



Waitaki

DISTRICT COUNCIL

TE KAUNIHERA Ā ROHE O WAITAKI

**I hereby give notice that the
Additional Council Meeting
will be held on:**

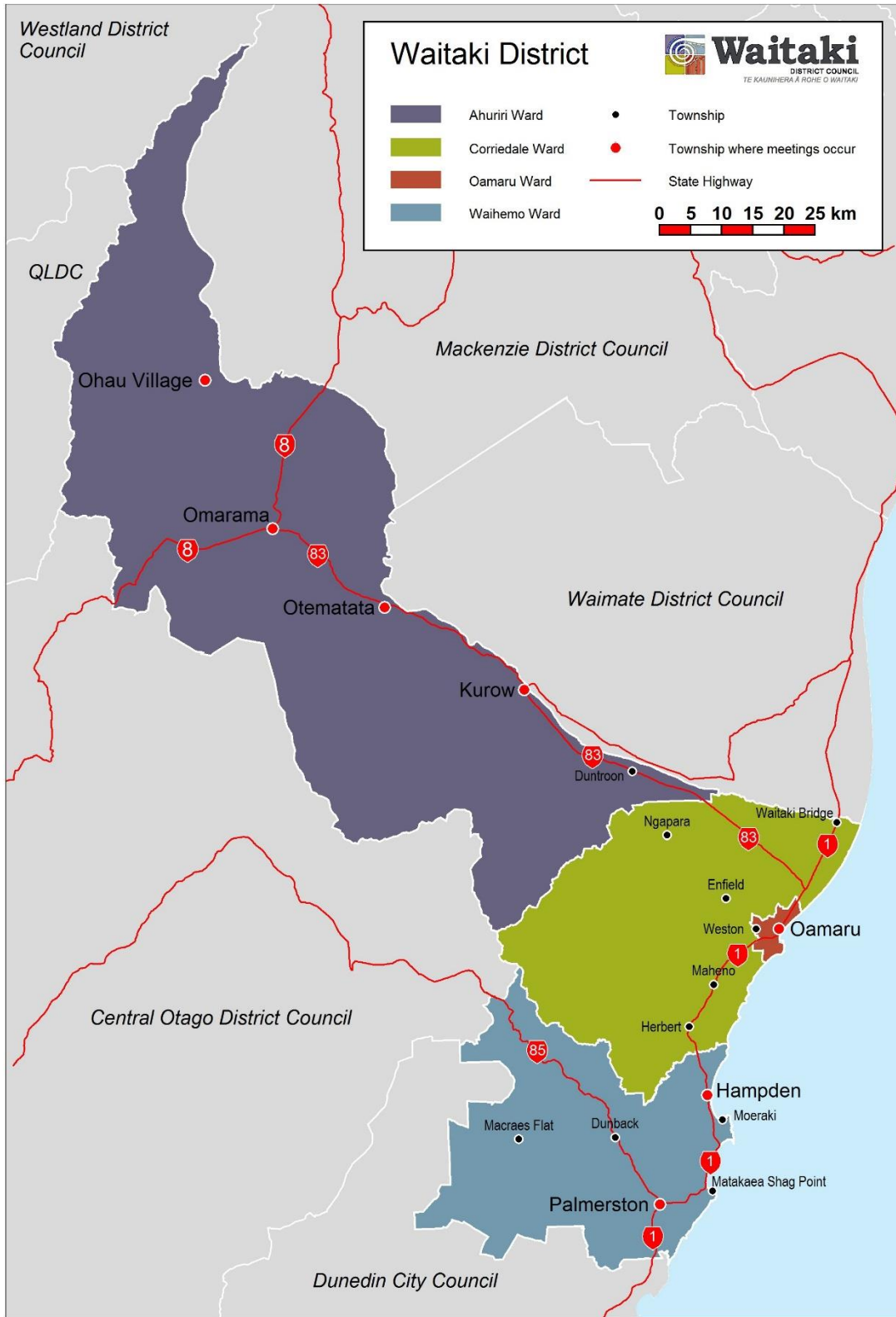
Date: Tuesday, 22 September 2020
Time: 9.00am
Location: Council Chamber
Third Floor
Office of the Waitaki District Council
20 Thames Street, Oamaru

Agenda

Additional Council Meeting

22 September 2020

Fergus Power
Chief Executive



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1 APOLOGIES

2 DECLARATIONS OF INTEREST

3 REMEMBRANCE – MR KEN BROWN

Former Waihemo Community Board Deputy Chair and Member Mr Ken Brown passed away suddenly on Wednesday 8 September 2020. He was the longest serving community board member in New Zealand, having spent 30 years of loyal, conscientious and dedicated service to the Waitaki district as a member and Deputy Chair of the Waihemo Community Board from 1989 until his retirement at the end of the 2019 triennium.

Mayor Gary Kircher, Waihemo Community Board Chair Heather McGregor and other Board members, and People and Culture Group Manager Lisa Baillie attended the funeral on Friday 11 September 2020.

Mayor Gary Kircher will ask meeting participants to observe a minute's silence in the meeting in honour and remembrance of Mr Ken Brown.

4 CONFIRMATION OF PREVIOUS MEETING MINUTES

4.1 PUBLIC MINUTES OF THE COUNCIL MEETING HELD ON 11 AUGUST 2020

Author: Ainslee Hooper, Governance and Policy Advisor

Authoriser: Lisa Baillie, People and Culture Group Manager

Attachments: 1. Public minutes of the Council Meeting held on 11 August 2020

RECOMMENDATION

That the Council confirms the Public minutes of the Council Meeting held on 11 August 2020, as circulated, as a true and correct record of that meeting.

UNCONFIRMED MINUTES

**OF THE WAITAKI DISTRICT COUNCIL MEETING
HELD IN THE COUNCIL CHAMBER, THIRD FLOOR,
OFFICE OF THE WAITAKI DISTRICT COUNCIL, 20 THAMES STREET, OAMARU
ON TUESDAY, 11 AUGUST 2020 AT 9.00AM**

PRESENT: Mayor Gary Kircher (Chair), Deputy Mayor Melanie Tavendale (Associate Chair), Cr Hana Halalele, Cr Jeremy Holding, Cr Jim Hopkins, Cr Ross McRobie, Cr Bill Kingan, Cr Kelli Milmine, Cr Peter Newton, Cr Guy Percival (from 9.40am), and Cr Colin Wollstein

IN ATTENDANCE: Fergus Power (Chief Executive)
Neil Jorgensen (Assets Group Manager / Deputy Chief Executive)
Paul Hope (Finance and Corporate Development Group Manager)
Lisa Baillie (People and Culture Group Manager)
Lichelle Guyan (Heritage, Environment and Regulatory Group Manager)
Bill Chou (Information Services Group Manager)
Ainslee Hooper (Governance and Policy Advisor)

IN ATTENDANCE FOR SPECIFIC AGENDA ITEMS:

Gerard Quinn (Pandemic Economic Recovery Manager)

Community members of the Harbour Area Committee:

- George Kelcher (Chamber of Commerce)
- Graeme Clark (Oamaru Whitestone Civic Trust)
- Kevin Murdoch (North Otago Yacht and Powerboat Club)
- Dr Philippa Agnew (Environment Representative)

Representatives of the Waitaki District Health Services Trust and Waitaki District Health Services Limited (via Zoom video-conference):

- Paul Allison (Chairman of the WDHST)
- Mark Rogers (Chairman of the WDHSL)

At 9.00am, the Chair declared the meeting open and welcomed everyone present in the Council Chamber, including members of the public and media. He noted that the meeting was being livestreamed on Council's Facebook page, and welcomed everyone watching via that platform.

1 APOLOGIES

RESOLVED WDC 2020/154

Moved: Cr Jeremy Holding

Seconded: Cr Bill Kingan

That an apology for lateness on behalf of Cr Guy Percival be accepted and leave of absence granted.

CARRIED

2 DECLARATIONS OF INTEREST

Mayor Gary Kircher declared a conflict of interest under Public Excluded Agenda Item 10.4, stating that the item was regarding the election of the President and Vice President of Local Government New Zealand and that he was standing for the role of Vice President.

3 PUBLIC FORUM

Speaker 1: Mr Dugald MacTavish, Hampden Community and School Workshop Project – Mr MacTavish and two members of the community steering group were in attendance. Mr MacTavish spoke to the full project proposal which had been circulated separately to Elected Members and discussed the three spaces that were involved – the engineering workshop, the Arts and Crafts space, and the office and meetings and school caretaking area. A short movie was also screened with the Principal of Hampden School, Mr Matt Hannigan, expressing his support for the project, including because it would provide students with life skills and integrated learning; would help with community connections (which was a goal in the School Charter), and was sustainable and a win-win for the community right on the doorstep of the school.

Mr MacTavish advised the meeting that the group was asking Council for access to the land to be able to proceed with the project. The land was being grazed at the moment, and that would continue for the time being.

There was brief discussion around funding, and the volunteer capacity. Elected Members shared their congratulations with Mr MacTavish for the project concept and wished him and his group well in moving it forward. It was also noted that, if Council approved the land use later in the agenda at this meeting, that the group could build that support into its proposals for funding.

The Chair endorsed those remarks and the school's support. He acknowledged that the project was a big goal but believed that Hampden community was very much a 'can-do' type of group.

Speaker 2: Ms Adair Craik, Onya Bike Project – Ms Craik provided an update on the Onya Bike project, which Council had agreed to support from 2019. She circulated some of the promotional items that had been developed. The key message going forward was 'Keep your distance – 1.5m', which was the legal distance a car must be from a cyclist when it passes them. With the marketing collateral now ready, the project team was working closely with Council's Road Safety Coordinator to launch the campaign to more schools including Fenwick and others. Roading Manager Mike Harrison added that the Onya Bike project was an important part of Council's road safety education. It was multi-generational, with a long-term target, and the information that had come from the initial survey was good for planning purposes. He believed the project was a great illustration of where the community was working closely and successful with Council.

There was a brief question and answer session with Elected Members, during which Ms Craik was congratulated for the project's achievements to date. It was clarified that road erosion was a concern in places (eg the footpath that runs along the historic rock wall on Humber Street) and noted that the campaign was encouraging people to use the cycle trails.

The Chair thanked Ms Craik for the project update.

Speaker 3: Ms Katrina Hazelhurst – co-coordinator of friends of Oamaru Harbour: Ms Hazelhurst thanked Council and staff for getting the draft Harbour plan to its current stage. She advised that a few people had raised concerns about the Farmers' Market area but acknowledged that it was just a draft plan and there would be an opportunity for people to engage with Council on such matters if they wished to. Wearing a 'second hat', Ms Hazelhurst also took the opportunity to express her concerns about the loan payments to Waitaki District Hospital Services Limited, as reported under Agenda Item 7.4 to this meeting. Whilst acknowledging the complete disaster that was COVID-19, she saw a silver lining in that Kiwis returning home and new immigrants could be employed in the health sector as a result of the COVID response. She emphasised her view that

there was a need for them to have a secure base and stability in order to seek employment here, and she believed it was time for a review of Waitaki's health services and to look to the Southern District Health Board to address funding matters rather than Council providing WDHSL with a loan.

In reply, the Chair said he had seen the comments in relation to the Farmers Market area and noted that the diagram in the plan was conceptual. The line that was being used is one that has been agreed with Farmers Market businesses. Any feedback received on the matter via submissions on the draft Harbour Plan, once it had been adopted by Council hopefully today, would be welcomed.

The Chair thanked Ms Hazelhurst for her address to the meeting.

The Public Forum ended at 9.33am, and the Chair directed the meeting to Agenda Item 4.

4 CONFIRMATION OF PREVIOUS MEETING MINUTES

4.1 PUBLIC MINUTES OF THE ADDITIONAL COUNCIL MEETING HELD ON 21 JULY 2020

RESOLVED WDC 2020/155

Moved: Cr Jim Hopkins

Seconded: Cr Jeremy Holding

That the Council confirms the Public minutes of the Additional Council Meeting held on 21 July 2020, as circulated, as a true and correct record of that meeting.

CARRIED

5 LEADERSHIP REPORTS

5.1 MAYOR'S REPORT - 11 AUGUST 2020

The report, as circulated, provided comments to bring Councillors and the public up to date with issues that have arisen since the Additional Council Meeting on Tuesday, 21 July 2020.

The Chair took his report as read, and noted that things were moving very quickly, especially in the Three Waters space. With regard to the district and regional allocations, a portion would go to Taumata Arowai (water regulator), and another portion would be split between local authorities and the regions. Waitaki was included in the Canterbury region. He acknowledged that a lot of work was going on behind the scenes by Council's Water team to keep abreast of the developments in Three Waters.

Regarding Tourism Waitaki, it was noted that the company had had great success with its funding application to central government, and the Board was meeting soon to deal with the update to its Statement of Intent since receiving that news. It was noted that there could be some indication of discussions between the Board and the General Manager in the next week or so.

Cr Guy Percival joined the meeting at 9.40am.

Elected Members briefly discussed the report's comments on concerns with seagulls in the town. It was clarified that Council was asking the Minister to use the exemption in the Act so that the nests could be removed. Under the Act, it was only permissible to remove the beginnings of a nest (bits of material), but once the nest had been formed, then it could not be removed. Council wanted building owners to have the ability (available via the exemption clause) to remove the nests, because it did not want to cull any gulls. The meeting heard that information was being

sourced from businesses about the impact of the seagulls on their activities and customers, so that it could be sent through to the Minister in support of the exemption request.

RESOLVED WDC 2020/156

Moved: Cr Ross McRobie
Seconded: Cr Peter Newton

That the Council receives and notes the information.

CARRIED

5.2 CHIEF EXECUTIVE'S REPORT FOR PERIOD ENDING 11 AUGUST 2020

The report, as circulated, provided information to bring Elected Members up to date with issues that have arisen since my last report to the 16 June 2020 Additional Council Meeting.

Chief Executive Fergus Power took his report as read and noted that it was not unusual for there to be a rush of legislation before the end of the Parliamentary term. He highlighted the replacement of the Resource Management Act (RMA) with three separate Acts as of major importance to Council, and in particular the proposal in one of the replacements (the Natural Built Environment Act) that the current 100 or so district plans be reduced to just 14, and that for those 14, joint committees be established. Mr Power advised that the issue would be with joint committees consisting of regional and district councils but also essentially two elements of central government as well – the Department of Conservation and a Ministerial representative. There were related issues around tension between localism and central control, and the progress of the that legislation would be of particular interest.

When asked about the report's comments about resourcing and the operational impact of these changes, with staff having to come up to speed with them, Mr Power informed the meeting that staff had already been put under considerable pressure from legislative changes over the last three years. It was important to make the community aware of the changes and the communications element of that work was a heavy load. The COVID-19 recovery fast-track consenting Act was putting further stress on the system at the moment, because it gave staff only ten days to respond. He gave an example of a notification of a 2020 application for Upper Clutha lines which had arrived the previous Friday, which meant that, by this meeting date, the response period was almost halfway through. He added that input from Elected Members was also needed within that timeframe, and therefore he asked them to be mindful of the stress on staff relating to such matters.

The implications for the district plan were also raised by an Elected Member, who noted that the time and effort Council staff were putting into the district plan review work at the moment was 'insanely big' and if the legislative changes meant that there would not be a district plan at the end of it, then there was a need to be aware of those issues. In response, Mr Power acknowledged the concern but suggested that it could be a good six years to go before such legislation came into effect. In the meantime, Waitaki's district plan was deficient in some ways, which Elected Members were aware of, and it would be helpful to fix some of those for the benefit of the whole community. It was a good conversation for local government to have with central government.

The meeting also heard that it was anticipated that Council's membership of joint committees would be automatic; and that Local Government New Zealand would be very much involved in any changes to district plans.

One Elected Member acknowledged the extra work involved for staff in addressing regulatory changes. However, Council had also addressed the situation by agreeing to the recruitment of new staff and therefore the reason for the additional stress now was raised. In reply, Mr Power advised that COVID-19 had added a new element with its shorter timeframes. He acknowledged that Council had appropriately added more staff in departments under pressure over the last few

years, which had been very pleasing. As an example, he advised that the Heritage, Environment and Regulatory Group had achieved a 100% staffing complement in the last 24 hours, which was a significant milestone given that the group had been under-resourced for quite some time because of the competitive nature of that sector.

