

Minutes of an ordinary meeting of the Gore District Council, held in the Council Chambers, 29 Bowler Avenue, Gore, on Tuesday 10 May 2022, at 4.00pm.

Present His Worship the Mayor, Mr Tracy Hicks JP, Crs Davis, Dickson (via Zoom), Gardyne, D Grant (via Zoom), N Grant, Highsted, MacDonell, McPhail, Phillips and Reid.

In attendance The Chief Executive (Mr Stephen Parry), Chief Financial Officer (Ms Lornae Straith), Governance Manager (Susan Jones), 3 Waters Asset Manager (Mr Matt Bayliss), Communications/Marketing Manager (Sonia Gerken), and Parks and Recreation Manager (Mr Keith McRobie).

Apology Cr Bolger apologised for absence.

Cr Davis declared a conflict of interest in clause 8 – review of Buy Local Policy.

1. CONFIRMATION OF MINUTES

RESOLVED on the motion of Cr Highsted, seconded by Cr N Grant, **THAT** the minutes of the ordinary meeting of the Gore District Council, held on Tuesday 12 April 2022, as presented, be confirmed and signed by the Mayor as a true and complete record.

2. CREATIVE COMMUNITIES ASSESSMENT COMMITTEE

A memo had been received from the Governance Manager together with the minutes of the Creative Communities Assessment Committee meeting held on 30 March.

RESOLVED on the motion of Cr Davis, seconded by Cr Reid, **THAT** the minutes be received.

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3. PROPOSED TRAFFIC AND PARKING IMPROVEMENTS ON ARDWICK STREET, ADJACENT TO THE NEW LIBRARY AND COMMUNITY CENTRE (SC3221)

A report had been received from the Parks and Recreation Manager following the establishment of a working group of Council officers to discuss ways to improve the traffic flow and parking adjacent to the new library and community centre. The

working group was a direct response to concerns expressed during community consultation for the project, about the adequacy of parking to service the new development. The working group that comprised the Rooding Asset Manager, Senior Rooding Operations Officer, Library Manager, Building Control Manager, Parks and Recreation Manager, Nick Jones (Signal Management Group) and Greg Moffatt (McCulloch Architects), wanted to make improvements to the carpark design, the overall road design and layout and pedestrian flow in order that these would be in place for when the building opened in early 2023.

In response to His Worship, the Manager said there had been preliminary discussions with Seniors Citizens and St Mary's school and both were happy with the proposal. There would be a further discussion held with them once the Council had approved the design. Discussions with the Catholic Church and the local school bus company would be held. In response to Cr Reid, the Manager said the proposed layout had not been tested in terms of safety, but that would be progressed if the Council approved the proposal.

Cr McPhail said consultation with residents of Grant Street would be important so that everyone knew what was being proposed. He asked if the same number of parks outside the new library development were the same as at the old facility. He supported the plan and hoped it would be fit for purpose and ensure that adequate consultation was undertaken. Cr Phillips thought designated parking for campervans should be provided somewhere and the entry and exit point for the school buses needed review to ensure they were safe. Cr D Grant noted the make-up of the working group and asked if McCulloch's had landscape qualifications. He said he thought an elected member should have been included and Cr Phillips would have been an appropriate choice. He asked if getting something drawn up before all of the stakeholders had been consulted was the correct way of doing it. The Chief Executive said the group had been established to take advantage of the former Rooding Asset Manager before he departed the Council. It was a starting point for discussion and was presented in a visual form to talk with interested stakeholders for comment. He thought it was an appropriate way to use the expertise the staff had to initiate discussion. Cr D Grant asked if Cr Phillips was able to sit on the working group. In response to His Worship, Cr Phillips advised he was available to be involved. The Manager advised Greg Moffatt had been involved for drawing plans and could produce concepts using 3D.

Cr MacDonell asked what sort of time limits would there be. He did not think time limited parking could be provided in Grant Street and with no parking limits, Grant Street could have cars there parked all day. The Manager said Grant Street had been treated as a quiet, residential street. The only changes made would be bulbous kerbs coming off the pedestrian access.

RESOLVED on the motion of Cr McPhail, seconded by Cr Reid, THAT the Council endorse the circulated parking design for the upgraded James Cumming Wing complex,

AND THAT subject to any amendments the Council desires, the concept designs be paraded before key stakeholders (including the neighbouring property owners) and the wider community for input.

2022/43

4. MINUTES OF THE MATAURA COMMUNITY BOARD MEETING (SC2696)

A memo had been received from the Governance Manager together with a copy of the minutes of the meeting of the Matura Community Board, held on Monday 2 May 2022.

