



MINUTES OF AN EXTRAORDINARY MEETING OF THE GORE DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 29 CIVIC AVENUE, GORE, ON TUESDAY 10 FEBRUARY 2009, AT 3.04 pm

PRESENT His Worship the Mayor, Cr Bolger (Chairman), Crs Davis, Dixey, Dixon, Gardyne (from 3.17 pm), Grant, Harvey, Heller, Highsted, McLennan and Sharp.

IN ATTENDANCE The Chief Executive (Mr Stephen Parry), General Manager, Corporate Services (Mr Russell Duthie), General Manager, District Assets (Mr Paul Withers), Roading Manager (Mr Murray Hasler), Parks and Recreation Manager (Mr Ian Soper), Asset Manager, Utilities (Mr Ross Haslemore), HR/Administration Manager (Susan Jones) and three members of the public in the Gallery.

1. ADOPTION OF 2009-10 ESTIMATES FOR INCLUSION IN DRAFT LONG TERM COUNCIL COMMUNITY PLAN (1.5.44)

A memo had been received from the General Manager, Corporate Services advising that the recommendations of the workshop held on 8 December had been incorporated into the second iteration of the 2009-10 estimates.

A number of appended documents had also been circulated, including the rate requirement summary, details of grants, variance explanations and a booklet containing final draft estimates for each section for further discussion.

The Chief Executive advised the estimates were the culmination of a lot of work by Managers for incorporation into the draft LTCCP. The estimates had been prepared with the prevailing economic climate in mind and trying to be as fiscally considerate as possible whilst maintaining the strategic direction set by the Council. He said further cuts could still be made and one area that could be subject to further discussion was an increase in the level of service in rural roading which would change the classification of certain roads (as a result of being graded more often) and a defined increase in the level of

service that would be borne by rural ratepayers only. It amounted to 0.9% of a total overall increase of 3.51%.

The General Manager drew the Council's attention to the schedule of grants and said the Council's actual grant to the Southland Regional Heritage Trust would be \$17,000 rather than the \$157,148 as shown. The net cost was as a result of agreement between the funders that the Trust should be funded by a formula similar to how other regional organisations were funded.

In response to His Worship, the Chief Executive advised that assuming the Council adopted the estimates for inclusion into the draft LTCCP, a workshop was scheduled for Tuesday 17 February to peruse a first draft of the LTCCP. Following that the plan would be reviewed by the auditors which would take about four weeks. It was a requirement that the Council have an audit opinion attached to the draft Plan. Once it was returned, the Council would debate and approve the draft Plan for public notification and consultation. It was expected that submissions would close in early May and be followed by public hearings. The Plan had to be adopted by 30 June.

The Council proceeded to work through each activity as detailed in appendix 10.

Cr Gardyne attended the meeting from 3.17 pm

115 Building Inspections

Following a query from Cr Heller, the Chief Executive agreed to review the budgeted income from consent fees.

200 Customer Services Administration

Cr Heller wondered if it was wise to use the 2008 actual interest figure received for the 2009-10 year, given that interest rates had fallen.

The General Manager advised most of the interest received came from special fund investments. It was not used for offsetting rates.

220 District Promotions

Cr Gardyne wondered if the hours of opening at the Information Centre should be reviewed with the current economic climate.

The Chief Executive said there were certain obligations the Council had to meet as a member of the Visitor Information Network. He would need to check those.

230 District Libraries

Cr Heller wondered with the free internet service to be introduced and the reduction of fees, whether Councillors were happy to continue with a \$90,000 book budget.

Cr Harvey said the library had been subject to quite a lot of cost cutting in past years. Books were the essence of the library.

Cr Highsted shared Cr Heller's concern saying the proposed increase of \$10,613 equated to a 9% rise in that budget line.

Cr Heller believed the Council should be looking at a similar figure to the 2008-09 year.

His Worship said the essence of the Aotearoa People's Network scheme was it belonged to the community.

Cr Gardyne felt a 10% increase was quite inappropriate at this time. He thought an \$80,000 book budget was sufficient.

Cr Harvey said the library was community resource for everyone and the strength of a town could be measured by its library.

RESOLVED on the motion of Cr Heller, seconded by Cr Highsted, THAT the book budget be reduced to \$80,000.

2009/01

Cr Davis and Harvey voted against the motion and asked for their votes to be recorded.

Cr Bolger asked for a report to be provided in the future from the Library Manager as to how the book budget was expended.

His Worship agreed books were the essence of a library and felt the reduction was disappointing.

Cr Harvey challenged Councillors to visit the library and find out what was going on there. The Council was adopting a penny pinching attitude.