Other Elected Members put forward their views on the RMA changes; some saw it as an attempt to amalgamate local authorities by function.

The proposed widening of the Mackenzie Basin relationship to encompass governance was raised. Mr Power advised that it had been raised by DOC, LINZ and ECan, which were all actively engaged in elements of co-governance with takata whenua. Previously, the group had been very much a Chief Executive-driven group to integrate consent processes, which had progressed very well, but there was now an expectation of a discussion about co-governance which was a role for governors, rather than chief executives.

The meeting heard that, in relation to the national climate change risk assessment, it was too early to be able to absorb all of the information and it was expected that the Planning team would be able to report on it within the next meeting cycle.

The National Policy Statement for Urban Development and the suggestion of not needing car parks was highlighted as a concern, with the opening of Mitre 10 Mega illustrating their importance here.

Under Health and Safety, further information was requested about the environmental incident. The Chief Executive undertook to follow up on that.

ACTION: Chief Executive Fergus Power

Cr Peter Newton thanked the Chief Executive for his report, noting that it was one of the best he had read, and he appreciated the time that had been given to the risks and implications for Council.

RESOLVED WDC 2020/157

Moved: Mayor Gary Kircher

Seconded: Deputy Mayor Melanie Tavendale

That the Council receives and notes the information.

CARRIED

6 RECOMMENDATIONS FROM COMMITTEES REPORTS

6.1 RECOMMENDATIONS OF THE PERFORMANCE, AUDIT AND RISK COMMITTEE MEETING HELD ON 28 JULY 2020

6.1.1 TREASURY STRATEGY, 2020-21 FINANCIAL YEAR - FIRST QUARTER

Cr Colin Wollstein, as Chair of the Performance, Audit and Risk Committee, spoke to the report, noting that the recommendation to adopt a Treasury Strategy ensured that Council does not put ratepayers' money at risk. He noted, too, that Council did not have a surplus of funds to invest at this time, and that it had been borrowing money at a cheaper rate than it was lending out. He added that Council was now a member of the Local Government Funding Agency (LGFA) which would give it access to funds at a cheaper rate.

Cr Wollstein moved the report's recommendations and Cr Ross McRobie seconded the motion.

Discussion on the motion:

Mayor Gary Kircher corrected Cr Wollstein's final statement, advising that Council had not yet joined the LGFA, as the paperwork was still being finalised with lawyers. It was now expected that

a decision paper on Council's LGFA Membership would come to a new Additional Council Meeting to be scheduled on 22 September 2020. This update was acknowledged by the meeting.

RESOLVED WDC 2020/158

Moved: Cr Colin Wollstein
Seconded: Cr Ross McRobie

That Council:

1. Adopts a Treasury Strategy for the first quarter of the 2020-21 financial year that will guide the selection of the most cost-effective arrangements to limit the use and cost of external borrowings and invest any available funds to best advantage to maximise returns.

CARRIED

7 DECISION REPORTS

7.1 LEASE OF LAND – HAMPDEN

The report, as circulated, sought to formalise an agreement for use of land in Hampden.

Group Manager Neil Jorgensen spoke to the report and noted that it was related to the Hampden Community Garden and Workshop project that had been discussed in the Public Forum.

Deputy Mayor Melanie Tavendale moved the report's recommendations, and Cr Peter Newton seconded the motion.

Discussion on the motion:

In response to questions, it was clarified that the lease would have no right of renewal but could be modified along the way if that suits both parties. It was expected to be a long-term arrangement.

The Deputy Mayor extended a 'huge thank you' to Mr MacTavish and his group who had been instrumental in driving so much of the community activity in Hampden over the past 10-15 years. She congratulated them on their efforts, and said it was very much appreciated by Council. In reply, Mr MacTavish said his group was lucky to have the people it did in Hampden to support community projects like this one.

RESOLVED WDC 2020/159

Moved: Deputy Mayor Melanie Tavendale
Seconded: Cr Peter Newton

That Council:

1. Approves the lease of (part section 10 and 11 Blk XXXV Town Hampden and Section 15 to 18 Block XXXV Town Hampden) to the Hampden Community Energy Group for use as a Community and School workshop and garden subject to agreement on lease terms and conditions; and
2. Delegates authority to the Chief Executive to negotiate lease terms consistent with Appendix Three and sign the lease on behalf of Council.

CARRIED

The Chair wished Mr MacTavish and his group all the best with the construction and the project and noted that it had been a pleasure working with him to get the process to this point where it could now proceed. Mr MacTavish thanked the Mayor and Council for its support.

7.5 ELECTORAL SYSTEM TO USE FOR ELECTIONS

The report and accompanying attachments, as circulated, sought Council's consideration of whether to retain the First Past the Post (FPP) electoral system or to adopt the Single Transferable Vote (STV) electoral system.

Group Manager Lisa Baillie spoke to the report and advised that Council currently had a mixture of both systems, as did 11 other Councils for the 2019 Local Elections.

Deputy Mayor Melanie Tavendale moved the report's recommendation (a) and Cr Jim Hopkins seconded the motion.

Discussion on the motion:

The Deputy Mayor, as the motion mover, noted that a lot of councils who have used the STV system had reported that their voters found it very confusing. She added that it would be a cost to Council to change its approach now and she had not heard from Council's electorate that there was a need for change. Cr Jim Hopkins, as the motion seconder, endorsed those remarks.

RESOLVED WDC 2020/160

Moved: Deputy Mayor Melanie Tavendale

Seconded: Cr Jim Hopkins

That Council:

- a) Resolves to retain the First Past the Post (FPP) electoral system for the 2022 triennial elections and that this decision is publicly notified by 19 September 2020.

CARRIED

The meeting was adjourned at 10.16am and reconvened at 10.33am.

7.2 ENDORSEMENT OF DRAFT HARBOUR PLAN 2020 AND BEYOND

The report, as circulated, sought Council's approval of the draft *Oamaru Harbour Plan 2020 and Beyond* document, along with the Community Engagement Proposal.

The Chair welcomed the four community members of the Harbour Area Committee (HAC) who were present for this agenda item.

Group Manager Neil Jorgensen presented the final draft version of the harbour plan for Council's approval. He noted that there had been many structural changes to the document since the last workshop to make it more readable. The document remained high level and signalled the direction that Council wants to go in for harbour projects and development of the harbour area. There were work streams that would sit under it, some of which would require more detailed consultation (eg the district plan). The agenda report was seeking Council's approval to take the final draft plan to the community for consultation, recognising that there had already been a considerable amount of consultation with the public which had been incorporated along the way. Mr Jorgensen also advised that approval for a relatively simple public engagement was also being sought, because of the public consultation that had already occurred. Any submissions received would be heard by the Harbour Area Committee, which would then make a final recommendation to Council to adopt a final version of the plan.

The Chair invited the HAC community members to address the meeting. Mr George Kelcher said it was a plan for the future, but still needed to be reviewable because everything would be different

in 5-10 years' time, with different people at the helm. He acknowledged that it may not keep everybody happy, but he believed that was not necessary.

Mr Kevin Murdoch thanked Mr Jorgensen and staff for their great work on the draft plan to date, and for making the process of its development considerably simpler.

Some Elected Members exchanged views about the proposed three-week consultation process; two in support of it and one not. In reply, Mr Jorgensen reiterated the engagement with many people that had occurred thus far but acknowledged that Council as able to extend it if it wished to do so. The Chair believed that the three-week process fitted in with other matters that Council was consulting on and that the public had a reasonable base of knowledge regarding what had happened so far. There would be opportunities for submissions and hearings where people could have more input.

One Elected Member expressed concern about the statement in the draft relating to Sumpter Wharf and suggested it be reworded. The Deputy Mayor raised a point of order, which was overruled by the Chair. The Chair advised the Elected Member with concerns that the Harbour Area Committee had good representation and that the Elected Member had been in meetings and workshops and had taken the opportunity to suggest changes. The need now was to test the document with the community and not change it before it was tested. Members of the public could submit on issues of concern to them, and their views would all be considered during hearings and deliberations to come. There was no intention that the document would be perfect at this stage.

It was clarified that six parking spaces would be lost with the new roundabout proposed for in front of the caravan park.

Two non-members of the Harbour Area Committee congratulated Committee members for the framework that had been used to develop the draft harbour plan and for the its current status as a 'good document for consultation'.

Cr Ross McRobie sought to move the report's recommendations. The Chair said he would accept that as a Notice of Motion but wanted to ensure that all Elected Members had had the opportunity to contribute to the discussion before a motion was invited.

Brief discussion on the public consultation process clarified that it would be relatively standard; there would be electronic and hard copies at libraries, and the media campaign would be digital and in newspapers.

It was also confirmed that the Communications plan would be coordinated by the Communications team, and that the Communications portfolio of Elected Members would see the final documents before they were released to the public for consultation.

Cr Ross McRobie moved the report's recommendations and Cr Jeremy Holding seconded the motion.

Discussion on the motion:

Cr Ross McRobie acknowledged the large amount of consultation and contributions that had been associated with getting the draft plan to this point, including from Elected Members. Funding discussions would need to follow, but there is a direction in the draft plan about what is important and what is proposed to be funded. Projects are ranked and indicative priorities have been included. It was well presented, accessible to understand, and he hoped the community would get behind it.

Cr Jeremy Holding believed it was one of Council's most successful community engagements, because it was about a valued place in the district. Contributions had been provided by a wide range of people and he was pleased with the result.

The Chair added that it had been a long process but a joint effort, and he thanked the project team and members of the Harbour Area Committee, especially the community members, who had contributed to discussions. He believed the tone of the Harbour area had been retained in the document and acknowledged that some elements will be liked and some perhaps not. The Farmers' Market area in particular had been a focus of work and liaison to ensure that those

involved there had what they needed to future-proof operations and to know exactly where the line in the car park actually was. He extended a broader thank you everyone who had been involved in getting the draft to the stage where it was now ready for public consultation.

RESOLVED WDC 2020/161

Moved: Cr Ross McRobie
Seconded: Cr Jeremy Holding

That Council:

1. Approves the draft Oamaru Harbour Plan 2020 and Beyond document; and
2. Approves the Community Engagement Proposal for the Oamaru Harbour Plan 2020 and Beyond.

CARRIED

7.3 MEMORANDUM OF UNDERSTANDING - THREE WATERS SERVICES REFORM

The report, as circulated, sought Council's consideration on opting into the Government's Three Waters Reform Programme.

Group Manager Neil Jorgensen spoke to the report, noting that it was one of the first steps in the Three Waters reform process. He outlined the key points in the report about funding being available upon signing of the Memorandum of Understanding, which was non-binding, with further funding to be available through the regional process. He then explained the delivery programme requirements and the timeframe and advised that it was hoped a decision report would be able to be presented to the 25 August 2020 Additional Council Meeting for a final decision of Council on those matters. He added that the timeframe to spend the money was tight, and that there was a regional process to go through to get access to the second part of the money.

When asked, Mr Jorgensen said his team was confident that they could meet the timeframes and develop the delivery plan in time to include it in the agenda for the 25 August meeting.

Mr Jorgensen also explained in more detail the split of the regional money and noted that the Canterbury Mayoral Forum was talking about how that would happen.

One Elected Member suggested that it was a 'no-brainer' for councils to be progressing at this stage, but also noted that there appeared to be an element of mistrust that could potentially mean that some councils may signal they would not go ahead. In response, Mr Jorgensen said he was not aware from an officer perspective of any officer who would not be recommending to their councils to go ahead with the first tranche. The MOU was non-binding, so there was no commitment to further rounds. The key time would be next year, as that is when councils would be asked to make a final decision to opt in or out.

The Chair added that there were still some unanswered questions, but he did not believe they were reasons to not go ahead. The most frequently asked question was whether central government would have any ownership of the 3 Waters assets. It was not intended that they would overall, but they make take a shareholding on the basis of the stimulus to local economies.

It was clarified that:

- the total value of the 3 Waters assets was between \$150m and \$200m (and closer to the higher amount).
- The funding agreement was available on the DIA website;
- The delivery plan was binding insofar as councils were required to do what they say they are going to do.

In relation to provision of information, Mr Jorgensen advised that there may be instances where data may not have been collected (eg on the condition of pipes) but it was assumed that the requirement would be to provide only the information that was available rather than doing a lot of testing to provide more. That assumption might be wrong, but there was no information about that at the moment.

When asked if the regional funding to individual member councils who signed up if some councils chose not to, Mr Jorgensen acknowledged that that was the question on everyone's minds, but that conversation was still to be had. The Chair added that it had been raised, but no answers had been provided.

When asked if Council could agree today for the Mayor and Chief Executive to sign the MOU and then opt out on 25 August if it was discovered that the programme of works is going to propose too substantial an amount of works for opex and capex to cope with, Mr Jorgensen said he did not see why not.

Motion Foreshadowed

The Chair added that he was foreshadowing an additional to recommendation 3 to appoint several Councillors to work with the team before 25 August to provide input to that process in order to identify what the money should be spent on ahead of that meeting.

When asked, Mr Jorgensen believed there would be a second chance opportunity, so that if the procurement plan and delivery plan was not quite right, other items may be able to be added.

With regard to procurement, it was noted that the whole country would be trying to buy pipes etc which might drive up prices. Mr Jorgensen advised that his team were already talking to local contractors to be able to commit to and lock in contracts as quickly as possible to provide certainty.

Cr Bill Kingan said he would move the report's recommendations 1 and 2, and Cr Ross McRobie seconded the motion.

Discussion on the motion:

One Elected Member had concerns about the MOU, especially with regard to 'mutual trust and respect' which they believed was not mutual as the Crown had imposed the formula on councils that it wanted, and councils did not.

The Chair reiterated that the MOU was non-binding. There were choices now (to opt in or out) and more choice along the way. All that was being asked now was for Councils to consider the design features as a minimum, not adopt them. There was still an actual battle to occur on that which he did not want to understate. Council's Water team had done a very good job in getting quality water to the district's ratepayers; wastewater supplies were generally very good, although standards will increase and there will be more work to do across New Zealand on that. Stormwater was an issue for all. The Chair advised that it was a good opportunity to say that one of the numbers used by central government had been that between 800,000 and 1 million consumers were on non-regulated water supplies but they were on private, not council, supplies, which meant that councils were not part of the problem. There was some catching up to do, but he believed that Council's Water team has done a very good job and will continue to do so.

RESOLVED WDC 2020/162

Moved: Cr Bill Kingan

Seconded: Cr Ross McRobie

That Council:

1. Opts into the Government's Three Waters Services Reform Programme and delegates the Mayor and Chief Executive to sign the non-binding Memorandum of Understanding and associated Funding Agreement with the Crown.

2. Accepts the Tranche #1 funding from the Crown and approves it to be used to stimulate investment, to assist economic recovery through job creation, and maintain investment in water infrastructure renewals and maintenance.

CARRIED

The Chair said he would move recommendation 3, with an additional component in which he named the Elected Members to be appointed to assist officers with the work outlined. Upon hearing his membership list, Deputy Mayor Melanie Tavendale agreed to second the motion, and the full wording of it is shown in the resolution below.

RESOLVED WDC 2020/163

Moved: Mayor Gary Kircher
Seconded: Deputy Mayor Melanie Tavendale

3. Approves the development of a Programme of Works, a Delivery Plan and a Procurement Plan for the works to be considered at the 25 August 2020 Additional Council meeting, and appoints Councillors Kingan, McRobie, and Newton and Deputy Mayor Melanie Tavendale to assist in that work, subject to their availability.

CARRIED

At 11.26am, the Chair moved the meeting forward to Agenda item 7.5. Council agreed a position on two remits before coming back to Agenda Item 7.4. For ease of reference, all of the agreed positions on remits are recorded together in the minutes below for Agenda Item 7.5.

7.4 REQUEST FROM WAITAKI DISTRICT HEALTH SERVICES RE LOAN REPAYMENTS

The report, as circulated, sought Council's consideration of the request to approve an early loan repayment from the Observatory Village to Waitaki District Health Services Trust (WDHST) rather than Council, and an extension of the existing support arrangements between Council and Waitaki District Health Services (WDHS).

Group Manager Paul Hope introduced the report. Mr Mark Rogers, Chief Executive of WDHSL, and Mr Paul Allison, past Chairman of the WDHST, were present via Zoom video-conference for this agenda item. The request was taken as read.

