

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 26 June 2024, commencing at 9.00am

Members Present: The Mayor (Grant Smith) (in the Chair) and Councillors 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.

Apologies: Councillors Debi Marshall-Lobb (late arrival), Lorna Johnson (early departure) and Roly Fitzgerald (early departure).

Councillor Debi Marshall-Lobb entered the meeting at 9.32am during clause 116-24 and left at 12.22pm. She was not present for clauses 114-24, 115-24, 123-24 and 124-24.

Councillor Roly Fitzgerald left the meeting at 11.48am during clause 118-24. He was not present for clauses 118-24 to 124-24 inclusive.

Councillor Billy Meehan left the meeting at 11.50am during clause 118-24. He returned at 11.56am during clause 121-24. He was not present for clauses 118-24 to 120-24 inclusive.

Councillor Leonie Hapeta left the meeting at 12.00pm during clause 122-24. She was present when the meeting resumed at 2.45pm. She was not present for clause 122-24.

The Mayor (Grant Smith) and Councillors Lorna Johnson and Orphée Mickalad, were not present when the meeting resumed at 2.45pm. They were not present for clauses 123-24 and 124-24.

Karakia Timatanga

Councillor Roly Fitzgerald opened the meeting with karakia.

114-24 Apologies

Moved Grant Smith, seconded Vaughan Dennison.

RESOLVED

1. That Council receive the apologies.

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Clause 114-24 above was carried 15 votes to 0, 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, Karen Naylor, William Wood and Kaydee Zabelin.

115-24 **Confirmation of Minutes**

Moved Grant Smith, seconded Vaughan Dennison.

RESOLVED

That the minutes of the extraordinary Council meeting of 10 June 2024 Part I Public be confirmed as a true and correct record.

Clause 115-24 above was carried 14 votes to 0, with 1 abstention, 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, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Abstained:

Councillor Lorna Johnson.

116-24 **Adoption of the Future Development Strategy**

Memorandum, presented by Keegan Aplin-Thane, Senior Planner, Palmerston North City Council and Leana Shirley, Senior Planner, Horizons Regional Council.

Officers corrected the following highlighted figures in the change log (Attachment 2).

In relation to Page 40 of the Future Development Strategy:

- **Change** total uninflated infrastructure cost to **\$663m** from \$1.17b, as the cost of the Nature Calls project will be transferred to a special purpose vehicle rather than kept in Council's growth budget.
- **Remove** "Note: Nature Calls (wastewater project) makes up over half of the \$1.17b figure".
- **Change** growth programmes to **55** from 128, due to a consolidation of programmes.

Councillor Johnson stated her concern that the final document being agreed incorporated changes made following the recommendation from the Working Group. She requested her process concerns be

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recorded.

Councillor Debi Marshall-Lobb entered the meeting at 9:32am.

Moved Grant Smith, seconded Vaughan Dennison.

RESOLVED

1. That Council agree to amend Tables 8, 9 and 12 of the Future Development Strategy to correct the scoring associated with the two criteria: 'A city with minimal environmental impacts' and 'A city that prioritises the mauri and health of water bodies and connections to them' as outlined in section 4 of this memorandum
2. That Council adopt the Palmerston North Future Development Strategy (Attachment 1) as amended, as recommended by the Future Development Strategy Joint Steering Group, including the additional amendments detailed in recommendation 1 of this memorandum.
3. That Council confirm that:
 - a) the adoption of the Palmerston North Future Development Strategy is a significant decision and,
 - b) the Strategy has been developed in compliance with the decision making and consultation requirements of the Local Government Act 2002.

Clause 116-24 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.

117-24 Adopting the Long-Term Plan 2024-34 and Associated Strategies and Policies

Memorandum, presented by David Murphy - Chief Planning Officer, Cameron McKay - Chief Finance Officer, and Chris Dyhrberg - Deputy Chief Executive.

Cameron McKay, Chief Financial Officer stated that the Long Term Plan sets the Council's work programme for the years ahead and allows the setting of rates for 2024/25.

Officers have made further amendments to the Plan upon Audit's recommendations. These amendments and the Auditor's opinion were

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tabled (attached separately).

