local Government Act 2002 (the "Act") and the Liability Management Policy Council has adopted. Previous legislation required the Council to specifically resolve if it wished to borrow. The Act is silent on these matters except that clause 32 of Schedule 7 provides that the Council may not delegate the power to borrow money other than in accordance with the 10 Year Plan. It is considered prudent to have Council specifically authorise the proposed borrowings each year by way of resolution and the Council's Liability Management Policy provides that such a resolution is required. From time to time during the year it will also be necessary to re-finance present borrowings.

2. BACKGROUND

- 2.1 In preparing Council's 10 Year Plan, Council's long- and short-term expenditure and funding requirements have been considered and the Council has adopted a Financial Strategy and a Liability Management Policy regarding borrowing to meet its funding requirements. These considerations are retained in the Annual Budget 2023/24.
- 2.2 Council has entered into a Debenture Trust Deed which provides a charge on Council's rates and rates revenue in favour of Covenant Trustee Services Ltd as trustee for the various lenders who may be granted security under it by the Council.
- 2.3 Council's Annual Budget for 2023/24 provides for the following:
- Forecast term liabilities of \$215m as at 1 July 2023
 - Additional debt of \$36.2m being raised during 2023/24
 - Forecast total term liabilities of \$251.2m as at 30 June 2024
 - Total capital expenditure of \$93.3m during 2023/24 (\$65.4m of which is new capital work)
- 2.4 Additional debt is raised only as required and will be dependent on a number of key factors such as progress with the capital expenditure programme and the digital transformation programmes, timing of receipt of income from the

sale of residential subdivision and the timing of the receipt of subsidies, grants and development contributions.

- 2.5 To enable the approved capital programme to be funded it is important that officers have clear delegated authority to raise the approved sums when appropriate.
- 2.6 Council's Liability Management Policy prescribes that Council considers the following to be prudent borrowing limits:
- Net debt as a percentage of total assets not exceeding 20%.
 - Net debt as a percentage of total revenue not exceeding 200%
 - Net interest as a percentage of total revenue not exceeding 15%
 - Net interest as a percentage of annual rates income not exceeding 20%.
- 2.7 As part of the process of deciding whether to approve borrowings which would result in the ratios being exceeded, Council will have particular regard for the principles of financial management contained in the Act.
- 2.8 The proposed borrowing, if obtained within the range of rates currently available to Council, will be within the target limits contained within the Financial Strategy. After raising the Borrowing, and assuming an average interest rate of 4.2% for additional borrowing is achieved, the following estimates of borrowing ratios will apply for the 2023/24 year:

	Limits	Projection for 2023/24
Net Debt: Total Assets	< 20%	10.8%
Net Debt: Total Revenue	< 200%	151.8%
Net Interest: Total Revenue	< 15%	5.9%
Net Interest: Annual Rates Income	< 20%	7.8%

The ratios are within the limits provided for in the policy.

- 2.9 Provision is made for a total interest expense of \$9.9m during 2023/24 approximately \$0.76m of which relates to the additional debt. The full year servicing cost of the additional debt (at 4.2% pa) would be \$1.52m.
- 2.10 It should be noted Council has also approved, separately, an arrangement whereby Council will borrow sums and on-lend to Palmerston North Airport Limited pursuant to a loan facility agreement between the two parties. Any sums raised for this purpose will be in addition to the sums outlined in this report.

3. NEXT STEPS

3.1 After considering the issue it is recommended Council formally approve the borrowings to enable the capital expenditure plans approved for 2023/24 in the Annual Budget to be funded. The recommendation is to approve additional borrowings of up to \$37m (i.e. \$36.2m rounded upward) to accommodate any possible variations in the expenditure for the 2022/23 year and therefore the levels of capital expenditure carry forward.

