

HUTT CITY COUNCILCOMMUNITY PLAN COMMITTEE

Report of a meeting held in the Wainuiomata Chambers, Wainuiomata Library,
Queen Street, Wainuiomata on
Tuesday 16 February 2016 commencing at 9.30am

PRESENT:

Mayor WR Wallace (Chair)	
Deputy Mayor D Bassett	Cr C Barry
Cr B Branch (from 9.40am)	Cr L Bridson
Cr MJ Cousins	Cr A Finlayson
Cr T Lewis	Cr M Lulich
Cr G McDonald	Cr C Milne
Cr M Shierlaw	Cr M Willard

APOLOGIES: There were no apologies.

IN ATTENDANCE:

Mr T Stallinger, Chief Executive
 Ms K Kelly, General Manager, Strategic Services
 Mr B Sherlock, General Manager, City Infrastructure
 Ms J Raffills, General Manager, Governance and Regulatory
 Mr M Reid, General Manager, Community Services
 Mr P Blacker, Chief Financial Officer
 Mr S Keatley, Community Facilities Manager
 Ms M Laban, Community Projects and Relationship Manager
 Ms J Araitu, Community Facilitator (part meeting)
 Mr B Monaghan, Divisional Manager, City Promotions
 Mr M Sherwood, Divisional Manager, Leisure Active (part meeting)
 Mr A Yip, Manager, Strategic Projects (part meeting)
 Mr P Benseman, Budgeting and Reporting Manager
 Mrs J Stevens, Corporate Planner
 Ms S Moore, Assistant Corporate Planner
 Ms K Stannard, Manager Secretariat Services
 Mrs H Clegg, Minute Taker

PUBLIC BUSINESS1. APOLOGIESRESOLVED:**Minute No. CPC 16101**

"That the apology received from Cr B Branch for lateness be accepted."

2. PUBLIC COMMENT

Comments are recorded under the item to which they relate.

Cr Branch joined the meeting at 9.40 am

3. PRESENTATION BY THE MAYOR AND CHIEF EXECUTIVE

Mayor Wallace said that 2015 was a successful year for the City and highlighted several projects which had come to fruition in 2015. These projects included the Walter Nash Centre, Pukeatua Bridge and the Anzac Lawn and Cenotaph. He added that the Civic building works were nearing completion, the Fraser Park Sportsville Stage 1 was completed, the Hutt Recreational Ground artificial turf was laid and the revamp of the Civic Precinct was underway. He further highlighted that a tenderer for the proposed four star central city hotel had been chosen and that plans were well advanced for the upgrading of Huia Pool.

Mayor Wallace elaborated on draft Annual Plan noting the momentum of the revitalisation of the City. He said that the draft Annual Plan proposed the lowest rates increase in the Wellington region alongside maintaining debt at a manageable level. He acknowledged that there would be challenges to face in 2016.

The Chief Executive explained that the draft budget had varied little from the initial proposals, and that the proposed rates level increase and debt levels were as predicted. He stated that there were several budget adjustments for a number of projects incorporated in the draft budget, but in the long term, these adjustments were not major items. He further stated the timings of projects and further internal efficiency changes would offset future rate increases.

4. CONFLICT OF INTEREST DECLARATIONS

There were no conflict of interest declarations.

5. DRAFT BUDGET 2016-2017 (16/113)

Report No. CPC2016/1/16 by the Chief Financial Officer

Speaking under public comment, **Ms Virginia Horrocks** commended Council on the attractiveness of High Street adding that the street was gradually becoming more welcoming. She elaborated on the current Council policy for hardship rates assistance for over 65 year old residents and requested it be extended to all over 65 year olds, irrespective of their financial situation. She advised that other local authorities in New Zealand had this policy in place and therefore the background work for such a policy had already been completed. She added that having such a policy would enable residents to remain in their own homes, and would be a way of Council supporting its older residents within the community.

