



MINUTES

Ordinary Council Meeting Tuesday, 11 August 2020

Ref: 1362752

**Minutes of Timaru District Council
Ordinary Council Meeting
Held in the Council Chamber, District Council Building, King George Place, Timaru
on Tuesday, 11 August 2020 at 3pm**

Present: Mayor Nigel Bowen (Chairperson), Cr Allan Booth, Cr Peter Burt, Cr Barbara Gilchrist, Cr Richard Lyon, Cr Gavin Oliver, Cr Paddy O'Reilly, Cr Sally Parker, Cr Stu Piddington, Cr Steve Wills

In Attendance: **Community Board Representatives**
Temuka Community Board – Gaye Broker
Pleasant Point Community Board – Anne Lemmens

Council Officers

Chief Executive (Bede Carran), Group Manager Commercial and Strategy (Donna Cross), Group Manager Environmental Services (Tracy Tierney), Group Manager People and Digital/Acting Group Manager Community Services (Symon Leggett), Acting Group Manager Infrastructure (Erik Barnes), Chief Financial Officer (David Codyre), Strategy and Corporate Planning Manager (Mark Low), Policy Analyst (Fabia Fox), Senior Programme Delivery Manager (Ashley Harper), Governance Advisor (Jo Doyle), Governance Support Officer (Joanne Brownie)

1 Opening Prayer and Waiata

Ben Randall from St Mary's Anglican Church offered a prayer for the work of Council, this was followed by the Timaru District Council Waiata.

2 Apologies

Resolution 2020/35

Moved: Cr Paddy O'Reilly

Seconded: Cr Gavin Oliver

That the apology received from Jan Finlayson of Geraldine Community Board be accepted.

Carried

3 Public Forum

Tim Grafton and John Lucas of the Insurance Council of New Zealand attended the meeting via Video Link to provide an update on local insurance matters.

The 5 minute hail event of November 2019 is now the biggest weather related loss event in New Zealand Insurance history. Totals of \$130 million insured losses, \$80 million of that is specifically motor vehicles of which 95% have been settled.

Some events are uninsurable e.g Covid, as the pandemic affects everyone, there are too many to cover. Other possible causes of a similar nature are another pandemic, major cyber attack that affects the internet, or solar storms that can affect satellites.

The biggest known risk is Climate Change, and flooding is the main cause of concern in New Zealand. Earthquakes that result in sinking ground, and sea levels with king tides and storms will impact Councils and lead to losses that are uninsurable.

New Building Standards will look at the age of buildings, the material they are constructed with as well as the land and soil beneath the building to determine the potential loss. Earthquake prone buildings can still be insured, but many older buildings will incur high premium rates.

4 Identification of Urgent Business

There were no matters of urgent business.

5 Identification of Matters of a Minor Nature

There were no matters of a minor nature.

6 Declaration of Conflicts of Interest

Mayor Nigel Bowen and Cr Richard Lyon declared an interest, as Directors of Timaru District Holdings Limited, in Item 9.5 Timaru District Holdings Limited Director Fees, and advised they would leave the room for this item. Deputy Mayor Steve Wills would Chair the meeting for that report.

7 Confirmation of Minutes

7.1 Minutes of the Council Meeting held on 21 July 2020

Resolution 2020/36

Moved: Cr Steve Wills

Seconded: Cr Barbara Gilchrist

That the Minutes of the Council Meeting held on 21 July 2020 be confirmed as a true and correct record of that meeting.

Carried

8 Schedules of Functions Attended

8.1 Schedule of Functions Attended by the Mayor, Deputy Mayor and Councillors

Resolution 2020/37

Moved: Cr Steve Wills

Seconded: Mayor Nigel Bowen

That the report be received and noted.

Carried

8.2 Schedule of Functions Attended by the Chief Executive

Resolution 2020/38

Moved: Cr Sally Parker

Seconded: Cr Stu Piddington

That the report be received and noted.