Cr Highsted pointed out the current spend was not being cut. He was confident the Council was acting responsibly.

In response to Cr Dixon, the Chief Executive advised the Council did not pay bonuses to staff, but did reward for good performance by movements in salary scales.

290 Aquatic Centres

Cr Harvey asked whether the Mataura Pool was an increased driver in the aquatic centre activity.

The Parks and Recreation Manager clarified that 290 related to the Gore aquatic centre, while 291 related to the Mataura pool.

Cr Gardyne asked whether the change to full-time staff was the right answer. He recalled the move to more full-time staff had been promoted as an economy measure but the figures did not reflect that.

The Chief Executive clarified that more full-time staff had not resulted in a cheaper wage bill, but patronage had increased and there was a far better continuity of service being provided to the public.

Cr Gardyne said the Council had a policy of repaying loan monies. He thought with the reduction in electricity costs there would have been the opportunity for that to have occurred.

The Chief Executive said previous Councils had been invited to consider a debt retirement programme for the aquatic centre, however, there had not been any support for it due to the aquatic centre debt being on a very favourable 10 year interest rate swap. However, now that interest rates had dropped, the Council could choose to set aside funds for repaying debt when the swap expired in 2013.

He said the current policy for the aquatic centre was to pay interest only, but the Council could request a repayment plan to be implemented.

Cr Gardyne asked where the Council could over-ride its policy in respect of the swimming pool.

The Chief Executive said the Council could over-ride any policy if it wished. A debt retirement programme had been discussed at various Council workshops, but the Council had maintained its stance of paying interest only.

Consideration of the estimates adjourned at 4 pm for the conducting of a citizenship ceremony.

2. CITIZENSHIP CEREMONY (47.2.1)

His Worship conferred New Zealand citizenship to Colin David O'Connor, an Irish-South African citizen, Nicole Ann O'Connor, Sean Daniel O'Connor, Keith Stephen O'Connor, South African citizens and Engelina Johanna Maria Wilson, a Dutch citizen.

They read the relevant declaration and each family was presented with a New Zealand kowhai tree by His Worship.

Consideration of the estimates resumed at 4:24 pm

Cr Sharp referred to the penny per unit electricity rates and felt the \$150,000 saving should be put towards debt reduction. He did not favour it being used for operational costs.

His Worship said it would impact on the rates increase and questioned whether the Council wanted to do that.

Cr Heller said it would equate to an overall rates rise of about 5%.

His Worship said it had been debated in the past.

Cr Sharp moved THAT two thirds of the saving from the penny per unit agreement (being \$100,000) be applied to debt reduction, with the balance of \$50,000 being used to off-set rates.

Cr Bolger asked if the saving could be applied to aquatic services only.

The Chief Executive said it could be applied to any loan the Council chose. The pool debt was in a 10 year swap and he felt would be imprudent to break it. He suggested it be put into a special account, accrue interest and when the swap matured in 2013 the sum be used to reduce the overall debt. He thought there was a strong argument for any electricity savings to be applied solely to the aquatic centre activity.

The motion lapsed for want of a seconder.

Cr Bolger said when Gore was compared to other similar Councils, it could be referred to as a low debt authority. He thought the Council should stick to its current debt repayment

programme as it was certainly within the Council's ability to manage.

Cr Gardyne was sympathetic to Cr Sharp's suggestion. The Council had an obligation to address its debt and thought it was time to flag it in the LTCCP as an option and wait for the public to comment on it.

291 – Mataura Pool

Cr Dixon asked if there were always two staff members at Mataura.

The Parks and Recreation Manager confirmed there were two staff members on duty during public sessions. He said there had been problems staffing the pool and as a result higher rates had to be paid to keep the facility open.

420 Cemeteries

In response to Cr Harvey, the Parks and Recreation Manager advised there were two staff members and they undertook all duties associated with mowing and maintenance at the Gore, Charlton and Mataura cemeteries, as well as some duties at Pukerau.

432 Subsidised Roding – Rural

In response to Cr Sharp, the Roding Manager advised grading of rural gravel roads was met from the unsealed pavement maintenance account.

Cr Dixon noted the increase was \$167,000.

His Worship said it had resulted from a request for an increase in the level of service necessitating additional funding being required. If rural people were concerned with the state of roads then he expected they would see the need for the increase.

The Manager explained the process for reducing the threshold for group 7 gravel roads, based on traffic volumes. The Council proposed bringing in about another 130km of gravel roads into group 7. It was intended to drop the threshold for group 7 roads from 80 vehicles a day to 50.