Cr Phillips moved THAT the minutes be received,

AND THAT the recommendations contained in the minutes be ratified.

The motion was seconded by Cr N Grant.

Clause 3 – Options for re-zoning industrial land in Matura through the District Plan review (SC3226)

Cr Highsted noted there had been a letter sent to residents about the proposal to re-zone and asked if it was clearly understood in the community. Cr Phillips believed the intent of the letter was inviting expressions of interest as opposed to a definitive proposal to change the zoning. Residents would have the opportunity to make submissions at a later date and he thought there had been some misunderstanding when the letter had been sent. A workshop would be held on 30 May with interested residents and the Community Board.

His Worship thought it could have been helpful for some publicity to have been available before the letters were circulated. Cr Highsted clarified that the District Plan Committee had not made any decision on zoning. His Worship confirmed it had not.

The motion was put and it was carried.

2022/44

5. REVIEW OF BUY LOCAL POLICY (SC0110)

A report had been received from the Chief Executive following a request from Cr Dickson at the April 2022 meeting for an urgent review of the Council's policy on purchasing goods and services locally. The request had been made in light of the emergence of the Omicron Covid-19 variant taking a foothold in the community and the concomitant knock-on effect that had had on local businesses. A comprehensive review of the Council's current procurement policy was being undertaken and an advanced draft was expected to be presented to the next Audit and Risk Committee meeting.

The “buy local” provisions within the procurement policy had last been reviewed in July 2020. That review had been spawned by the onset of the Covid-19 pandemic. There was deep seated concern at the time both nationally and regionally about the economic consequences of the pandemic and the high price being paid by locking down the country. A copy of the report submitted to the Council in July 2020 and excerpts from the resulting discussion at the Council meeting on 14 July 2020 had been circulated with the agenda. The resolution made by the Council in conferring preference to local business enterprises for the purchase of Council goods and services was based on a sliding scale in value, as follows:

- 7.5% up to \$5,000
- 5% up to \$10,000
- 2.5% up to \$100,000

The economic commentators ultimately proved to be completely wrong on the health of the economy. Along with the Government pumping a lot of money into the economy, the housing market was aided by a tail wind of low interest rates. The Gore District saw rapid growth in both demand and prices for housing, unemployment levels were very low and the District was well insulated from the decimated tourism sector which had borne the brunt of the Government’s decision to have the country’s borders closed for what was now over two years.

It had become apparent since February 2022 that large segments of the community had exercised a great deal more caution with the Omicron variant. Consequently there had been knock on effects with people being reluctant to move around. That had had an impact on traffic, both foot and vehicular, visiting the central business district. Running in parallel with the arrival of Omicron, had been a spike in inflation, which had been the greatest experienced over the past 30 years. Adding fuel to the fire, was the invasion of the Ukraine which had provided further disruption and anxiety to supply lines and prices around the globe.

There were powerful international economic forces at play which undoubtedly placed pressure on both businesses and households. The Council had no ability to influence those and had to navigate its way through the turbulent economic waters as best it could. It was hoped that following the winter months and the borders of the country being opened fully from October, that less restrictive means of everyday living would ensue. It was suggested that tilting the economic playing field further in favour of businesses that the Council may transact with, within the Gore District at the ultimate expense of ratepayers, did not seem to be justified or necessary at this time.

Cr Davis declared a conflict of interest and withdrew from the meeting. Cr D Grant also declared a conflict of interest and withdrew from Zoom.

His Worship said the policy was a difficult one to balance to ensure local businesses were supported, but it also had to balance the interests of the ratepayers who had to fund it. Cr Dickson said she raised the issue due to concerns for the local businesses

and thought the town had been notably quiet. She was unsure whether changing the policy would help or have the opportunity for some out of town quotes to be matched by local. She thought ratepayers would have more sympathy in supporting local businesses as opposed to some of the other expenditure the Council incurred. Perhaps there could be more opportunity for local businesses to quote or come within a certain percentage of a price.

Cr Highsted asked how difficult would it be to collate the value of local spend? The Chief Financial Officer said there would be a little bit of work involved and whether there were specific items. There were certainly a number of local businesses that the Council used for servicing for instance. She suspected some of the retailers in question may be ones that the Council did not deal with. It would be good to get an understanding of the sector of businesses that did not believe they were supported. There was a lot of local businesses supported by the Council. Cr McPhail was happy with the recommendation and the sliding scale that currently existed but believed there should be a review date on it. The environment going forward would have some major changes but thought it would be reviewed within 12 months.