Mr Hope addressed questions about the removal of the clause that was only relevant to Council Controlled Trading Organisations (CCTOs); and about the risk (which was relatively low at the moment because the company was putting a recovery plan in place, was having ongoing discussions with the SDHB, ACC and other funders, and the letter stated that it would be in a good position by the end of the year). Mr Rogers endorsed those comments as correct from the company's perspective. When asked, Mr Rogers said that included some assumptions around locums and recruitments but was also based on some signed contracts after around round of negotiations in November and two that were happening now. He added that WDHSL was not looking for any more money; rather, it was asking to postpone payments until June 2021.

There was further discussion around an agreement from the Trust to transfer \$250k to the company, if Council approved the request today, with the remaining \$250k and \$500k to be decided on a case-by-case basis. Cash reserves and additional capital from SDHB forecast out would also be part of the solution going forward.

When asked what sort of certainty there was for Council and the community that there would not be more postponements of payments, Mr Allison advised that there were already signs of increased funding from other sources and of the deficit being reduced. Mr Hope added that the Board had raised the issue that it is the cost of funding locums that is creating most of the issue, and the recruitment that Mr Rogers talked about was an important development. As noted in the public forum earlier in the meeting, New Zealand has increased its attractiveness for medical

professionals; it was just about getting them into the country now. There could well be a net inflow over the next couple of years to help this situation for Waitaki and the country as a whole.

Mr Hope explained the difference between loan repayments from the Observatory Village to the Trust and the Trust's donation to the company for costs. The Chair added that Council had the priority to be repaid but did not need the funds at the moment whereas the company did.

The recurring debt was noted to be largely due to staff costs and unplanned locum needs, but the inclusion of unplanned equipment was also raised by one Elected Member who noted that new staff would want new equipment. Mr Rogers replied that there would always be unplanned equipment, but the company felt that its progress on catching up with that element had been good over the last two years.

Deputy Mayor Melanie Tavendale moved recommendations 1, 2 3, and 4 in the report, and Cr Peter Newton seconded the motion.

Discussion on the motion:

The Deputy Mayor noted that Council had already discussed the set up on the loan with the Observatory Village, so this was just formalising that arrangement. She acknowledged that WDHSL's need was more urgent than Council's because Council was still earning more than having the money in the bank. She expressed her confidence in the Board to continue the good work over the next 12 months, and said she appreciated the work that had been done to date. The hospital was very important to the district and she believed Council should be willing to support it. There are signs of improvement to be seen.

One Elected Member said they would struggle if the company did not pay back the \$700k in 12 months, so it was important that that was scheduled. Otherwise, they were happy to support the report's recommendations.

The Chair said he too had confidence in the Board members who were working hard to achieve that, and with a new Chief Executive starting, everything felt that it was coming together. He hoped the community would be supportive of what was being done, and thanked Mr Rogers and Mr Allison for their attendance at the meeting today. He saw the important point was that Council did not need to give the company any more money now because it had the resources there, subject to the Trust transferring funds to the company. However, it would be equally important to see repayment of that loan in 12 months' time. Mr Rogers acknowledged this point, and, on behalf of the Board, he conveyed his appreciation of Council's ongoing support.

RESOLVED WDC 2020/164

Moved: Deputy Mayor Melanie Tavendale

Seconded: Cr Peter Newton

That Council:

1. Receives and notes the information; and
2. Approves the repayment of up to \$1 million by Observatory Village Group to Waitaki District Health Services Trust in accordance with the loan agreement dated 28 May 2020; and
3. Extends for a further 12 months to 30 June 2021 the temporary funding arrangement provided to Waitaki District Health Services Limited (WDHS) under the agreement dated 6 December 2019; and
4. Reaffirms its support of WDHS including providing support to ensure its solvency and operational viability and acknowledges that clause 4.6 in the 2020/21 Statement of Intent will be modified to allow WDHS to call on this support if required.

CARRIED

The Chair directed the meeting back to Agenda Item 7.6 to continue the discussion on Council's position on the remits going to the LGNZ Annual General Meeting.

7.6 LGNZ ANNUAL GENERAL MEETING 2020 REMITS AND PROPOSED RULE CHANGE

The report, as circulated provided a list of the 11 remits (Attachment 1) and a Proposed Rule Change (Attachment 2) that will be discussed at the Local Government New Zealand (LGNZ) Annual General Meeting being held at Te Papa in Wellington on Friday 21 August 2020.

The report proposed that Elected Members decide whether to support each remit and the proposed rule change, so that the Mayor and the Deputy Mayor would be able to vote accordingly at the LGNZ's Annual General Meeting on 21 August 2020.

The agreed position of Council on each of the remits is recorded below:

- 1 Abstain
- 2 Support
- 3 Support
- 4 Support
- 5 Support
- 6 Support
- 7 Support (majority)
- 8 Support
- 9 Support
- 10 Support
- 11 Support (majority).

Council's agreed position on the proposed rule change was to **support** it.

RESOLVED WDC 2020/165

Moved: Cr Jim Hopkins
Seconded: Deputy Mayor Melanie Tavendale

That Council:

1. Receives and notes the information; and
2. Agrees the position of the Waitaki District Council for each of the remits listed as recorded in the minutes of this meeting; and
3. Agrees the position of the Waitaki District Council for the Proposed Rule Change, as recorded in the minutes of this meeting; and
4. Notes that the Mayor and Deputy Mayor will vote in accordance with the positions agreed in points 2 and 3 above at the Local Government New Zealand Annual General Meeting to be held on 21 August 2020.

CARRIED

The Chair directed the meeting to Agenda Item 8.1.

8 MEMORANDUM REPORTS

8.1 PANDEMIC ECONOMIC RECOVERY MANAGER'S REPORT

The report, as circulated, informed the Council of the current economic situation in the Waitaki during the COVID-19 pandemic period. Council's Pandemic Economic Recovery Manager Gerard Quinn introduced the report and responded to questions from Elected Members.

It was clarified that the drop in income during the lockdown period was a 'shock' to businesses and it would take some time for them to earn more to make up for that.

Congratulations were extended to the Communications team for securing the significant piece in the magazine. In reply, Mr Quinn acknowledged that feedback, and noted that it was timely, especially if there was to be a Pacific travel bubble established in the near future.

RESOLVED WDC 2020/166

Moved: Cr Ross McRobie
Seconded: Cr Peter Newton

That the Council receives and notes the information.

CARRIED

The Chair thanked Mr Quinn for his report.

9 RESOLUTION TO EXCLUDE THE PUBLIC

RESOLVED WDC 2020/167

Moved: Deputy Mayor Melanie Tavendale

Seconded: Cr Colin Wollstein

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
<p>10.1 - Oamaru Whitestone Civic Trust Request for Support PE</p>	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
<p>10.2 - Whitestone City Asset Transfer PE</p>	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations</p>	<p>s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>

	(including commercial and industrial negotiations)	
10.3 - Perpetual Guardian Request PE	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
10.4 - Chief Executive's Report PE - 11 August 2020 Council Meeting	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(c)(i) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
10.5 - Support and Stimulus Fund Application Report PE	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

At 12.10pm, the Chair declared the public session of the meeting closed and advised that the livestreaming of the meeting would also now conclude on Council's Facebook page.

10 PUBLIC EXCLUDED SECTION

The public excluded minutes of the meeting apply to this session.

11 RESOLUTION TO RETURN TO THE PUBLIC MEETING

RESOLVED WDC 2020/176

Moved: Cr Guy Percival
Seconded: Cr Hana Halalele

That Council resumes in open meeting and decisions made in the public excluded session are confirmed and made public as and when required and considered.

CARRIED

12 RELEASE OF PUBLIC EXCLUDED INFORMATION

In accordance with Waitaki District Council Standing Orders, and pursuant to resolutions in the public excluded session of this meeting, Council decided to release previously public excluded information in the public minutes of this meeting, as recorded below.

10.1 OAMARU WHITESTONE CIVIC TRUST REQUEST FOR SUPPORT PE

RESOLVED WDC 2020/168

Moved: Deputy Mayor Melanie Tavendale
Seconded: Cr Jeremy Holding

That Council:

1. Receives the request for support from Oamaru Whitestone Civic Trust; and
2. Notes the application to the Support and Stimulus Fund in relation to the Whitestone City business model; and
3. Notes the application to the Waitaki Heritage Fund for improvements to the Loan and Mercantile Building; and
4. Agrees to suspend loan principal repayments until 30 June 2021 on the following arrangements:
 - a) \$500,000 credit facility loan
 - b) \$70,000 Waitaki Heritage Fund Loan
 - c) \$52,500 Waitaki Heritage Fund Loan; and
5. Agrees to waive ground rents from 1 July 2020 to 30 June 2021; and
6. Agrees to consider applications to the community consent fund June 2021; and
7. Agrees to a formal six-monthly engagement and reporting process; and
8. Establishes a working group consisting of three elected members with appropriate officer support to discuss and develop solutions with the OWCT on all other matters raised, for consideration by full Council at a later date and, where necessary, inclusion in the Long Term Plan discussions.

CARRIED

RESOLVED WDC 2020/169

Moved: Mayor Gary Kircher
Seconded: Deputy Mayor Melanie Tavendale

That Council:

10. With reference to Point 8 in the previous resolution WDC 2020/168, appoints Deputy Mayor Melanie Tavendale, Cr Colin Wollstein and Cr Kelli Milmine to be the members of the working group.

CARRIED

13 MEETING CLOSE

There being no further business, the Chair declared the meeting closed, at 1.11pm.

TO BE CONFIRMED at the Additional Council Meeting to be held on Tuesday, 22 September 2020.

.....
CHAIRPERSON

UNCONFIRMED

4.2 PUBLIC MINUTES OF THE ADDITIONAL COUNCIL MEETING HELD ON 25 AUGUST 2020

Author: Ainslee Hooper, Governance and Policy Advisor

Authoriser: Lisa Baillie, People and Culture Group Manager

Attachments: 1. **Public minutes of the Additional Council Meeting held on 25 August 2020**

RECOMMENDATION

That the Council confirms the Public minutes of the Additional Council Meeting held on 25 August 2020, as circulated, as a true and correct record of that meeting.

UNCONFIRMED MINUTES

**OF THE ADDITIONAL MEETING OF THE WAITAKI DISTRICT COUNCIL
HELD IN THE COUNCIL CHAMBER, THIRD FLOOR,
OFFICE OF THE WAITAKI DISTRICT COUNCIL, 20 THAMES STREET, OAMARU
ON TUESDAY, 25 AUGUST 2020 AT 9.00AM**

PRESENT: Mayor Gary Kircher (Chair), Deputy Mayor Melanie Tavendale (Associate Chair), Cr Hana Halalele, Cr Jeremy Holding, Cr Bill Kingan, Cr Kelli Milmine, Cr Peter Newton, Cr Guy Percival, and Cr Colin Wollstein

APOLOGIES: Cr Jim Hopkins, Cr Ross McRobie

IN ATTENDANCE: Fergus Power (Chief Executive)
Neil Jorgensen (Assets Group Manager / Deputy Chief Executive)
Paul Hope (Finance and Corporate Development Group Manager)
Lisa Baillie (People and Culture Group Manager)
Bill Chou (Information Services Group Manager)
Roger Cook (Acting Heritage, Environment and Regulatory Group Manager)
Ainslee Hooper (Governance and Policy Advisor)

IN ATTENDANCE FOR SPECIFIC AGENDA ITEMS:

Martin Pacey, Water Services Manager
Erik van der Spek, Recreation Manager

The Chair declared the meeting open at 9.00am and welcomed everyone present, including members of the community watching the livestream of the meeting on Council's Facebook page.

1 APOLOGIES

RESOLVED WDC 2020/177

Moved: Cr Jeremy Holding
Seconded: Cr Colin Wollstein

That apologies from Cr Jim Hopkins and Cr Ross McRobie be received and accepted.

CARRIED

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 PUBLIC FORUM

The Chair reminded the meeting that a Public Forum is not usually held with an Additional Council Meeting. However, he was agreeing that Mr Bob Gaze could speak to Elected Members for five minutes.

Mr Gaze raised his concerns about the lack of barriers to protect pedestrians around the district. He also shared his views on the need for reduced speed limits along Parsons Road; about the number of accidents on Tutu Hill Road and about problems with roads where the tarseal stopped at the brow of a hill and where intersections had been introduced below the brow of a hill.

Mr Gaze also said he believed Council should use some of the money it would be receiving from central government to address these issues.

The Chair advised that a district-wide speed limit review was currently in progress and anecdotal evidence of problems was helpful to know. He acknowledged that Mr Gaze had written to him (the Mayor) several times about his speed limit concerns and that they had been taken as submissions on the speed limit review and considered as part of that process. When asked, Mr Jorgensen advised that the speed limit review results were expected to be included in the agenda for the 22 September 2020 Assets Committee Meeting for a recommendation to Council. One of the recommendations would be to have a 60km speed limit on Tutu Hill Road which the majority of submitters had supported.

The Chair thanked Mr Gaze for sharing his concerns about safety issues around the district. The Public Forum ended at 9.15am.

Intern Presentation – Tobias Pfahl

The Chair then introduced intern Tobias Pfahl who gave his final presentation to Council. Tobias advised that he was from Germany and was studying business law in Constance (close to the Swiss border). He was 'a huge fan' of the Lord of the Rings, which is why he choose to do his internship in New Zealand. A highlight of his stay had been a visit to the film set.

Tobias said his intern work had been in the area of procurement policy and rules, and in particular preferred supplier relationship guidelines (trying to balance out long-term relationships with suppliers with giving opportunities for other suppliers to enter contracts too). He had also worked on financial and time limits and ensuring that processes did not provide any unfair advantages and left most of the responsibility with departments which had the knowledge and expertise.

Before taking up his internship, he had travelled around the North Island, predominantly to 'get used to the Kiwi accent'. He had also visited Queenstown, Christchurch, Dunedin, Mount Cook ("very beautiful"), and the West Coast ("amazing weather there").

He was planning to return to Germany and finish in studies (within a year), before perhaps studying something else.

Performance, Audit and Risk Committee Chair Cr Colin Wollstein thanked Tobias for his work on the procurement policy, which he (and the auditors) would be very pleased to see once it was brought before Council.

The Chair thanked Tobias for the work he had completed for Council and wished him all the best for his future. He then handed Tobias his Internship Completion Certificate. Chief Executive Fergus Power noted that Tobias was one of the last of the first cohort of interns and he had done 'great work' whilst with Council and had been 'an absolute pleasure' to have on the team. He congratulated Tobias on his successful internship with Council and gave him a small gift as a memory of his time here.

4 DECISION REPORTS

4.1 ADOPTION OF STRATEGIC FRAMEWORK

The report, as circulated, sought Council's adoption of the content of the attached Strategic Framework document.

Group Manager Lisa Baillie spoke to the report and acknowledged the 'very good work' of Elected Members that went into the draft document. Once the content was approved, it would be reproduced in a graphic form.

The Chair thanked Councillors for their contributions in developing the content of the document, which was intended to help drive Council's vision for the district. It would inform "what we do as governance in decision-making and would be important also for staff to refer to when creating work programmes". He acknowledged the assistance of Mrs Baillie and Mr Jorgensen in facilitating the Elected Members' session and for helping Councillors to pull together a number of pieces of other work to produce the document before the meeting today. The next steps would be to get the content into a graphically pleasing format, and then to have it hung on the wall in the Council Chamber where it would sit as a reminder of Waitaki's vision and goals and assist Council as Elected Members made their decisions.

RESOLVED WDC 2020/178

Moved: Deputy Mayor Melanie Tavendale

Seconded: Cr Peter Newton

That Council:

1. Adopts the content of the Strategic Framework document as a draft for consultation as part of the draft Long Term Plan 2021-2031 in accordance with Council's Planning Cycle, subject to its finalisation and presentation in a graphic format and with the approval of the Communications portfolio Elected Members.

CARRIED

4.2 3 WATERS REFORM TRANCHE #1 FUNDING – PROJECTS AND DELIVERY PLAN

The report, as circulated, sought Council's determination of the best way to meet the outcomes required by the Memorandum of Understanding and to best meet the new strategic priorities, and to consider a Programme of Works to be delivered into a Delivery Plan and Procurement Plan to ensure it can be delivered and provide best value to the community.