Whilst Audit has issued the Plan an adverse opinion, Council has noted that any projects relying on external funding would not proceed without Council approval if external funding was not available. These programmes are not due for construction until beyond the 3 year Long-Term Plan reset period.

Debbie Perera, Audit Director from Audit NZ, acknowledged the huge achievement it was for everyone involved in the creation of the Plan to get to this point.

Audit's role is to review whether the whole plan is affordable, and whether reasonable assumptions have been made to cost the projects in the plan.

Audit has given the Plan an adverse opinion because there is a high level of uncertainty around Council's funding assumptions for several significant capital projects. Specifically the funding mechanism for the Nature Calls Wastewater Treatment Plant, and the earthquake strengthening work for Te Manawa Museum and Central Library in the latter years of the Plan.

At this stage, because Council has not yet started investigative work on the likelihood of securing external funding for these projects, Audit has issued an adverse opinion.

Crown Infrastructure Partners have indicated Nature Calls is a good candidate for funding.

The meeting adjourned at 10.27am

The meeting resumed 10.40am

Moved Grant Smith, seconded Vaughan Dennison.

RESOLVED

3. That Council adopt the Revenue and Financing Policy 2024 (included in Attachment 6).

Clause 117-24 above was carried 12 votes to 4, 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, Orphée Mickalad and Kaydee Zabelin.

Against:

Councillors Mark Arnott, Billy Meehan, Karen Naylor and William Wood.

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Moved Grant Smith, seconded Vaughan Dennison.

RESOLVED

1. That Council adopt the Oranga Papaioea City Strategy (Attachment 1).
2. That Council adopt the Plans (Attachment 2):
 - Mahere whare Housing plan
 - Mahere hoahoa tāone Urban design plan
 - Mahere whakawhanake ohaoha Economic development plan
 - Mahere tūnuku Transport plan
 - Mahere taonga tuku iho Heritage plan
 - Mahere toi Arts plan
 - Mahere rēhia Recreation and play plan
 - Mahere tautāwhi hapori Community support plan
 - Mahere Whare Puna Mātauranga City Library Plan
 - Mahere haumarū hapori, hauora hapori Community safety and health plan
 - Mahere āhuarangi hurihuri, toitūtanga, Climate change and sustainability plan
 - Mahere mō te kanorau koiora me Te Awa o Manawatū Biodiversity and the Manawatū River plan
 - Mahere taumanu para Resource recovery plan
 - Mahere wai Water plan
 - Mahere mana urungi, kirirarautanga hihiri Governance and active citizenship plan
 - the Social Housing Guidelines (Attachment 3).
4. That Council adopt the Rates Remission and Postponement Policies 2024 (Attachment 4).
5. That the Council adopt the Development Contributions Policy 2024 (Attachment 5).
6. That the Council adopt the Significance and Engagement Policy 2024 (included in Attachment 6).
8. That Council confirm the adoption of the Oranga Papaioea City Strategy and the Long-Term Plan 2024-34 (LTP) as significant decisions and that the Council confirm it has developed the Strategy and LTP in compliance with the decision making and consultation requirements of the Local Government Act 2002.
9. That Council delegate authority to the Chief Executive to authorise payments to Council Controlled Organisations and other external

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organisations generally in accordance with their respective Statements of Intent.

Clause 117-24 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 Vaughan Dennison.

RESOLVED

7. That Council adopt the Long-Term Plan 2024-34 (Attachment 6) as amended.

Clause 117-24 above was carried 12 votes to 4, 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, Orphée Mickalad and Kaydee Zabelin

Against:

Councillors Mark Arnott, Billy Meehan, Karen Naylor and William Wood.

118-24

Resolutions to Authorise Borrowing

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

Councillor Roly Fitzgerald left the meeting at 11:48am.

Councillor Billy Meehan left the meeting at 11:50am.

Moved Grant Smith, seconded Vaughan Dennison.

RESOLVED

1. That Council authorise the Chief Executive to borrow, in accordance with delegated authority, up to \$54 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 2024-34 Long-term Plan for the 2024/25 year.
3. That Council note that any sums raised and subsequently on-lent to Palmerston North Airport Limited pursuant to the loan agreement

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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 long-term Plan 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 \$54 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.

Clause 118-24 above was carried 11 votes to 3, the voting being as follows:

For:

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

Against:

Councillors Mark Arnott, Karen Naylor and William Wood.

