

Finance Committee MINUTES

Minutes of an ordinary meeting of the Finance Committee held in the Council Chamber, Level 2 Philip Laing House, 144 Rattray Street, Dunedin on Wednesday 29 May 2024, commencing at 9:00 AM.

PRESENT

Cr Kevin Malcolm *(Chairperson)*
Cr Tim Mepham (online)
Cr Alexa Forbes
Cr Gary Kelliher (online)
Cr Michael Laws (online)
Cr Lloyd McCall
Cr Andrew Noone
Cr Gretchen Robertson
Cr Bryan Scott (online)
Cr Alan Somerville
Cr Elliot Weir
Cr Kate Wilson (online)

1. WELCOME

Chairperson Malcolm welcomed Councillors, members of the public and staff to the meeting at 9:01 am.

Councillor Robertson led a tribute acknowledging Enere McLaren-Tana, who tragically passed away after an incident at the Dunedin bus hub *the week prior*. She extended the Council's condolences to his whānau and friends. A minute's silence was observed.

Councillor Robertson then opened the meeting with the usual ORC karakia.

Staff present included Richard Saunders (Chief Executive), Nick Donnelly (GM Corporate Services) (online), Gavin Palmer (GM Operations) (online), Joanna Gilroy (Acting GM Regulatory), Amanda Vercoe (GM Governance, Culture and Customer), Libby Caldwell (Manager Environmental Implementation), Lorraine Cheyne (Manager Transport), Tom Dyer (Manager Science), Hilary Lennox (Manager Strategy), Mike Roesler (Manager Corporate Planning), Brett Paterson (Team Leader Project Management), Sean Geary (Management Accountant), Palm Wilson (Principal Technical Advisor), Trudi McLaren (Governance Support Officer), and Kylie Darragh (Governance Support Officer).

2. APOLOGIES

No apologies were received.

3. PUBLIC FORUM

No requests to address the Committee under Public Forum were received.

4. CONFIRMATION OF AGENDA

Resolution: Cr Noone Moved, Cr McCall Seconded

That the agenda be confirmed as published.

MOTION CARRIED

5. DECLARATIONS OF INTERESTS

No changes to Councillor Declarations of Interests were noted.

6. MATTERS FOR CONSIDERATION

6.1. Long-Term Plan 2024-2034 Deliberation

The purpose of this report was to enable deliberation on the public submissions to the Otago Regional Council Long-term Plan 2024-34 (LTP) process. Having reflected on the submissions as individual elected representatives, this report enabled formal direction to staff on any change(s) required to the proposed LTP prior to final Council approval.

Nick Donnelly (GM Corporate Services and CFO) and Mike Roesler (Manager Corporate Planning) were present to speak to the report and respond to questions.

Resolution FIN24-106: Cr Forbes Moved, Cr Wilson Seconded

- 1) **Receives** the public submissions to the Consultation Document for the Otago Regional Council Long-term Plan 2024-34 'A Stronger Future Otago'.

MOTION CARRIED

Resolution FIN24-107: Cr Noone Moved, Cr McCall Seconded

- 2) *Notes the three proposals and associated options as consulted in the Otago Regional Council Long-term Plan 2024-34 Consultation Document.*

MOTION CARRIED

PROPOSAL 1 - Investing in our Environment

Resolution FIN24-108: Cr Weir Moved, Cr Somerville Seconded

- 3) *Approves the preferred consulted option for Proposal 1 'Investing in our Environment' being dedicated funding of two million dollars from year 2 onwards for inclusion in the Long-Term Plan 2024-34.*

A division was called:

Vote

For:	Cr Forbes, Cr Malcolm, Cr McCall, Cr Mephram, Cr Robertson, Cr Scott, Cr Somerville, Cr Weir, and Cr Wilson
Against:	Cr Kelliher, Cr Laws, and Cr Noone
Abstained:	Nil

MOTION CARRIED

The meeting adjourned at 9.22am and resumed at 9.31am.

Resolution FIN24-109: Cr Somerville Moved, Cr Scott Seconded

- 4) *Approves the Revenue and Financing Policy proposal to fund proposal 1 'Investing in our Environment by dedicated funding of two million dollars from year 2 onwards' by an Otago-wide rate.*

MOTION CARRIED

Cr Kelliher and Cr Laws voted against.

