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**Report 02.345**

13 June 2002

File: E/6/3/2

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**Record of the Special Meeting of the Policy, Finance and Strategy Committee held in the Wellington Regional Council Chamber, The Regional Council Centre, 142-146 Wakefield Street, Wellington on Thursday, 13 June 2002 at 9.30am**

**Matters for Council Decision are shown in bold type and enclosed in a box.**  
*Matters for Information of Council are in italic type.*

**Present**

Councillors Shields (Chairperson), Aitken, Barr, Buchanan, Kirton, Laidlaw, Long, McDavitt, Turver, Werry and Yardley

**Officers Present**

Messrs Allard, Cutler, Darroch, Forlong, Gunn, Kennedy, Maguire, Roberts, Saywell, Schollum, Stone and Drs Bradbury, Hastie and Watson

**Public Business**

**Procedural Items**

PF&S 34    **Apologies**

*Resolved*

*(Chairperson/Cr McDavitt)*

*That the apologies from Councillors Evans and Thomas be received.*

Members noted Councillor Kirton was required to leave at 11.00am.

## Matters for Consideration

PF&S 35 **Policy, Finance and Strategy Subcommittee 4 and 5 June 2002**

**Report 02.298**

File: E/6/3/2

**Resolved to Recommend (Chairperson/Cr Turver)**

**That the report of the meetings of the Policy, Finance and Strategy Subcommittee held on 4 and 5 June 2002, Items P, F& SS/C 09 to P, F& SS/C 14, inclusive and the recommendations contained therein, be received.**

PF&S 36 **Rating of Utilities' Distribution Networks**

**Report 02.336**

File: E/6/3/2

Councillor Turver declared an interest and did not vote on this item.

*Resolved (Chairperson/Cr Kirton)*

*That the Chief Financial Officer and Council Secretary report back to the Committee on 19 June 2002.*

PF&S 37 **Insurance Renewal 2002-2003**

**Report 02.334**

File: E/9/2/1

**Resolved to Recommend (Cr Kirton/Cr Buchanan)**

**That the report be received and the contents noted.**

PF&S 38 **Wholesale Water Levy 2002/3 and End of Year Adjustment Levy 2001/2**

**Report 02.289**

File: B/05/02/01, G/04/01/01

It was agreed that the recommendations below lie on the table for further consideration at a subsequent meeting.

Recommendations

(1) That Council:

- Pursuant to section 91 of the Wellington Regional Water Board Act 1972, the wholesale water contributions payable by constituent authorities for 2002/3 be as follows:

	2002/03 Levy \$ (GST inclusive)
Hutt City Council	6,604,200
Porirua City Council	2,744,360
Upper Hutt City Council	2,775,909
Wellington City Council	13,499,062
<b>Total</b>	<b>25,623,531</b>

- The end of year adjustment levies for 2001/2 be as follows:

	2001/2 Adjustments \$ (GST inclusive)	
Hutt City Council	(16,801)	Credit
Porirua City Council	9,190	Debit
Upper Hutt City Council	168,802	Debit
Wellington City Council	(161,191)	Credit

- Settlement take place on 20 July 2002.

- (2) That the Council resolution be forwarded to each of the city councils under the Common Seal of the Wellington Regional Council.

## **Public Excluded Business**

Mr Kennedy said the parties were not in a position to sign an agreement and requested that Report PE02.330 re a Licence for Use of WRC Communications Duct be withdrawn from today's agenda.

**Resolved to Recommend** **(Chairperson/Cr Kirton)**

**That Report PE 02.330 be withdrawn from today's agenda.**

PF&S 39 **Finalisation of the LTFS: 2002 Update and 2002/03 Annual Plan****Report 02.332**

File: CFO/7/6/10

*Moved**(Cr Buchanan/Cr Aitken)*

*That the Transmission Gully cost/benefit analysis \$75,000 (in the 2002/03 year) be deferred into the 2003/04 year.*

The above motion was **CARRIED** on a division 6 votes in favour and 5 votes opposed as follows:

	<b>Ayes</b>		<b>Noes</b>
Councillors	Aitken	Councillors	McDavitt
	Barr		Shields
	Buchanan		Turver
	Kirton		Werry
	Laidlaw		Yardley
	Long		

**Resolved to Recommend****(Cr Buchanan/Cr Aitken)****That Council:**

**Approve that the Transmission Gully cost/benefit analysis \$75,000 (in the 2002/03 year) be deferred into the 2003/04 year.**

Morning tea: 10.45am

Resumption: 11.00am

**Resolved to Recommend****(Chairperson/McDavitt)****That Council:**

- (1) receive the report and note its contents.**
- (2) approve the operating expenditure items listed within Attachment 2 of this report to be rebudgeted within the Long Term Financial Strategy 2000-2010:2002 Update and 2002/03 Annual Plan.**
- (3) approve the capital expenditure items listed within Attachment 3 of this report to be rebudgeted within the Long Term Financial Strategy 2000-2010:2002 Update and 2002/03 Annual Plan.**
- (4) approve the new items of operating expenditure/(savings) and other adjustments within Attachment 4 of this report (as amended by the Committee in the Transmission Gully resolution above) for inclusion within the Long Term Financial Strategy 2000-2010:2002 Update and 2002/03 Annual Plan.**

- (5) approve the new items of capital expenditure and other adjustments listed within Attachment 5 of this report for inclusion within the Long Term Financial Strategy 2000-2010:2002 Update and 2002/03 Annual Plan.
- (6) note that the impacts of the rebudgeting and budgeting of new items, as approved in the recommendations above (excluding resolution 4), have been reflected within Table 1 and Attachment 1 of this report.
- (7) after having considered the other items contained within this report and other reports on this order paper which could impact on the finalisation of the 2002/03 Annual Plan, approve the level of Regional rates and other rates for the 2002/03 year (and the following seven years) as contained in this report (as amended).