In response to questions from members, Ms Horrocks advised that she had been approached by several residents regarding the subject. She agreed that Eastbourne properties did have a higher capital value than many properties within the City. She considered all communities would benefit from such a policy.

The Chief Financial Officer elaborated on the report. He explained that the average rates increase citywide was 2.7%, which was forecast to be the lowest increase in the Wellington region.

The Chief Financial Officer explained that all the projects listed in paragraph 16 of his report were already accounted for in the draft budget, and that items within paragraphs 20 and 21 were additional and currently unfunded. He advised that Council would need to discuss the latter projects with a view to either including them in the draft budget for public consultation or not.

In response to a question from a member, the Chief Financial Officer explained that there was very little movement possible within the existing draft budget.

Mayor Wallace advised that the meeting was to enable a robust discussion concerning each of the listed projects, both funded and unfunded, whilst bearing in mind the majority of members preferred that debt levels were maintained and any rates increase kept to a minimum. He added the Council's AA rating would still be maintained with the draft budget.

In response to further questions from members, the Chief Executive explained that all internal efficiencies had already occurred to produce the draft budget, taking into account that levels of service needed to remain and no service cuts were proposed. He highlighted ways to generate additional funding (through user pays) had also been fully investigated. He added that if members preferred further operational budget cuts, then services would have to be removed.

With regard to the Council's current AA rating, members noted that this may come under threat if debt levels were to be reset each year.

In response to questions from members, the Chief Executive agreed that numerous projects had estimated values, rather than final costs (particularly future projects). He explained that this was due to the timing of the draft budget and the fact that future

projects had not had detailed designs completed, resulting in estimates with generous contingencies being included in the draft budget. He agreed the balance between over and under estimating was critical.

Members noted that whilst numerous projects were staged, others were timed to coincide with one or more projects, so as to save money in the long term. It was also noted that the effect of major national projects (eg Transmission Gully, Christchurch rebuild) would have flow-on effects for costs of regional and local projects.

Avalon Park

In response to questions from members, the General Manager, City Infrastructure explained that no new parts to the project had been included and that the existing components could not be achieved without extra funding. He added that the detailed plans were what the public was expecting to happen and that by extending the development through staging would result in an unfinished park for a long period of time. He highlighted that it could increase cost by up to 10% due to economies of scale in having relevant contractors onsite for one period of time instead of several. He acknowledged that the additional funding requested would enable the existing subcontractors to continue in a variety of disciplines. He highlighted that the new skate park was not budgeted for until after 2020, which was when works were scheduled for the Melling Interchange area.

The Chief Financial Officer explained that the extra \$1M requested was earmarked already in the Long Term Plan. He acknowledged that with regard to the new skate park, the Stake Board Group needed to be properly consulted before final approval was given for that project. He highlighted that bringing the skate park upgrade money forward to 2017 would take the Long Term Plan over the debt target.

Members agreed to include the \$1M to enable the Avalon Park redevelopment to be completed (excluding an upgraded skate park) and for this item to be included in the public consultation document.

Awamutu Stream

The General Manager City Infrastructure elaborated on the history of the stream. He added that there had been countless submissions from residents on this matter since 2004, and that the stream required urgent attention. He advised that consultation with Greater Wellington Regional Council ('GWRC') was paramount, as a pump station for the Waiwhetu Stream (responsibility of the GWRC) may also be required. He highlighted that the timeline was budgeted for 2021 in GWRC's Long Term Plan.

Members agreed to include the \$2.9M to enable the improved option for dealing with floodwaters from the Awamutu Stream be included in the public consultation document.

Huia Pool

The General Manager, Community Services elaborated on the tender process that had been undertaken for the Huia Pool project. He highlighted that the figures presented in the report represented a definite assessment of the total project costs to complete the project that Council had approved in 2015. He explained that the priority had been to

deliver a high quality project for learn to swim, hydro therapy and fitness and that there were advantages to get the project underway. He noted that a preferred contractor could start immediately, meaning less winter work with less piling and construction delays.