PROPOSAL 2 – Public Transport

Resolution FIN24-110: Cr Noone Moved, Cr Wilson Seconded

- 5) *Approves the preferred consulted option 1 for proposal 2 'Investing in Public Transport – Dunedin' being the consulted extra services on popular routes and electric buses.*

MOTION CARRIED

Resolution FIN24-111: Cr Forbes Moved, Cr Noone Seconded

- 6) *Approves the preferred consulted option 1 for proposal 2 'Investing in Public Transport – Queenstown Lakes' being the consulted existing ferry service and improved bus service.*

MOTION CARRIED

PROPOSAL 3 – Revenue and Financing Policy

Public Transport

Resolution FIN24-112: Cr Weir Moved, Cr Robertson Seconded

- 7) **Notes** the options provided in the Discussion section [60] of this report for the proposal on the general rate allocation to be applied for Public Transport.

MOTION CARRIED

Resolution: Cr Scott Moved, Cr Mepham Seconded

- 8) *That the status quo, no general rate allocation applied for Public Transport continue.*

A division was called:

Vote

For:	Cr Kelliher, Cr Laws, Cr Malcolm, Cr Mepham and Cr Scott
Against:	Cr Forbes, Cr McCall, Cr Noone, Cr Robertson, Cr Somerville, Cr Weir and Cr Wilson
Abstained:	Nil

MOTION FAILED

Cr Weir left the meeting at 12.04pm and returned at 12.05pm.

The meeting adjourned at 12.05pm and resumed at 1.00pm.

Cr Noone left the meeting for the remainder of the day.

Resolution FIN24-113: Cr Weir Moved, Cr Forbes Seconded

- 8) **Approves** the proposed Revenue and Financing Policy change to fund Council's share of Public transport cost by a 20% Otago-wide general rate and 80% target rate split.

A division was called:

Vote

For:	Cr Forbes, Cr McCall, Cr Noone, Cr Robertson, Cr Somerville, Cr Weir and Cr Wilson
Against:	Cr Kelliher, Cr Laws, Cr Malcolm, Cr Mepham and Cr Scott
Abstained:	Nil

MOTION CARRIED

The meeting adjourned at 1.24pm and resumed at 1.29pm.

Resolution FIN24-114: Cr Somerville Moved, Cr Forbes Seconded

- 9) **Approves** the targeted rate allocation for Public Transport will continue to be charged using the status quo being capital value basis with commercial differential.

- 10) **Approves** targeted rate area to be based on status quo.

MOTION CARRIED

Resolution FIN24-115: Cr Mepham Moved, Cr Forbes Seconded

- 11) **Approves** the proposed Revenue and Financing Policy change to repay the public transport deficit over five years through the existing targeted transport rate area on capital value basis.

MOTION CARRIED

**PROPOSAL 3 – Revenue and Financing Policy
Flood Protection, Drainage and River management**

Resolution FIN24-116: Cr Weir Moved, Cr Forbes Seconded

- 12) *Approves the proposed Revenue and Financing Policy change to fund flood protection costs by an 80% targeted rate – 20% general rate split.*

MOTION CARRIED

Cr Kelliher voted against.

Resolution FIN24-117: Cr McCall Moved, Cr Wilson Seconded

- 13) *Notes the Tokomairiro Scheme is defined as flood protection under the proposed Revenue and Financing Policy.*

MOTION CARRIED

Resolution FIN24-118: Cr Wilson Moved, Cr Scott Seconded

- 14) *Approves the proposed Revenue and Financing Policy change to fund drainage costs by an 90% targeted rate – 10% general rate split.*

MOTION CARRIED

Cr McCall abstained

The meeting adjourned at 2.16pm and resumed at 2.30pm.

Resolution FIN24-119: Cr Weir Moved, Cr Wilson Seconded

- 15) *Approves the proposed Revenue and Financing Policy change for the general rate portion of flood protection costs and drainage costs to apply across Otago.*

MOTION CARRIED

Resolution FIN24-121: Cr Weir Moved, Cr Forbes Seconded

- 16) *Notes the options provided in the Discussion section [92] of this report for the proposal on the allocation within zones of targeted rates for flood and drainage activity.*

MOTION CARRIED

Resolution FIN24-122: Cr McCall Moved, Cr Forbes Seconded

- 17a) *Approves the status quo for benefit zone allocations for the Lower Clutha flood and drainage scheme.*
- 17b) *Approves the preferred option as consulted and as described in the LTP Consultation Document to change how targeted rates for all schemes with the exception of the Lower Clutha flood and drainage scheme costs are allocated.*

MOTION CARRIED

The meeting adjourned at 3.08pm and resumed at 3.31pm.