Cr Dixon was concerned the contractor would not have sufficient time to undertake the additional grading.

Cr Gardyne said at a meeting prior to Christmas a further meeting was requested with the contractor to clarify the types of

grading undertaken. He felt the Council would face some vigorous questioning about the level of service being received from its contractor.

In response to Cr Bolger, the Manager advised the Council monitored the performance of the network contractor who had been performing in accordance with the contract specifications. There were occasionally aberrations to it, but staff were looking at whether the level of service specified was appropriate and if not were rural ratepayers willing to pay more for a higher level of service.

Cr Grant thought if that was the case, then rural people needed to know what the specification was.

Cr Gardyne said the audit from the Roothing Department was inconsistent with the roading survey. It seemed no-one had checked the discrepancy. He had sought the performance measure last year from the then General Manager, District Assets and subsequently found it had been a draft. He said most Councillors were not aware that the levels had dropped back in the previous contract when it was renewed three years ago. Rural ratepayers had been underserved in their rates for the past three years. They needed to have the performance measures out in the public arena so ratepayers knew what was expected.

Cr Bolger had a different opinion. It was quite a suggestion to say rural people had been under served. He had been party to a procedural audit recently with a view to assessing Gore District roads with roads elsewhere in the country. The audit team was impressed with the roads. They had said roads in the Gore District were above the national average and the staff undertaking the roading work were capable.

Cr Dixon said he and other Councillors had asked for what work was being undertaken by the contractor but as yet, the information had not been received.

His Worship said there appeared to be a failure to appreciate the contractor was there to deliver a service so a road was within a tolerance of condition all the time. Roads changed daily and he thought the roads were not too bad. He was a rural ratepayer himself and would prefer not to spend another \$90,000, but if people were prepared to do that, then that would be what it would take.

The Manager said gravel roads changed on a daily basis and to achieve a higher standard for more of the time, it would cost more. If the tolerance level was too low, then rural people had to decide that and pay more for it.

His Worship asked if the grading frequency changed when the contractor changed from SouthRoads to Works Infrastructure.

The Manager said the contract document changed when the contract was renewed. It was now based closely on what was in place at Southland District. Grading a road that did not need to be graded reduced the condition of the road. The contractor was not paid on the length of road graded. It was maintaining the standard and allowing for tolerance. That was what was monitored, not the number of times it was graded. The roads needed to be inspected on a specified frequency to ensure it was up to the tolerances.

458 Solid Waste Management

Cr Bolger queried the increase of \$63,720.

The Asset Manager, Utilities said the volume of refuse had been reasonably static, but there had been increased costs. There was also a levy of \$10/tonne being imposed, but the Council was not entitled to any share of it.

There had been an increase in gate fees at the regional landfill. The budgeted figures were based on actual tonnages.

Cr Highsted could not see any point in debating or reducing the budget for waste management.

461 Parks and Domains – Gore

Cr Heller referred to an increase of \$9,809 in rubbish collection.

The Parks and Recreation Manager replied the increase was a direct cost from the contractor providing the service.

462 Parks and Domains – Mataura

Cr Heller said the targeted rate increase was \$27,645, which represented over 12% difference. There were increases each year but the Council had to take some responsibility and pull the horns in. He thought some of the figures needed to be reworked. With an overall increase of 3.51% the parks accounts should be reduced accordingly.

The Manager said the main items contributing to the overall increase were an increased administration charge and deferred maintenance.

Cr Gardyne thought deferred maintenance needed to be fleshed out.

The Manager said all of the maintenance items had been dealt with at the workshop in December.

Cr Gardyne referred to the administration charge for parks across Gore, Mataura and rural. In Gore's case, it was about 36%, 30% in Mataura and it was approaching 50% for rural. He could not understand the inconsistency given the nature of the work.

The General Manager, Corporate Services said he applied the same percentages from previous years. He expected the variations arose from the previous Chief Financial Officer's calculations in consultation with the Council of the day.

Cr Gardyne said Waikaka and Pukerau mowed its own reserves with some funding assistance. He wanted it looked at. The figures were not acceptable.

The Chief Executive said it could be looked at.

474 Public Conveniences

In response to His Worship, the Parks and Recreation Manager advised the new toilet facilities for Main Street were being constructed in Auckland and demolishing of the existing toilet block would be undertaken shortly. The new block should be installed by the end of March.

RESOLVED on the motion of Cr Bolger, seconded by Cr McLennan, THAT subject to the adjustments recommended during the meeting, the draft estimates as tabled as appendix 10, be adopted for inclusion in the draft Long Term Council Community Plan 2009-19.

2009/02

The meeting concluded at 5:15 pm