



MINUTES

Ordinary Council Meeting Tuesday, 19 May 2020

Ref: 1339055

**Minutes of Timaru District Council
Ordinary Council Meeting
Held in the Council Chamber, District Council Building, King George Place, Timaru
on Tuesday, 19 May 2020 at 3pm**

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

In Attendance: **Geraldine Community Board** – Wayne O'Donnell (until 4.45pm)

Council Officers

Chief Executive Officer (Bede Carran), Group Manager Commercial and Strategy (Donna Cross), Group Manager Environmental Services (Tracy Tierney), Acting Group Manager Community Services and Group Manager People and Digital (Symon Leggett), Acting Group Manager Infrastructure (Erik Barnes) (via remote link), Chief Financial Officer (David Codyre), Strategy and Corporate Planning Manager (Mark Low), Policy Analyst (Fabia Fox), Senior Programme Delivery Manager (Ashley Harper)(via remote link), Programme Delivery Manager (Lili Delwaide) (via remote link)(until 4.45pm), Management Accountant (Sandy Hogg) (via remote link), Land Transport Manager (Andrew Dixon) (via remote link), Corporate Planner (Ann Fitzgerald)(via remote link), Communications Manager (Stephen Doran), Matthew Yates (PWC)(via remote link), Governance Advisor (Jo Doyle), Governance Support Officer (Joanne Brownie)

1 Opening Prayer

Rory Grant of Timaru Presbyterian Parish offered a prayer for the work of the Council.

2 Apologies

Moved: Cr Richard Lyon

Seconded: Cr Allan Booth

That an apology from Ross Munro of the Pleasant Point Community Board be accepted.

Carried

3 Public Forum

There was no public forum.

4 Identification of Urgent Business

There were no urgent business items.

5 Identification of Matters of a Minor Nature

Council agreed to Cr Piddington's request for the Heritage Hub/Theatre Royal project to be considered as a minor nature matter.

6 Declaration of Conflicts of Interest

Cr Allan Booth declared an interest in any discussion at this meeting around Aoraki Development funding, as he is the Council appointed director on the Board of Aoraki Development.

7 Confirmation of Minutes**7.1 Minutes of the Council Meeting held on 7 April 2020****Resolution 2020/41**

Moved: Cr Barbara Gilchrist

Seconded: Cr Sally Parker

That the Minutes of the Council Meeting held on 7 April 2020 be confirmed as a true and correct record of that meeting.

Carried

7.2 Minutes of the Tenders and Procurement Committee Meeting held on 28 April 2020**Resolution 2020/42**

Moved: Cr Peter Burt

Seconded: Cr Barbara Gilchrist

That the Minutes of the Tenders and Procurement Committee Meeting held on 28 April 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 Chief Executive****Resolution 2020/43**

Moved: Cr Sally Parker

Seconded: Cr Barbara Gilchrist

That the report be received and noted.

Carried

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

Resolution 2020/44

Moved: Mayor Nigel Bowen

Seconded: Cr Peter Burt

That the report be received and noted.

Carried

9 Reports

9.1 Orari-Temuka-Opihi-Pareora Water Zone Annual Report

The Council considered the Orari-Temuka-Opihi-Pareora Water Zone (OTOP) 2019 Annual Report.

Clr Gilchrist, Council’s appointee on the OTOP Committee, spoke to the report noting the significant work the Committee had undertaken in the preparation of the Zone Implementation Plan Addendum. The biggest challenge for the Committee now, having completed its Zone Implementation Plan and its Addendum, is determining the Committee’s future role.

Resolution 2020/45

Moved: Cr Barbara Gilchrist

Seconded: Cr Peter Burt

That the Orari-Temuka-Opihi-Pareora Water Zone report be received.

Carried

9.2 Contracts Let From Tenders and Procurement Committee

The Council considered a report advising of contracts let by the Tenders and Procurement Committee.

Resolution 2020/46

Moved: Cr Steve Wills

Seconded: Cr Gavin Oliver

That the following information on a contract let by the Tenders and Procurement Committee, be received.