Carried

9 Reports

9.1 Affixing of the Common Seal

Council was advised of the affixing of the Common Seal to the Warrants of Appointment 2020/21.

Resolution 2020/39

Moved: Mayor Nigel Bowen

Seconded: Cr Sally Parker

That the affixing of the Common Seal to the following document be noted:

1 July Warrants of Appointments 2020/21.

Carried

9.2 Repeal of Council Policies

The Policy Analyst presented Council with four policies that have been reviewed and are recommended for repeal. These policies are considered redundant as the matters they address are now covered in legislative or regulatory requirements or other corporate documents of Council.

Resolution 2020/40

Moved: Cr Peter Burt

Seconded: Cr Steve Wills

1. That Council repeal the Library Fees and Charges Policy.
2. That Council repeal the Council Controlled Organisations Exemption Policy.
3. That Council repeal the Electoral System Policy.
4. That Council repeal the Street and Amenity Lighting Policy.

Carried

9.3 Electoral System for 2022 Timaru District Council Elections

Council considered a report by the Strategy and Corporate Planning Manager advising of the ability to change the electoral system for the next two triennial elections, and seeking a decision on the electoral system to be used for the 2022 Timaru District Council elections.

An explanation of the Single Transferable Vote (STV) system was provided. The South Canterbury District Health Board uses STV as do some larger Councils.

Council agreed to remain with the First Past the Post (FPP) electoral system.

Resolution 2020/41

Moved: Cr Richard Lyon

Seconded: Cr Barbara Gilchrist

That Council retains the First Past the Post (FPP) electoral system.

Carried

9.4 Community Survey 2019/20 Results

Council considered a report by the Strategy and Corporate Planning Manager and the Corporate Planner on the Community Survey 2019/20 results. The results were presented to Council by Laarni Mandap from Key Research Limited who attended the meeting via Video Link.

The surveys used similar questions to surveys provided in 2016/17 and 2018 and are based on how satisfied residents are with services provided by Timaru District Council.

Areas where the Council performed well and where some improvements could be made are outlined in the survey.

A report that will benchmark Timaru District Council to other Councils who also use the Key Research survey is currently being finalised and will be distributed once completed.

Currently residents surveyed are contacted via landline phone but other options to conduct are being investigated.

Resolution 2020/42

Moved: Cr Sally Parker

Seconded: Cr Steve Wills

That the report and Community Survey 2019/20 results be received and noted.

Carried

9.5 Timaru District Holdings Limited Director Fees

At 4:07 pm, Mayor Nigel Bowen and Cr Richard Lyon left the meeting.

Deputy Mayor Steve Wills chaired the meeting for this report.

The Chief Executive presented the report to determine the directors' fees for Timaru District Holdings Limited (TDHL) and set the fees before the nominations for Directors open.

As Elected Members can be Directors, it was suggested that consideration should be given to whether a differential be paid for those that are Elected Members or Independent Directors.

The current directors' fees were set in 2014 and considered modest, compared with other directors' fees at the time. Since then, the general trend is that directors fees have increased. The Institute of Directors was engaged as an independent organisation to recommend the fees and compare against other comparable companies.

The role of Directors and work involved was discussed and while Council Officers are writing the reports, Directors set the expectations of the reports and are then charged with the decision making considering risks and what is in the best interests of the company.

The lower end of the recommended fees were agreed to enable the ability to attract the calibre of independent directors required.

The fees will be introduced at the Annual General Meeting in November and there will be no differential in fees between Elected Member Directors and Independent Directors.

The Competency matrix for new directors is recommended by the Directors and Trustee Appointments Subcommittee and a report will come back to Council for approval, followed by the opening of nominations, longlist and short list compilation, with a recommendation of appointments to be presented to Council before the TDHL Annual General Meeting.

The Mayor will stand down at the Annual General Meeting while the incumbent Chair and Deputy Chair terms will come up for renewal next year.