Cr McPhail moved THAT the Council note and receive the report,

THAT the current buy local provisions contained within the Council's Procurement Policy as adopted on 14 July 2020, be affirmed,

AND THAT the buy local provisions in the policy be reviewed in 12 months time.

The motion was seconded by Cr Phillips.

The Chief Executive said reviewing the policy would enable statistics to be gathered about which local businesses were used and how effective the policy was.

The motion was put and it was carried.

2022/45

6. FINANCIAL REPORT TO 31 MARCH 2022

A financial report to 31 March 2022 had been circulated with the agenda. Key points included:

- An operating surplus of \$218k at 31 March 2022.
- Total operating surplus was unfavourable compared to budget by \$3.15m.
- Total income was lower than budget by \$464k.
- Total expenses were higher than budget by \$2.686m.

The Chief Financial Officer tabled an additional summary page of the financial report. For the year to March 2022, there was a favourable variance of 218k. When compared to budget it looked as though it was unfavourable by \$3.15 million, however the

figures were due to the timing of capital subsidies for the library, roading and the Longford Bridge. If the capital subsidies were removed and considered operationally, it was a comparison of 218k versus a budget of 250k. She said the Council was tracking comfortably at the end of March. The Council was suffering from inflationary pressures, cost increases, staff vacancies and consultancy costs. She noted the total operating surplus was unfavourable compared to budget by \$3.15m. The grants and subsidies relating to capital expenditure that had been budgeted but were yet to be received, severely skewed the 31 March variance. A more informative comparison was found by removing the capital subsidies budgeted. In that case, the budgeted operational surplus that the Council would be working to at 31 March was \$250k. That lead to a small unfavourable variance of \$32k.

Cr MacDonell asked if the Council was heading for a major budget deficit at year end. The Chief Financial Officer did not believe it was. When expenses were tracked against budget, there were a number of savings. Some maintenance works had not been undertaken as yet and the savings would off-set the additional expenditure. The Chief Executive said as part of preparing for the forthcoming annual plan workshop staff had been reviewing expenditure and trends. Despite lumpiness in some areas, the budget was tracking where it should be. He did not expect a big deficit.

In response to Cr Phillips, the 3 Waters Manager said chemical cost increases of about 20% were also impacted with increases in chemical consumption depending on the river conditions. When the river flows were lower for a longer period of time, the wastewater needed to be treated to a high quality that resulted in additional chemical usage. Cr D Grant asked about the industrial hub and whether the Council was locked into a rate that was inflation proof? Could the Council pass on the costs? The Manager advised it was operated on a cost recovery basis and was one of the reasons it attracted lumpiness in the budget at this time of the year. At the end of each financial year, a review was undertaken into what the operational costs for the industrial hub had been for the year and a “wash-up” was calculated.

Cr Highsted was struggling to reconcile the expenditure of unfavourable variance but acknowledged there was a surplus being budgeted of \$4.1 million. He did not know why the surplus was budgeted. The Chief Financial Officer said the Council would not reach the \$4.1m. It included the subsidies budgeted to be received for the bridge and the timing of the Shovel Ready project for the library. The Council had budgeted for \$1.7m for the library. There had been some slippage in the timeframe for the project which meant the timing for claiming the funds needed to be adjusted.

RESOLVED on the motion of Cr Highsted, seconded by Cr MacDonell, THAT the report be received.

2022/46

7. THE CHARGING STRUCTURE FOR THE TIPPING OF GREENWASTE (SC0689/SC3332)

A report had been received from the Chief Financial Officer expanding on the reasoning for promoting option four in the last report considered by the Council at its 14 December 2021 meeting. That option had promoted a more equitable charging system where all green waste would be free up to a certain weight. Councillors had a number of concerns about the approach that needed to be addressed, before a final decision could be made.

In May 2020, the Council decided to allow free dumping of all green waste at its transfer stations. The free green waste disposal had primarily been put in place as a compromise for the changes in the kerbside collection which was a reduced service of glass only. The need to maintain the required cover for the old landfill areas had also been an influencing factor. Other contributing factors included the need to reduce the amount of green waste going into kerbside wheelie bins and unwanted fly tipping. The availability of free green waste disposal had been seized upon by the public, however, the excessive loads coming from farms, out of district users and commercial operators became a major concern.

