

1. Report: Whangarei District Council Briefing Tuesday 23 May 2017

Report of a Briefing to the Whangarei District Council held in the Council Chamber, Forum North on Tuesday 23 May 2017 at 9.00am

Present:

Her Worship the Mayor Sheryl Mai, Crs Stu Bell, Crichton Christie, Vince Cocurullo, Tricia Cutforth, Shelley Deeming, Sue Glen, Jayne Golightly, Cherry Hermon, Phil Halse, Greg Innes, Greg Martin, Sharon Morgan and Anna Murphy

Apologies/Absent

In Attendance:

Chief Executive (Rob Forlong), General Manager Corporate (Alan Adcock), General Manager Infrastructure (Simon Weston), General Manager Strategy and Democracy (Jill McPherson), Financial Services Manager (Rich Kerr), Planning & Management Accountant Financial Services (Bronwyn Jeeves) Management Accountant Financial Services (Nicole Butturini), EA to General Manager Infrastructure (Tanya Sullivan), EA to General Manager Strategy and Democracy (Lilian Thomas), Senior Meeting Co-ordinator (Jennie Thomas)

LTP 2018-2028 Direction Setting

Facilitators: Jill McPherson, Simon Weston and Alan Adcock

This report should be read in conjunction with the agenda report and attached presentation.

Her Worship the Mayor convened the meeting by welcoming everyone including the public in attendance.

Jill McPherson ran through the objective of the briefing as outlined in the agenda report and commenced the presentation as attached.

The objection of the briefing being to discuss the high-level strategic vision, prioritisation framework, and financial and infrastructure considerations to enable and support informed decision-making by elected members throughout the 2018-2018 Long Term Plan (LTP) process.

Discussion and Feedback on Agenda Headings:

Note: comment/feedback is generally the opinion of individual elected members and does not necessarily reflect the wider view of council.

Key Early Engagement Dates

In addition to the proposed list of meetings provided, elected members requested further meetings be held in the following areas:

Whangarei Heads
Raumanga
Tikipunga
Maungakaramea instead of Waipu
Ruatangata
Maunu

Members were advised that the availability of staff would also be a factor in what meetings could be arranged. A table stand presentation will be set up at the “Getting Out There” expo.

Strategic Direction Setting

Jill advised that throughout the LTP process Elected Members would be reviewing Council’s community outcomes. Decisions would be made once early community feedback had been received, any proposed changes would be consulted on in the Consultation Document as part of the formal consultation in early 2018. This process would be through the Community Development Committee led by Sandra Boardman.

Elected members were advised that staff were looking for direction going forward from 2018-2021 and two previous direction setting workshops with elected members had formed the following themes:

- Improved engagement
- Business friendly
- Core infrastructure
- Making the district welcoming and nice
- Strong financial control

Prioritisation Framework

Comments/feedback and queries

- There was debate regarding the pyramid diagram presented to illustrate priorities and elected members asked for another way to conceptualise this. and to come up with another phrase for “welcoming and nice.”
- There was general discussion on “getting the basics right” as core services encourages growth. Most of Council spending is non-discretionary, we would like to engage with community on the discretionary elements.
- Views were expressed that often there is no relationship with our LTP and the District Plan. There should be a link between the two. The LTP can be used to provide incentive for growth.
- Comments made on Sense of Place and Land Scape Overlays – could there be rate relief for outstanding natural features? We should be using our financial strategy and rating structure to manage our growth in a cost-effective way.
- A view was expressed that if we are looking at growth of urban areas (urban transition environment) it is logical to introduce a lifestyle category into our rating system.
- Elected members requested an update on the communications plan for the LTP 2018-2028 Early Engagement, and in particular the council website.
- It was requested that the information provided for the public meetings be in simple terms.

Infrastructure Strategy

Simon Weston continued the presentation on the Infrastructure Strategy.

Comments/feedback and queries

- We must continue to look at lowest long term costs rather than short-term savings when making decisions.
- Ageing infrastructure assets are a worldwide issue. As a country, we are performing reasonably well. If infrastructure is allowed to deteriorate it takes a long time to get assets back up to standard.