119-24 Setting Rates for 2024/25

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

Officers corrected an error in the table in section 2.8 of the report (see tabled documents – separately enclosed).

Moved Grant Smith, seconded Vaughan Dennison.

RESOLVED

1. That Council adopt the resolution to set the rates for the 2024/25 year (Attachment 1).
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

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consultation requirements of the Act.

Clause 119-24 above was carried 13 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, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, Karen Naylor and Kaydee Zabelin.

Against:

Councillor William Wood.

120-24

Adoption of the Waste Management and Minimisation Plan 2024

Memorandum, presented by Peter Ridge - Senior Policy Analyst, and Natasha Hickmott - Activities Manager - Resource Recovery and Sustainability Infrastructure.

Moved Grant Smith, seconded Vaughan Dennison.

RESOLVED

1. That Council adopt the Waste Management and Minimisation Plan 2024 (Attachment 1).

Clause 120-24 above was carried 14 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, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

121-24

Adoption of the Palmerston North Dog Control Bylaw 2024

Report, presented by Stacey Solomon, Policy Analyst.

Councillor Billy Meehan returned to the meeting at 11:56am.

Moved Grant Smith, seconded Vaughan Dennison.

RESOLVED

1. That Council confirm:
 - a. The Palmerston North Dog Control Bylaw 2024 is the most appropriate means of addressing perceived problems related to dog control within Palmerston North;
 - b. The form of the Bylaw is the most appropriate form of Bylaw; and
 - c. The Bylaw does not give rise to any implications under the New

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Zealand Bill of Rights Act 1990.

2. That the Council adopt the Palmerston North Dog Control Bylaw 2024, Attachment 1 of this report.

Clause 121-24 above was carried 15 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, Patrick Handcock, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

122-24 Council Work Schedule

Councillor Leonie Hapeta left the meeting at 12:00pm.

Moved Grant Smith, seconded Vaughan Dennison.

RESOLVED

1. That Council receive its Work Schedule dated 26 June 2024.

Clause 122-24 above was carried 14 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, Patrick Handcock, Lorna Johnson, Billy Meehan, Orphée Mickalad, Karen Naylor, William Wood and Kaydee Zabelin.

Karakia Whakamutunga

Councillor Kaydee Zabelin closed the public part of the meeting with karakia.

The meeting adjourned at 12.02pm.

The meeting resumed at 2.45pm.

The Mayor (Grant Smith) and Councillors Debi Marshall-Lobb, Roly Fitzgerald, Lorna Johnson and Orphée Mickalad, were not present when the meeting resumed.

123-24 Appointment of Chair

In line with Standing Order 3.3.2, as the Mayor and Deputy Mayor were not present, Chris Dyhrberg, Deputy Chief Executive called for

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nominations from councillors present to chair the meeting.

Moved William Wood, seconded Leonie Hapeta.

RESOLVED

1. That Council appoint Rachel Bowen to chair for the duration of the meeting.

Clause 123-24 above was carried 11 votes to 0, the voting being as follows:

For:

Councillors Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Patrick Handcock, Leonie Hapeta, Billy Meehan, Karen Naylor, William Wood and Kaydee Zabelin.

Councillor Rachel Bowen took the Chair.

EXCLUSION OF PUBLIC

124-24 Recommendation to Exclude Public

Moved Rachel Bowen, seconded Vaughan Dennison.

RESOLVED

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
15.	Confirmation of the minutes of the extraordinary Council meeting of 10 June 2024 Part II Confidential	For the reasons set out in the Council of 10 June 2024, held in public present.	

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16.	Contract Award - Comprehensive Cleaning Services Contract	NEGOTIATIONS: This information needs to be kept confidential to ensure that Council can negotiate effectively, especially in business dealings	s7(2)(i)
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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 124-24 above was carried 10 votes to 0, the voting being as follows:

For:

Councillors Mark Arnott, Brent Barrett, Rachel Bowen, Vaughan Dennison, Lew Findlay, Patrick Handcock, Billy Meehan, Karen Naylor, William Wood and Kaydee Zabelin.

Note: Councillor Leonie Hapeta did not vote.

Signed: 7 August 2024

Mayor

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