



# MINUTES

## Extraordinary Council Meeting Tuesday, 2 June 2020

Ref: 1341952

**Minutes of Timaru District Council  
Extraordinary Council Meeting  
Held in the Council Chamber, District Council Building, King George Place, Timaru  
on Tuesday, 2 June 2020 at 2.00pm**

**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 Stu Piddington, Cr Steve Wills

**In Attendance:** Chief Executive (Bede Carran), Group Manager Environmental Services (Tracy Tierney), Group Manager Commercial and Strategy (Donna Cross), Group Manager People and Digital/Acting Group Manager Community Services (Symon Leggett), Group Manager Infrastructure (Erik Barnes) (via remote link), Chief Financial Officer (David Codyre), Governance Advisor (Jo Doyle), Governance Support Officer (Joanne Brownie)

**1 Apologies**

**Resolution 2020/43**

Moved: Cr Barbara Gilchrist  
Seconded: Cr Peter Burt

That the apology from Cr Sally Parker be accepted.

**Carried**

**2 Identification of Urgent Business**

**Resolution 2020/44**

Moved: Mayor Nigel Bowen  
Seconded: Cr Steve Wills

That Council agrees to consider the Carbon Liability Report in regard to Agenda item 3.2 as Urgent Business.

**Carried**

**3 Declaration of Conflicts of Interest**

Mayor Nigel Bowen and Cr Richard Lyon noted their positions as Directors on the Board of Timaru District Holdings Limited, in relation to the discussion on the Timaru District Holdings Ltd Statement of Intent.

## **1 Reports**

### **3.1 Council Controlled Organisations: Draft Statements of Intent**

Council discussed the draft Statements of Intent for its Council Controlled Organisations (CCOs) and determined the feedback to be provided to those CCOs.

It was noted that discussion on the Statement of Intent for Aoraki Development is to be deferred to the Commercial and Strategy Committee meeting on 9 June, when Aoraki Development representatives will be in attendance.

#### **Aorangi Stadium Trust**

Since the initial draft Statement of Intent, the impact of Covid-19 on this facility needs to be included and how the facility can be further advanced for the community.

The Statement of Intent should reflect changes and what is seen as the long term cost of the life of the asset, and how any major alterations or repairs would be funded.

The Group Manager Commercial and Strategy reported that a building inspection report is to be completed and a subsequent report of required repairs will be prioritised.

The Netball Association is very interested in providing a fourth netball/basketball court in the stadium and the Hockey Association would like to develop a viewing platform over their main turf as well as access to the stadium and toilet facilities.

The Spaces and Places Strategy should be referred to when considering expansion and the demand for various facilities in Timaru.

The Chief Financial Officer explained that the income for Aorangi Stadium Trust comes directly from Timaru District Council and sits in the Trust. Consideration could be given to the full cost of the asset going forward, and whether depreciation funding could be used to build up a fund for any major works to be completed.

#### **Timaru District Holdings Limited**

The Statement of Intent has been reviewed, and has been split into two areas, the property investments role of the company and the monitoring role of the associate companies PrimePort Timaru Ltd and Alpine Energy Ltd.

When reporting on property investments consideration should be given to financial reporting targets and whether Timaru District Council would like to see non-financial reporting targets included. All points from the letter of expectations should also be addressed.

Council agreed that periodic workshops would be beneficial in ensuring Council is updated regularly.

The impact of Covid-19 on TDHL will need to be included and include initiatives for Covid-19 recovery, identifying any potential risks or opportunities that may invigorate the local economy.

#### **Resolution 2020/45**

Moved: Cr Peter Burt

Seconded: Cr Stu Piddington

That having considered the draft Statement of Intent for Aorangi Stadium Trust, Council provides feedback to the Trust, requesting the following be included in the document:

- (a) Reference to the impact of Covid-19 on the facility
- (b) Expanding the Role of the Trust in regards to the nature and scope of activities and the non-financial performance targets and other measures eg How the facility can be further advanced for the community
- (c) The long term cost of the life of the asset
- (d) How major alterations or repairs would be funded
- (e) Reporting to Council on a 'no surprises' basis.

**Carried**

#### **Resolution 2020/46**

Moved: Cr Allan Booth

Seconded: Cr Stu Piddington

That having considered the draft Statement of Intent for Timaru District Holdings Limited (TDHL), Council provides the following feedback to the TDHL Board:

- (a) Request that under the Nature and Scope of Activities, the activities of TDHL be divided into 2 separate subsections:-
  - (i) Activities undertaken regarding associate companies PrimePort Timaru Ltd and Alpine Energy Ltd; and
  - (ii) Activities regarding TDHL's property investments
- (b) The impact of Covid-19 on TDHL be factored in to the SOI, including potential recovery opportunities
- (c) Letter of expectations – ensure all items are addressed
- (d) Include non-financial performance targets in the document
- (e) Maintain communication with Council through joint workshops.

**Carried**

### 3.2 Carbon Liability

The Carbon Policy is due for review and comes at a time when the market is constantly changing and is becoming increasingly regulated.

The current fixed price option is \$25 per credit for this year, the cost of paying these credits will need to be met from the waste minimisation reserves.

The recommendation is to base decisions on the new Carbon Credit Policy, the expectation is that pricing will increase and become a major issue for businesses. The policy would align with budgeting processes, and ensuring greater flexibility in the policy will see credits purchased when the price is lower. It was noted that Timaru District Council does have a mature policy in comparison with other organisations, however it can be improved to further align with suggestions.

The cost of Landfill activities are funded through rates, and Kerbside collection are met through annually set fees and charges, it is noted however that fees and charges can be amended during the year if necessary.

The following strategy assumes the policy is adopted:

- By 30 June, 75% of credits will be held in the bank for the 2020 year
- By end of December, 100% will be held, plus 50% for the following year
- This is not speculating at what will occur within the Carbon Credit market
- Not use 16,000 Forestry units to offset landfill, but hold these for de-forestation

Discussion was held around long term mitigation strategies, with it being suggested that Council could consider expanding its forestry holdings in order to be able to claim carbon credits, create an industry and add value to the land. Council does not have any working units in Forestry at this time and if a forestry development was to be looked at, then Council owned land, if there is suitable land, would make this the most cost effective option.

Amendments to this policy will come back to Council for review.

#### Resolution 2020/47

Moved: Mayor Nigel Bowen

Seconded: Cr Peter Burt

That Council:

1. Approves and adopts the proposed new Carbon Policy attached to this report;
2. Notes the requirement to surrender 36,539 New Zealand Units to meet its carbon liability for the calendar year ending 31 December 2019;
3. Approves the purchase of 36,539 New Zealand Units at a price of up to \$25 per unit (i.e. using the fixed price option), at a total price of up to \$913,475 to be met from Council's waste minimisation reserves;
4. Notes and approves the strategy to achieve policy compliance in 2020, based on the proposed new policy.

**Carried**

**The meeting closed at 2.58pm.**

**Minutes Confirmed 30 June 2020**

**Mayor Nigel Bowen  
Chairperson**