Cr Laws left the meeting at 3.21pm.

Resolution FIN24-123: Cr Mephram Moved, Cr Somerville Seconded

- 18) *Approves the preferred option for the Leith Indirect Rate to be allocated to all of Dunedin.*

MOTION CARRIED

Crs Wilson and Malcolm voted against.

Resolution FIN24-124: Cr Robertson Moved, Cr Weir Seconded

- 19) *Approves the preferred option to discontinue the Lower Waitaki River Control Rate and fund via River and Waterway Management - Waitaki.*

MOTION CARRIED

Resolution FIN24-125: Cr Robertson Moved, Cr Weir Seconded

- 20) *Approves the preferred option for a new Alexandra Flood Targeted Rate allocation funded from River and Waterway Management – Central Otago.*

MOTION CARRIED

PROPOSAL 3 - Revenue and Financing Policy

Catchment Management Rates

Resolution FIN24-126: Cr Robertson Moved, Cr McCall Seconded

- 21) *Approves the preferred option as consulted and as described in the LTP Consultation Document to create a catchment management rate.*

MOTION CARRIED

Resolution FIN24-127: Cr Forbes Moved, Cr Scott Seconded

- 22) *Agrees that the new catchment management rate is an Otago-wide general rate based on capital value.*

MOTION CARRIED

PROPOSAL 3 - Revenue and Financing Policy

Navigational Safety Rates

Resolution FIN24-128: Cr Mepham Moved, Cr Robertson Seconded

- 23) *Approves the preferred option as consulted and as described in the LTP Consultation Document to create navigational safety rate.*

MOTION CARRIED

Resolution FIN24-129: Cr McCall Moved, Cr Mepham Seconded

- 24) *Approves that the navigational safety rate is a uniform rate charged Otago-wide excluding Queenstown Lakes District who provide and fund their own service.*

MOTION CARRIED

Cr Forbes, Cr Somerville and Cr Weir voted against.

PROPOSAL 3 - Revenue and Financing Policy

Wilding Conifer Control Rate

Resolution FIN24-130: Cr McCall Moved, Cr Wilson Seconded

- 27) *Notes that a proposal for a new Farm Plan Rate and associated discontinuation of the Dairy Rate will be brought to Council later in the LTP cycle.*

MOTION CARRIED

Resolution FIN24-131: Cr Forbes Moved, Cr Robertson Seconded

28) *Approves the new River and Waterway Management – Queenstown Lakes Rate.*

MOTION CARRIED

Resolution: Cr Weir Moved, Cr Forbes Seconded

That the meeting be adjourned at 4.11PM and reconvened at 9.00am on Thursday 30 May 2024.

MOTION CARRIED

The meeting reconvened at 9.04am on Thursday 30 May 2024

Cr Noone and Cr Laws returned to the meeting.

ORC MUST-DO WORK

Resolution FIN24-132: Cr Wilson Moved, Cr Forbes Seconded

29) *Notes paper 6.1.2 provides a Council staff assessment of submitter requests relating to 'ORC Must do work' activity as outlined in the Long-Term Plan 2024-2034 Consultation Document.*

MOTION CARRIED

ORC MUST-DO WORK

Environment

Resolution FIN24-133: Cr McCall Moved, Cr Noone Seconded

30) *Notes that Council staff recommend no adjustments to the work programmes under environmental activity as detailed in paper 6.1.2.*

MOTION CARRIED

The meeting adjourned at 10.16am and resumed at 10.30am.

ORC MUST-DO WORK

Climate change, Resilience and Infrastructure

Resolution FIN24-134: Cr Noone Moved, Cr Weir Seconded

31) *Notes that Council staff recommend no adjustments to the work programmes under 'Climate change and resilience' and 'Infrastructure' activity detailed in paper 6.1.2.*

MOTION CARRIED

The meeting adjourned at 11.59am and resumed at 11.50am.