Level of Service

The following questions were asked of the Elected Members:

- Do we have our level of service about right?
 - What level of service would you reduce?
 - What level of service would you improve?
 - What would you trade off?
 - Risk what level of risk are you comfortable with?
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- The expectations of the community around level of service is increasing. The public would like to see the level of service increased but elected members need to know the financial impact before they can commit. They would like to see further data on any possible changes. Would like to work through the presentations first and be updated on any issues in each area. Council will need to be guided by staff.
 - Members were advised that we may have to increase spending on water quality due to legislative changes brought about by Havelock North. The new water treatment plant will help us keep ahead of requirements.
 - The question was asked “Do some services become redundant or is there ever a level of service reduction?” Are there areas that we can remove/reduce service? – Needs guidance from staff who have the knowledge/expertise.
 - Level of service discussion driven by growth more than anything else. There is an operational cost of looking after assets and to service new areas. Regulation and infrastructure need to be aligned. Are there any national or regional policy statements that could have any impact in the next ten years? Include these in our plan as well as infrastructure for tourism projects. Do we have any tourism projects that could make use of any grant from government for tourism?
 - The question was asked of elected members “What level of risk are you comfortable with?” Are we willing to accept the risk that there will some level of not providing optimum service? It was stated that part of mitigating risk is using education programmes. There should be a balance between education and increased spending.
 - Educate the public on alternative ways of doing things. Education should be built into infrastructure management.
 - Parks/open spaces should not be left as a nice to have.
 - A comment was made that our biggest risk is not planning for the long term. As a council we need to follow the 30-year plan.
 - Councillors are reliant on receiving accurate information from staff who are experts in that field - we are reliant on staff giving the correct information and councillors doing their homework on what questions we should be asking. Staff and councillors need to understand risks when trying to mitigate levels of service.
 - There will be specific briefings on the various Infrastructure Assets and Operations.

Financial Strategy

Alan Adcock covered the presentation on the Financial Strategy.

Is there any desire to change the current approach?

- Balanced budget i.e. Operations and Asset Renewals funded from operating income
- Rates increases of LGCI plus 2%, plus 1% Growth
- Debt capped at \$160 - \$170 million

Comments/feedback and queries

- If running surpluses are we doing more or are we reducing debt? – Like to see what our community thinks about it.
- There was discussion on the water rates and any surplus generated from them. With growth, will come the demand for a further water source. We require a water account credit to allow for this in the future.
- If growth does increase/double our debt should be looked at in relation to the growing population in terms of accommodating that new debt. We have capacity if we wish to invest in capital in relation to our debt.
- Is it possible to deliver to the public what the status quo is and gauge if there is any appetite to change things? Will the community be willing to take on more debt or rates increases?
- Are we able to demonstrate our approach and highlight some of the issues we are going to have to deal with in future? Would like to receive more input from the community than we have in the past.
- The gap between debt and revenue is being lowered all the time. We received a Standard and Poors rating last week of AA, the highest rating we can receive. We are in a strong financial position to deal with shocks. In the event of a natural disaster we have the ability to borrow a large amount if required. If there was a national event, we are underwritten through schemes.
- The general consensus from Elected Members was that we continue with the present Financial Strategy and continue to get feedback from our community.

Property Reinvestment Reserve

Elected members were asked to consider options for a future discussion on what direction to take with the Property Reinvestment Reserve. Points to consider would include:

- Do we wish to build the fund back up?
- Could some or all the internal debt be written off?

The general feeling was that at some point we need to have this discussion but need more information.

At the conclusion of the meeting Jill McPherson summarised the feedback received from elected members on the following points:

Early engagement:

We will be using website, social media, pop-ups at existing events, public meetings, HYS events, radio and print media.

During consultation, we will explain that most of Council spend is non-discretionary, want to mainly engage on the discretionary elements

Will explain consequences of doing more.

Staff will present collateral to a Council briefing before going live.

Priority Framework:

Elected members generally agree with basics first, then areas Council may want to lift service levels, then the “niceties.”

Elected members don't like the Prioritisation Framework Pyramid – staff will look for a better way of illustrating it.

Staff will look for a better phrase to replace “Whangarei is welcoming and nice.”

Service levels:

Unlikely to want to reduce any service levels.

Need to take account of results of public survey, good technical information and take a long-term view.

Area for considering service level increases for discussion on upcoming workshops are:

- Solid waste – transfer stations in rural areas (opening hours)
- Organic waste collections
- Water Supply (Havelock North effect)
- Footpaths
- Seal extensions
- Mitigating traffic congestion
- Cycleways
- Public transport
- Effects of new technology
- Another Kensington park
- Projects from Village Planning
- NRC Capex that we have an interest in

Financial Strategy:

Need to:

- Understand infrastructure issues and any backlogs
- Cater for growth
- Leave room for some “niceties” (and emergencies)

Start with status quo – consult with the community – report to workshops (including impact of One Road Network/Havelock) – then decide.

The meeting closed at 11.55.