Resolution 2020/43

Moved: Cr Allan Booth

Seconded: Cr Barbara Gilchrist

That Council sets the directors' fees for Timaru District Holdings Limited Chair at \$60,000 from the 2020 Annual General Meeting with no differential between Elected Members and Independent Directors.

Carried

Resolution 2020/44

Moved: Cr Peter Burt

Seconded: Cr Gavin Oliver

That Council sets the fees for Timaru District Holdings Limited Deputy Chair at \$43,750 from the 2020 Annual General Meeting with no differential between Elected Members and Independent Directors.

Carried

Resolution 2020/45

Moved: Cr Peter Burt

Seconded: Cr Steve Wills

That Council sets the fees for Timaru District Holdings Limited Directors at \$35,000 from the 2020 Annual General Meeting with no differential between Elected Members and Independent Directors.

Carried

At 4:29 pm, Mayor Nigel Bowen and Cr Richard Lyon returned to the meeting and the Mayor resumed Chair of the meeting.

9.6 Aorangi Stadium Trust - Final Statement of Intent

Council considered the Aorangi Stadium Trust's Final Statement of Intent for 2020/21 and the subsequent two financial years.

Resolution 2020/46

Moved: Mayor Nigel Bowen

Seconded: Cr Stu Piddington

That Council receives and notes the final Statement of Intent of Aorangi Stadium Trust.

Carried

1.1 Loan Raising Programme 2020/21

Council considered the proposed borrowing programme for 2020/21, presented by the Chief Financial Officer.

Approval was sought for Council Officers to negotiate and enter into new loan borrowing arrangements as required to ensure progression of projects. Bancorp advises on the best interest rates and terms while applying Timaru District Council's policies and conditions.

Resolution 2020/47

Moved: Cr Barbara Gilchrist

Seconded: Cr Peter Burt

That Council adopts the resolution below in regards to the following loan:

1 Development Loan No.1 2020 (Timaru District Council) – for an amount of up to \$27,135,610

WHEREAS:

- A. As required by the Local Government Act 2002 ("the Act"), the Council has adopted the funding and financial policies set out in section 102(2) of the Act, which are outlined in the Council's Long Plan ("LTP").
- B. The Council borrows as it considers appropriate and exercises its flexible and diversified borrowing powers pursuant to the Local Government Act 2002 and the Local Government Borrowing Act 2011. The Council recognises that it can essentially act as a normal corporate entity in its borrowing activities. The Council approves, by resolution, the borrowing requirement for each financial year during the LTP or Annual Planning process.
- C. It is necessary for the Council to delegate to certain Council officers, the authority to agree to precise terms and conditions of any borrowing or incidental arrangement, and any security to be given by the council.

RESOLUTIONS

It was therefore resolved by the Council that:

1. Council borrows as provided in the LTP, Annual Plan (including as described in the Council report titled Loan Raising Programme 2020/21 and dated 11 August 2020, for an amount of up to \$27,135,610) and subsequent Council decisions as to any limits set out in the Liability Management policy under section 102(2)(b) of the Act.
2. Such borrowing shall be secured by the issue of Stock under the terms of the Council's Debenture Trust Deed dated 15 May 1998 (as amended 10 September 2002, 29 March 2004, 13 September 2012 and 14 February 2013) and, in the case of borrowing from the Local Government Funding Agency ("LGFA"), shall also be secured by a cross guarantee entered into by the Council on 18 February 2013 (which is entered into by all councils borrowing from the LGFA).
3. The Council has considered the risks and benefits to the Council of undertaking such borrowing and incidental arrangements, and giving such security, as provided for in the LTP and the Annual Plan.
4. The Council is satisfied that the general terms and conditions of such borrowing, incidental arrangements and security are in accordance with the Annual Plan and LTP and, in particular, the limits and guidelines set out in the Liability Management Policy and other funding and financial policies of the Council.
5. The following officers of the Council (including any replacement or successor officer):
 - Group Manager Commercial and Strategy; and
 - Chief Financial Officer,
("Authorised Persons")
Be authorised to act on the Council's behalf in:
 - a. negotiating and agreeing the terms and conditions of each borrowing and/or incidental arrangement entered into by the Council from time to time, in accordance with the LTP (including the funding and financial policies) and the Annual Plan;
 - b. Negotiating, agreeing and executing all documents and taking all actions as they consider necessary or desirable for the purpose of giving effect to any borrowing or incidental arrangement and any security which may be given in respect thereof.
6. Any Authorised Person may in writing appoint a substitute to exercise any of the authorities conferred upon the appointment or/and may revoke any such appointment from time to time and the references to "Authorised Person" in these Resolutions shall include any such substitute, provided that:
 - a. the power of substitution conferred by this Resolution shall not be conferred upon any such substitute; and