Assets Group Manager Neil Jorgensen and Water Services Manager Martin Pacey were present for this agenda item. Mr Jorgensen introduced the report, acknowledging that Council had resolved at the previous meeting to sign up to the Memorandum of Understanding to participate in the Government's Three Waters Reform programme. This report looks at the \$6.4M that would become available in the Tranche 1 funding from that programme and what could form part of the delivery programme for Waitaki District Council. He acknowledged the assistance of Deputy Mayor Tavendale, and Councillors Kingan, McRobie and Newton who had been appointed by Council to contribute to the development of the delivery programme, and also highlighted that the resultant list of projects included with the agenda report were spread across the district and were expected to keep Council's contracting community well employed for the next 12 – 18 months.

Mr Jorgensen noted that, as part of the Annual Plan last year, Council had agreed to add resources to the Waters team. The team would be expanded further over three years to carry on that work, and the report was recommending that some of those additional resources (the suggestion is three) were brought forward to make sure pipes are replaced in the right areas around the district. Part of that conversation was that the Waters team has now outgrown its space and is recommending that part of the funding is put towards finding somewhere else to house that team. Mr Jorgensen acknowledged that this was never an easy discussion to be had. However, the funding was able to be used for this purpose and it would be better value for money than engaging consultants or contractors to do the work.

Suspension of Standing Orders Agreed

The Chair thanked Mr Jorgensen for his report summary and the different elements to it. In order for Elected Members to have the best ability to discuss the report, he proposed to suspend Standing Orders for that discussion. This was endorsed by the meeting.

During discussion on the relocation, concerns were raised that it was introducing a new cost structure which could have significant financial implications for the community. In response, Mr Jorgensen noted that the increased allocation to the Waters team last year had been about addressing issues to avoid a repeat of running out of water during a flood event and breaks in water mains as had occurred last year. There was also \$10M worth of works which needed to be carried forward and it was known that there was not enough resourcing to do that. Bringing forward at least some of that increased allocation had always been possible but was being recommended now because there were additional opportunities available with the Three Waters Reform programme.

It was clarified that:

- power and utility costs, and additional rates and insurances for the other premise were included in the amounts specified in the report
- if a commercial lease option was approved, it would come back to Council again for a review after the three-year term.

Council has purchased 24 Thames Street to allow for expansion, but time would be needed for the design, construction work and fit out of the building. In the interim, it was still very much an open question about whether the waters function would remain with councils. It is anticipated that the team will be coming back to Council to address that in future.

The receipt of the \$3.69M from the regional fund was not yet agreed. Participating Councils in the Canterbury Mayoral Forum needed to approve that aspect of the funding and then disperse it. The Chair provided more details on how that process would likely unfold and the various elements to it. He summarised by stating that there was a 'reasonable certainty' that Waitaki would get that amount but that the discussion had yet to be finalised.

One Elected Member expressed support for the report's recommendations, noting the unique opportunity to develop and deliver three waters for the district using that central government funding and also emphasising the importance of Council maintaining its specialist staff in this area because they would be in high demand across the country. In response to the Chief Executive's statements on previous occasions that there was potential for Waitaki to be a regional hub for the Three Waters Reform Programme if it went out of local government hands in 2-3 years, a question was asked whether that was still considered to be a possibility.

In reply, Mr Jorgensen confirmed that management was very keen to get ahead of others to retain its staff, noting how competitive it could be to deliver the work that would be programmed with that extra funding. The aim was to get the teams on the ground early and to get contracts out and lock in contractors for long-term work. With regard to the potential by-product of becoming a regional hub or centre of excellence, that could be an opportunity, but it was also an 'unknown' at this time.

In response to a question around the certainty of pricing, Mr Jorgensen said that the figures in the report were estimated and based on previous works. Some aspects were focused on a target price – ie we have this amount of money; how much can we do with it? Others were based on historical data – that a certain amount of work may be able to be done for a specific amount because it had been achievable in the past.

The role of depreciation in some projects was discussed, and Mr Jorgensen advised that that would be brought to the Long Term Plan (LTP) discussion. Work was currently being done to see what could be done to benefit ratepayers using depreciation money and also with the possibility that other capital costs would no longer be needed for certain projects.

When asked if the team could actually handle all of the extra work, Water Services Manager Martin Pacey noted that the intent of the report was to receive approval to increase the capacity of the team now so that it could do it. If the team was not increased, then that would impact on the work programme. He confirmed that it was achievable, and it could be done with external contractors/consultants, but it was more cost-effective to do it with the extra staff as proposed.

The Chair congratulated Mr Jorgensen and his team for putting the list of proposed projects together, noting that there was good coverage across the district. He also thanked the four Councillors involved in that process for assisting that discussion. He highlighted one issue – stormwater – and specifically the ongoing bottleneck under the Severn Street bridge with gravel build up and asked if it was considered, or could it be added to the list? In reply, Mr Jorgensen advised that that matter was a technical one and a creek issue rather than a stormwater infrastructure one. Accordingly, it could be looked at through Roding funding, but because it was not about stormwater infrastructure it would be difficult to fit into the Three Waters programme. The Chair said he was surprised that it was not considered a stormwater matter but noted that it still needed to happen and hoped that it would be pursued somehow because of the bottleneck it caused.

The Chair shared his view that the Annual Plan process had approved five new positions in the Water team, and he believed that Council needed to recruit and get them bedded in to see how that worked before deciding whether to recruit more. He did not agree that Council needed to go to that upper limit and requested a better explanation of why three more were needed now.

Mr Pacey advised that the five roles previously agreed were not project roles. The project roles being brought forward were not scheduled to be recruited for until years 2 and 3 but the request was to bring them forward now and try and leverage off the employment of the senior project engineer and have a team of project specialists to work with him on the work that the central government funding was available for and the projects as listed. Mr Jorgensen added that Council had undergone a similar process with the regulatory team, where extra staff had been recruited due to changes in the work programme in order to meet new expectations of Government and the community. Three Waters was now facing the same changes.

When asked if the Roding and Water teams would work together to reduce frustration amongst ratepayers where a road was dug up to lay a pipe and then the repair work was delayed because the roading team had other priorities. Mr Jorgensen acknowledged that that had been an issue and getting extra resources would be part of addressing that challenge. It was an ongoing issue, but additional resourcing had already proved to help the cause.

Another Councillor asked if the Department of Internal Affairs had the ability to say no to any of the projects on the list, and – if so – were there other options to put forward? In response, Mr Pacey referred to a conversation he had had with DIA that it was not that department's intention to second-guess the list contents (unless it was a 'white elephant'). The key factor was that they would tick off items on the delivery plan and the projects as listed did that.

MOTION

Deputy Mayor Melanie Tavendale moved the report's recommendations, and Cr Hana Halalele seconded the motion.

Discussion on the motion:

The Deputy Mayor noted that the discussions had been uncomfortable and that it felt as though local councils were being thrown into this from the national level. That aside, she felt that there was a good spread of projects across the district and believed that the Three Waters team had come up with the best option, even if it was not a comfortable one. The whole ballgame would change shortly, and this was setting up Council's team to do it well; and if that happened, then staff would be retained here. She appreciated how quickly Council's Waters team had moved with their delivery programme and project list and were scouting for new people, and believed that that early work had given Council a fighting chance to get ahead of the rest of the country which would be in the best interests of the Waitaki community. Other Members expressed their support for the motion, especially in these unusual times and given the high level of uncertainty and the big amount of money that was on offer and that needed to be spent fairly quickly and needed resourcing to be able to achieve that.

The Chair said he agreed with a lot of the recommendations and generally with the programme of works, but he also had issues with some elements of what was being proposed. He noted that Council had bought a building to house extra staff and had funds that could be used on that for a long-term option. That option had not been presented to Council in a considered way. He agreed that these were unusual times and he felt they were about building resilience, rather than renting a commercial building when Council could use what it already had, even if that meant rejigging the Headquarters building. His other concern was around staffing and the flexibility already present by not having recruited yet the five positions previously approved. Council was grappling with a massive increase in rates and some major decisions would have to be made about how to cut that increase. That would mean a lot of difficult decisions, but Council was up for it.

Another Councillor said they would support the motion because of the opportunity to set up a centre of excellence and attract long-term benefits for the region. They had similar concerns around buildings and wanted to ensure that the lease option could be transferable to another lease and that what was being proposed was not a long-term solution.

Two other Councillors concurred with this view, and echoed some concerns around premises and wanting the relocation of the Waters team to be a short-term solution before bringing the team back in-house for the longer term and utilising the other building that Council owned if a decision was made by central government that the Three Waters Reform programme would not be retained by local government in a few years' time. The difficulty of not knowing what the future may bring was highlighted as a complex factor in the decisions required at this meeting.

Another Councillor said they fully supported what was being proposed, because a strong and resilient community was needed for the district to become prosperous and this was the best option for that and to enable a safe and healthy and robust community to thrive. The added attraction of the opportunity to become a centre of excellence and to have employment and educational opportunities for the district was also a highlight. Delivering a national model was also acknowledged as requiring a huge amount of resources and commitment, and the Councillor thanked the team for all their efforts to date.

Mr Jorgensen noted that any fitout of a particular building for the Three Waters team would be extremely minimal and everything would be transportable. The lease would be for three years, and then a new decision on it would be made by Council.

The Chair thanked Elected Members for the views they had put forward, and said he believed everyone was looking forward to seeing the work happening around the district in the not too distant future. He then put each of the recommendations individually to the meeting.

RESOLVED WDC 2020/179

Moved: Deputy Mayor Melanie Tavendale

Seconded: Cr Hana Halalele

That Council:

1. Approves the Programme of Works and instructs officers to incorporate it into the Delivery Plan format and submit it to the Department of Internal Affairs.

CARRIED

RESOLVED WDC 2020/180

Moved: Deputy Mayor Melanie Tavendale

Seconded: Cr Hana Halalele

2. Approves the procurement methods, as outlined in the Programme of Works.

CARRIED

RESOLVED WDC 2020/181

Moved: Deputy Mayor Melanie Tavendale
Seconded: Cr Hana Halalele

3. Notes that the Programme of Works includes provision of:
- a) A \$6.74m of infrastructure investment throughout the Waitaki District
 - b) \$300k for the relocation of the 3 Waters Team from Council Headquarters to a commercial leased premise, which includes lease and operating costs for a two-year period
 - c) \$350k to bring forward the employment of three staff and to purchase and operate a motor vehicle.

CARRIED

RESOLVED WDC 2020/182

Moved: Deputy Mayor Melanie Tavendale
Seconded: Cr Hana Halalele

4. Authorises the Chief Executive to negotiate and enter into a commercial lease for a suitable space for the 3 Waters Team, for up to three years.

CARRIED

RESOLVED WDC 2020/183

Moved: Deputy Mayor Melanie Tavendale
Seconded: Cr Hana Halalele

5. Approves the appointment of three staff members for the 3 Waters Team and purchase of an additional support vehicle, to be funded from the grant money.

CARRIED

The Chair thanked Mr Jorgensen and Mr Pacey for their report and responses to questions. He advised that it was very important that Council gets the best out of the central government funding, which was acknowledged.

The meeting was adjourned at 10.20am and reconvened at 10.34am.

The Chair directed the meeting forward to Agenda Item 5.1.

5 MEMORANDUM REPORTS

5.1 SPORT WAITAKI ANNUAL REPORT

The report, as circulated, provided Council with the Sport Waitaki report for the period 1 July 2019 to 30 June 2020. Chief Executive Officer of Sport Otago, Mr John Brimble, attended the meeting to present the report to Council, and to respond to questions from Elected Members.

The Chair welcomed the Chief Executive of Sport Otago Mr John Brimble and Operations Manager Mr Owen Booth to the meeting. Recreation Manager Erik van der Spek was also in attendance.

Mr Brimble reported that COVID-19 had put planned activities on hold and had generated a significant shift in how sports activities would be done. Mr Booth explained that Sport New Zealand had developed seven target areas on which the sector would deliver on this year – insights and evaluation; regional leadership and connectivity; play; physical education; sport; active recreation; and spaces and places.

Mr Brimble also outlined how Sport Waitaki had taken the lead for the sports sector right across Otago during COVID-19. They had acted as the 'sifting organisation' and circulated the most

relevant information. An Otago regional sports alliance was established just prior to lockdown, which held weekly Zoom meetings and involved all regional sports organisations including Waitaki. That forum enabled participants to better target their assistance and to distribute central government funding support. The first phase was about making sure there was enough funding for sports organisations to meet their obligations and to develop recovery plans so they could be ready and able to resume once alert levels allowed that. Advocating to Councils on behalf of groups that were in trouble was another form of assistance, and distributing relief funds across Otago for rates, power and the like was one such example of that. COVID tracer apps and signage for all fields and facilities were also provided, and negotiations were held with local suppliers of hand sanitizers and cleaners to assist clubs, and to help them develop health and safety plans which many councils said were needed but which most clubs did not have the resources to create. Mr Brimble said they also worked with Allied Press to provide most of the sports coverage, and distribute online resources as required.

Mr Booth explained that Sport Waitaki was a distribution agent for the Community Resilience Fund to assist play, active recreation and sport through the recovery and reset period. The cut-off date for Round Two of that was 4 September. He also reported that KiwiSport had been superseded by Tu Manawa, which had a greater amount of funding to distribute and a broader reach with target groups more defined. Councils are able to apply to this fund, and partnerships are encouraged.

Regarding priority communities in Waitaki, a survey conducted just prior to lockdown had identified gaps where groups were not being engaged as well as they could be. These included people with disabilities, and young women and girls. A research project was now being developed to address those gaps, and Lotteries community funding has been applied for.

In acknowledging that Sport Waitaki had set up its own work groups, an Elected Member asked if the steering group was still needed to help with the funding. Mr Booth replied that he was working with the Recreation Manager on that matter and there was also the new Sport Waitaki coordinator (once appointed) who would help drive the funding process.

It was clarified that the age ranges in the presentation were the focus of the national programme, and Sport Waitaki was able to focus on addressing the capability needs of different age groups if that was needed in order to be able to achieve the seven goals.

Looking ahead, the meeting heard that there was an opportunity now – in recruiting for a new Sport Waitaki coordinator – to see where the focus would be with regard to local programmes and how to meet the needs of the groups identified in the community survey as not necessarily being covered to date.

RESOLVED WDC 2020/184

Moved: Cr Peter Newton

Seconded: Cr Hana Halalele

That the Council receives and notes the information.

CARRIED

The Chair thanked Mr Brimble and Mr Booth for their presentation and attendance at the meeting, and then wished them well for the recruitment of a new coordinator.

4.3 CHRISTMAS TREES

The report, as circulated, sought Council's approval for the purchase of three artificial Christmas trees for the district, and an approach for funding of that purchase.

Group Manager Paul Hope introduced the report. He noted that the 'live' Christmas trees that had been used recently had been of marginal quality, difficult to decorate, and did not last long. The

opportunity had arisen recently to follow the approach of other councils and community organisations and purchase high-quality artificial trees instead, which were fit for purpose and mitigated a number of issues. The ongoing cost would not be much different, as co-funding would be sourced, including for storage.

The Chair added that successful discussions had been held with potential co-funders and one was very close to committing to a significant contribution, including the possibility of installing and uninstalling the trees each year. Sponsorship for storage was also being sought, and discussions with philanthropic organisations continued. The Chair believed that Council could have very little cost to cover from the RMA reserve should that source of funding be agreed to. He acknowledged that not everyone liked artificial trees, but they would look better for longer and would require less time and effort by staff to decorate and maintain.

It was clarified that the tree for Oamaru would be 10 metres tall and the other two (for Palmerston and Kurow) would be 4.5 metres which would be appropriate for those streetscapes; other funding would be sought for the extra costs (eg power); the trees came with their own decorations and lights; the trees could be expected to last around ten years, given that they were only out of storage for one month of each year; and depreciation matters would be addressed later, but could be funded by Council or through fundraising.

MOTION

Deputy Mayor Melanie Tavendale moved the report's recommendations and Cr Bill Kingan seconded the motion.