Contract Description	Number of Tenders	Price Range	Successful Tenderer and Price

Contract 2442 – Professional Services for Stormwater Management Plan and Consent Applications	3	N/A	WSP/Pattle Delamore Partners \$864,470.00
Tenders were evaluated using the Brook’s Rule evaluation method. The price range is not provided as the price is opened only on the tender with the best non-price attributes and then negotiated with them. The other tenders prices are not opened.			

All prices exclude GST

Carried

9.3 Contracts Let Under Delegated Authority

The Council considered a report advising of contracts let by the Chief Executive under Delegated Authority.

Resolution 2020/47

Moved: Cr Sally Parker

Seconded: Cr Peter Burt

That the following information on a contract let by the Chief Executive under delegated authority, be received.

Contract Description	Number of Tenders	Price Range	Successful Tenderer and Price
Contract 2428 – Dunkirk Street Kerb and Channel Renewal	5	\$384,112.87 to \$499,396.00	Greg Donaldson Contracting Limited \$384,112.87
Tenders were evaluated using the Lowest Price Conforming Tender Method			

All prices exclude GST

Carried

9.4 Governance Policy Review

The Council considered a report by the Policy Analyst, presenting Council with the draft Community Board Functions, Duties and Powers Policy; the draft Elected Members’ Remuneration, Allowances and Expenses Policy; the draft Council Appointment Policy; and the draft Council Committee and Subcommittee Remuneration Policy for adoption.

Council also considered the current Elected Members' Conferences, Seminars and Travel Policy noting the recommendation that this policy is repealed. Also noted was the ongoing review of the Fraud and Corruption Control for Elected Members Policy.

The Policy Analyst spoke to the report, referring to the Council workshop that had informed the development of the policies. The meeting was advised that the two reports which were to be provided separately will now be presented to a future meeting.

Resolution 2020/48

Moved: Cr Stu Piddington

Seconded: Cr Steve Wills

1. That Council adopts the Community Board Functions, Duties and Powers Policy.
2. That Council adopts the Elected Members' Remuneration, Allowances and Expenses Policy.
3. That Council repeals the Elected Members' Conferences, Seminars and Travel Policy.
4. That Council approves the Fraud and Corruption Control for Elected Members Policy and the corporate Fraud Policy and Whistleblower Policy being jointly reviewed.
5. That Council notes the review of the Director Appointment and Remuneration Policy and the Council Committee and Subcommittee Remuneration Policy will be considered at a future meeting.

Carried

9.5 Elected Members Code of Conduct

The Council considered a report by the Strategy and Corporate Planning Manager recommending the adoption of a new Code of Conduct to incorporate legislative changes and update the Code to ensure it is fit for purpose.

Resolution 2020/49

Moved: Cr Peter Burt

Seconded: Cr Barbara Gilchrist

That the Council adopts the Code of Conduct.

Carried

9.6 Appointment of Second External Member to the Audit and Risk Committee

The Council considered a report by the Chief Executive on the proposal to appoint a second external and independent member to Council's Audit and Risk Committee. The Chief Executive spoke to the report explaining the value of a second independent member and of engaging the Institute of Directors to assist with the selection process, including the development of a skills matrix to select the most suitably qualified candidate.

Resolution 2020/50

Moved: Cr Peter Burt

Seconded: Cr Sally Parker

That Council approves the appointment of Janice Fredric as the second external and an independent member of its Audit and Risk Committee with remuneration set at \$10,000 (GST excl) plus disbursements.

Carried

9.7 Annual Plan 2020/21

The Council considered a report by the Group Manager Commercial and Strategy and the Chief Financial Officer seeking Council's approval to proposed revisions to the previously considered draft Annual Plan and budget for 2020/21 and to enable consultation to commence with a view to achieving Annual Plan adoption by 30 June 2020.

The meeting was advised that since the draft budget was considered by Council at the 23 March meeting, there has been substantial disruption due to the Covid-19 pandemic which has required a review of the draft budget to factor in the effect of Covid-19 including a reduction in non-rates revenue (such as pool fees, hall hire etc) and a planned reduction in expenditure (through operational efficiencies, reduced interest costs for example), with a net financial impact of \$1.05million. Without compensatory measures this would result in a total rates increase of approximately 6% and Council had previously asked officers to review the budget to achieve a total rates increase of no more than 4%. The report outlines measures that could achieve this reduction which would result in a total rates increase of 3.89%.

