

**MINUTES OF AN EXTRAORDINARY MEETING OF THE GORE DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, 29 CIVIC AVENUE, GORE ON WEDNESDAY 9 OCTOBER 2013 AT 4.05pm.**

**PRESENT** His Worship the Mayor (Mr Tracy Hicks, JP), Crs Bolger, Beale, Davis, Gover, D Grant, P Grant, Highsted, Sharp (from 4:09pm) and Watt.

**IN ATTENDANCE** The Chief Executive (Mr Stephen Parry), General Manager District Assets (Mr Paul Withers), General Manager Corporate Services (Mr Russell Duthie), Parks and Recreation Manager (Mr Ian Soper), 3 Waters Asset Manager (Ms Sarah Dowling), HR/Administration Manager (Susan Jones), Roading Manager (Mr Murray Hasler), Communications Coordinator (Sonia Gerken) and IT Manager (Mr Tony Shepherd),

**APOLOGY** Cr Redhead apologised for absence.

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**1. ELECTED MEMBER ELECTRONIC COMMUNICATIONS POLICY (SCO297)**

A memo had been received from the Chief Executive following the September Council meeting where a draft Elected Member Electronic Communications Policy had been considered. A revised draft that took into account the comments made by Councillors at that meeting had been circulated with the agenda.

Cr Gover asked if there would be an allowance available for those elected members who supplied their own devices.

The Chief Executive said the Remuneration Authority had a distinct preference for Councils supplying devices to elected members. He was not sure how it would work if some individuals chose to supply their own equipment and others were supplied with a Council owned device. He would need to take advice from the Authority.

Cr Gover said it was included in the Remuneration Authority paper.

*Cr Sharp attended the meeting at 4:09pm*

The Chief Executive said on that basis it would appear correct. If that was the case then the Remuneration Authority policy would apply for paying a higher allowance for those who had opted to supply their own device and there would be administrative work

required in advising who was providing their own device and those who had Council owned devices.

Cr D Grant clarified that the Council was only considering devices as opposed to faxes and mobile phones.

His Worship confirmed that was correct.

**RESOLVED on the motion of Cr P Grant, seconded by Cr Highsted, THAT the draft Gore District Council Elected Member Electronic Communications Policy be adopted.**

**2013/126**

*The IT Manager departed the meeting at 4.11pm*

**2. VENTURE SOUTHLAND – ROLLOVER OF AGREEMENT (SCO321)**

A memo had been received from the Chief Executive advising that the existing agreement between the Invercargill City, Southland District and Gore District Councils in regard to the governance and funding of Venture Southland had expired on 30 September 2013.

The expired agreement was being reviewed and modified where appropriate.

**RESOLVED on the motion of Cr Davis, seconded by Cr D Grant, THAT the Council approve a rollover of the recently expired Venture Southland agreement on the same terms and conditions for a six month period expiring on 31 March 2014.**

**2013/127**

**3. ADOPTION OF DRAFT ANNUAL REPORT 2012/13 (SCO136)**

A memo had been received from the General Manager Corporate Services together with a copy of the draft annual report for the 2012/13 year. From a rating perspective the Council ended the year with a small overall deficit of \$3,372. From a financial reporting viewpoint the Council had reported a deficit of \$407,000, due principally to the reduction in subsidies approved by the New Zealand Transport Agency for operational and capital expenditure.

A copy of the summary document had been tabled at the meeting.

The Chief Executive said the year had been challenging for staff, particularly with the introduction of Authority software which had been a major undertaking. He thought the outcome was satisfying.

Cr D Grant was concerned the Council could not adopt the draft annual report as it had been delayed in delivery.

His Worship agreed it was tight timing. The report had to be adopted by 31 October.

Cr P Grant said this Council had to adopt it.

Cr Highsted asked if the deficit was due to depreciation or the subsidy reduction from NZTA.

The General Manager said the funding decrease was due to the reduction in subsidy from NZTA. Some of it was treated as funding and some was expenditure. The requirements for the Council to report as it did made the report quite messy and difficult to follow.