ORC MUST-DO WORK

Transport

Resolution FIN24-135: Cr Malcolm Moved, Cr Noone Seconded

32) *Directs Council staff to make the following adjustments to the draft Long-Term Plan 2024-2034 detailed in paper 6.1.2 and including:*

- a.** *Minor adjustments to timetabling of Route 1 Palmerston-Dunedin weekend services accommodated within proposed expenditure.*

MOTION CARRIED

Resolution FIN24-136: Cr Forbes Moved, Cr McCall Seconded

- 32) *Directs Council staff to make the following adjustments to the draft Long-Term Plan 2024-2034 detailed in paper 6.1.2 and including:*
- b. *An Upper Clutha passenger transport business case be included in the Long-Term Plan 2024-2034, instead of the proposed trial.*

MOTION CARRIED

Resolution FIN24-137: Cr Noone Moved, Cr Weir Seconded

- 32) *Directs Council staff to make the following adjustments to the draft Long-Term Plan 2024-2034 detailed in paper 6.1.2 and including:*
- c. *Allocate \$50,000 in Year two Long-Term Plan 2024-2034 for potential sponsorship of the activity outlined in 'Dunedin Tracks and Trails' submission or other activity that would deliver on the Public and Active Transport Connectivity Strategy.*

MOTION CARRIED

Cr Wilson sat back for this motion.

Resolution FIN24-138: Cr Malcolm Moved, Cr Noone Seconded

- 32) *Directs Council staff to make the following adjustments to the draft Long-Term Plan 2024-2034 detailed in paper 6.1.2 and including:*
- d. *Investigate within existing year one forecast budgets the feasibility of incorporating an Oamaru-Dunedin service within the 'Oamaru year two and three public transport trial.*

MOTION CARRIED

*The meeting adjourned at 12.20pm and resumed at 12.54pm.
Cr Laws left the meeting.*

Resolution: Cr Weir Moved, Cr Forbes Seconded

- 32) *Directs Council staff to make the following adjustments to the draft Long-Term Plan 2024-2034 detailed in paper 6.1.2 and including:*
- e. *Extend the Saturday timetable to apply to all Sundays and Public Holidays for public transport in Dunedin and Queenstown.*

A division was called:

Vote

For:	Cr Forbes, Cr Mepham, Cr Scott, Cr Weir
Against:	Cr Kelliher, Cr Malcolm, Cr McCall, Cr Noone, Cr Robertson, Cr Somerville, Cr Wilson
Abstained:	N/A

MOTION FAILED

Resolution: Cr Mepham Moved, Cr Scott Seconded

- 32) *Directs Council staff to make the following adjustments to the draft Long-Term Plan 2024-2034 detailed in paper 6.1.2 and including:*
- f. *Council approves a contribution to the scoping study of \$66,000 in Year One of the Long-Term Plan looking into the re-establishment of commuter rail between Mosgiel and Dunedin, and Port Chalmers to Dunedin.*

A division was called:

Vote

For:	Cr Forbes, Cr Mepham, Cr Scott
Against:	Cr Kelliher, Cr Malcolm, Cr McCall, Cr Noone, Cr Robertson, Cr Somerville
Abstained:	Cr Weir

MOTION FAILED

Cr Wilson sat back for this motion.

Cr Somerville left the meeting at 12.52pm.

Resolution FIN24-139: Cr Wilson Moved, Cr Noone Seconded

- 32) *Directs*** Council staff to make the following adjustments to the draft Long-Term Plan 2024-2034 detailed in paper 6.1.2 and including:
- g.** *Requests that staff complete a review of options for the allocation of Public Transport targeted rates and report back in time for the 25/26 annual plan.*

MOTION CARRIED

ORC MUST-DO WORK

Regional Leadership

Resolution FIN24-141: Cr Noone Moved, Cr Weir Seconded

- 33) *Notes*** that Council staff recommend no adjustments to the work programmes under Regional leadership environmental activity detailed in paper 6.1.2.

MOTION CARRIED

Cr Kelliher voted against.

FUNDING THE WORK

Resolution FIN24-143: Cr Mepham Moved, Cr Noone Seconded

- 34) *Approves*** the proposal of Infrastructure capital repayment being applied over 30 years.

MOTION CARRIED

Resolution FIN24-144: Cr Wilson Moved, Cr Noone Seconded

- 35) *Approves*** the preferred option as consulted for the level of UAGC to include in the final LTP being 25% of general rates.

MOTION CARRIED

Cr Forbes and Cr Weir voted against.