4. COMPLIANCE AND ADMINISTRATION

Does the Council have delegated authority to decide?	Yes
Are the decisions significant?	Yes
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 5: A Driven and Enabling Council	
The recommendations contribute to the outcomes of the Driven and Enabling Council Strategy	
The recommendations contribute to the achievement of action/actions in The action is: n/a	
Contribution to strategic direction and to social, economic, environmental and cultural well-being	The recommendations are a procedural pre-requisite to enable all capital development plans to be undertaken

ATTACHMENTS

NIL

COMMITTEE WORK SCHEDULE

TO: Council

MEETING DATE: 14 June 2023

TITLE: Work Schedule

RECOMMENDATION TO COUNCIL

1. That the Council receive its Work Schedule dated 14 June 2023.

COUNCIL WORK SCHEDULE 14 JUNE 2023

#	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction & Clause number
1.	31 May – 1 June 2023	Annual Budget – Deliberations	Chief Financial Officer		Terms of Reference
2.	14 June 2023	Fees and Charges – Confirmation following public consultation	Chief Financial Officer		Terms of Reference
3.	1 June 2023	Remits received from other Territorial Authorities	Assistant Chief Executive	Presented to Strategy & Finance Committee on 10 May 2023 and Council on 16 and 31 May 2023	<u>Council 24 June 2020 Clause 67-20</u>
4.	14 June 2023	Annual Budget – Deliberations incorporated into document	Chief Financial Officer		Terms of Reference
5.	28 June 2023	Annual Budget – Adopt Final	Chief Financial		Terms of Reference

		document	Officer		
6.	28 June 2023	Draft Water Supply Bylaw 2023 - Deliberations and adoption	Chief Planning Officer		Council 5 April 2023 Clause 51-23
7.	28 June 2023	Civic and Cultural Master Plan - Agree Terms of Reference and appoint to Steering Groups	Chief Planning Officer		30 November 2022 Clause 168- 22
8.	28 June 2023	17 Summerhays Street Redevelopment - Options on types of development	Chief Infrastructure Officer		Council 3 May Clause 66-23
9.	6 September 2023	Standing Orders - Managing conflicts of interests at meetings	Assistant Chief Executive		15 February 2023 Clause 7-23
10.	TBC	Nature Calls Adaptive Management - Agree Terms of Reference and appoint to Steering Groups	Chief Infrastructure Officer	Postponed pending re-lodgement of Resource Consent application	30 November 2022 Clause 168- 22
11.	6 September 2023	Appointment of Trustees on Council Controlled Organisations	Assistant Chief Executive		
12.	6 September 2023	Options to address the key challenges identified in the 2022 Residents' Survey	Chief Planning Officer		14 December 2022 Clause 197-22.3
13.	6 September 2023	Approve list of Code of Conduct Investigators	Assistant Chief Executive		16 November 2022 Clause

					153-22
14.	6 September 2023	Approve Remuneration of CEDA Directors	Chief Planning Officer		CEDA Appointment of Directors Policy
15.	4 October 2023	Annual Report 2022/23 - Adopt	Chief Financial Officer		Terms of Reference
16.	4 October 2023	Adoption of interim Speed Management Plan	Chief Planning Officer		Council 5 April 2023 Clause 46-23
17.	4 October 2023	City Transport Review - Action Plan	Chief Infrastructure Officer		Council 3 May Clause 65-23
18.	March 2024	Remits from PNCC for consideration	Assistant Chief Executive		<u>Council 24 June 2020 Clause 67-20</u>
19.	April 2024	Appointment of Trustees on Council Controlled Organisations	Assistant Chief Executive		
20.	June 2024	Remits received from other Territorial Authorities	Assistant Chief Executive		<u>Council 24 June 2020 Clause 67-20</u>

PROACTIVE RELEASE OF CONFIDENTIAL DECISIONS

Date of meeting	Report Title	Released	Withheld
30 April 2018	Memorandum of Understanding – Development	Report, Decision	N/A
24 June 2019	Pioneer City West Private District Plan Change Request	Report, Decision	N/A
7 December 2022	Whakarongo Land Purchase	Decision, Report redacted.	N/A
15 February 2023	Tender Award - James Line Improvements (Schnell Dr. to Kelvin Grove Rd.)	Decision, Report redacted	N/A
15 March 2023	Trustee Appointment to The Regent Theatre Trust Board	Report, Decision	Attachment - Privacy

All [released confidential decisions](#) can be found on Council's website.