

HUTT CITY COUNCIL

Minutes of an extraordinary meeting of The Hutt City Council held remotely via Zoom
on
Thursday 9 April 2020 commencing at 2.00pm

PRESENT:
(via audiovisual link)

Mayor C Barry (Chair)	Deputy Mayor T Lewis
Cr D Bassett	Cr J Briggs
Cr K Brown	Cr B Dyer
Cr S Edwards	Cr D Hislop
Cr C Milne	Cr A Mitchell
Cr S Rasheed	Cr L Sutton

APOLOGY: Cr Shaw

IN ATTENDANCE:
(via audiovisual link)

Ms J Miller, Chief Executive
Mr L Allott, Chief Information Officer
Ms A Blackshaw, Acting General Manager, City and Community Services
Ms H Oram, Acting General Manager, City Transformation
Ms J Livschitz, Chief Financial Office
Mr P Benseman, Budgeting and Reporting Manager
Ms H Stringer, Financial Transaction Services Manager
Mr B Cato, Chief Legal Officer
Ms W Moore, Head of Strategy and Planning
Ms C Ellis, Senior Advisor to the Chief Executive
Mr J Griffiths, Head of Mayor's Office
Ms K Stannard, Head of Democratic Services
Ms T Lealofi, Committee Advisor

PUBLIC BUSINESS**1. OPENING FORMALITIES - KARAKIA TIMATANGA**

Kia hora te marino	<i>May peace be wide spread</i>
Kia whakapapa pounamu te moana	<i>May the sea be like greenstone</i>
He huarahi mā tātou i te rangi nei	<i>A pathway for us all this day</i>
Aroha atu, aroha mai	<i>Let us show respect for each other</i>
Tātou i a tātou katoa	<i>For one another</i>
Hui e Tāiki e!	<i>Bind us together!</i>

2. APOLOGIES

RESOLVED: (Mayor Barry/Cr Brown)

Minute No. C 2031

"That the apology received from Cr N Shaw be accepted and leave of absence be granted."

3. PUBLIC COMMENT

Comments are recorded under the item to which they relate.

4. MAYOR'S STATEMENT (20/351)

Mayor Barry elaborated on the difficult time for people and businesses across the city, country and world with the impacts of the COVID-19 pandemic. He acknowledged the work of essential workers for continuing to serve the community. He gave an update on measures that Council had put in place recently to support the community. He thanked officers for their efforts and working at pace. He also thanked the Chief Executive for her leadership and cutting her pay by 10 percent which was going to local food charities. He acknowledged the work of members. He gave an update on the shovel ready projects. He acknowledged the sad passing of Cr Shaw's partner.

5. CHIEF EXECUTIVE'S STATEMENT (20/352)

The Chief Executive elaborated on her focus for providing essential services, moving other services online and developing the proposals put forward by officers for today's meeting. She highlighted the importance of being proactive around sending messages out to the community about the rates relief. She elaborated on welfare initiatives such as Team Manaakitanga. She spoke to Mr Cashmore from Low Cost Bins and confirmed he was putting in a tender. She spoke of the strong partnership with the Hutt Valley Chamber of Commerce to provide support to local businesses. She spoke of her pride the officers who lived the organisation's values every day. She explained that, after speaking to the Union and officers, there would be a pay freeze for officers until July 2021 to support the city.

6. CONFLICT OF INTEREST DECLARATIONS

There were no conflict of interest declarations.

7. **RESPONSE TO COVID-19 PANDEMIC - REVIEW OF RATES POSTPONEMENT POLICY (20/334)**

Report No. HCC2020/3/83 by the Chief Financial Officer

The Chief Executive acknowledged the public speakers representing the Jackson Street Programme and noted that the \$1.5M could be managed within the Rates Postponement Policy (the Policy) should Council agree. She elaborated on the report.

The Chief Financial Officer elaborated on the different levels of businesses and capital values. She highlighted that Council could decide to change the Policy to the level of \$1.5M. She noted that potentially 1,905 properties could benefit from the Policy. She spoke of the feedback received around the clause “own your property for six months” and her recommendation to remove that from the criteria in the Policy. She also spoke of feedback received around the establishment fee of \$250 and annual management fee of \$100. In order to help ratepayers, she advised that officers could include that in the amount of rates that got postponed so ratepayers would only need to pay it over the COVID-19 period.

In response to questions from members, the Chief Financial Officer advised that it would be helpful if the proposed subcommittee could work through any issues as soon as possible. She also advised that it was too early to know how many businesses and residential properties would apply. She said that businesses had increased by 18% in capital value so that would push up the amount of businesses that could apply for the rates relief. She acknowledged the 60% equity requirement could exclude people applying.

