



MINUTES

Ordinary Council Meeting Tuesday, 25 June 2019

Ref: 1260421

**Minutes of Timaru District Council
Ordinary Council Meeting
Held at the Council Chamber, District Council Building, King George Place, Timaru
on Tuesday, 25 June 2019 at 3pm**

Present: Mayor Damon Odey (Chairperson), Clr Richard Lyon, Clr Andrea Leslie (by phone link)(for public part of meeting), Clr Peter Burt, Clr Steve Wills, Clr David Jack, Clr Sally Parker, Clr Kerry Stevens, Clr Nigel Bowen

In Attendance: PWC representatives – Paul Fisher and Michelle MacDonald (for public excluded tax update item)

Noeline Clarke – Temuka Community Board (for public part of meeting)

Janene Adams – Geraldine Community Board (for public part of meeting)

Neville Gould – Pleasant Point Community Board (for public part of meeting)

Chief Executive (Bede Carran), Group Manager Commercial and Strategy (Donna Cross), Group Manager Infrastructure (Ashley Harper)(until 4.20pm), Group Manager Environmental Services (Tracy Tierney), Group Manager People and Digital (Symon Leggett), Chief Financial Officer (David Leggett), Financial Advisor (Stephen Halliwell), Strategy and Corporate Planning Manager (Mark Low), Company Secretary (Joanne Brownie)

1 Opening Prayer

Tewera King, of Arowhenua Marae, offered a prayer for the work of the Council.

The Mayor opened the meeting with a karakia.

2 Apologies

There were no apologies.

3 Public Forum

There was no public forum.

4 Identification of Urgent Business

Tax Update

Committee Resolution 2019/10

Moved: Clr David Jack

Seconded: Clr Kerry Stevens

That a tax update be considered as urgent business, with the public excluded.

Carried

5 Identification of Matters of a Minor Nature

The Mayor informed the Council that he had recently attended a Mackenzie District night sky forum. The night sky is now a significant focus for tourism in the Mackenzie Country, and is a free natural asset that tourists want to experience. The Mayor advised that he intends to investigate the possibility of Geraldine becoming accredited under the night sky status.

6 Declaration of Conflicts of Interest

There were no conflicts of interest declared.

7 Confirmation of Minutes**7.1 Minutes of the Council Meeting held on 28 May 2019****Committee Resolution 2019/11**

Moved: Clr Kerry Stevens

Seconded: Clr Sally Parker

That the Minutes of the Council Meeting held on 28 May 2019 be confirmed as a true and correct record of that meeting.

Carried

8 Reports

8.1 Adoption of the 2019/20 Annual Plan

The Council considered a report by the Strategy and Corporate Planning Manager on the 2019/20 Annual Plan and Fees and Charges with a high level overview and further explanation being provided by the Strategy and Corporate Planning Manager and the Financial Advisor.

Minor changes to the document were noted including –

- Theatre Royal project description now Theatre Royal Heritage Facility Development, due to decision to treat them as a combined project
- Minor date changes to two penalty dates
- Fees and charges – special waste stream – organic materials \$66/t, not \$76/t.

Other changes made related to previously discussed items include –

- \$53,000 added to the parks budget for the Highfield reserve maintenance as recommended by the Policy and Development Committee
- \$120,000 for asset revaluations costs
- Tiplady Road intersection now budgeted for completion in 2019/20.

Reference was made to the allegations made through the media that there are discrepancies in the budget. However, a full explanation was provided at the meeting, advising Council that with a reclassification to more accurately align some costs, the difference between the draft budget and the final budget is a surplus of \$524,000 (not a substantial loss as alleged in the media). Supporting information was tabled at the meeting, listing the changes, and reasons for the changes. Council was assured that the changes were neither material, nor significant.

The Mayor acknowledged the work of the team in preparing the Annual Plan and Budget.