Councillors raised a number of questions including the increase in consultants' and legal fees. The Chief Executive explained that consultants were engaged for their particular skills aligned to a specialised task, especially valuable if there are tight timeframes and/or specialist skills are required.

It was agreed that fees expended in the next financial year on consultants and legal services be tracked for the future information of elected members.

Use of Reserve Funds to Reduce Rate Increase

Council officers were thanked for the work that had gone into revising the budget. However it was suggested as a further measure, that savings made over many years could now be applied to rates relief, to go towards mitigating the effect on ratepayers of the Covid-19 crisis and its resultant expected economic downturn. It was proposed that reserves funds be used to reduce the total rates increase down to 2%.

A discussion on this proposal ensued, with it being noted that Council needs to help stimulate the local economy and look after our community, balanced against not reducing the reserves to a level that puts Council at risk. This would be a one-off measure and not intended as an ongoing way of keeping rates down. It was confirmed that it would be possible for Council to rebuild its reserves again at a later date, and Council is currently in a strong financial position with strong reserves to be applied to reduce the total rates increase to 2%. Reducing the total rates increase to 2% will result in approximately \$3 million of reserves being applied funding requirements in the forthcoming year.

Stimulus Package

Council discussed the criteria for use of the \$2m stimulus fund, and the need to acknowledge the 4 well-beings (social, economic, cultural and environmental). The following comments were made:

- while direct economic stimulus projects fit the intention of the fund, some community events still bring economic benefit to the region and energise the community, even though they are not strictly an economic development activity (eg Hospice Rock 'n Hop).
- Council needs to have some flexibility and be in a position to look at projects on a case by case basis.
- The community needs to know what Council intends to do with the fund
- Remove the concept of 'Projects that have been adversely affected by COVID-19' from the list of preference will be given to...'
- Economic benefit will be a priority consideration, but the other well-beings are relevant and may be considered
- Projects should be some way down the track to qualify for funding
- Funding allocations need accountability
- The stimulus fund being a one-off fund or ongoing is to be revisited in the future
- Aoraki Development is to be outside the fund
- Applications for events can be included for consideration
- The structure around the fund and its allocation mechanism needs to be developed
- Suggest Council supports projects to a maximum of 25% of the project
- There was agreement not to put a dollar figure on how much or how little Council will contribute to each project.

Orari Back Road -

Council considered the possibility of including the seal extension of Orari Back Road in the 2020/21 Annual Plan. Despite the local economic benefits of sealing the unsealed sections of this road, the likelihood of the project attracting financial assistance from the NZ Transport Agency is low, therefore Council would have to fund the full cost. The Roading Manager noted, sealing the unsealed sections would reduce the ongoing maintenance costs, which are significant due to its high use by heavy vehicles.

Airport Carpark Extension

Council discussed the extension of the airport carpark and agreed not to defer the project to the following year but to include it in the 2020/21 Budget, as it makes sense to carry out the work at the same time as the runway extension.

Consultation

As Council has gone from an original proposed total rates increase of 8.02% down to a preferred proposed 2% , Council should consult on the Annual Plan, although it is not necessary to undertake the Special Consultative Procedure. A 3 week engagement with the community will commence at the end of this week, provision will be made for a hearing and the Annual Plan can be adopted on 30 June 2020. Advance notice has already been given to the community in regard to the opportunity for public feedback on the document.

Resolution 2020/51

Moved: Cr Richard Lyon

Seconded: Cr Peter Burt

That Council go out for public consultation on the basis of a total rates rise of 2% being the preferred option, with the reduced increase being funded from reserves.

Carried

Clrs Booth, Oliver and Piddington requested their dissenting votes be recorded.

Resolution 2020/52

Moved: Mayor Nigel Bowen

Seconded: Cr Peter Burt

That public consultation on the stimulus fund, is to include the investment principle that economic benefit will be a priority consideration.