In response to questions from members, the Chief Financial Officer advised that the Policy had not been promoted resulting in a small number of ratepayers applying. She confirmed that the rates postponement for waste water was offered to all schools.

Mayor Barry asked members to send through their feedback to the subcommittee. He confirmed the feedback from today’s meeting was the exclusion of the six months limit on people who own property, clarity around defining the word ‘hardship’, clarity around the reference to one year after years end and how the Policy could be promoted.

Mayor Barry thanked the officers for preparing the information at pace. He noted that this was an opportunity for Council to support the community.

Cr Briggs expressed support for the motion. He stated that implementing the Policy would have a positive impact on the community.

Cr Dyer expressed support for the motion. He stated it was a meaningful Policy that would assist the community.

RESOLVED: (Mayor Barry/Cr Briggs)

Minute No. C 20302

"That Council:

- (i) notes that the proposed draft revised rates postponement policy has been prepared in response to the recent COVID-19 pandemic;*
- (ii) notes that the proposed policy is considered an "interim" policy and that it will be reviewed in the next three to six months when better information is available about the COVID-19 pandemic and to enable further analysis and advice to be developed for Council;*
- (iii) considers the proposed draft revised rates postponement policy attached as Appendix 3 to the report and provides direction to officers;*
- (iv) approves the establishment of a Subcommittee comprising of the Mayor, Deputy Mayor, Chairperson of the Policy, Finance and Strategy Committee and Chairperson of the Regulatory Committee to further progress the development of this policy; and*
- (v) notes the feedback from members made at the meeting and this feedback be considered by the Subcommittee."*

8. COVID-19 PANDEMIC RESPONSE PLAN AND DRAFT ANNUAL PLAN 2020/21 NEXT STEPS

Report No. HCC2020/3/85 by the Budgeting and Reporting Manager

Speaking under public comment, **Mr M Shierlaw** expressed support for a zero rates increase for this year. He elaborated on the projected crisis relating to the COVID-19 pandemic. He believed all that was needed for a zero rates increase was a \$3.8M reduction in expenditure for this year. He believed this would not trigger an amendment to the Long Term Plan.

In response to questions from member, Mr Shierlaw advised that he was not aware of any other Councils that were proposing a zero rates increase were undertaking an amendment to their Long Term Plans. He highlighted a number of funding savings to achieve the \$3.8M.

Speaking under public comment, **Ms Hellen Swales representing the Jackson Street Programme (JSP)** advised that JSP was comfortable with option 2 recommended by the officers. She suggested the threshold of \$1M was too low and asked members to lift the figure to \$1.5M. She asked members to look at a rates increase in line with the Consumers Price Index.

In response to questions from member, Ms Swales advised that there would be five landlords taking up the Rates Postponement Policy. She also advised that it was unrealistic for Councils to operate under a zero rates increase at this time. She highlighted that the owners/operators along Jackson Street was a small percentage and the majority of landlords were large property developers.

Speaking under public comment, **Ms Leonie Dobbs representing the Jackson Street Programme (JSP)** expressed concern for businesses along Jackson Street after lockdown. She highlighted that some businesses were struggling. She asked members to think about this when considering the rates increase.

Speaking under public comment, **Mr Colin Cashmore representing Browns Bins, Low Cost Bins and Al's Litta Binz** advised that the companies employed 80 Lower Hutt people. He considered that Council's consultation Request for Proposal was tilted to a rates funded of solid waste. He did not believe that was sensible. His preference was for Council to not disrupt successful businesses. He advised that the companies would not be able to put in a tender under the current process.

In response to question from members, Mr Cashmore clarified that the companies would be putting in a non-conforming bid around option 4. His main concern was around the rates funding preference and the titled Request for Proposal. He highlighted that it was a long time since a contractor took the commercial risk of price movement. He considered rates funding of solid waste services suppressed innovation which was not a good outcome for the community.

Mayor Barry read out a statement on behalf of **Mr Terry Hughes**. "Option 2 seems a sensible middle ground between do nothing and wait until you cant wait any longer. Essentially Council will need to undertake a Zero based budget re

services costs and revenue which is difficult given the current level of uncertainty. But this will need to factor in the ability of people to pay their rates and the HCC activity will need to reduce to fit this plus a sensible level of borrowing.”

The Chief Executive elaborated on the report.

The Chief Financial Officer elaborated on the changes to the key topics included in the approved Long Term Plan Amendment now there was the option of an Emergency Budget.

In response to a question from a member, the Chief Executive advised that the majority of Council agreed to move forward with paying the living wage for contractors. She elaborated on the digital and non-digital engagement process.

In response to question from members, the Chief Financial Officer advised that in regard to the extra one percent, all budgets approved to be progressed in the first year were not planned for any changes and that included the Naenae Pool. She elaborated on what a zero rates increase would look like.