In response to questions from members, the General Manager, Community Services, advised that 8% would be sufficient as expert advice had been received in this regard. He further explained that wet weather costs had already been included in the budget, thorough ground testing had been completed and the attachment of the new building to the existing one was only a small part of the overall project.

Cr Milne left the meeting at 11:00am and returned to the meeting at 11:10am.

Members discussed the reasons for cost increases if the mezzanine floor was removed from the design and whether the gym fitout and operations could be outsourced.

In response to a question from a member the General Manager, Community Services explained that outsourcing the gym fitout and operations could be investigated in detail and expert advice advised that in the long term, Council should undertake the fitout and operation of the gymnasium. This would result in all profits coming directly back to Council. He agreed outsourcing the operation could be an option if a Council run facility was not profitable, adding that it was estimated an additional \$300,000 would be generated from the gym. He also explained that the gym fitout costs were not part of this budgetary item, but were accommodated in another budget.

In response to a question from a member, the Chief Financial Officer added that \$300,000 had been budgeted for the fitout in the 2018/2019 budget and that to bring this forward would affect the debt levels.

Members agreed to increase the total budget for the Huia Pool project to \$9.3M and that this item be included in the public consultation document.

The meeting adjourned at 11:25am and reconvened at 11:40am.

Landfill Capital Expenditure

The General Manager, City Infrastructure elaborated on the history of the landfill.

In response to questions from members, the General Manager, City Infrastructure agreed that recycling prices were constantly changing and were currently falling. He noted there was a current budget of \$1.2M for recycling and that maintenance of this level of service required a substantial financial risk to Council due to the global falling prices of recycling. He added that the recycling contract was due for re-tender in 18 months time.

Members agreed to include the budgetary increases (a total of \$5.3M over the next 5 years) for the Landfill Capital Expenditure in the public consultation document.

Riddiford Gardens

The General Manager, City Infrastructure elaborated on the Riddiford Gardens stages completed to date. He commented that there was a number of items to be completed in order to deliver a quality, premium precinct and that to do so would involve spending

more than the \$2M remaining namely a total of \$3.5M which did include estimates as not all stages had full documentation drawn up.

Members expressed concern at the size of the additional budget item (\$3.5M extra, when initial community feedback was concerned at the original \$5M for completion).

Members agreed the precinct area was the heart of the City. Some members considered that the project did not have widespread City support. Several members noted that when Council was approached for funding for the Anzac Lawn, the full budgetary implications were not clearly identified to members.

Deputy Mayor Bassett, speaking as Chair of the Civic Precinct Steering Group, explained the process to date and suggested that it may be prudent for the steering group to take on the concerns raised and report back to members. He further explained that the scheduled April public consultation meeting would have details of the final costing for stages.

In response to questions from members, the General Manager, City Infrastructure stated that the cost of paving was a large portion of the budget. He noted that paving in front of the new Civic Centre was part of the Riddiford Gardens project, and that the combined total of the kiosk, toilets and the substation relocation cost was \$700,000. He agreed the half court installation was not part of the original concept, but was an item that came out of the extensive round of public consultation. He highlighted that all members were regularly kept up to date with information regarding the project.

MOVED: (Cr Shierlaw/Cr Bridson)

“That the Stokes Valley Hub \$3.5M be brought into the funded project list and the \$3.5M for Riddiford Gardens be moved into the unfunded project list for consultation.”

Several members expressed concern that it appeared the scope of the project had increased with members unaware of all the budgetary implications this entailed. They believed that full public consultation was required before any additional funding was committed to the project.

Mayor Wallace advised that the Stokes Valley Hub concept would begin its full public consultation phase shortly.

The motion was declared LOST by division with the voting as follows:

For

Cr McDonald
Cr Shierlaw
Cr Barry
Cr Lewis

Total: 4

Against

Cr Lulich
Mayor Wallace
Cr Willard
Deputy Mayor Bassett
Cr Milne
Cr Cousins
Cr Branch
Cr Finlayson
Cr Bridson

Total: 9

Members agreed that the Civic Precinct Steering Group would report back on the issues around the new budgetary request for the Riddiford Gardens Project.