Commercial operator concerns were that charging for green waste was unfairly penalising their customers, mainly the elderly who were ratepayers and as individuals, had a right to free dumping. The system in place was difficult to police fairly. The biggest concern with recovering costs through this activity was the risk of an increase in fly tipping and an increase in the amount of green waste in red bins. For example, 100kg of green waste cost \$25 to process when deposited via a wheelie bin, compared to \$12 at the transfer station.

The table below illustrated different options as a starting point for charging the public for green waste. For example, if the point at which the Council started charging for green waste was 100kg (ie everything up to 100kg was free), then the Council would recover around \$178k, with just over 50% of loads being dumped for free.

Kg cut off <i>Customers pay for loads over this weight - \$120/tonne</i>	Indicative revenue	% of public that tip for free	Minimum charge once threshold is reached
100kg	\$178,495.20	52%	\$12
150kg	\$152,791.20	68%	\$18
200kg	\$128,620.80	77%	\$24
250kg	\$107,863.20	84%	\$30
500kg	\$50,133.60	96%	\$60
1000kg	\$25,092.00	99%	\$120

**(all statistics are based on the last two full months of trading Sept./Oct.)*

Cr Gardyne said there would be a huge difference between lawn clippings and logs. His Worship was not sure there were many logs taken to the transfer station, but there

was quite a lot of chippable material. The Chief Executive said introducing a charge would also to deter out of district customers dropping green waste at the transfer station.

The Chief Financial Officer said the costs included in the cost/tonne included a chipping option. To process one tonne of green waste was \$120/tonne.

Cr Phillips clarified that the costs related only to Gore and did not include Mataura. The Chief Financial Officer confirmed it was only Gore and Mataura would be considered separately. Cr Phillips thought residents would look at the opening hours in Mataura and take everything there. He was also concerned about out of district people using the transfer station and dumping for free. He asked if all residents could be issued with a bar code. The Chief Financial Officer said every ratepayer had an assessment number but the administration cost had to be considered. Cr Phillips thought it could be a strategy to be considered by the Waste Working Party relating to waste reduction. There would come a time when green waste was not required at the landfill. If it was done once and done properly, there would be no need to keep changing. His Worship appreciated the complexity of the issue. Mataura did need to be addressed. Cr McPhail said there had been large logs dropped off at the transfer station in the past. The proposal was a practical approach to put a baseline in place. Repurposing waste had to be considered. He asked about the chipping at the landfill and whether it was used by the Council parks department. The Chief Financial Officer said currently the chippable material had been used as cover for the landfill. Cr McPhail supported the 100kg limit. His Worship thought a depot at the transfer station for those unwanted goods which were still in usable condition would be useful.

RESOLVED on the motion of Cr McPhail, seconded by Cr Reid, THAT the report be received,

THAT the Council introduce free green waste for loads under 100kg at the Gore Refuse Transfer Station, for all users (residential, commercial and out of district) with effect from 1 July 2022,

THAT the cost of disposing of green waste over the 100kg threshold be charged on weight on the basis of \$120/tonne,

AND THAT the Council note that this change should generate additional revenue of approximately \$65,000 per annum.

2022/47

8. IDENTIFICATION OF PROJECTS FOR THREE WATERS REFORM BETTER OFF SUPPORT PACKAGE (SC3451)

A report had been received from the Chief Executive following the Government announcement in July 2021 of a support package for local government to assist in the

transition of Three Waters reform. The support package totalled \$2 billion nationally and was to be released in tranches.

The individual allocations to Councils were assessed on the basis of population, deprivation index and land area. In the case of the Gore District, a total sum of \$9.153 million had been set aside. The Department of Internal Affairs had extended an invitation to all Councils to access the first \$500 million of the package. For the Gore District Council, this meant an allocation of around \$2.288 million. It was suggested that a working party comprised of Council officers, elected members and representatives from Hokonui Runanga be assembled to develop project proposals which could be submitted to the Council for approval to be conveyed to the Department of Internal Affairs before the deadline of 30 September 2022.

Cr Highsted thought it would be useful for a community member to be co-opted to the working party.

RESOLVED on the motion of Cr Reid, seconded by Cr Davis, THAT the Council establish a combined officer and elected member working party, with representation from Hokonui Runanga, to identify and develop project proposals that fit within the funding criteria set out in the bullet points contained within this report,

THAT a community representative be co-opted to the Working Party,

THAT the elected members be His Worship the Mayor, Crs Highsted, McPhail, Phillips and Reid,

AND THAT the working party be charged with developing funding proposals containing key local projects that will be submitted to the Council for approval before being submitted to the Department of Internal Affairs prior to the funding deadline of 30 September 2022.

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The meeting concluded at 5.08pm