Committee Resolution 2019/12

Moved: Clr David Jack

Seconded: Clr Richard Lyon

That Council:

- (a) Receives and directs that the feedback received while informing the public of the Annual Plan 2019/20 be considered as part of the Timaru District Council Long Term Plan (LTP) 2021-31 development.
- (b) As recommended by the Policy and Development Committee, approves the funding increase of \$53,000 per annum (GST Exclusive) in the Parks Maintenance budget, funded from the General Rate being included in the Annual Plan 2019/20.
- (c) That Council approves a budget increase of \$120,000 for asset revaluation costs fully funded from Reserves, being included in the Annual Plan 2019/20.
- (d) Authorises the Chief Executive and Group Manager Commercial and Strategy to make any non-material changes to the Annual Plan 2019/20 prior to publication to correct errors and improve readability.
- (e) Sets the Timaru District Council Fees and Charges 2019/20.

- (f) Adopts the Timaru District Council Annual Plan 2019/20, in accordance with Section 95 of the Local Government Act (LGA).

Carried

8.2 Resolution to Set Rates 2019/20

The Council considered the resolution to set the rates for 2019/20 noting minor amendments to the resolution as a result of obtaining legal advice. The Mayor thanked the officers on behalf of the Council.

Committee Resolution 2019/13

Moved: Clr Steve Wills

Seconded: Clr Kerry Stevens

That the Annual Plan 2019/20 has been adopted and in accordance with the Funding Impact Statement (FIS) and relevant provisions of the LTP 2018/28, Council sets and assesses the rates in the following resolution.

Timaru District Council Rates Resolution 2019/20

That Council resolves:

- 1 To set the following rates under the Local Government (Rating) Act 2002, on rating units in the district for the financial year commencing 1 July 2019 and ending on 30 June 2020. Such rates shall become due and payable by instalments on the dates prescribed in clause 11 of this resolution.
- 2 All rates and charges are inclusive of Goods and Services Tax (GST).

3 General Rate

That pursuant to Section 13(2)(b) and Section 14 of the Local Government (Rating) Act 2002 a general rate set as a rate in the dollar on the land value of all rating units within the Timaru District, assessed on a differential basis, and as follows:

Timaru District - Accommodation	\$0.01006
Timaru District - Commercial Central	\$0.01006
Timaru District - Commercial Other	\$0.01006
Timaru District - Community Services	\$0.00251
Timaru District - Industrial	\$0.01006
Timaru District - Primary	\$0.00126
Timaru District - Recreational	\$0.00251
Timaru District - Residential General	\$0.00251
Timaru District - Residential Multi Unit	\$0.00503

Differential categories are defined in the Funding Impact Statement 2019/20.

4 Uniform Annual General Charge

That pursuant to Section 15(1)(a) of the Local Government (Rating) Act 2002 a uniform annual general charge of \$707.00 per rating unit is set and assessed on every rating unit within the Timaru District.

5 Community Works and Services

That pursuant to Section 16(3)(b) and (4)(a) of the Local Government (Rating) Act 2002 a targeted community works and services rate set and assessed as a rate in the dollar on the land value of all rating units within each of the community areas where the service is provided, and as follows:

Geraldine	\$0.00170
Rural	\$0.00005
Temuka	\$0.00262
Timaru	\$0.00111

Community areas are defined in the Funding Impact Statement 2019/20.

6 Community Board

That pursuant to Section 16(3)(b) and (4)(a) of the Local Government (Rating) Act 2002 a targeted uniform annual Community Board rates set and assessed per rating unit within each of the Temuka, Geraldine and Pleasant Point Wards, and as follows:

Geraldine	\$3.00
Pleasant Point	\$5.00
Temuka	\$3.50

7 Sewer

That pursuant to Section 16(3)(b) and (4)(a) of the Local Government (Rating) Act 2002 a targeted uniform rate for sewerage disposal set per water closet or urinal connected either directly or through a private drain to a public sewerage drain subject to the proviso that every rating unit used primarily as a residence of not more than one household shall be treated to have not more than one water closet or urinal, and as follows:

Sewer	\$369.00
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8 Waste Management

That pursuant to Section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002 a differential targeted rate set and assessed on all rateable and non-rateable rating units based on the extent to which the "three bin" waste collection service is actually provided, and as follows:

- \$313.00 per standard size "three bins" provided to each rating unit;
- \$408.00 per large "three bins" provided to each rating unit;
- \$78.00 per additional small (140 litres) recycling bin provided to each rating unit; and
- \$89.00 per additional large (240 litres) recycling bin provided to each rating unit; and
- \$121.00 per additional small (140 litres) compost bin provided to each rating unit; and
- \$143.00 per additional large (240 litres) compost bin provided to each rating unit; and

- (g) \$149.00 per additional small (140 litres) rubbish bin provided to each rating unit; and
- (h) \$214.00 per additional large (240 litres) rubbish bin provided to each rating unit.