Town Hall and Events Centre (construction)

The General Manager, City Infrastructure stated that the overall project was initially a three staged project (in-ground works, construction and fitout with an estimated \$20.4M total price). He explained that the in-ground works were underway with tenders received on budget and a preferred contractor selected. He noted that tenders had been received for stage two (construction) and these tenders were significantly above budget. He advised that investigatative work included reviewing the tender prices received and concluded they were fair. He also advised that a decision had now been made to combine the construction and fitout stages in order to assist reduce costs. He further advised that it was intended to seek tenders for the next stage in March 2016. He explained that Naylor Love was the overall Project Managers and that Council was pleased with its performance to date. He added that Naylor Love was responsible for overseeing all tenders received, along with the Civic Precinct Steering Group. He stressed three to five tenders were always assessed and that all QS calculations were peer reviewed.

Mayor Wallace left the meeting at 12.55pm and Deputy Mayor Bassett took over chairing the meeting.

Town Hall & Events Centre (Fitout)

The General Manager, City Infrastructure advised that the initial estimates for this part of the project (now combined with the construction stage) were well under actual costs.

Mayor Wallace rejoined the meeting at 1.05pm and assumed the chair.

Members agreed to include \$4.5M to the Town Hall and Events Centre (construction and fitout) in the public consultation document.

Randwick Road Trunk Wastewater Pipe

The General Manager, City Infrastructure assured members that there were currently no issues and no greater risk with the pipe and all specialists involved had no concerns about a deferment of this project.

Members agreed to defer the Randwick Road Trunk Wastewater Pipe project until the 2020/2021 budget.

Hutt Recreational Ground Lighting Towers

In response to a question from a member, the General Manager Community Services assured members that club rugby would still have the lower quality existing lights if members agreed to remove this item from the public consultation document.

Members agreed to remove this item from the public consultation document.

Sportsvilles

The General Manager, Community Services elaborated on the item.

Members expressed concern that the appropriate Community Boards had not been kept up to date with the Sportsville process and that the Sportsvilles were only consulting with the sporting codes and not the wider community. Members also expressed concern that there had been no reporting through the appropriate Council committee.

Members agreed not to include the additional \$85,000 requested for the Sportsvilles in the public consultation document. They also agreed that they would wait for the results of the consultations currently underway before considering committing further funding.

CBD Parking

Mayor Wallace advised that the current trial was a way for Council to show its support to the CBD retailers, but highlighted that it would come with a cost.

Members discussed the desire of being transparent by informing the public and also concerning possible ways to recover the lost revenue.

In response to a question from members, the General Manager, Strategic Services advised on options that included recovery from the CBD retailers or on a citywide basis or a combination of the two. She acknowledged those businesses who provided own parking would be disadvantaged by having to contribute to the recovery. She further advised that the two largest retailers would need to pay several thousand dollars. She noted that detailed trial data would be available for Council by the end of April, along with public feedback.

Members agreed to include this item in the public consultation document.

Stokes Valley Hub

In response to questions from members, the General Manager, Community Services advised that final design and costings would be reported back to Council in June 2016. He said that if Council approved the final design and costings, it was anticipated tenders would be let soon after June 2016 with the building completed by June 2017.

Members agreed to include this item in the public consultation document.

Strategic City Promotions/Events

The General Manager, Community Services and the Divisional Manager City Promotions explained the need for a dedicated officer to facilitate strategic City promotions and events in order to correctly market the City. They highlighted that the person would liaise with the Petone Settlers Museum as part of the brief.

Members agreed to include this item in the public consultation document.

Little Theatre

Cr Branch elaborated on the item highlighting the shortfalls of the current building.