Cr Highsted asked if the budgeted expenditure had been overspent in roading.

The General Manager confirmed it had not.

The Chief Executive said the accounting deficits did not resonate with the average ratepayer.

His Worship appreciated the point being made, but wondered if there was an opportunity to have an improved explanation included in the summary document.

The Chief Executive said the rules around the annual report were strict, but the annual report summary could be more flexible. The only note of caution was that when something was explained further, it could become more complicated.

Cr Bolger assumed the loss was against the budgeted figure.

The General Manager confirmed it was. It was difficult to explain that in plain English to the public.

Cr Highsted said it was disappointing that for the second year in a row the Council was reporting an accounting deficit and wondered if it would attract attention from the community.

The Chief Executive said his concern with the NZ IFRS was if the Council had made a huge surplus which did occur with some local authorities. The standards did not really inform well.

Cr Davis agreed with Cr D Grant that the Council had not had enough time to peruse the report. She had only had two hours to read it and it was not enough. Likewise with the

summary being tabled at the meeting was not satisfactory. She would be abstaining from voting.

Cr Gover read through the summary and thought it explained the deficit well. She had had time to read the document as she had received it electronically earlier in the week.

Cr Watt concurred with Crs D Grant and Davis. He had not had enough time to go through the report properly. He referred to page 96 about the Council supporting NZTA about road safety and yet further down that page it stated the biggest concern of the Council was the reduction in roading subsidies.

In response to Cr Watt who referred to the opposition lodged by the Gore and Waitaki District Councils against the reduction in subsidies, the Roading Manager did not think it would be changed. The three year funding cycle was already in place. There were a lot of submissions made that disagreed with the approach made by the Government. The Government wanted local authorities to be more efficient in roading expenditure.

His Worship said the Financial Assistance Rate (FAR) had been problematic with NZTA, but it was comfortable with a 50-50 split between central and local government in terms of funding. It wanted to remove the different categories of funding. The message was that unless there was a good reason to move from the 50% rate, then that would be what it was. It would have a significant effect on the Gore District. The FAR and road ranking information would be released prior to Christmas.

Cr Sharp agreed with comments from Crs D Grant and Davis. He had spent an hour reading the report. He referred to parks and recreation expenditure and thought it was out of balance. He thought there was something not right insofar as parks, roading and arts and heritage were concerned.

His Worship said the annual report was a comparison against the budget approved.

Cr Highsted said the Council had an unqualified opinion from the auditor and it received regular financial reports.

**RESOLVED on the motion of Cr Highsted, seconded by Cr Gover, THAT the annual report for the year ended 30 June 2013 be adopted.**

***Crs Davis, Watt, D Grant and Sharp abstained from voting.***

**2013/128**

**4. REPORT ON PROCUREMENT STRATEGY FOR 2 WATERS IMPROVEMENT AND RENEWALS PROGRAMME – CONTRACT 2013/03 (SCO092)**

A joint report from the General Manager District Assets and 3 Waters Asset Manager had been circulated. The improvements required to gain wastewater capacity in west Gore were far reaching and required significant investment over several years. The staged work would be the largest infrastructure investment by the Council in recent times.

The outcome of the stormwater and wastewater hydraulic modelling completed in 2011 had highlighted several other areas of drainage reticulation that were deficient in capacity. Overall, attention to those activities was required to reduce environmental impact and increase public levels of service.

Due to the significant financial implication of the work, opportunities to gain best value for the Council had been explored and a collaborative contracting model was presented to the construction market with the aim of employing a contractor who could work alongside the Council and its professional services provider to deliver timely, well-constructed results. The proposal would create add value from early contractor involvement in the planning and design process.

The report outlined the key points of the proposed collaborative framework and the process of contractor engagement.

**RESOLVED on the motion of Cr Beale seconded by Cr Davis, THAT the report be received,**

**THAT the alternative procurement process for Contract 2013-03 be approved,**

**AND THAT the Council note that this is a specific departure from its Procurement Policy.**

**2013/129**

The meeting concluded at 4:45pm