9 Water

That pursuant to Section 16(3)(b), (4)(b) and section 19 of the Local Government (Rating) Act 2002 targeted rates for the supply of water in the following areas as follows:

(a) Urban Water

A differential annual rate of \$355.00 set and assessed per separately used or inhabited part of a rating unit and \$177.50 set and assessed per rating unit on all rating units situated within 100 metres from any part of the water works to which water can be but is not supplied within the urban areas Geraldine, Pleasant Point, Peel Forest, Temuka, Timaru and Winchester urban supplies

Differential categories are defined in the Funding Impact Statement 2019/20.

(b) Rural Water

(i) **The Rangitata-Orari Water Supply District**

A targeted rate of \$17.40 set and assessed per hectare within the rating unit.

(ii) **The Te Moana Downs Water Supply District**

a) A targeted rate of \$290.00 set and assessed for each unit of water supplied;

b) A targeted rate of \$605.00 set and assessed for each tank except where there is more than one tank to any rating unit as a technical requirement of the scheme, in which case only one charge will apply.

(iii) **The Orari Township Water Supply District**

A targeted rate of \$224.00 set and assessed for each unit of water supplied.

(iv) **The Seadown Water Supply District**

a) A targeted rate of \$20.30 set and assessed per hectare within the rating unit;

b) A targeted rate of \$507.00 set and assessed per separately used or inhabited part of a rating unit for each domestic supply;

(v) **Beautiful Valley Water Supply District**

A targeted rate of \$3.69 set and assessed per hectare within the rating unit.

(vi) **Downlands Water Supply District**

On so much of the rating unit appearing on District Valuation Rolls number 24640, 24660, 24670, 24680, 24690, 24700, 24710, 24820, 24840, 24850, 24860, and part 25033, as is situated within the Downlands Water Supply District.

a) A targeted rate of \$634.00 set and assessed for each separately used or inhabited part of a rating unit within the Pareora Township and for rating units used as halls within the scheme.

- b) A targeted rate of \$1,086.50 set and assessed per rating unit for rating units used as schools within the Pareora Township.
- c) In addition a targeted rate of \$453.00 set and assessed for each separate connection (excluding Pareora Township) to the water supply except where there is more than one connection to any rating unit as a technical requirement of the scheme, in which case only one charge will apply.
- d) In addition to the charge assessed in (c) above, a targeted rate of \$181.00 set and assessed per unit of water or where water supplied in one half units a charge of \$90.50 set and assessed per half unit supplied.

Differential categories are defined in the Funding Impact Statement 2019/20.

(c) Water by Meter

Targeted rates for water supply, set under Section 19 of the Local Government (Rating) Act 2002 per cubic metre of water consumed to any rating unit situated in the following areas which has been fitted with a water meter:

Seadown	\$0.89
Urban	\$0.64

10 Community Centre

That pursuant to Section 16(3)(b) and (4)(a) of the Local Government (Rating) Act 2002, the following uniform targeted rates are set and assessed in respect of each separately used or inhabited part of a rating unit situated in the following Community Centre Areas:

Claremont Community Centre	\$20.00
Fairview Community Centre	\$30.00
Kingsdown Community Centre	\$35.00
Otipua Community Centre	\$19.00
Seadown Community Centre	\$25.00

11 Instalment Dates

The above rates and charges (except for metered water) are due and payable on the following dates:

All Ratepayers

Instalment	Due Date
1	20 September 2019
2	20 December 2019
3	20 March 2020
4	22 June 2020

The due dates for metered water charges are as follows:

Month invoice raised	Due Date
July 2019	20 August 2019
August 2019	20 September 2019

September 2019	21 October 2019
October 2019	20 November 2019
November 2019	20 December 2019
December 2019	20 January 2020
February 2020	20 March 2020
March 2020	20 April 2020
April 2020	20 May 2020
May 2020	22 June 2020
June 2020	20 July 2020

12 Discount

That pursuant to Section 55 of the Local Government (Rating) Act 2002, the following discount will apply:-

A discount of 2.50% will be allowed on the total rates set, if the 2019/2020 rates, including any current penalties, are paid in full on or before 20 September 2019.