Members agreed that this was a worthy project and that reporting on the item would need to be reported through the proper channels detailing what works could be achieved through existing budgets and what required additional funding.

Members agreed to include this item in the public consultation document.

Community Arts

Members agreed to include this item in the public consultation document.

The meeting adjourned at 2.15pm and reconvened at 3pm.

Consultation

The Chief Financial Officer advised that there were no changes in the Rates Postponement Policy, but that there was a requirement to consult on the policy every six years.

In response to questions from members, the Chief Financial Officer advised that the high interest rates for repayments covered the actual cost of the process and that Council had received a request from residents to investigate options for all over 65 year olds.

Mayor Wallace requested a report through the appropriate Council Committee concerning the item, including true costs and consequences of offering Rates Postponement to all those aged over 65 years.

Draft Policy Remission and Postponement of Rates on Maori Freehold Land

In response to a question from a member, the Chief Financial Officer advised that the policies would be consulted on as part of the overall Annual Plan process. The Chair asked the Chief Financial Officer to ensure the Policy for Remission and Postponement of rates for Maori Freehold's conditions and criteria were written clearer especially around the criteria on whether Council would give a remission or postponement. The Chair also asked officers to include detail on whether rates were being paid on all land recently sold by Housing NZ to Maori as it was now vacant.

RESOLVED:

Minute No. CPC 16102

"The Committee recommends that Council:

- (i) *adopts the draft summary budget and capital project plan attached as appendices 1 and 2 to the report;*
- (ii) *agrees to increase rates by an average of 2.7% in 2016/17 acknowledging that, whilst this is*

consistent with the rates increase forecast in the Long Term Plan 2015-2025, this is 1.6% above what Council's Financial Strategy provides for;

(iii) considers the list of additional projects not currently included in the draft budget; and

(iv) approves the additional \$1.5m for Huia Pool in advance of adopting the Annual Plan in June 2016 so construction can commence as soon as possible."

CONSEQUENTIAL MOTION

RESOLVED:

Minute No. CPC 16103

"That Council requests officers to seek from the market the cost of running a fitness suite and report back to the appropriate committee."

6. PROPOSED ANNUAL PLAN 2016-2017 AND CONSULTATION DOCUMENT (16/115)

Report No. CPC2016/1/15 by the Assistant Corporate Planner

The Assistant Corporate Planner elaborated on the report.

In response to questions from members, the Assistant Corporate Planner advised that the Libraries' figures were based on last year's results and had been affected by the increased use of on-line users as well as publicity targetting the use of free services. She agreed to revisit the Libraries' figures and explanation for resource consent fee increases.

In response to a question from a member, the General Manager Governance and Regulatory advised that the fines for people selling private cars on streets was set by legislation.

The Corporate Planner spoke to the draft questionnaire. Members highlighted that it was important to use basic common language.

In response to a question from a member, Cr Shierlaw, speaking as Chair of the Finance and Audit Committee, advised the Aquatics cost per user would be clarified in the officer's activity review report.

Members discussed the draft questionnaire and agreed to review the draft questionnaire and provide feedback to the Corporate Planner by 19 February 2016.

RESOLVED:**Minute No. CPC 16104***"That the Committee:*

- (i) provides guidance on the content of the Consultation Document;*
- (ii) receives the non-financial information that underlies the proposed Annual Plan 2016-2017 (attached as Appendix 1 to the report);*
- (iii) recommends that Council adopt the underlying information for the proposed Annual Plan 2016-2017;*
- (iv) notes that the Subcommittee appointed on 15 December 2015 will be asked to provide ongoing guidance on the Consultation Document including approving the Consultation Document for typesetting; and*
- (v) notes that a meeting of the Council is scheduled on 15 March 2016 for the purpose of adopting the typeset Consultation Document."*

7. QUESTIONS

There were no questions.

There being no further business the Chair declared the meeting closed at 4.30pm.

WR Wallace
MAYOR

CONFIRMED as a true and correct record
Dated this 24th day of May 2016