PF&S 40 **Refurbishment of English Electric Urban Rail Carriages**

Report 02.270

File: T/11/2/1

**Resolved to Recommend**

**(Cr McDavitt/Cr Turver)**

**That Council:**

- (1) Receives the report and notes its contents.
- (2) Approve the accelerated English Electric urban rail carriage refurbishment programme over the 2002/03 and 2003/04 years and include such a programme in its 2002/03 Annual Plan and updated Long Term Financial Strategy, conditional upon:
- a) Transfund New Zealand funding 60% of the total cost of the programme subject to the following conditions imposed by them:
- the Regional Council will be required to contribute 40% of this refurbishment expenditure, and will not be able to pay its share using existing or future patronage growth payments
  - a guarantee that any up-front public investment to refurbish rail rolling stock will be applied directly to the nominated asset, and not be redistributed away from the public transport service by way of sale, retirement of the relevant service or asset, or appointment of a new operator

- the whole of life costs of rolling stock will be incorporated in any future contracts once contracts are negotiated with new provider
  - the service provider will agree to provide the Regional Council with full disclosure of all relevant costs and revenues associated with the service. These will specifically include depreciation, maintenance, and refurbishment costs
  - the Regional Council and service provider shall agree to independent review of refurbishment costs (including the benchmarking of these costs to comparable international results, and/or to appropriate statistical indices) where the service provider is the sole supplier of a service.
- b) Tranz Rail accepting the terms and conditions set by Transfund New Zealand and ratified by them through a capital investment contract with the Council including a 50% contribution by Tranz Rail for refurbishment, in consultation with Transfund New Zealand
- c) The Council's investment in rolling stock refurbishment being appropriately protected for as long as the value of that investment remains.
- (3) Confirms that all future carriage refurbishments be subject to the conditions set out under recommendation (2).
- (4) Defers for two years the Real Time Information project currently in the proposed 2002/03 Annual Plan/LTFS update with the residual (if any) being funded by a transport rate increase in the 2002/03 and 2003/04 years.

PF&S 41 Proposed Annual Plan 2002/03: Predator Control – Mt Bruce National Wildlife Centre

Report 02.293

File: Y/4/0/3

**Resolved to Recommend**

**(Cr Long/Cr Buchanan)**

**That Council:**

**Support the provision of \$68,000 in 2002/03 and \$25,000 per annum thereafter, subject to LTFS reviews, to fund a predator control programme on private land adjacent to the Mount Bruce Scenic Reserve, on condition Horizons MW carries out similar work on associated land within the Manawatu-Wanganui Region.**

Councillors Barr and Yardley dissented.

PF&S 42 **Financial Report for the Ten Months ended 30 April 2002**

**Report 02.290**

File: G/4/1/5, CFO/13/2/1

**Resolved to Recommend**

**(Cr Buchanan/Cr Turver)**

**That the report be received and the contents noted.**

The meeting adjourned at 11.55am

The meeting reconvened on Thursday, 13 June 2002 at 9.30am.

**Present**

Councillors Shields (Chairperson), Aitken, Barr, Buchanan, Laidlaw, Long, McDavitt, Thomas, Turver and Werry

**Officers Present**

Messrs Allard, Darroch, Forlong, Maguire, Roberts, Saywell, Schollum and Stone

**Also Present**

John Tizard

PF&S 43 **Apologies**

*Resolved*

*(Chairperson/Cr McDavitt)*

*That the apologies for Councillor Evans and Councillor Yardley, who was absent on other Council business, be confirmed.*

PF&S 44 **Rating of Utilities' Distribution Networks**

**Report 02.351**

File: E/5/6/1/1

**Resolved to Recommend**

**(Cr Buchanan/Cr Turver)**

**That Council not remit rates for Local Government owned or other Utilities Distribution Networks with effect from July 2002.**

**Resolved to Recommend****(Cr Werry/Cr Thomas)****(1) That Council:**

- Pursuant to section 91 of the Wellington Regional Water Board Act 1972, the wholesale water contributions payable by constituent authorities for 2002/3 be as follows:

	2002/03 Levy \$ (GST inclusive)
Hutt City Council	6,604,200
Porirua City Council	2,744,360
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- The end of year adjustment levies for 2001/2 be as follows:

	2001/2 Adjustments \$ (GST inclusive)	
Hutt City Council	(16,801)	Credit
Porirua City Council	9,190	Debit
Upper Hutt City Council	168,802	Debit
Wellington City Council	(161,191)	Credit

- Settlement take place on 20 July 2002.

**(2) That the Council resolution be forwarded to each of the city councils under the Common Seal of the Wellington Regional Council.**



PF&S46 **Exclusion of the Public****Report 02.337***Resolved**(Cr Long/Cr Laidlaw)*

*That the public be excluded from the following part of the proceedings of this meeting namely:*

*Licence for Use of WRC Communications Duct*

*The general subject of each matter to be considered while the public is excluded, the reasons 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:*

<b><i>General subject of each matter to be considered:</i></b>	<b><i>Reason for passing this resolution in relation to each</i></b>	<b><i>Ground under section 48(1) for the passing of this resolution</i></b>
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<i>Licence for Use of WRC Communications Duct</i>	<i>Because of the need to carry on commercial negotiations</i>	<i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist (ie commercial negotiations)</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 of section 6 or section 7 or section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:*

*Wellington Regional Council*

The open part of the meeting closed at 9.40am.

Cr MK SHIELDS  
Chairperson

Date: