

MINUTES OF AN EXTRAORDINARY MEETING OF THE GORE DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, CIVIC ADMINISTRATION BUILDING, 29 CIVIC AVENUE, GORE, ON TUESDAY 23 MARCH 2010, AT 3.05 pm

PRESENT His Worship the Mayor (Mr Tracy Hicks JP), Crs Davis, Dixey, 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), Asset Manager, Utilities (Mr Ross Haslemore), HR/Administration Manager (Susan Jones) and 20 members of the public in the gallery).

APOLOGIES Crs Bolger and Gardyne apologised for lateness and Crs Dixon and Grant apologised for absence.

1. SUBMISSIONS RECEIVED TO THE PROPOSED KERBSIDE RECYCLING SERVICE (10.15)

His Worship extended thanks to those in the community who had given time and thought to the proposal. It had been a vexed issue for the Council for some time and it was good to see the quality of submissions put forward. He explained the process to be followed at the hearing.

Submission No 8 - Paddy's Bins

The submission was presented by Mr Gary Weir, co-owner of Paddy's Bins.

Cr Bolger now attended the meeting at 3:06 pm

He was concerned about the sustainability of his business if the proposal went ahead. He questioned how the loan payments for the transfer station could be maintained if the proposal was adopted.

He suggested the Council establish a recycling centre at the transfer station for items of value. As for green waste, he believed that a lot of people in Gore undertook composting and suggested composters be made available to people. He would be happy to establish a green waste collection as part of his business if it was likely not to be taken away by the Council.

He referred to the coupon in the Newslink and the on-line opinion meter. Last week he utilised some SIT and secondary school students and asked them to undertake a random survey. They visited approximately 400 households and 76% wished to remain with the status quo, and the remaining 24% wished to change. He did not consider the on-line option was accurate.

He questioned loyalty to local business. He did not believe the figures provided could be maintained and costs would likely increase especially if a third bin for green waste was introduced.

Cr Harvey commended Paddy's Bins for the work they did. He referred to the discussion held with the Council in 2005 and suggested there was no likelihood of the Council doing recycling when the business had been purchased.

Mr Weir replied not at that time and their contract had been renewed twice and was presently being rolled over year by year.

In response to Cr Highsted, Mr Weir said the students asked *"may we take a minute of your time to ask a question regarding the future rubbish collection services on offer by the Gore District Council. Do you wish to remain with the status quo or change to the proposal"*. Or words to that effect. If anyone asked about Paddy's Bins they were to be told they were conducting the survey.

In response to Cr Dixey, G Weir said green waste was in with the rubbish.

Cr Sharp asked if the business could handle the two bin service.

Mr Weir said he had no worries for Gore and Mataura.

Cr Heller said in 2005 the contract was taken over. Was it for the collection of Council bags and rubbish bins? Was there a contract for green bins or any restriction on the green bins in 2005?

Mr Weir confirmed it was for Council bags and rubbish bins, and there was no contract for green bins. He said his company

had been told to put as much refuse across the tip face as possible

Cr McLennan said since they purchased the business they had been under the assumption that it would continue on.

Mr Weir said they would not have bought it otherwise. If the Council went ahead with the proposal, he would be looking for some form of financial compensation.

His Worship said the company chose not to engage in the tender process and he understood that, but since then, had they had any discussions with any potential successful tenderers to work in with them.

Mr Weir replied not since, but prior to they had had discussions, and they were ticking the box to say they had discussed a sub-contractor.

His Worship referred to Cr Sharp's comments about them doing the job; could he expand on that.

Mr Weir said they were doing it now. They could gear up. They were confident their company could handle a collection for Gore and Mataura.

Cr Harvey asked if the survey question posed by the students could be provided to the Council.

Submission No 22 – Elmer Curry

Mr Curry felt the scheme was poorly named. It would not be a minimisation scheme. It could only increase the waste because there was no incentive to the householder to reduce waste. Everything seemed to be an incentive but not with waste. He thought that was the big failing of the proposal. He hoped that the submissions entered into would be something that would be taken seriously. He had written letters to the Council in the past and had never received acknowledgement. His rates would be increased from approximately \$1,600 to well over \$2,000 and that did not include the rates increase this year. The Council's estimates say it would cost \$161 to run the scheme, but then go on to say it would be based on the rateable value. The \$161 was a misnomer. It would vary according to the rateable value of a property. His would increase by \$208. He said most superannuitants would find it difficult to fill a 240l bin with requirements from the grocer shop each fortnight. He displayed a week's rubbish from his own house. It was a 20l bucket and weighed just over 4kg. It did not include vegetable scraps, only

the rubbish. The greater cost of the proposal was the collection and emptying of the bins. At \$161 a year it would cost approximately \$3 a week to empty a bin. Most superannuitants would not produce much more than he does and they would be subsidising the high users. He acknowledged the proposed tiered bin, but he did not think it would make it any easier for him, as a disabled person. Paddy's Bins charged a rate for what was produced and taken to the roadside. If the bin was not taken out then there was no charge. The Council was going to charge regardless. He believed that to be unfair and a burden to all those living on superannuation. He understood the Council had a large outstanding rates bill of about \$160,000. If the rates were going to be increased by another 20% it would be increasing the number of unpaid rates. He asked why in Invercargill the charges would only increase by \$90. At a recent Senior Citizens meeting he suggested filling some of the gullies around Gore which could then become productive land. The new system that would punish superannuitants would also punish small users. A lot of costs were established by central Government. People could not continue to pay increased rates at the rate at which they are being levied and it was time that the cloth of the Gore District was cut to suit what could be earned from the population. It could not be a cost plus system.

His Worship assured Mr Curry his comments would be taken seriously. With regard to the \$161 fixed charge, it was a fixed charge and would not be levied according to a rateable value. With respect to Invercargill, it already had a recycling service in place and the \$90 was to increase the service from two bins to three bins.

In response to Mr Curry, the Chief Executive explained the current solid waste charge.

Cr Davis clarified the waste at the transfer station was not compacted before being transported to the regional landfill.

The General Manager, District Assets said the Council tried to maximise the amount of waste that was transported. It was not compacted as such.

Submission No 33 – Donald Lamont

Mr Lamont lived on his own and contributed one Council bag to the waste stream every three weeks. He said most householders could work out it was better to pay \$50 annually and trundle a bin to the kerbside each week than dump their refuse on the riverbank. There was much talk about accountability but if the Council did not ask for some accountability from the citizens it

could not expect to get it and the throwaway mentality would be maintained. He did not think all the blame for rubbish and the cost of disposing it should be heaped onto the householder. Commerce generated most of it in the first place. He discussed one product that was common to most householders, milk. For 50 or 60 years milk was distributed by bottle. When the industry was deregulated, other options were produced, mostly plastic. The plastic bottle was easy to handle but the plastic bag was not displayed very well in the supermarket. It carried the same amount as a 1l container, but cost 40 cents less. He said commercial companies should be urged to produce less packaging. The Council did not have to accede to the majority if it maintained the status quo and it would be two years before a new scheme could be introduced.

His Worship referred to the waste generated by the commercial sector, the Government had introduced a packaging accord some years ago which seemed to have gone by the wayside. He also supported a refund on bottles.

In response to Cr Harvey, Mr Lamont said recycling was important, but it was necessary to cut out what the commercial people perceive to be their interest with unnecessary packaging and goods. Recycling was good and there was potential to recycle a lot of goods. It would be better if it was not generated in the first place.

Cr Gardyne now attended the meeting at 3:52 pm

Cr Harvey asked if Mr Lamont recycled.

He replied the green waste was composted and he was selective with what he purchased.

Submission No 133 – John Taylor

Mr Taylor said the proposed two bin system would only increase the amount of waste. He had a family of five and he put one orange bag out a fortnight. There was always a risk of leeching from a transfer station. It was impossible to sort goods dumped at the transfer station. People have said they would purchase waste glass if it was sorted into colours. He proposed two alternative options. First, to have a specialised vehicle to pick up recycling on a weekly basis, with three fish bin sized containers. Second, a recycling shop similar to one in Keri Keri. He suggested a warehouse at the transfer station where everything was taken and sorted, with reusable items cleaned, repaired and sold. Anything remaining could then be taken to the landfill. Charging for the disposal of unsorted waste would

encourage people to sort it. He proposed a giant worm farm similar to one in Cromwell with the vermicast being sold to the public. He suggested a large shredder for green waste be purchased by the four Southland local authorities to share and use at the transfer station. He would rather pay extra rates for staff to sort waste than get his rubbish to the landfill faster, ie the proposed system. It would make the environment a better place and would provide employment. He challenged the Council to prove his instincts wrong and reduce the stream so waste did not end up in the landfill and make some money for the ratepayers.

Submission No 140 – Gore Pakeke Lions

The submission was presented by Mr John Falconer and Mr Neil McPhail.

Mr Falconer spoke about getting the maximum out of recycling. The Club appreciated the strong co-operation with the Council at its recycling centre. Central to that was the public support received, especially with newspaper. The bulk of cardboard came from the commercial sector. Voluntary labour was supplied by Pakeke Club members. The Club wished the Council to note that eight of the points in the Council's public information for the yellow bins were already being dealt with by the Club. The Club believed the yellow bin would degrade the optimum recycling options. He encouraged the Council to use incentives to ensure the public followed the programme of keeping newspapers clean and decontaminated. The Club suggested that the profit from the newspaper recycling could be returned to nominated projects within the District.

Mr McPhail added that the Club had been forerunners to recycling cardboard and newspaper over the last 10 years or so. As a result, a very good press had been purchased and the Club was happy to continue and expand its service. Club members enjoyed their work and every dollar made was returned to the town. He also acknowledged the support of the Council.

His Worship acknowledged the work undertaken by the Pakeke Lions and said it was valued by the community.

Cr Highsted asked about the incentive proposed and asked how a collection at no cost to the householders would be implemented.

Mr Falconer said the incentive was to ensure the newspapers were delivered clean and decontaminated and kept in Gore.

In response to Cr Highsted, Mr Falconer said not having newspapers recycled by the Club would certainly affect its income.

Mr McPhail said there was not a lot of cardboard from the residential area but newspaper provided a better return. The Club thought a yellow bin could be used just for newspaper and cardboard every second week.

Cr Davis asked if the Club expected newspaper and cardboard would be delivered by the contractor to the recycling depot.

Mr Falconer said it did.

Cr Davis asked if the \$23,000 included the book sale proceeds.

Mr McPhail advised it did not.

Cr McLennan said \$23,000 equated to about one quarter of a percent of rates. The Council had an extensive grants budget. He asked how the Council went about encouraging people to participate.

Mr Falconer thought it would be best left to the wisdom of the Council.

His Worship thought it worthy for the Council to note Cr Dixey's conflict of interest as a member of the Gore Pakeke Lions Club.

Mr McPhail said it may be that a partnership between the Council and the Club could be worth pursuing. There was value in the waste stream. Apart from the Club, Gore did not have a Wastebusters organisation.

Cr Gardyne would have liked to have seen a budget. Whilst the paper recycling relied on a grant from the Council, it also operated with voluntary labour. He would like to have seen the tonnages, profits etc.

Mr Falconer said a budget was not possible at this time, as the Club did not know what the potential in terms of newspaper recycling was from the town.

Submission No 145 – Betty Taylor

Mrs Taylor favoured the two bin option over the status quo and working with the Pakeke Lions.

Submission No 148 – Eastern Southland Grey Power

The submission was presented by Mr Les Glassey with Mr Graham Parks.

On behalf of nearly 900 members, the organisation favoured the status quo. The majority of its members were elderly who generated little rubbish. The proposal would impact on elderly and those with young families. If green waste was dumped at the landfill it would generate gas. The present system worked so why change it. Paddy's Bins did a mighty job. If there was change, would Paddy's be considered? The Pakeke Lions also did a marvellous job with cardboard and newspaper.

Mr Parkes reiterated how the proposal would affect Grey Power members and the community and asked that the Council give consideration to the issue. He added that Paddy's Bins should be closely considered for the marvellous job it did.

Cr Dixey asked about recycling which was favoured by the majority of submissions. How did Grey Power feel about recycling?

Mr Glassey said many people recycled on their own property. Tins and cans would have to go to the landfill, but there needed to be careful thought about how it got there.

Cr McLennan asked if the people the organisation represented had the confidence to make a submission, he assumed most would support the status quo. He suggested that it would make a big difference to the results of a survey. A lot of people were not willing to put in a submission on certain things.

Cr Harvey asked how the organisation had gathered its member's views.

Mr Glassey said a lot had been spoken to at random.

Cr Davis asked if the organisation had discussed recycling with its members.

Mr Glassey said not at the detail the Council would expect.

Submission No 182 – Laurel Turnbull

Mrs Turnbull felt very strongly about recycling and did not think the status quo was an option. The Council spent mega dollars to have the parks and reserves looking good, yet nothing on making sure rubbish was not illegally dumped. The Gore

District could be one of the last to introduce recycling. She supported the two bin system and believed the Council would have to address green waste. She proposed a charge of \$200 to cover people taking green waste to the transfer station. There was interest in Matura to establish a recycling centre for larger items. She urged the Council to introduce the plan. Many she had spoken to supported the proposal.

Cr Davis clarified the additional cost on ratepayers was to allow free access to everyone for green waste disposal.

Mrs Turnbull confirmed it was. Most people had a big cleanup 2-3 times a year and there was more green waste needed by the parks department.

Cr Harvey asked if the proposal was implemented, what would Mrs Turnbull think about green waste being added in a couple of years?

Mrs Turnbull thought that would cost another \$100. She thought it needed to be addressed when the two bins were introduced.

Submission No 206 – Colin McIntyre

He supported the status quo. Paddy's Bins provided an efficient and sustainable service.

Submission No 214 – Sally McIntyre

Favoured the status quo. Questioned what the Council meant by "more remote locations." She asked what the amount of debt was outstanding on the transfer station and whether it be transferred to the contractor. The Council needed to realise that not just the parks and reserves contributed to the beauty of the town, it was also private gardens, yet those people were penalised for taking green waste to the transfer station.

Mrs McIntyre believed having no landfills by 2020 was nonsense. There would always be holes dug that needed to be filled. There were sufficient controls in place to monitor landfills. Landfills had been closed in the Gore District. She had not read that they were causing problems to the environment or human health. Gore had a 5% above average of single occupied houses. Pakeke Lions did a good job with newspaper and cardboard recycling. She thought a company similar to that in Wanaka could be set up for recycled goods and keep the Council out.

His Worship said the comments made at the hearing needed now to be borne in mind when the matter was deliberated at a future meeting.

He thanked all submitters for attending the meeting and for their contributions.

2. ADOPTION OF 2010/11 ESTIMATES (1.5.45)

A memo had been received from the General Manager, Corporate Services together with explanations about additional costs required for the 2010/11 estimates. The total increase in costs amounted to \$230,000 which was partially offset by revenue adjustments of \$107,500, leaving a net rates increase above that signalled in the LTCCP of \$117,500.

The projected rates increase in the LTCCP had been 4.19% and with the additional costs, the rates increase was expected to be 5.41%.

The General Manager referred to appendix 1 and explained the third and fourth columns and the figures contained in both, due to the administrative costs that had to be apportioned across the organisation.

The Chief Executive advised a lot of energy had been invested in the 10 year plan and instructions to the staff were that year 2 figures needed to prevail unless there were very good reasons to depart from them. Variations in annual predictions and actuals were able to be monitored and the bulk of the variances in 2010/11 were beyond the Council's control, especially with respect to the MLT indoor event centre.

Cr Bolger thought the information was self explanatory and the end result would not be a mile away from the LTCCP. The main driver was the indoor event centre and the costs were perhaps conservative so that there would not be an over-spend. He was happy with what had been presented. He noted that over the past three or four years accurate budgeting had been demonstrated and the Chief Executive had advised him it had been achieved by having senior staff with experience and managers who had been in the job for a long time which created accurate budgeting.

The Council considered each of the areas that had contributed to the increase, as follows:

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|----|--|-----------|
| a. | Corporate Administration – increased costs | \$ 50,000 |
| b. | Regulatory Section – increased costs | \$ 25,000 |

c.	Mataura Pool – increased costs	\$ 10,000
d.	MLT Indoor Events Centre – new budget	\$ 85,000
e.	Water Section – increased costs	\$ 23,000
f.	Drainage Section – increased costs	\$ 8,000
g.	Solid Waste Section – increased costs	\$ 24,000
h.	Mataura Initiatives – new budget	\$ 5,000
		\$230,000

Cr Gardyne said whatever candidate the Council had for a graduate planner would be transient. He suggested Mr Hovell should be employing the person. He thought there would be credits for using the graduate as opposed to Mr Hovell's time.

The Chief Executive said there was only so much time the Council purchased from Mr Hovell. He saw the position as one that would enhance the Council's ability to improve its compliance with processing resource consents. There may be a contra, but in the past 18 months the amount of complex regulatory matters coming before the Council seemed to be increasing. The Council was in a different world from the previous 2-3 years. Mr Hovell was increasingly being used as a strategic advisor on regulatory matters, almost none of which could be recovered through fees, but was extremely useful to the Council.

Cr Davis did not think the Council could be concerned about whether a person would stay or not, but whether the position was justified.

In response to Cr Sharp, the Chief Executive explained the process for recruiting a graduate planner.

Cr Gardyne suggested looking outside of Otago University as there may well be people with other degrees who could be used across other departments.

The Chief Executive said Otago and Massey offered resource management degrees, but agreed there may be other universities that could be contacted. It was a strategy to be considered if the position was approved through the annual plan process.

Cr Gardyne asked a question some time ago about solar and heat pumps about the Mataura pool. The budget for the Mataura pool was disastrous in terms of the revenue compared with the costs. It was only 12kms from the Gore pool. There was a huge cost going out and he did not think it had been adequately addressed with installing a new boiler.

Cr Heller said there was a \$10,000 increase for the boilerman. Entry fees did not even cover that cost, let alone electricity and other costs. It was not viable. There was a working party that would be reporting to the Council in due course as well.

His Worship said he was unaware of any pool in the country that made a profit.

Cr Heller was not asking for a profit, but only \$11,000 income compared with the costs; he asked if it warranted staying open?

His Worship said economics were important but the considerations of having or not having a pool was the safety facility provided by swimming pools. Did the Council want people to know how to swim and be safe in the water? He appreciated there was a cost associated with that.

Cr Gardyne said the Waikaka school pool survived with donations, a \$50 contribution from families and a \$500 grant from the Council. It was 25kms from Gore. It was also struggling.

Cr McLennan would prefer the Council to adopt a social responsibility in terms of swimming pools.

Cr Gardyne asked where the comparative report was on heating costs for the pool.

The General Manager, District Assets advised there would be a report forthcoming.

In response to Cr Harvey, the Chief Executive said he had received some information about the due diligence and he expected a report would be available at the April Council meeting about the best option for ownership.

Cr Heller thought if the indoor centre did not get into Council ownership then it would be handing over \$60,000 in cash to an organisation it did not control. If there was a Trust, there would be a Council representative on it, but it would not have total control. He suggested the allowance for depreciation be dropped for the first year.

Cr Davis suggested the advertising income was light.

In response to His Worship, the Human Resources Manager advised an offer had been made to a candidate but a signature to confirm acceptance had yet to be received. Selling

advertising was not specific in the Supervisor's job description but it depended on the final ownership structure.

The Parks and Recreation Manager added in response to Cr Gardyne, that the candidate had some marketing skills and it was thought that a person with specialist experience in advertising could be engaged to sell it.

Cr Heller said in February 2009 the Council approved an increase in the grant to the Gore Pakeke Lions to \$25,000 on the basis that its income from newspaper had reduced by 91%. He wondered if the question had been asked about maintaining the payment to the Club at that level due to a recovery in its income.

The General Manager, District Assets had noted the increase in funding to the Club had been for one year and it would be reviewed. It had been discussed with the Club and a report would be forthcoming to the Council at its April meeting. The Club's income had not recovered and its costs had increased. His recommendation would be to retain the status quo.

Cr Heller referred to the chipping costs of \$10,000 and asked if that was not a responsibility of the parks department.

The Asset Manager, Utilities said the cost related to the solid waste activity. Some was not chipped and it needed to be shifted on site.

The General Manager, Corporate Services advised the bottom line for the parking meters was they were failing and would need replaced at some time. There was no direct impact on rates as the activity was self-funding.

Cr Highsted said installing new meters it would make sense to review the parking fees at the same time. Another 50 cents an hour would generate \$60,000.

Cr Sharp said why purchase 100 meters at once, why not 10.

The General Manager said there was economy of scale with purchasing 100 at once.

Cr Sharp asked if all of the meters were breaking down at once.

The General Manager said they were nearing the end of their useful life, but there would be opportunity to conduct a staged purchase, however, that would need to be discussed with the supplier to ascertain if the price would remain the same.

The General Manager, District Assets said there were benefits with purchasing 100 at once with calibrating and setting up. Purchasing 10 at a time would increase disbursement costs considerably.

Cr Bolger was surprised at the need to replace the meters so soon and asked if there was any residual value in them.

The General Manager, Corporate Services did not believe there was, but would make enquiries.

His Worship asked if any investigation had been done on other meter set-ups, rather than having to go back to single meters. There did not seem to be a time pressure.

The General Manager confirmed there was no urgency, and additional meter types could be investigated.

Cr Harvey asked if fees would be reviewed at the same time. He would like to have some comparisons with other similar sized towns.

In response to Cr Highsted, the General Manager, Corporate Services explained the transition to Symphony LMS and additional CAPEX in the library account.

Cr Heller referred to democracy and no allowance made for recovery of costs for the Mayoral vehicle from the Community Trust of Southland. In grants, he asked why they had not been left at the 2009 level rather than have 4.19% added to each.

Cr Davis supported Cr Heller's comments and agreed that a grant of say \$1,000 should remain at that level instead of having the rate increase applied to it.

The Council concurred that grants should remain at the 2010 actual level except those organisations where there was a contractual obligation for inflationary adjustments.

The Council **AGREED THAT** the \$2,500 grant to community pools be distributed amongst the pools that were still operating.

Cr Gardyne said if there was an increase for organisations like the A&P Association, then the same applied to other groups who will also be facing increased costs.

Cr Davis said some organisations had applied for set amounts of money. Perhaps a further report should be provided.

The Chief Executive said he and the General Manager could review the grants and adjust the list accordingly.

Cr Heller said in view of the recent Court of Appeal decision about leaky homes, was there a further impact on the Council.

The General Manager, Corporate Services advised he did not know. He had not heard from RiskPool to date.

His Worship said the decision could be a time bomb for the whole country.

Cr Heller asked for clarification about deferred maintenance under parks and recreation.

The Parks and Recreation Manager said it was building maintenance that had been discussed last year at the LTCCP.

Cr Heller asked about the cost of street trees.

The Manager advised it was maintenance costs for all street trees.

Cr Sharp asked why the Council paid for the airport.

The General Manager advised the Council did not pay for it. The airport made a contribution back to the Council from the income it generated. There was no cost to the ratepayer.

Cr Gardyne referred to the leaky homes premium and asked for an opinion. He asked what it would cost to get out of it. There had been a lot of evidence about shonky practices. He asked how long the Council had to contribute to the costs and why.

The Chief Executive said the insurance cover was a mutual liability fund which covered other aspects of the Council's business. If it could exit the Council needed to know what liabilities would still be in place. A report was certainly able to be provided.

The General Manager said he thought the Council would have to give 12 months notice to exit from the scheme, but any claims that were known prior to withdrawal would still be liable to be contributed to by the Council.

RESOLVED on the motion of Cr Bolger, seconded by Cr Heller, THAT the draft budgets for the year ended 30 June 2011 be approved for inclusion in the draft Annual Plan,

subject to any changes resolved at this Extraordinary meeting.

2010/15

The meeting concluded at 6:20 pm