Discussion on the motion:

Views in support of the motion highlighted the effort that staff had put into decorating trees over the years which had been 'blasted' with a lot of negative feedback on social media, which was not pleasant. It had been difficult to keep trees looking good for the required time or to have the tree up and ready for the Christmas parade. Christmas is special and the district looked 'amazing' when trees and decorations were done right. The tree would easily pay for itself over its life and, although some people may perceive that Council is wasting money during this difficult COVID regime, this was a long-term solution and it would be good to see Christmas trees around the district in the smaller towns and this was a good start.

It was highlighted that this debate had been to Council previously and the 'real' tree approach had not delivered to expectations. It was time to try the artificial approach, because this was all about kids' enjoyment – including big kids – and would benefit the wider community. It was also noted that Waimate's artificial tree had received positive feedback from its community.

RESOLVED WDC 2020/185

Moved: Deputy Mayor Melanie Tavendale

Seconded: Cr Bill Kingan

That Council:

1. Approves the purchase of three artificial Christmas trees; and
2. Instructs officers to investigate co-funding arrangements and put them in place as soon as practicable; and
3. Agrees to fund any funding shortfall from the RMA Reserve.

CARRIED

With regard to recommendation 3, the Chair explained that the use of the RMA Reserve, if Council had to contribute to the Christmas trees, would ensure that the funds would not come from rates. External funding would be sourced wherever possible and the RMA Reserve used for any funding shortfall as it was gathered as people developed subdivisions in the district).

6 RESOLUTION TO EXCLUDE THE PUBLIC

RESOLVED WDC 2020/186

Moved: Cr Jeremy Holding

Seconded: Cr Kelli Milmine

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
7.1 - Public Excluded Recommendations of the Executive Committee Meeting held on 18 August 2020	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

7 PUBLIC EXCLUDED SECTION

The public excluded minutes apply to this section.

8 RESOLUTION TO RETURN TO THE PUBLIC MEETING

RESOLVED WDC 2020/189

Moved: Cr Jeremy Holding

Seconded: Cr Colin Wollstein

That Council resumes in open meeting and decisions made in the public excluded session are confirmed and made public as and when required and considered.

CARRIED

9 RELEASE OF PUBLIC EXCLUDED INFORMATION

Pursuant to Waitaki District Council Standing Orders and resolutions in the public excluded session of the meeting, Council decided to release the previously public excluded information, as set out below.

PUBLIC EXCLUDED AGENDA ITEM 7.1 – RECOMMENDATIONS FROM EXECUTIVE COMMITTEE MEETING 18 AUGUST 2020 PE

RESOLVED WDC 2020/187

Moved: Cr Kelli Milmine

Seconded: Cr Bill Kingan

That Council:

1. Initiates the processes for the recruitment of a new Chief Executive in the next few months of 2020.

CARRIED

10 MEETING CLOSE

There being no further business, the Chair declared the meeting closed, at 11.15am.

TO BE CONFIRMED at the Additional Council Meeting to be held on Tuesday, 22 September 2020.

.....

CHAIRPERSON

UNCONFIRMED

**4.3 PUBLIC MINUTES OF THE ADDITIONAL COUNCIL MEETING HELD ON 1
SEPTEMBER 2020**

Author: Ainslee Hooper, Governance and Policy Advisor

Authoriser: Lisa Baillie, People and Culture Group Manager

Attachments: 1. Public minutes of the Additional Council Meeting held on 1
September 2020

RECOMMENDATION

That the Council confirms the Public minutes of the Additional Council Meeting held on 1 September 2020, as circulated, as a true and correct record of that meeting.

UNCONFIRMED MINUTES

**OF THE ADDITIONAL MEETING OF THE WAITAKI DISTRICT COUNCIL
HELD IN THE COUNCIL CHAMBER, THIRD FLOOR,
OFFICE OF THE WAITAKI DISTRICT COUNCIL, 20 THAMES STREET, OAMARU
ON TUESDAY, 1 SEPTEMBER 2020 AT 1.00PM**

PRESENT: Mayor Gary Kircher (Chair), Deputy Mayor Melanie Tavendale (Associate Chair), Cr Hana Halalele, Cr Jeremy Holding, Cr Jim Hopkins, Cr Ross McRobie, Cr Bill Kingan, Cr Kelli Milmine, Cr Peter Newton (via Zoom audio-conference), and Cr Colin Wollstein

APOLOGY: Cr Guy Percival

IN ATTENDANCE: Neil Jorgensen (Acting Chief Executive)
Paul Hope (Finance and Corporate Development Group Manager)
Lisa Baillie (People and Culture Group Manager)
Roger Cook (Acting Heritage, Environment and Regulatory Group Manager)
Bill Chou (Information Services Group Manager)
Ainslee Hooper (Governance and Policy Advisor)

IN ATTENDANCE FOR SPECIFIC AGENDA ITEMS:
Andrew Bardsley (Regulatory Manager)

The Chair declared the meeting open at 1.00pm and welcomed everyone present, including Cr Peter Newton who was participating via Zoom audio-conference.

1 APOLOGIES

RESOLVED WDC 2020/190

Moved: Cr Jeremy Holding

Seconded: Cr Bill Kingan

That the apology for absence on behalf of Cr Guy Percival be accepted.

CARRIED

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 PUBLIC FORUM

There was no Public Forum as this was an Additional Council Meeting.

4 RECOMMENDATIONS FROM COMMITTEES REPORTS

4.1 RECOMMENDATIONS OF THE COMMUNITY, CULTURE AND REGULATORY COMMITTEE MEETING HELD ON 11 AUGUST 2020

4.1.1 COMPLIANCE AND ENFORCEMENT POLICY

There was no additional discussion on the Committee's recommendation.

RESOLVED WDC 2020/191

Moved: Cr Jim Hopkins
Seconded: Cr Ross McRobie

That Council approves the Waitaki District Council Compliance and Enforcement Policy.

CARRIED

4.1.2 PARKING UPDATE

It was noted that the Committee's recommendation had a commencement date of 1 September 2020 which was today. It was suggested that that date be changed to 2 September 2020, and that was supported.

Deputy Mayor Melanie Tavendale advised the meeting that she had not been a big supporter of paid parking being returned earlier at the Committee meeting, but had been persuaded to support it after hearing the Chair's comments from members of the public telling him about their difficulty finding parks at the hospital. It is very important that people are able to get close to the hospital when they need to and if the only way to achieve that is with paid parking, then she believed it needed to be supported.

The Chair acknowledged those remarks, and advised the meeting that Council was still committed, after 30 September, to look at parking and options for the medium- and long-term. However, as it had supported the business community and the wider community with free parking as part of its COVID response, it was now time to fine-tune that a little and then work on the longer term options separately.

RESOLVED WDC 2020/192

Moved: Deputy Mayor Melanie Tavendale
Seconded: Mayor Gary Kircher

That Council approves the return to paid parking in Medway Street and Steward Street car parks from 2 September 2020

CARRIED

RESOLVED WDC 2020/193

Moved: Deputy Mayor Melanie Tavendale
Seconded: Mayor Gary Kircher

That Council approves the permanent return to paid parking in all other areas from 30 September 2020.

CARRIED

RESOLVED WDC 2020/194

Moved: Deputy Mayor Melanie Tavendale
Seconded: Mayor Gary Kircher

That Council approves that the parking reserve deficit of \$88k during the COVID-19 free parking period up to 30 June 2020 is funded from the Support and Stimulus Fund and the balance of the deficit as at the end of September 2020 comes back to Council for a decision.

CARRIED

RESOLVED WDC 2020/195

Moved: Cr Jim Hopkins
Seconded: Cr Jeremy Holding

That Council approves that the Parking Strategy be developed after discussions on the Town Revitalisation and Harbour Connection Projects have been considered.

CARRIED

4.2 RECOMMENDATIONS OF THE PERFORMANCE, AUDIT AND RISK COMMITTEE MEETING HELD ON 25 AUGUST 2020

4.2.1 DISTRICT WI-FI

It was clarified that \$75k had been allocated in the Annual Plan for this project.

MOTION

Cr Colin Wollstein moved the Committee's recommendations, and Cr Ross McRobie seconded the motion.

Discussion on the motion:

It was noted that implementation was being limited to three sites for the time being because the cost of doing more was more than the budget. It was believed to be better to start with a smaller catchment area than to delay the project any longer. It was also highlighted that COVID had identified a need for this free wi-fi service, and visitors would be pleased to find it available.

The key phrase was identified as "for the time being" in recommendation 1(a), which signals to those residing throughout the district that it is the intention of Council to try and do as much as possible as soon as possible.

RESOLVED WDC 2020/196

Moved: Cr Colin Wollstein
Seconded: Cr Ross McRobie

That Council:

1. Supports the establishment of free public Wi-fi, implemented by the Information Services team, on the basis that:
 - a) The implementation is limited for the time being to Ōmārama, the Ōamaru Harbour zone and Palmerston; and
 - b) Local businesses are engaged in the process.

CARRIED

5 RESOLUTION TO EXCLUDE THE PUBLIC

RESOLVED WDC 2020/197

Moved: Cr Jim Hopkins
Seconded: Cr Jeremy Holding

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
6.1 - Public Excluded Recommendations of the Community, Culture and Regulatory Committee Meeting held on 11 August 2020	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

6 PUBLIC EXCLUDED SECTION

The public excluded minutes apply to this section of the meeting.

7 RESOLUTION TO RETURN TO THE PUBLIC MEETING

RESOLVED WDC 2020/200

Moved: Cr Ross McRobie
Seconded: Cr Colin Wollstein

That Council resumes in open meeting and decisions made in the public excluded session are confirmed and made public as and when required and considered.

CARRIED

8 RELEASE OF PUBLIC EXCLUDED INFORMATION

In accordance with decisions made in the public excluded session, there was no previously public excluded information approved for release in the public minutes of this meeting at this time.

9 MEETING CLOSE

There being no further business, the Chair declared the meeting closed, at 1.15pm.

TO BE CONFIRMED at the Additional Council Meeting to be held on Tuesday, 22 September 2020.

.....
CHAIRPERSON

UNCONFIRMED

5 RECOMMENDATIONS FROM COMMITTEES REPORTS

**5.1 RECOMMENDATIONS OF THE WAIHEMO COMMUNITY BOARD MEETING HELD ON
31 AUGUST 2020**

Author: Ainslee Hooper, Governance and Policy Advisor

Authoriser: Lisa Baillie, People and Culture Group Manager

Attachments: 1. Land Parcel Map

5.1.1 SALE OF LAND – PALMERSTON

The report, as circulated, sought a recommendation from the Board to Council for the sale of land that is surplus to requirements.

The applicable land parcel map is attached, for Council's information.

RESOLVED WCB 2020/026

Moved: Cr Peter Newton

Seconded: Mr Paul Roy

That the Waihemo Community Board recommends:

That Council:

1. Approves that the fee simple estate land is made available for sale, described as:
 - Section 1 and 2 Block XVI, Town of Palmerston
 - Section 3 Block XVI, Town of Palmerston
 - Section 21 Block XVI, Town of Palmerston
2. Authorises the Chief Executive to take the relevant action.

CARRIED

5.1.2 BULK WATER FILLING STATION

The report, as circulated, highlighted to the Board the need for a bulk water filling station to be located south of Oamaru and to ensure the location of the station best meets the needs and preferences of the community.

RESOLVED WCB 2020/027

Moved: Mrs Carol Watson

Seconded: Ms Casey Linklater

That the Waihemo Community Board recommends:

That Council:

1. Agrees that Mill Reserve (option1) is the preferred option for the location of a bulk water filling station in Palmerston.

CARRIED

5.1.3 CHANGES TO BOARD MEETINGS AND WORKSHOPS SCHEDULE 2020

The report, as circulated, sought a recommendation from the Board to Council to agree to proposed changes in the meetings schedule for the Waihemo Community Board from September to November 2020.

RESOLVED WCB 2020/028

Moved: Mrs Heather McGregor

Seconded: Mrs Carol Watson

That the Waihemo Community Board recommends:

That Council agrees to the changes to the schedule of meetings for the Waihemo Community Board between September and November as proposed, being – to hold an official Board meeting on Monday 12 October 2020 from 6.30pm at the Waihemo Service Centre in Palmerston, and Board workshops at a date to be agreed with officers in September (if possible) and on Monday 2 November 2020 subject to officer availability and confirmation of workshop topics.

CARRIED

Attachment 1 - Land Parcel Map



**5.2 RECOMMENDATIONS OF THE AHURIRI COMMUNITY BOARD MEETING HELD ON 7
SEPTEMBER 2020**

Author: Ainslee Hooper, Governance and Policy Advisor

Authoriser: Lisa Baillie, People and Culture Group Manager

5.2.1 CHANGES TO BOARD MEETINGS AND WORKSHOPS SCHEDULE 2020

The report, as circulated, sought a recommendation from the Board to Council to agree to proposed changes to the meetings schedule for the Ahuriri Community Board from September to November 2020.

RECOMMENDATION

That the Ahuriri Community Board recommends:

That Council agrees to the changes to the schedule of meetings for the Ahuriri Community Board between September and November 2020 as proposed, being to hold an official Board meeting on or as close as possible to Monday 12 October 2020 (date and time to be confirmed) at the Kurow Community Hall, and a Board workshop at a date to be agreed with officers in November 2020 subject to officer availability and confirmation of workshop topics.

6 DECISION REPORTS

6.1 JOINING THE LOCAL GOVERNMENT FUNDING AGENCY (LGFA)

Author: Paul Hope, Finance and Corporate Development Group Manager

Authoriser: Fergus Power, Chief Executive

Attachments: 1. Information Memorandum from Simpson Grierson 16 September 2020

RECOMMENDATIONS

That Council:

1. **Confirms** the Council's intention to join the New Zealand Local Government Funding Agency (LGFA) as a borrower / guaranteeing member.
2. **Confirms** the appointment of Covenant Trustee Services Ltd as trustee regarding the Debenture Trust Deed.
3. **Confirms** the appointment of Link Market Services Ltd as registrar and paying agent.
4. **Approves** the attached documents in relation to Waitaki District Council's accession to LGFA.
5. **Authorises** any two of the Council's elected members to execute the following for the purposes of the above recommendations:
 - a. Debenture Trust Deed;
 - b. Registry Customer Agreement;
 - c. Security Transition Deed;
 - d. Accession Deed to Multi-issuer Deed;
 - e. Accession Deed to Notes Subscription Agreement;
 - f. Accession Deed to Equity Commitment Deed; and
 - g. Accession Deed to Guarantee and Indemnity.
6. **Delegates** to the Chief Executive the authority to execute the following documents for the purposes of the above recommendations:
 - a. Security Stock Certificate (in relation to the Multi-issuer Deed);
 - b. Security Stock Certificate (in relation to the Equity Commitment Deed);
 - c. Security Stock Certificate (in relation to the Guarantee and Indemnity);
 - d. Stock Issuance Certificate (in relation to the above three Security Stock Certificates);
 - e. Security Stock Certificate (in relation to the issue of security stock to be issued to Bank of New Zealand); and
 - f. Stock Issuance Certificate (in relation to the above Bank of New Zealand Security Stock Certificate).
7. **Delegates** authority to the Chief Executive to execute such documents and take such other steps on behalf of Council as the Chief Executive considers it is necessary or desirable to execute or take to give effect to the above recommendations.

DECISION OBJECTIVE

To approve all of the necessary documents and agreements to join and raise debt through the Local Government Funding Agency (LGFA) and make the necessary delegations to make these agreements operative.

SUMMARY

A significant number of agreements and arrangements need to be put in place to complete membership and then raise debt through the LGFA. This report allows present all of these agreements for approval and requests that the necessary delegation be given to complete the LGFA membership process.

DECISION-MAKING EXPECTATIONS

Governance Decision-Making: All of the key agreements require Council approval.

Operational Decision-Making: Administrative matters only

Communications
Media Releases – contributed to by officers and Elected Members

Media/public enquiries regarding governance decision-making topics above can be addressed by governance

Media/public enquiries regarding operational decision-making topics above can be addressed by officers

SUMMARY OF DECISION-MAKING CRITERIA

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	Moderate	Environmental Considerations	No
Legal	Key	Cultural Considerations	No
Significance	Moderate	Social Considerations	No
Financial Criteria	No	Economic Considerations	No
Community Views	No	Community Board Views	No
Consultation	No	Publicity and Communication	No

BACKGROUND

Background

The decision was made to pursue LGFA membership earlier in the year as it is the cheapest form of borrowing available to the Local Government Sector. Council has already completed the key steps and decision-making processes at earlier meetings. This report aims to complete the remaining steps required for Council to join the LGFA.