Resolution FIN24-145: Cr Weir Moved, Cr Noone Seconded

- 36) *Notes*** the options provided in the Discussion section [137] of this report regarding the rate increase policy limit.

MOTION CARRIED

Resolution FIN24-146: Cr Robertson Moved, Cr Noone Seconded

- 37) *Approves*** that the rate increase policy limit is set for years 1 and 2 at the estimated increase and remaining years at 10%.

MOTION CARRIED

Cr Kelliher voted against.

Resolution FIN24-147: Cr McCall Moved, Cr Noone Seconded

- 38) *Directs Council staff to decrease the years one to three Long-Term Plan 2024-2034 forecast expenditure and rating requirements as defined in section [139] of this report.*

MOTION CARRIED

The meeting adjourned at 2.21pm and resumed at 2.37pm

STRATEGIC DIRECTIONS

Motions 39 and 40 were taken before motion 34

Resolution FIN24-142: Cr Noone Moved, Cr Weir Seconded

- 39) **Notes** that Council staff have carefully considered community feedback relating to Strategic Directions
- 40) **Approves** minor changes to the wording of 'Strategic Directions' goals two and three as outlined in section [124] of this report.

MOTION CARRIED

PROCEDURAL RECOMMENDATIONS

Resolution FIN24-150: Cr Mepham Moved, Cr Weir Seconded

- 41) *Directs Council staff to implement the direction provided at the 29-30 May 2024 Finance Committee meeting to complete and present the Long-term Plan 2024-34 for Council approval at its 26 June 2024 meeting.*
- 42) *Notes that the Council external auditor's final report on the Long-Term Plan 2024-34 will be completed for inclusion in the final Council approved document.*
- 43) *Notes that the Council rates resolution will be put to the 26 June 2024 Council meeting following adoption of the Long-term Plan 2024-34.*

MOTION CARRIED

Note Gary Kelliher voted against

Motion 44 was taken before motion 16

Resolution FIN24-120: Cr McCall Moved, Cr Somerville Seconded

- 44) *Requests staff undertake a review of all flood and drainage schemes to inform rate allocation and report back to Council on the Terms of Reference and timing for this review*

MOTION CARRIED

Cr Forbes left the meeting at 12.56pm

Motion 45 was taken before motion 33

Resolution FIN24-140: Cr Weir Moved, Cr Robertson Seconded

- 45) *Recognises the need to address safety concerns and public confidence in the Dunedin bus hub and night-time reliability across the bus networks.*

MOTION CARRIED

Motions 46 to 50 were taken before motion 41

Resolution FIN24-148: Cr Scott Moved, Cr Noone Seconded

- 46) *Requests that the Chief Executive prepares a report for the August Regional Leadership Committee meeting including a draft terms of reference and process to work with the community to establish a Taieri Flood and Drainage Schemes liaison group*

MOTION CARRIED

Motions 46 to 50 were taken before motion 41

Resolution: Cr Kelliher Moved, Cr Wilson Seconded

- 47) *Requests that FTE staff numbers in the LTP are capped at 325 for the length of the LTP with the reduction being achieved through attrition. Consultants are to be used to fill any immediate resource needed to deliver short term requirements.*

MOTION FAILED

Motions 46 to 50 were taken before motion 41

Resolution: Cr Kelliher Moved

- 48) *Request that staff approach Port Otago to negotiate a peppercorn rental for Whare Runaka lease*

MOTION LAPSED

Motions 46 to 50 were taken before motion 41

Resolution: Cr Kelliher Moved

- 49) *Directs staff to retain the donation to the Otago Rescue Helicopter within the LTP budget and is inflationary increased each year by 5%*

MOTION LAPSED

Motions 46 to 50 were taken before motion 41

Resolution FIN24-149: Cr Kelliher Moved, Cr Wilson Seconded

- 50) *Requests that staff research and report on alternative community ownership models for flood and drainage schemes as a way of addressing financial unsustainability.*

MOTION CARRIED

Resolution: Cr Noone Moved, Cr Wilson Seconded

- 51) *Recommended a vote of thanks to the Chair for his management of the Long-Term Plan process.*

MOTION CARRIED

7. CLOSURE

There was no further business and Chairperson Malcolm declared the meeting closed at 3:40pm on Thursday 30 May 2024.



8 August 2024

Chairperson

Date