Carried

Resolution 2020/53

Moved: Cr Gavin Oliver

Seconded: Cr Allan Booth

That Council approves the seal extension of the unsealed sections (4.6km) of Orari Back Road, funded by way of \$100,000 from the 2019/20 seal extension budget, \$300,000 from the 2020/21 budget and the balance by way of loan.

Carried

Resolution 2020/54

Moved: Cr Allan Booth

Seconded: Cr Sally Parker

That \$65,000 be brought back into the 2020/21 budget for the airport carpark extension.

Carried

Resolution 2020/55

Moved: Cr Barbara Gilchrist

Seconded: Cr Sally Parker

That Council notes that COVID-19 has had and will have a material adverse impact on Council's budget for the 2019/20 and 2020/21 years

Carried

Resolution 2020/56

Moved: Cr Stu Piddington

Seconded: Cr Peter Burt

a That Council approves the consultation approach discussed in the report presented in relation to the Annual Plan 2020/21.

- b That Council adopts the consultation document (circulated immediately before the meeting), and delegates to and authorises the Mayor and Chief Executive to make changes required to the document to reflect the decisions made at this meeting, and to approve the final design.

Carried

Resolution 2020/57

Moved: Cr Paddy O'Reilly

Seconded: Cr Richard Lyon

That Council confirms its approval of the proposed Fees and Charges contained in the agenda for 23 March 2020, subject to the changes agreed at that meeting and contained in the report considered at today's meeting.

Carried

Resolution 2020/58

Moved: Cr Barbara Gilchrist

Seconded: Cr Gavin Oliver

- a. That Council approves expenditure of up to \$100,000 in the current financial year in order to bring forward capital work that was not otherwise planned to commence until FY21, to be funded from depreciation funds associated with the respective activity. This is to enable acceleration of those capital projects.
- b. That Council notes the forecast information for the current financial year, 2019/20.

Carried

Attachments

- 1 Annual Plan 2020 21 Consultation Document DRAFT
- 2 draft budget

10 Consideration of Urgent Business Items

There were no urgent business items.

11 Consideration of Minor Nature Matter - Heritage Hub and Theatre Royal Project

Clr Piddington raised the issue of the Heritage Hub/Theatre Royal project, and read his address which expressed his concern at the scale and expense of such a proposal and the burden it could place on ratepayers, especially with the Covid-19 situation. He noted that there is no budgeted component for earthquake strengthening, the house gallery at Aigantighe will be another expensive project and at time of the public consultation, ratepayers were not given the choice of a purpose built cultural facility as an option. He suggested putting the Heritage Hub/Theatre Royal project on hold, reopening the debate and considering further options (such as building a new multi-purpose facility).

While there was some understanding of his concerns, alternative views were expressed, outlining the public support for the project evident through the consultation results at the time, and the need to do something to help revitalise the south end of Stafford Street. Having done the groundwork to

date, and having the public support for the project, to delay at this stage would not help the invigoration of Stafford Street and the CBD.

The Mayor raised a point of order – clause 3.8.5 of Council’s Standing Orders states that *Members shall not read their speeches, except with the permission of the chairperson, but may refresh their memory by reference to notes.* Cllr Piddington’s reading of his speech was in breach of this Standing Order.

As the matter was raised as a minor nature item, no recommendation or decision on the issue could be made and the discussion was concluded.

12 Public Forum Items Requiring Consideration

There were no public forum items.

13 Resolution to Exclude the Public

Resolution 2020/59

Moved: Cr Richard Lyon

Seconded: Cr Paddy O'Reilly

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>13.1 - Public Excluded Minutes of the Council Meeting held on 7 April 2020</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>13.2 - Public Excluded Minutes of the Tenders and Procurement Committee Meeting held on 28 April 2020</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

14 Public Excluded Reports

13.1 Public Excluded Minutes of the Council Meeting held on 7 April 2020

13.2 Public Excluded Minutes of the Tenders and Procurement Committee Meeting held on 28 April 2020

15 Readmittance of the Public

Resolution 2020/60

Moved: Cr Barbara Gilchrist

Seconded: Cr Peter Burt

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

Carried

The meeting closed at 5.50pm.

Minutes Confirmed 9 June 2020

**Mayor Nigel Bowen
Chairperson**