An Information Memorandum from Simpson Grierson dated 16 September 2020 is attached as it serves as a good summary and reminder of the benefits of LGFA membership as well as an explanation as to the structure of the entity and the measures it has in place to secure the low-cost funding it provides. Of most relevance to this report is the section titled “Local Authorities as Issuers”. The key points from this section are set out below as these relate to the decisions to be made at this meeting.

Discussion

As a starting point to putting the various documents that are required in context, it is important to set out how the process works from a Council perspective.

Local authorities are limited in the ways they can secure additional funding, especially for large, usually capital items. They cannot issue shares or generally use the assets created as security. The most common approach (and the one used as part of the LGFA process) is to charge a local authority's rates and rates revenue and issue stock as recognition of a debt (with the stock giving the holder the benefit of the charge granted over the local authority's rates and rates revenue). To put this in place requires various legal and other agreements as well as clear authority to enter into those agreements and take the actions required under them.

Meeting those requirements is the desired outcome of this report.

The documents and agreements Council must have in place and approve include:

- Debenture Trust Deed to grant a charge over the Council's rates and rates revenue;
- A Registry agreement in place to record the stock issued;
- A Multi-Issuers Deed to issue debt securities to LGFA; and
- A Notes Subscription Agreement to subscribe for "Borrower Notes" (please see the attached Simpson Grierson memo for an overview of the "Borrower Notes" arrangement).

In addition, as Council wants to secure the benefits included with a guaranteeing membership of the LGFA, it must take on an extra share of risk and commitment through an Equity Commitment Deed and a Guarantee and Indemnity Deed.

This is set out in more detail in the Information Memorandum provided by Simpson Grierson (attached).

Once the process set out in this report is completed, Council will determine its initial and future financing required from LGFA. It will then determine the individual amounts, terms and structures of debt that best meets its needs. Council will do this with the assistance of Bancorp Treasury Services. The actual borrowing process, the options available and the decision-making process will be the subject of a further report.

As Council is wanting to join as an Issuer and Guarantor Council, Council will need to accede to the LGFA as a guaranteeing borrowing member. To do this, Council will need to accede to and / or approve the following documents:

- Accession Deed to a Notes Subscription Agreement under which Council will subscribe to Borrower Notes;
 - Accession Deed to a Multi-issuer Deed under which Council can issue debt securities to LGFA;
 - Accession Deed to Guarantee and Indemnity under which Council will join the LGFA guarantee arrangements;
 - Accession Deed to Equity Commitment Deed under which Council will agree to provide additional equity to LGFA in certain circumstances;
 - A Security Stock Certificate in relation to the Multi-issuer Deed and Accession Deed to Multi-issuer Deed;
 - A Security Stock Certificate in relation to the Notes Subscription Agreement and Accession Deed to Notes Subscription Agreement;
 - A Security Stock Certificate in relation to the Equity Commitment Deed and Accession Deed to Equity Commitment Deed; and
 - A Stock Issuance Certificate (in relation to the above three Security Stock Certificates).
- 1.

The above accession deeds would need to be signed by two elected members. The signing of certain other documents can be delegated to the Chief Executive.

There are certain other parties involved in Council's accession to LGFA and the arrangements involving each of these other parties are discussed below.

Debenture Trust Deed (DTD)

The DTD is a deed entered into between Council and a trustee (Covenant Trustee Services Limited) under which Council grants a security interest over its rates and rates revenue to Covenant Trustee Services Limited. Covenant Trustee Services Limited holds this security on behalf of the holders of "stock" issued under the DTD. Council can issue "stock" under the DTD to lenders such as the LGFA, with holders of stock having the benefit of the security granted to the trustee under the DTD.

Registry Customer Agreement (RCA)

The RCA is an agreement entered into between Council and a registrar (Link Market Services Limited). The registrar is responsible for (amongst other things) entering and removing securities issued under the LGFA Multi-Issuer Deed on Council's register.

Bank of New Zealand

It is intended to maintain a facility with the Bank of New Zealand (BNZ) to assist with any short-term funding requirements. For this to occur, certain changes are required in terms of the borrowing agreement and underlying security. These changes will be dealt with by a Security Transition Deed between Council and the BNZ. In connection with this Security Transition Deed, Council will also issue security stock to BNZ.

SUMMARY OF OPTIONS CONSIDERED

Options Considered

- Option 1 – Status Quo – Borrow from a commercial bank at current bank rates
- Option 2 – Become a member of the LGFA as a non-guaranteeing / borrowing member
- Option 3 – Become a member of the LGFA as a guaranteeing / borrowing (Preferred)

ASSESSMENT OF PREFERRED OPTION

Option 3 is the preferred option. This has been discussed at other meetings and Council resolved to join as a guaranteeing member. The decision and matters for approval are all required to implement this decision.

Option 2 is not recommended as this would require much of the documentation to be redrafted and would add further time and expense to the process.

Option 1 is not preferred as it will expose Council to additional cost with no offsetting benefits

CONCLUSION

The purpose of this report is to put in place the necessary agreements and delegations to give effect to the earlier decision to join the LGFA. These matters are well established and have been reviewed by the other parties involved in the arrangements as well as Council's advisors. This is a binary decision – Council can either accept these matters as presented, or not join. The decision to join does not commit Council to any minimum level of borrowing or any cost other than a minimal, essentially maintenance, cost. This is on sharp contrast to the cost savings that will be generated from using this source of financing. Therefore, it is recommended that all matters are approved as presented.

Attachments for Recommendation 5 are as follows (please note that these attached documents are being uploaded as separate PDFs to the set of final agenda papers):

1. Debenture Trust Deed that will be entered into by the Council and Covenant Trustee Services Limited;
2. Registry Customer Agreement that will be entered into by the Council and Link Market Services Limited;
3. Chief Executive Certificate that will be signed by the Chief Executive of the Council in relation to the above two documents;
4. Accession Deed to Multi-issuer Deed that will be entered into by the Council and New Zealand Local Government Funding Agency Limited (LGFA);
5. Security Stock Certificate number 1 (representing the issue of security stock to LGFA in connection with the Multi-issuer Deed and the Accession Deed to Multi-issuer Deed) that will be signed by the Chief Executive of the Council;
6. Accession Deed to Equity Commitment Deed that will be entered into by the Council and LGFA;
7. Security Stock Certificate number 2 (representing the issue of security stock to LGFA in connection with the Equity Commitment Deed and the Accession Deed to Equity Commitment Deed);
8. Accession Deed to Guarantee and Indemnity that will be entered into by the Council and TEL Security Trustee (LGFA) Limited;
9. Security Stock Certificate number 3 (representing the issue of security stock to TEL Security Trustee (LGFA) Limited in connection with the Guarantee and Indemnity and Accession Deed to Guarantee and Indemnity);
10. Accession Deed to Notes Subscription Agreement that will be entered into by the Council and LGFA;
11. Stock Issuance Certificate (in relation to the security stock represented by Security Stock Certificates number 1, 2 and 3) that will be signed by the Chief Executive of the Council;
12. Officer's Certificate in connection with the Council's LGFA accession that will be signed by the Chief Executive of the Council;
13. Chief Executive Certificate in relation to the documents at items 4, 5, 6, 7, 8, 9, 10 and 11 above that will be signed by the Chief Executive of the Council;
14. Security Transition Deed between the Council and BNZ;
15. Chief Executive Certificate in relation to the documents at items 1 and 14 above and items 16 and 17 below that will be signed by the Chief Executive of the Council;
16. Security Stock Certificate number 4 (representing the issue of security stock to BNZ) that will be signed by the Chief Executive of the Council;
17. Stock Issuance Certificate (in relation to the security stock represented by Security Stock Certificate number 4) that will be signed by the Chief Executive of the Council.

ADDITIONAL DECISION-MAKING CONSIDERATIONS

Outcomes

We keep our district affordable

We enable opportunities for new and existing business

We provide and enable services and facilities so people want to stay and move here

We understand the diverse needs of our community

Community Views

These have already been considered as part of a previous report.



To Waitaki District Council 16 September 2020
From Josh Cairns and David Hill, Simpson Grierson
Subject New Zealand Local Government Funding Agency Limited – Information Memorandum

Part A – Introduction and Purpose

Purpose of Information Memorandum

1. This Information Memorandum provides a description of the structure of the New Zealand Local Government Funding Agency Limited (**LGFA**) and its debt issuance programme (**Debt Programme**). LGFA is a council controlled organisation (**CCO**), incorporated as a company, that was established to enable:
 - (a) participating local authorities (**Participating Local Authorities**); and
 - (b) following recent amendments to the Debt Programme, approved participating CCOs (**Participating CCOs**),to borrow at lower interest margins than they might otherwise pay.
2. The purpose of this Information Memorandum is to provide information to local authorities and CCOs that are considering joining the Debt Programme as shareholders, guarantors and/or borrowers (as applicable).
3. This Information Memorandum is divided into four parts:
 - (a) **This Part A (Introduction and Purpose)**: which sets out the purpose of the Information Memorandum and provides some background on the purpose of, and rationale for, LGFA.
 - (b) **Part B (How LGFA Operates)**: which sets out the characteristics of LGFA.
 - (c) **Part C (Costs and Benefits)**: which sets out some of the costs and benefits of the Debt Programme.
 - (d) **Part D (Local Authorities as Issuers)**: which sets out requirements for local authorities joining the Debt Programme, including the transactions that local authorities will be required to enter into.
 - (e) **Part E (CCOs as Issuers)**: which:
 - (i) sets out the key requirements for CCOs joining the Debt Programme;
 - (ii) identifies what security is likely to be required by LGFA in relation to any particular Participating CCO; and
 - (iii) identifies aspects of the Debt Programme (as it relates to CCOs) that are likely to be subject to negotiation.

Rationale for LGFA

New Zealand Local Authority debt market

4. New Zealand local authorities historically faced a number of debt-related issues. First, local authorities have significant debt requirements. Secondly, pricing, length of funding term and other terms and conditions had historically varied considerably across the sector and, prior to the establishment of LGFA, were less than optimal. This was due to:
 - (a) **Limited debt sources:** Local authorities' debt funding options had been limited to the banks, private placements and wholesale bonds (issuance to wholesale investors), and, to a lesser extent, retail bonds. Increasing sector funding requirements, and domestic funding capacity constraints, had the potential to further adversely impact upon local authority debt.
 - (b) **Fragmented sector:** There are 78 local authorities. Individually, a significant proportion of these local authorities lack scale.
 - (c) **Regulatory restrictions:** Offshore (foreign currency) capital markets had been closed to local authorities (other than Auckland Council) and the compliance process for local authority retail bond issuance is burdensome.

Addressing the local authority debt issues

5. Each of these issues needed to be addressed to rectify this situation. This was not likely to happen without an intervention, like LGFA, for the following reasons:
 - (a) New Zealand debt markets (at least in the foreseeable future) were likely to maintain the status quo.
 - (b) Individually, a majority of local authorities would not have been able to attain significant scale.
 - (c) At a sector level, it may have been possible to address the issue regarding regulation, but regulators were likely to remain reluctant to significantly ease restrictions on financial management without gaining significant comfort as to the sophistication of the financial management of all local authorities. And, even if this issue had been addressed by regulators, it may have been insufficient to provide a major step change.
6. LGFA was established because the homogenous nature of local authorities, the large sector borrowing requirements, and the high credit quality / strong security position (ie charges over rates) of local authorities, created an opportunity for a centralised local authority debt vehicle to generate significant borrowing benefits for local authorities.
7. There are numerous precedents globally of successful vehicles that pool local authority debt and fund themselves through issuing their own financial instruments to investors. Such vehicles (including LGFA) achieve success through:
 - (a) **Credit rating arbitrage:** Attaining a credit rating higher than that of the individual underlying assets (local authority borrowers) and therefore being able to borrow at lower margins.

- (b) **Economies of scale:** By pooling debt the vehicles can access a wider range of debt sources and spread fixed operating costs, thereby reducing the cost per dollar of debt raised.
 - (c) **Regulatory arbitrage:** The vehicles can receive a different regulatory treatment than the underlying local authorities, improving their ability to efficiently raise debt (eg through access to offshore foreign currency debt markets).
8. The offshore precedents are typically owned by the local authorities in the relevant jurisdiction (often with central government involvement), as is the case for LGFA.

Part B – How LGFA Operates

9. In this part, we have addressed:
- (a) an overview of the basic corporate structure of LGFA;
 - (b) LGFA's objective to minimise default risk;
 - (c) features of LGFA designed to reduce short term default risk;
 - (d) features of LGFA designed to reduce long term default risk;
 - (e) characteristics of LGFA and the Debt Programme that are designed to make borrowing from LGFA fair for all Participating Local Authorities and Participating CCOs; and
 - (f) how the viability of LGFA is dependent on participation levels.

Basic corporate structure of LGFA

10. LGFA is a limited liability company (and a CCO) established to borrow funds and then on-lend those funds to local authorities and (now) CCOs, at lower interest margins than those local authorities and CCOs would otherwise pay.
11. LGFA's shares are held entirely by central government and local authorities. Central government currently holds 20% of the paid-up ordinary shares in LGFA, with the remaining 80% being held by local authorities (**Principal Shareholding Local Authorities**).
12. The Principal Shareholding Local Authorities have contributed capital and, as compensation for their capital contribution, may receive a return on this capital. However, the over-arching objective is that the benefit of LGFA to local authorities is delivered through lower borrowing margins, rather than through dividends passed to shareholders.
13. Also, as discussed below at paragraph 27, it is possible that local authorities:
- (a) that borrow from LGFA; and/or
 - (b) whose CCOs borrow from LGFA,
- may be required to hold redeemable preference shares in LGFA.

LGFA – designed to minimise default risk

14. One of the things that is critical to LGFA being able to deliver cheaper debt finance is it holding, and maintaining, a high credit rating (to achieve the credit rating arbitrage referred to in paragraph 7(a)).
15. Consequently, there are a number of features of LGFA that are designed to protect LGFA's creditors, which rating agencies required before agreeing to a high credit rating. These features are described in paragraphs 18 to 35 below.
16. Before bestowing a high credit rating, rating agencies consider the risks of both short term and long term default. Short term default is where a payment obligation is not met on time. Long term default is where a payment obligation is never met. In many cases, short term default will turn into long term default, but this is not always the case – a short term default may be caused by a temporary liquidity problem (ie a temporary shortage of readily available cash).
17. LGFA has been assigned a long-term foreign currency credit rating of AA and a long-term local currency credit rating of AA+ by Fitch Ratings.

Features of LGFA designed to reduce short term default risk

18. When a Participating Local Authority or Participating CCO borrows, the risk of short term default, although low, is still significantly higher than its risk of long term default. For instance, in the long term a local authority can assess and collect sufficient rates revenue to cover almost any shortfall, but such revenue cannot be collected quickly.
19. Consequently, there is a risk that inadequate liability and revenue management could lead to temporary liquidity problems and short term default.
20. The principal asset of LGFA is local authority and (now) CCO debt, so such temporary liquidity risks are effectively passed on to LGFA. Consequently, the rating agencies look for safeguards to ensure that liquidity problems of a Participating Local Authority or a Participating CCO will not lead to a default by LGFA.
21. There are two principal safeguards to manage short term default (liquidity) risk:
 - (a) **Cash:** LGFA holds a certain amount of cash and other liquid investments (investments that can be quickly turned into cash).
 - (b) **Liquidity facility:** LGFA has a borrowing facility with central government.