In response to a question from a member, Mayor Barry advised he had undertaken discussions with the Chairs of Committees and members and worked with officers to present further options.

MOVED: (Mayor Barry/Cr Briggs)

“That Council:

- (i) receives the information;
- (ii) notes that COVID-19 has had a material impact on households and businesses and that Council has developed a COVID-19 response plan with a wide range of initiatives to support the Lower Hutt community;
- (iii) agrees to the COVID-19 response plan as detailed in Appendix 1 attached to the report;
- (iv) notes that the COVID-19 response plan will continue to be developed and further initiatives included over time in consultation with Council and other key stakeholders;
- (v) notes that the planned public consultation on the Amendment to the Long Term Plan (LTP) and the Draft Annual Plan 2020/21 that was to start on 6 April 2020 has been paused due to COVID-19;
- (vi) notes that as a result of COVID-19 lockdown officers have reviewed the impact on work plans and budgets for both the current financial year and for future years;
- (vii) notes that as a result of COVID-19 the Consultation Document on the Amendment to the LTP 2018-2028 has progressed through a review and a further audit process and the updated draft version is attached as Appendix 2

to the report;

- (viii) notes the LGNZ and SOLGM guidance for the development of 2020/21 Annual Plans, based on legal advice from Simpson Grierson, as outlined in Appendix 3 to the report;
- (ix) notes the alternative options in regards to progressing the Draft Annual Plan 2020/21 and the LTP Amendment as detailed in Section D of the report;
- (x) agrees that the "Emergency Budget" Draft Annual Plan 2020/21 be progressed as the preferred option, which includes a rates revenue increase of 3.8%;
- (xi) agrees to progress the engagement plans as detailed in Section E of the report;
- (xii) considers any further guidance to be provided to officers ahead of the Draft Annual Plan being developed; and
- (xiii) appoints a Subcommittee of the Mayor, Deputy Mayor and Chairs of Committee to make all final decisions on the content and design of the Draft Annual Plan 2020/21 and questionnaire for consultation."

Mayor Barry acknowledged the effort and work of officers. He stated the motion provided a good balance. He said that projects were not being cancelled but would be paused. He noted the city would be under significant pressure to deal with issues over the next 12 months.

Cr Dyer expressed support for the motion. He acknowledged that Council had a huge role to play at the end of COVID-19.

Cr Brown expressed support for the motion. She spoke of the importance of responding to the needs and gaps that would come out over the next 12 months.

Cr Edwards expressed support for the motion and agreed with Cr Dyer's comments.

AMENDMENT MOVED: (Cr Milne/Cr Rasheed)

"That officers undertake work and report back on the measures necessary in order to achieve a 0% rates increase for the coming financial year."

Cr Milne advised that the total household income in the city would be down, the pain of the crisis fell unevenly on the community and fell on certain sectors of the business community. He stated that the 3.8% rates increase had no particular science behind the figure. He highlighted the amendment was asking officers to report back on a 0% rates increase.

In response to a question from Mayor Barry, Cr Milne advised that his amendment was in substitution for the preferred option.

Under Standing Orders, Mayor Barry ruled the amendment as a direct negative.

Cr Milne spoke against the motion. He advised that the proposed 7.9% could not be justified. He expressed concern that the 3.8% built in a significant amount of revenue without Council going back and having the opportunity to consider a zero based approach.

Cr Briggs expressed support for the motion. He acknowledged the work of Mayor Barry and officers. He stated that it was a conservative move and the right move for the community.

Cr Rasheed spoke against the motion. She stated that Council should be easing the burden on the community at this time

Cr Bassett spoke against the motion. He thanked the Chief Executive and the Chief Financial Officer for their work. He expressed support for Cr Milne's comments. He acknowledged the difficult times for the community, businesses and older people.

Deputy Mayor Lewis expressed support for the motion. She stated that the leaders of this Council and the country were working together on finding solutions.

Cr Mitchell expressed support the motion. He highlighted that members could ask officers to provide further guidance ahead of the draft Annual Plan being developed.

Mayor Barry suggested an additional recommendation to his motion to ask officers to report back with an understanding of what a zero percentage budget would mean to Council.

Cr Hislop advised that it was important to try and strike a balance. She spoke of the importance of providing the community with opportunities to help but also being careful not to put the brakes on moving forward.

With the agreement of the seconder the additional recommendation was included in the motion.