- b. a substitute shall not be able to act hereunder jointly with the Authorised Person who appointed him, but may only act with another Authorised Person or a substitute appointed by another Authorised Person.
7. The authorisations set out in Resolutions 5 and 6 above:
- a. shall remain in full force and effect until written notice of their revocation by Council resolution has been received by the Authorised Persons, provided that any person dealing with the Authorised Persons (or any two or more of them) shall be entitled to assume that the authorisations have not been revoked and remain in full force and effect and, in so assuming, shall be protected unless and until he or she has actual notice of such revocation; and
 - b. shall be exercisable by the Authorised Persons without, and be valid and effective to bind the Council notwithstanding the absence of, notice to, or approval by, the members of the Council, but (subject to the foregoing) shall not operate to the exclusion of the Councillors' powers in respect of matters referred to therein, to the effect that the Councillors may continue to exercise those powers themselves notwithstanding the Authorisations.

Carried

1.2 Three Waters Reform and Government Stimulus Funding

Council considered a report by the Chief Executive and Senior Project Delivery Manager on the proposed Government reforms of the three waters and the option to participate in tranche 1 of the Government stimulus funding package.

Participation requires the completion and signing of a number of documents and while the memorandum of understanding is considered far from perfect, it is non-binding and significant funding will be made available for major projects to advance.

The regional funding that is available is expected to be evenly distributed back to Councils.

Resolution 2020/48

Moved: Cr Sally Parker

Seconded: Cr Allan Booth

That Council:

- 1 Resolves to opt into the Government three waters reform initiative and to sign the Memorandum of Understanding (MoU) at Appendix A and Funding Agreement at Appendix B.
- 2 Agrees to nominate the Chief Executive as the primary point of communication for the purposes of the MoU and reform programme – as referred to on page 6 of the MoU.
- 3 Agrees to delegate decisions about the allocation of regional funding to the Chief Executive, with the understanding that the minimum level of funding to the Council be based upon the formula used to calculate the direct council allocations, and noting that participation by two-thirds of territorial authorities within the Canterbury region is required to access the regional allocation
- 4 Agrees to consider a report on the required delivery plan so that it can be

submitted prior to the 30th September deadline.

Carried

10 Consideration of Urgent Business Items

There were no urgent business items.

11 Consideration of Minor Nature Matters

There were no minor nature matters.

12 Public Forum Items Requiring Consideration

There were no public forum items requiring consideration.

13 Resolution to Exclude the Public

Resolution 2020/49

Moved: Cr Barbara Gilchrist

Seconded: Cr Sally Parker

That the public be excluded from the following parts of the proceedings of this meeting on the grounds under section 48 of the Local Government Official Information and Meetings Act 1987 as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
13.1 - Waste contract	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	Commercial sensitivity

Carried

Resolution 2020/50

Moved: Cr Sally Parker

Seconded: Cr Paddy O'Reilly

That the meeting moves out of Closed Meeting into Open Meeting.

Carried

14 Public Excluded Reports

13.1 Waste contract

15 Readmittance of the Public

The meeting closed at 5.07pm.

Minutes Confirmed 1 September 2020

**Mayor Nigel Bowen
Chairperson**