Features of LGFA designed to reduce long term default risk

22. There are also a number of safeguards to manage long term default risk, the most important of which are that LGFA:
 - (a) **Rates charge:** requires all Participating Local Authorities to provide a charge over rates and rates revenue (**Rates Charge**) to secure various obligations to LGFA (including borrowings);
 - (b) **Equity:** maintains several sources of equity (see paragraph 27 below);
 - (c) **Guarantee LGFA:** requires:

- (i) all Participating Local Authorities that wish to borrow more than \$20 million; and
- (ii) all Participating Local Authorities that hold an interest in a Participating CCO (regardless of the amount borrowed by the CCO) or the size of the interest in the CCO,

(together, **Guaranteeing Local Authorities**) to guarantee the obligations of LGFA to its creditors;

- (d) **Hedging:** hedges its exposures to interest rate and foreign currency fluctuations to ensure that such fluctuations do not significantly affect its ability to meet its payment obligations;
 - (e) **Risk management:** has risk management policies in place in relation to its borrowing and lending – for example, LGFA will impose limits on the percentage of lending made to any one entity to ensure that its credit risk is suitably diversified; and
 - (f) **Operational risk:** ensures its operations are run in a way that minimises operational risk – it has done this by outsourcing its operations to the New Zealand Debt Management Office, which has robust processes in place to manage operational risk.
23. Additional detail in relation to the features referred to in paragraphs 22(a) to 22(c) is set out below.

Rates Charge

24. All Participating Local Authorities borrowing from LGFA are required to secure that borrowing with a Rates Charge. In addition, a Participating Local Authority that provides credit support for a Participating CCO (see further at paragraph 64 below) may be required to secure the credit support with a Rates Charge.
25. This is a powerful form of security for LGFA, because it means that, if the relevant local authority defaults, a receiver can assess and collect sufficient rates to recover the defaulted payments.
26. From a Participating Local Authority's point of view, it is also advantageous because so long as the local authority does not default, it is entitled to conduct its affairs without any interference or restriction. This contrasts with most security arrangements, which involve restrictions being imposed on a borrower's use of its own assets.

Sources of equity

27. LGFA has several sources of equity to safeguard its capital adequacy:
- (a) **Ordinary equity:** Central government and the Principal Shareholding Local Authorities have contributed initial equity as the issue price of their initial shareholding;
 - (b) **Uncalled capital:** each Principal Shareholding Local Authority is required to hold uncalled capital equal in amount to its paid up equity contribution (**Uncalled**

Capital), which is able to be called by LGFA if it determines that there is a risk of imminent default;

- (c) **RPS:** each Participating Local Authority and Participating CCO must, at the time that it borrows from LGFA, contribute some of that borrowing back in the form of subordinated debt issued by LGFA (**Borrower Notes**), which in certain circumstances may convert to redeemable preference shares in LGFA (however, because a CCO is not permitted to be a shareholder in LGFA, its Borrower Notes are transferred to its parent local authority/ies immediately prior to conversion, such that the redeemable preference shares are issued to the local authority/ies – see paragraph 28 below); and
 - (d) **Equity commitments:** in addition to the equity contributions made in conjunction with borrowing, all Guaranteeing Local Authorities are required to commit to contributing equity in certain circumstances (calls on any such commitments are limited to situations in which there is a risk of imminent default by LGFA).
28. As noted in paragraph 27(c) above, where a CCO holds Borrower Notes that are to convert to redeemable preference shares in LGFA, the Borrower Notes are transferred to the relevant parent local authority (or local authorities) immediately prior to conversion, such that the redeemable preference shares are issued to the local authority/ies. The Debt Programme documentation provides that the consideration (if any) for that transfer will need to be separately agreed as between the relevant CCO and local authority/ies. The relevant parties will therefore need to consider:
- (a) whether any consideration is to be paid by the local authority/ies to the CCO;¹ and
 - (b) if so, whether that consideration is to be agreed up front at the time of accession (under a side agreement between the CCO and relevant local authority/ies), or addressed only if there is a conversion of Borrower Notes held by the CCO.

Guarantee

- 29. Under the Guarantee, the Guaranteeing Local Authorities guarantee the payment obligations of LGFA to LGFA's creditors.
- 30. The purpose of the Guarantee is to provide additional comfort to lenders and other creditors (and therefore credit rating agencies) that there will be no long term default. It may also be used to cover a short term default if there is a default that cannot be covered using the protections described in paragraphs 18 to 21 above, but which will ultimately be fully covered using the rates charge described in paragraphs 24 to 26.
- 31. The Guarantee would only be called if LGFA itself defaults. It is not a direct guarantee of other local authorities' borrowing. Consequently, a call on the Guarantee would only occur if the numerous safeguards put in place to prevent an LGFA default fail.
- 32. If any such default did occur, and the Guaranteeing Local Authorities were called on under the Guarantee, they could potentially be called on to cover any payment obligation that

¹ In the event of a conversion, there will be a transfer of property (the Borrower Notes) from the CCO to the local authority/ies, however it is for the parties (CCO and local authority/ies) to decide whether any compensation should be provided to a CCO for that transfer, or if this unlikely event is to be treated as part of the cost of the credit support to be provided by the local authority/ies for CCO borrowings.

LGFA failed to meet. Such payment obligations may (without limitation) include obligations owed to:

- (a) LGFA's principal lenders;
 - (b) central government (in respect of the liquidity facility referred to at paragraph 21(b)); and
 - (c) hedging counterparties (in respect of the hedging transactions referred to in paragraph 22(d)).
33. While guaranteeing LGFA's payment obligations obviously presents some risks to the Guaranteeing Local Authorities, there are also benefits:
- (a) at a global level, the provision of the guarantees has contributed to LGFA's high credit rating, with consequential benefits for borrowers; and
 - (b) in relation to each Guaranteeing Local Authority, further benefits can accrue:
 - (i) it will be able to borrow in excess of \$20 million from LGFA; and
 - (ii) such local authorities may also be offered lower funding (interest) costs.
34. While all Guaranteeing Local Authorities are jointly and severally liable for the entire LGFA debt guaranteed, claims against individual local authorities will initially be based on their proportion of the total Annual Rates Income of all Guaranteeing Local Authorities.
35. Guaranteeing Local Authorities are required to provide a Rates Charge to secure their obligations under the Guarantee and their obligations to contribute additional equity.

Characteristics designed to make borrowing from LGFA fair for all Participating Local Authorities

36. The principal risk involved with LGFA is that Participating Local Authorities or Participating CCOs default on payment obligations, which could, in turn, result in LGFA defaulting on its own payment obligations. The greater this risk is, the less attractive participation in LGFA is.
37. However, Participating Local Authorities and Participating CCOs will not create this risk in equal measures. There are some that carry a greater default risk than others, and therefore contribute disproportionately to the overall risk of LGFA. Those local authorities and CCOs are also the local authorities and CCOs that would be likely to pay the highest interest margins if they borrowed outside LGFA, and so have benefitted the most from the establishment of LGFA.
38. To minimise this cross-subsidisation, of the higher risk borrowers by the lower risk borrowers, different interest margins are paid by different local authorities and CCOs when they borrow from LGFA, with those carrying the higher default risk paying higher margins.

Viability of LGFA dependent on participation levels

39. The modelling and other analysis done prior to the establishment of LGFA suggested that LGFA would be viable (in that it will deliver sufficient benefits to justify its establishment and continued existence) if:
- (a) LGFA maintains a high enough credit rating; and
 - (b) sufficient funds were borrowed through it to obtain the economies of scale benefits referred to in paragraph 7(b).
40. Consequently, the participation of sufficient local authorities and (now) CCOs is critical. To this end, Principal Shareholding Local Authorities were required to meet a certain proportion of their individual borrowing needs through LGFA for an initial amount, to ensure the critical amount of utilisation was achieved. LGFA now has over \$9 billion of debt on issue, and has been a resounding success.

Part C – Costs and Benefits

41. In this part, we have identified the key costs and benefits to participating in LGFA.

Benefits to borrowing through LGFA

42. LGFA has been able to borrow at low enough rates for LGFA to be attractive because of the three key advantages LGFA has over a local authority borrower described in paragraph 7. That is – exploiting credit rating arbitrage, economies of scale and regulatory arbitrage.
43. In addition, LGFA is providing increased certainty of access to funding and terms and conditions (including the potential access to longer funding terms).
44. The potential savings for a local authority or a CCO in terms of funding costs will depend on the difference between its funding cost when it borrows from LGFA and the funding cost when it borrows from alternative sources. This difference will vary between and among local authorities and CCOs.
45. The funding costs each local authority or CCO pays when it borrows from LGFA will be affected by the following factors, some of which are specific to the local authority or CCO:
- (a) the borrowing margin of LGFA;
 - (b) the operating costs of LGFA; and
 - (c) any price adjustment made by LGFA for that specific local authority or CCO as a result of:
 - (i) credit quality;
 - (ii) the size of the borrowings from LGFA;
 - (iii) if a local authority, whether it's a Guaranteeing Local Authority; and
 - (iv) if a CCO, the covenants and credit support package available.

Costs to borrowing through LGFA

46. The costs to Participating Local Authorities or CCOs as a result of their borrowing through LGFA take two forms:
- (a) First, risks assumed in order to participate, which create contingent liabilities (ie costs that will only materialise in certain circumstances).
 - (b) Secondly, the Borrower Notes.

Risks

47. The features of the LGFA structure described above, which are included to obtain a high credit rating, are essentially steps that remove risk from lenders to make their residual risk low enough to justify the high credit rating. These features remove risk, in part, by transferring it to Participating Local Authorities and CCOs.
48. These risks are that:
- (a) in the case of Guaranteeing Local Authorities, a call is made under the Guarantee (see discussion in paragraphs 29 to 35 above);
 - (b) in the case of Guaranteeing Local Authorities, a call is made for a contribution of additional equity to LGFA (see paragraph 27 above); and
 - (c) in the case of all Participating Local Authorities and Participating CCOs, LGFA is not able to redeem their Borrower Notes (see paragraph 27 above).
49. It is anticipated, however, that the prospect of these risks arising is low.

Cost of Borrower Notes

50. As discussed in paragraph 27(c), all Participating Local Authorities and Participating CCOs are required to invest in Borrower Notes when they borrow from LGFA. This carries a cost in addition to the risk referred to in paragraph 48(c), because the investment in Borrower Notes has, in most cases, been funded by borrowing from LGFA, and the cost of this funding will be higher than the return paid on the Borrower Notes.
51. For Participating CCOs this cost is potentially greater (depending on how they agree to share the cost with local authorities – see paragraph 28 above) as, in certain circumstances (ie where there is a risk of LGFA default), the Borrower Notes may be transferred to a parent local authority at the time of the automatic conversion to redeemable preference shares in LGFA.

Part D – Local Authorities as Issuers

52. In this part we have addressed the transactions that local authorities wishing to join the Debt Programme will be required to enter into.
53. The transactions and accession requirements that apply to local authorities are standardised, such that the same requirements will apply to all local authorities. However, the applicable requirements differ depending on whether the local authority is to join as:

- (a) a borrower only (referred to as an “**Issuer**” under the Debt Programme);
- (b) an Issuer and a Guaranteeing Local Authority; or
- (c) an Issuer, a Guaranteeing Local Authority and a Principal Shareholding Local Authority.²

Issuer

54. If a local authority joins LGFA as an Issuer only, it will:
- (a) be able to borrow from LGFA (up to \$20m);
 - (b) need to subscribe for Borrower Notes (see paragraph 27(c)); and
 - (c) provide for the Rates Charge to be extended to LGFA (through the issuance of security stock), to secure its borrowing obligations to LGFA (see discussion in paragraphs 24 to 26).
55. The Debt Programme documents that a local authority will need to accede to are:
- (a) a multi-issuer deed (under which the local authority can issue debt as an Issuer); and
 - (b) a notes subscription agreement (under which the local authority will subscribe for Borrower Notes).
56. A local authority will also need to have a debenture trust deed (to provide for the Rates Charge) and an agency agreement.

Issuer and Guarantor

57. If a local authority joins LGFA as an Issuer and a Guaranteeing Local Authority, it will:
- (a) undertake the transactions referred to in paragraph 54 above; and
 - (b) in addition, also need to:
 - (i) commit to providing additional equity to LGFA under certain circumstances (see paragraph 27(d) above);
 - (ii) commit to meeting a certain proportion of its borrowing needs from LGFA;
 - (iii) enter into the Guarantee (see discussion in paragraphs 29 to 35 above); and
 - (iv) provide for the Rates Charge to be extended to a security trustee on behalf of LGFA’s creditors (through the issuance of security stock), to secure its obligations under the Guarantee.

² Note that the ability to become a Principal Shareholding Local Authority is limited to particular shareholder openings offered by LGFA from time to time.

58. The Debt Programme documents that a local authority will need to accede to in order to enter into these transactions are:
- (a) those listed in paragraph 55 above;
 - (b) an equity commitment deed (under which the local authority will be required to provide additional equity to LGFA under certain circumstances); and
 - (c) a guarantee and indemnity (to provide for the Guarantee).

Issuer, Guarantor and Principal Shareholding Local Authority

59. If a local authority is to join LGFA as a Principal Shareholding Local Authority, it would, in addition to the transactions and documents required as an Issuer and Guaranteeing Local Authority, also need to subscribe for paid-up shares in LGFA to provide it with capital (see paragraphs 12 and 27(a)) and subscribe for Uncalled Capital in LGFA (see paragraph 27(b) above). There would be additional documentation to accede to as well, including a shareholders' agreement.

Part E – CCOs as Issuers

60. In this part, we have:
- (a) set out the key requirements for CCOs joining the Debt Programme;
 - (b) identified what security is likely to be required by LGFA in relation to any particular Participating CCO; and
 - (c) identified aspects of the Debt Programme (as it relates to CCOs) that are likely to be subject to negotiation.

Key requirements

61. LGFA has recently amended the Debt Programme in order to allow CCOs to accede as Issuers and therefore borrow directly by issuing securities to LGFA.
62. A Participating CCO may not (and is not required to), however, join as Guaranteeing Local Authority or a Principal Shareholding Local Authority.
63. The amendments made to the Debt Programme to facilitate the accession of CCOs as an Issuer enable flexibility in the range of covenant and credit support options that may be required from particular Participating CCOs. This means that the accession process for a CCO will usually be more complex and involve more commercial negotiation (and therefore potentially greater initial costs) than an equivalent process for a local authority.
64. LGFA may, in its discretion, allow a CCO to accede as an Issuer provided that (among other things):
- (a) the CCO is a company (and 100% of its shares are held by one or more local authorities and/or the Crown);
 - (b) it has acceded to:

- (i) the multi-issuer deed (which now includes a separate standard package of representations, warranties, undertakings, covenants and defaults that will apply specifically to CCOs, that each Participating CCO would be subject to (except where any exceptions, for any individual Participating CCO, are negotiated at the time of accession – see paragraph 73 below)); and
- (ii) the notes subscription agreement;
- (c) an agreed package of “CCO Credit Support” is provided, which may include:
 - (i) security over the CCO’s assets;
 - (ii) a negative pledge and covenant deed (which could provide for a limit on borrowings relative to the amount of uncalled and unpaid equity capital in the CCO at any time, and an arrangement for LGFA to be able to require a call on that capital);
 - (iii) a guarantee (see paragraph 66 below); and/or
 - (iv) any other security arrangements required by LGFA;
- (d) each shareholder that is a local authority has itself acceded to the multi-issuer deed, notes subscription agreement, guarantee and indemnity and the equity commitment deed (whether or not otherwise required to accede to those documents – ie even if it has not itself borrowed in excess of \$20m); and
- (e) any further eligibility criteria required from time to time in accordance with LGFA’s policies have been satisfied, and any further conditions that may be specified by LGFA in the accession documents have been satisfied.

Security requirements

65. As noted at paragraph 64(c), LGFA has considerable flexibility and discretion as to what “CCO Credit Support” is required in the case of any Participating CCO. At a minimum, it is intended that:
- (a) any Participating CCO that is not a council controlled trading organisation³ (CCTO) will be required to obtain a guarantee⁴ from its parent local authority/ies in respect of the Participating CCO’s obligations to LGFA (and the local authority/ies will need to extend the benefit of the Rates Charge to LGFA to cover the guarantee obligations); and
 - (b) any Participating CCO that is a CCTO will instead⁵ be required to provide LGFA with security over an amount of uncalled and unpaid equity capital subscribed for by its parent local authority/ies.
66. An uncalled capital credit support structure (as referred to in paragraph 65(b) above) is intended to, to some extent, replicate the commercial effect of a guarantee (without being a guarantee). In general terms, it involves:

³ As defined in section 6 of the Local Government Act 2002.

⁴ Note that this is a guarantee of the Participating CCO’s obligations to LGFA, and is therefore different to the Guarantee referred to at paragraphs 29 to 34 above (which is a guarantee of the obligations of LGFA to its creditors).