13 Penalties

That pursuant to Section 57 of the Local Government (Rating) Act 2002 the District Council prescribes the following penalties to be added to unpaid rates:-

(a) A Penalty

A penalty under section 58(1)(a) of 10% of the amount of the instalment remaining unpaid will be added if not paid on or before the instalment due date, on the following dates:

Instalment	Penalty Date
1	24 September 2019
2	23 December 2019
3	23 March 2020
4	23 June 2020

(b) Further Penalties

A further penalty under section 58(1)(b) and 58(1)(c) of 10% of the amount of any rates assessed in any previous financial year remaining unpaid on 2 July 2019 will be added on 24 September 2019. An additional penalty will be added to any unpaid rates assessed in any previous financial years that remain unpaid on 24 March 2020. This penalty will be added on 25 March 2020.

Penalties will not be applied to the metered water targeted rates.

Carried

8.3 Timaru District Holdings Limited - Terms of Reference for Review

The Council considered a report seeking the Council’s approval to the Terms of Reference for the review in relation to Timaru District Holdings Limited (TDHL).

Damon Odey, Kerry Stevens and Richard Lyon noted that they, as directors on the Board of TDHL, are interested parties but do not have any pecuniary interest, as confirmed by the Office of the Auditor General.

Discussion took place on whether directors fees are to be included in the review, or addressed at another time. It was agreed that the review concentrate on the best structure and role of TDHL, then once this has been determined, a review of remuneration can be considered, as at that stage the number of directors will have been confirmed.

Committee Resolution 2019/14

Moved: Clr Nigel Bowen

Seconded: Clr David Jack

- a That Council approves the Terms of Reference for the 2019 review of Timaru District Holdings Ltd (as set out in Appendix 1 in the agenda).
- b That the appointment of the reviewer be approved by Council at the relevant time.

Carried

9 Consideration of Urgent Business Items

The urgent business identified at the beginning of the meeting is to be considered with the public excluded.

10 Consideration of Minor Nature Matters

The Mayor had reported on the minor nature matter earlier in the meeting.

11 Public Forum Items Requiring Consideration

There were no public forum issues.

12 Resolution to Exclude the Public

Committee Resolution 2019/15

Moved: Clr David Jack

Seconded: Clr Peter Burt

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

<p>Alpine Energy Limited Directorship</p>	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p>	<p>To protect a person's privacy</p>
<p>Insurance Renewal 2019/20</p>	<p>s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest</p> <p>s7(2)(e) - The withholding of the information is necessary to avoid prejudice to measures that prevent or mitigate material loss to members of the public</p> <p>s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>	<p>Due to an obligation of confidence and to protect the public interest</p> <p>To protect material loss to members of the public</p> <p>To prevent use of the information for improper gain or advantage</p>
<p>Public Excluded Minutes of the Council Meeting held on 28 May 2019</p>	<p>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</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>Commercial sensitivity</p> <p>To enable commercial or industrial negotiations</p>
<p>Tax Update</p>	<p>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</p>	<p>Commercial sensitivity</p>

	person who supplied or who is the subject of the information	
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Carried

13 Public Excluded Reports

13.1 Alpine Energy Limited Directorship

13.2 Insurance Renewal 2019/20

13.3 Public Excluded Minutes of the Council Meeting held on 28 May 2019

13.4 Tax Update

14 Readmittance of the Public

Committee Resolution 2019/16

Moved: Cllr David Jack

Seconded: Mayor Damon Odey

That Council moves out of Closed Council into Open Council.

Carried

The meeting closed at 4.35pm.

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Chairperson