RESOLVED: (Mayor Barry/Cr Briggs) (By Division)

Minute No. C 20303

"That Council:

- (i) receives the information;*
- (ii) notes that COVID-19 has had material impact on households and businesses and that Council has developed a COVID-19 response plan with a wide range of initiatives to support the Lower Hutt community;*
- (iii) agrees to the COVID-19 response plan as detailed in Appendix 1 attached to the report;*
- (iv) notes that the COVID-19 response plan will continue to be developed and further initiatives included over time in consultation with Council and other key stakeholders;*
- (v) notes that the planned public consultation on the Amendment to the Long Term Plan (LTP) and the Draft Annual Plan 2020/21 that was to start on 6 April 2020 has been paused due to COVID-19;*
- (vi) notes that as a result of COVID-19 lockdown officers have reviewed the impact on work plans and budgets for both the current financial year and for future years;*
- (vii) notes that as a result of COVID-19 the Consultation Document on the Amendment to the LTP 2018-2028 has progressed through a review and a further audit process and the updated draft version is attached as Appendix 2 to the report;*
- (viii) notes the LGNZ and SOLGM guidance for the development of 2020/21 Annual Plans, based on legal advice from Simpson Grierson, as outlined in Appendix 3 to the report;*
- (ix) notes the alternative options in regard to progressing the Draft Annual Plan 2020/21 and the LTP Amendment as detailed in Section D of the report;*
- (x) agrees that the "Emergency Budget" Draft Annual Plan 2020/21 be progressed as the preferred option, which includes a rates revenue increase of 3.8%;*
- (xi) agrees to progress the engagement plans as detailed in Section E of the report;*
- (xii) considers any further guidance to be provided to officers ahead of Draft Annual Plan being developed;*
- (xiii) appoints a Subcommittee of the Mayor, Deputy Mayor and Chairs of Committee to make all final decisions on the content and design of the Draft Annual Plan 2020/21 and questionnaire for consultation; and*
- (xvi) asks officers to report back with an understanding of what a zero percentage budget would mean to Council."*

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

For

Mayor Barry
Deputy Mayor Lewis
Cr Briggs
Cr Brown
Cr Dyer
Cr Edwards
Cr Hislop
Cr Mitchell

Total: 8

Against

Cr Bassett
Cr Milne
Cr Rasheed
Cr Sutton

Total: 4

9. **COMMUNITY RESILIENCE FUND POLICY** (20/333)

Report No. HCC2020/3/84 by the Head of Strategy and Planning

Mayor Barry read out a statement on behalf of **Mr Terry Hughes**. “With the \$2,000 community grant I would like to see this expanded to organisations such as civil defence teams that have had to purchase previously unneeded PPE gear to allow them to operate safely in the event of an emergency.”

The Head of Strategy and Planning elaborated on the report. She highlighted an amendment to her report relating to 5(g). She advised that the criteria did not apply to the proposed Community Resilience Fund Policy (the Fund) because it may limit choices in the current situation.

The Head of Strategy and Planning advised that it may be more appropriate for Mr Hughes to submit his request to the Ministry of Health. She highlighted the Ministry of Health was currently trying to ensure that volunteers had access to PPE gear. She also noted that officers could help Mr Hughes with his request to the Ministry of Health.

In response to a question from a member, the Head of Strategy and Planning advised that if Mr Hughes was unsuccessful with the Ministry of Health then he could apply to the Fund.

RESOLVED: (Mayor Barry/Cr Briggs)

Minute No. C 20304

“That Council:

- (i) notes that in response to the unprecedented public disruption caused by COVID-19 and its likely ongoing impact on the community, Council has established a Community Resilience Fund;*
- (ii) notes that the Community Resilience Fund Policy will guide the disbursement of the Fund;*
- (iii) notes that the purpose of the Community Resilience Fund is to ensure that organisations, groups and initiatives across Lower Hutt are financially supported to deliver services that support local resilience during the COVID-19 Alert level 4 period and following recovery period;*
- (iv) notes that the criteria targets the Fund to organisations that are a NGO, registered charity and/or a community group providing community support to others in need to enable and strengthen our communities and improve their well-being during a time of crisis;*
- (v) notes the decision-making process;*
- (vi) notes that a maximum grant per application of \$2000 is suggested; and*
- (vii) agrees to the Community Resilience Fund Policy attached as Appendix 1 to the report.”*

10. **QUESTIONS**

There were no questions.

11. CLOSING FORMALITIES - KARAKIA WHAKAMUTUNGA

Whakataka te hau ki te uru
Whakataka te hau ki te tonga
Kia mākinakina ki uta
Kia mātaratara ki tai
E hī ake ana te atakura
He tio, he huka, he hau hū
Tihei mauri ora.

*Cease the winds from the west
Cease the winds from the south
Let the breeze blow over the land
Let the breeze blow over the ocean
Let the red-tipped dawn come with a sharpened air.
A touch of frost, a promise of a glorious day.*

There being no further business the Chair declared the meeting closed at 4.45pm.

C Barry
MAYOR

**CONFIRMED as a true and correct record
Dated this 26th day of May 2020**