⁵ On the basis that section 62 of the Local Government Act 2002 prohibits local authorities from guaranteeing the obligations of CCTOs.

- (a) the parent local authority/ies subscribing for an amount of uncalled and unpaid equity capital in the Participating CCO (of an amount at least equal to the Participating CCO's obligations to LGFA);
 - (b) a requirement for that capital to be called, and paid for, following a default by the Participating CCO; and
 - (c) the Participating CCO providing LGFA with security (or other rights) over the ability to call for that capital, and the proceeds of the call.
67. As noted above, LGFA can also require further security in respect of any particular Participating CCO, including security over the other assets of the CCO.
68. In addition, the Debt Programme recognises that the range of security that may be provided by a CCO may necessitate intercreditor arrangements to be put in place. For instance, if a CCO has already provided security over its assets, or over an uncalled capital credit support structure, to existing creditors, LGFA may need to share in that security (or take security over the same collateral).
69. The Debt Programme therefore contemplates that intercreditor arrangements (providing for the basis upon which the different creditors will share, or benefit from, the security or collateral), which are acceptable to LGFA, may be required.
70. This will be particularly relevant where a Participating CCO's existing financing arrangements are to be refinanced by LGFA over a period of time (eg as bonds mature), with the creditors relying on the same security in the transitional period.

Ability to negotiate

71. As noted at paragraph 64(b)(i) above, a separate standard package of representations, warranties, undertakings, covenants and defaults that will apply specifically to CCOs has been introduced into the Debt Programme.
72. However, LGFA has also recognised that the business, assets, revenue sources, ownership, credit-strength and financing requirements of CCOs can vary significantly from CCO to CCO, and has therefore provided for a significant amount of flexibility and discretion to negotiate particular terms in the Debt Programme.
73. In this regard, there is scope for the following matters (among others) to be negotiated on a case-by-case basis:
- (a) the financial covenants (that will apply at the Participating CCO level, as opposed to the parent local authority or consolidated group);
 - (b) the representations and undertakings to be given by the Participating CCO (including the scope of agreed "permitted" exceptions in relation to certain undertakings, such as restrictions on CCO's granting security, disposing of assets, making distributions and acquiring assets);
 - (c) change of control redemption events; and
 - (d) events of default.

74. Therefore, whereas when a Participating Local Authority joins the Debt Programme it can simply join up to set pre-existing borrowing terms, a Participating CCO will need to carefully review the borrowing terms that will apply to it and consider whether any changes may be necessary or desirable.

6.2 CARRY FORWARD REPORT 2020/21

Author: Ian Wells, Accounting Manager
Authoriser: Paul Hope, Finance and Corporate Development Group Manager
Attachments: 1. Appendix 1 - Proposed Carry Forward Schedule 2020/21

RECOMMENDATION

That Council approves the projects listed in Appendix 1 for carry forward and action in 2020/21.

DECISION OBJECTIVE

To approve carrying forward funding for incomplete projects from 2019/20 (or earlier) budgets.

DECISION-MAKING EXPECTATIONS

Governance Decision-Making:	Council will review and approve the majority of the projects listed
Operational Decision-Making:	Following confirmation of the approval requested, Finance will revise Annual Plan budgets, and projects will continue, or firm plans will be made for their commencement
Communications	Media Releases – contributed to by officers and Elected Members Media/public enquiries regarding governance decision-making topics above can be addressed by governance Media/public enquiries regarding operational decision-making topics above can be addressed by officers

SUMMARY OF DECISION-MAKING CRITERIA

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	No	Environmental Considerations	No
Legal	No	Cultural Considerations	No
Significance	No	Social Considerations	No
Financial Criteria	Key	Economic Considerations	No
Community Views	No	Community Board Views	No
Consultation	No	Publicity and Communication	No

BACKGROUND

Every year, there are a number of projects that have been approved and had funding allocated that had either not been fully completed or, for various reasons, had not been started, by the end of the financial year. The officers responsible for those projects now request approval to carry those budgets forward so that the required work can be undertaken.

This report summarises these projects, and asks that specific decisions are made as to whether a project is still relevant and therefore should be continued. There are other, more generic, project budgets where the funding is routinely accumulated each year if it is not fully allocated, such as amenity rates, and these have not been included in the list for consideration.

Notes

- Some projects proposed for consideration relate to unspent operational budgets with funding from General or Separate Reserves; others involve a change in purpose from the original Council agreed project; and several reflect updated costs based on more recent information.
- Carrying these budgets forward will have no impact on Rates as all bring with them funding specific to the particular project.
- No expenditure has been incurred on the RSA premises in the past year. Nevertheless, approval is sought to carry forward the same amount as was requested last year, to provide an approved budget to enable resolution of legal issues, routine maintenance and planning for future development. Council approval will be sought for any proposed development at an appropriate future time after all legal and other obstacles have been removed and a business case has been formulated.
- The Cultural Facilities redevelopment project remains on the list, but only to the extent to which previously approved and carried forward funding remains unspent. Council approval will be sought, based on a detailed business case, when any future development plans are finalised. In the meantime, \$500,000 has been received from the New Zealand Lotteries Grants Board towards that future redevelopment.

SUMMARY OF OPTIONS CONSIDERED

The recommended approach is to approve, reject or modify the listed projects on a line by line basis. As these options are available for each item, additional option analysis is not required.

The unused funding related to each project approved at this meeting will be included in an updated “living” budget for the 2020/21 year. Those carried forward projects will then be monitored and reported as capital or operational expenditure.

CONCLUSION

It is the view of officers that the projects listed remain relevant and necessary, and it is recommended that Council approves these so that work can either continue or begin, as planned.

ADDITIONAL DECISION-MAKING CONSIDERATIONS

Outcomes

We keep our district affordable

We enable opportunities for new and existing business

We provide and enable services and facilities so people want to stay and move here

We understand the diverse needs of our community

Waitaki's distinctive environment is valued and protected

We maintain the safest community we can

Financial Considerations

The listing of Projects attached totals \$13.8 million. Of this sum, \$734k is anticipated from external funders (primarily NZTA), with the balance to be funded from accumulated reserves and internal loans. Approval of these projects will not impact on Rates in the 2020/21 financial year.

Appendix 1 – Proposed Carry-forward Schedule 2020/21 – page 1

Department	Ref	Project	Original budget	Budget/Unspent Balance to carry forward	Sources of funding					
					General Reserve	Special Reserve	Separate Reserve	Depreciation Reserve	Internal loan	External funding
3 Waters	cf25	Ohau DWS upgrade	1,500,000	1,100,000					(1,100,000)	
	225	Awamoko DWS upgrade	390,000	360,000		(97,500)		(204,000)	(58,500)	
	227	Kauru Hill DWS upgrade	280,000	250,000		(84,000)		(40,000)	(126,000)	
	228/19062	Tokarahi DWS upgrade	390,000	340,000		(108,000)		(31,000)	(201,000)	
	229	Windsor DWS upgrade	270,000	240,000		(67,500)		(10,500)	(162,000)	
	262	Oamaru Wastewater overflow mitigation	515,000	320,000					(320,000)	
	274	Wastewater systems CCTV inspections	100,000	50,000				(50,000)		
	19063	Bushy Creek rural upgrade	92,650	92,650				(92,650)		
	19064	Stoneburn rural upgrade	236,630	180,000				(180,000)		
	19096	Palmerston wastewater sludge removal	90,000	84,000				(84,000)		
	19099	Palmerston wastewater improvements	200,000	200,000				(200,000)		
	19100	Oamaru Stormwater capacity improvements	200,000	100,000				(100,000)		
	19105	Moeraki Wastewater overflow mitigation	50,000	50,000				(50,000)		
	19108	Oamaru Water new reservoir	6,100,000	3,500,000		(556,500)			(2,943,500)	
	19109	Oamaru Water disinfection	100,000	50,000				(50,000)		
	19124	Litter bins, waste education	55,000	55,000			(45,000)			(10,000)
	<hr/>									
Roading	190	Pavement rehabilitation (Covid-19)	1,428,000	309,477		(12,379)	(126,886)			(170,212)
	193/1804	Severn Street retaining wall	318,800	289,980		(11,599)	(118,892)			(159,489)
	196	Street lighting renewals - LED project	579,870	313,738		(12,550)	(128,632)			(172,556)
	1806	Business Park roading	400,000	400,000			(200,000)		(200,000)	
	1807	Severn Street tree lighting	50,000	49,730			(24,730)			(25,000)
	1810	Ward-based discretionary funds	80,000	80,000			(80,000)			
	1812	Coastal protection - urban	50,000	50,000			(50,000)			
	19023	Minor improvements - unspent funds	1,381,744	88,296			(39,733)			(48,563)
	19115	Road safety programme (staff changes + Covid-19)	48,350	32,986			(14,844)			(18,142)
	19125	Seal extension & widening (Covid-19)	345,100	311,441			(226,441)			(85,000)
		ops Road legalisation - unspent funds, used August 2020	unspent	24,469			(24,469)			
		ops Wilding pine control in Ahuriri - unspent funds	unspent	15,000			(15,000)			
		ops Ahuriri township	unspent	46,771			(46,771)			
		ops Corriedale townships	unspent	42,667			(42,667)			
	ops Waihemo townships	unspent	8,243			(8,243)				

Appendix 1 – Proposed Carry Forward Schedule 2020/21 – page 2

Department	Ref	Project	Original budget	Budget/Unspent Balance to carry forward	Sources of funding						
					General Reserve	Special Reserve	Separate Reserve	Depreciation Reserve	Internal loan	External funding	
Property	ops	Preventive maintenance - Oamaru Drill Hall	116,217	96,042				(96,042)			
	ops	Preventive maintenance - Harbour non-endowment	84,249	82,673				(82,673)			
	ops	Preventive maintenance - Harbour endowment	31,269	35,149				(35,149)			
	ops	Preventive maintenance - HQ Building	67,433	67,433				(67,433)			
	ops	Preventive maintenance - Oamaru airport	94,343	91,575				(91,575)			
	ops	Preventive maintenance - Operational Property	767,972	104,818				(104,818)			
	ops	Preventive maintenance - commercial property	273,569	273,569				(273,569)			
	cf06/07	Harbour projects	48,000	48,000			(48,000)				
	19004	Drill Hall weather tightness	37,000	37,000				(37,000)			
	cf22	Holmes wharf deck replacement	877,131	373,446					(373,446)		
	275	Breakwater repairs/maintenance	204,000	121,246				(121,246)			
	282	Operational properties - assess earthquake risk	34,000	34,000				(34,000)			
	283	Earthquake-prone buildings strengthening	50,000	50,000	(50,000)						
	1818	RSA development - planning for future (revised 2019)	100,000	100,000					(100,000)		
	19001	HQ roof/clock tower	255,000	255,000				(255,000)			
	19003	Harbour dredging	389,245	58,064					(58,064)		
	19009	Itchen Street shops water tightening	50,000	36,161				(36,161)			
	Recreation	cf49	King George Park drainage	160,000	50,000		(50,000)				
		r198	Palmerston walking track improvements	40,000	21,000	(10,000)	(11,000)				
		s281	Weston Domain water bore	50,000	49,000			(49,000)			
166		General playground renewals	30,000	28,800				(28,800)			
167		Sports renewal - Palmerston drains, sundry	77,000	21,000		(21,000)					
168		Gardens Depot switchboard	30,000	20,000					(20,000)		
168		Gardens washdown pad	30,000	30,000					(30,000)		
169		Ahuriri reserves improvements	36,000	27,700		(27,700)					
175		Playground - new capital - Waiareka Park	30,000	30,000		(30,000)					
175A		Fences & Furniture	50,000	46,000				(46,000)			
1816		Urban Park design & construction	200,000	157,400					(157,400)		
19027		Township streetscapes Dunback	20,000	20,000				(20,000)			
19027A		Township streetscapes - Duntroon	20,000	20,000				(20,000)			
19027B		Streetscapes Omarama	30,000	30,000				(30,000)			
19027C		Review streetscape North end Oamaru	10,000	10,000				(10,000)			
19031		Gardens playground	150,000	150,000		(60,000)		(90,000)			
19036		Recreation Centre feasibility	150,000	130,800					(130,800)		
19037		Coastal Erosion	122,000	53,600					(53,600)		
19038		Cemetery Register	40,000	29,000					(29,000)		
19040		Alps2Ocean - unspent maintenance	100,000	48,000	(48,000)						
19041		Public Toilets (Moeraki, C/Bay to finish)	760,000	128,405					(83,405)	(45,000)	
19127		Ahuriri reserves - walkways	10,000	10,000		(10,000)					
19127		Corriedale improvements & walking tracks	10,000	6,700		(6,700)					
19127		Oamaru improvements & walking tracks	20,000	20,000		(20,000)					
19127		Waihemo improvements & walking tracks	22,000	21,000		(21,000)					

Appendix 1 – Proposed Carry Forward Schedule – page 3

Department	Ref	Project	Original budget	Budget/Unspent Balance to carry forward	Sources of funding						
					General Reserve	Special Reserve	Separate Reserve	Depreciation Reserve	Internal loan	External funding	
Planning	cf55	District Plan review	655,101	166,722		(166,722)					
Building	Ops	Accreditation audit (biennial, budgeted 50% annually)	17,000	17,000	(17,000)						
	Ops	Repurpose unspent salaries to fund external resources	988,684	54,500	(54,500)						
	Ops	Training budgets (pending new staff appointments)	67,000	25,250	(25,250)						
Library	ops	Unspent training & travel budgets	18,772	7,535	(7,535)						
	217	Library books purchases (and re-purposed)	115,000	13,691				(13,691)			
	N/A	Audio books purchases (repurposed from book purchases)		7,000				(7,000)			
	263	RFID budget unspent to complete phase two	16,213	7,217					(7,217)		
Gallery/Museum	344	Cultural Facility redevelopment (balance ex 2017)	267,641	255,911				(255,911)			
Information Management	Various	IT Capital projects/Upgrades (funding envelope)	1,268,344	773,000	(15,000)			(175,000)	(583,000)		
Council/committees		unspent: Ahuriri Community Board discretionary funds	14,210	11,210		(11,210)					
		unspent: Ahuriri Community Board community grants	43,720	31,178		(31,178)					
		unspent: Waihemo Community Board discretionary funds	11,461	9,773		(9,773)					
		unspent: Waihemo Community Board community grants	34,853	22,853		(22,853)					
		unspent: Council discretionary funds ("the Mayoral Fund")	23,516	6,460	(6,460)						
		unspent: Youth Council funds	20,319	17,039	(17,039)						
		unspent: Community Development - external funding unspent	Unspent funds	61,870	(61,870)						
		unspent: SKIP Adult Literacy North Otago funding unspent	Unspent funds	40,275	(40,275)						
		unspent: Family violence funding unspent	Unspent funds	62,436	(62,436)						
		unspent: Economic Development grants budgets	58,704	29,392	(29,392)						
		unspent: Economic Development events budget	48,000	21,870	(21,870)						
		unspent: Economic Development strategic development	99,650	99,650	(99,650)						
TOTAL Projects to carry forward to 2019/20			24,695,760	13,798,861	(566,277)	(1,449,164)	(1,289,308)	(3,023,218)	(6,736,932)	(733,962)	

7 RESOLUTION TO EXCLUDE THE PUBLIC

RECOMMENDATION

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
8.1 - Public Excluded minutes of the Council Meeting held on 11 August 2020	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
8.2 - Public Excluded minutes of the Council Meeting held on 25 August 2020	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
8.3 - Public Excluded minutes of the Council Meeting held on 1 September 2020	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
8.4 - Civil Defence Claim Settlement PE	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(i) - the withholding of the information is necessary to	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

	enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	
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8 PUBLIC EXCLUDED SECTION

9 RESOLUTION TO RETURN TO THE PUBLIC MEETING

RECOMMENDATION

That the Council resumes in open meeting and decisions made in public excluded session are confirmed and made public as and when required and considered.

10 RELEASE OF PUBLIC EXCLUDED INFORMATION

In accordance with Waitaki District Council Standing Orders, and pursuant to resolutions in the public excluded session of the meeting, any previously public excluded information that the Council decides to release will be included here in the public minutes of this meeting.

11 MEETING CLOSE