

Waitaki District Council

Extraordinary Council

**CONFIRMED MINUTES of
an Extraordinary 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 2 October 2018 at 10.03am**

Present	Mayor Gary Kircher (Chair), Deputy Mayor Melanie Tavendale, Cr Craig Dawson, Cr Peter Garvan, Cr Jeremy Holding, Cr Jim Hopkins, Cr Bill Kingan, Cr Hugh Perkins, and Cr Jan Wheeler
Apologies	Cr Guy Percival (leave of absence), Cr Colin Wollstein
In Attendance	Fergus Power (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) Martin Pacey (Acting Assets Group Manager) Ainslee Hooper (Governance Advisor)

The Chair declared the meeting open at 10.03am, and welcomed the Chair and Chief Executive of Whitestone Contracting Limited who were in attendance to present the company's Annual Report to Council.

1. Apologies

RESOLVED
WDC 2018/188

Cr Bill Kingan / Cr Jan Wheeler
That Council accepts apologies from Cr Guy Percival (leave of absence) and from Cr Colin Wollstein.

CARRIED

2. Declarations of Interest

There were no declarations of interest.

3. Whitestone Contracting Limited – Annual Report 2017/18

The report, as circulated, proposed that Council receive the audited Whitestone Contracting Limited 2017/18 Annual Report, and also that a resolution be presented for the receipt of the report and the appointment of auditors, such resolution being in lieu of a shareholders' meeting.

Chairman Michael de Buyzer and Chief Executive Glenn Campbell were in attendance to present the Whitestone Contracting Limited Annual Report 2017/18.

The Chairman advised that the major highlight was the increase in both revenue and profit pre-tax which had been records for the company and had been achieved through a large number of projects. With respect to distributions, these were usually discussed after the Annual Report was presented and company directors were scheduled to meet with the Executive Committee on 1 November to have that discussion. He noted that, over the last ten years, the company had distributed \$4m back to the community through dividends, sponsorships, etc, and \$2.5 m of that \$4m had been distributed in the last five years, showing the healthy growth and performance of the company. For now, it was 'business as usual', and the company was continuing to tender for work in the lower South Island. It currently had

three major contracts in progress – Kawarau bridge landscaping, which had just started; continued work at Lake Tekapo and sub-divisions there; and the Oamaru water main project, which had also just commenced. Maintenance contracts would also continue to be tendered for, and the company was looking at specialist technology to see if it could enhance performance. Announcements about that would be made at a later date.

The following points were highlighted / clarified during discussion between Councillors and the Directors present:

Non-financial performance was also impressive – there had been no lost days of productivity, and the health and safety culture of the company was also a highlight.

The amount of work for Council was \$3.6m in 2017; and was now \$5.5m. All of it had been tendered for. The Chairman advised that the company believed it was prudent to have both a diversified client base and maintenance contracts as well.

Cr Bill Kingan congratulated the company on the success of the Hamnak project, and the joyous occasion that the opening had been. Mayor Gary Kircher endorsed Cr Kingan's remarks, and noted that the performance of the company and its sub-contractors during the project had been excellent and filled Councillors with great confidence.

The wages of company employees and contractors that were spent in the community were also recognised as another means of contributions the company was making to the district.

Looking ahead, the Chairman noted that the company would need to remain nimble and responsive, and geographic spread of work would be important. There were opportunities in Central Otago, and WCL had purchased a company there (Dunstan Contracting) to be better able to capture them.

A turnover target of \$30m was still in place, but one of around \$25m – \$26m was probably more realistic at the moment. The key was quality project management.

RESOLVED

WDC 2018/189

Cr Bill Kingan / Cr Peter Garvan

That Council:

1. Receives the Whitestone Contracting Limited 2017/18 Annual Report.
2. Authorises the Mayor and Chief Executive to sign the resolution pursuant to Section 122 of the Companies Act 1993 in lieu of the Annual General Meeting of shareholders of Whitestone Contracting Limited.

CARRIED

Mayor Kircher officially passed on his congratulations to the WCL Directors and Chief Executive. He acknowledged the benefit that the company brought through employment, the dividend, and other sponsorship to the community. He also highlighted the 'coming of age' of a much better relationship between Council and the company this year, and praised Chief Executive Glenn Campbell for the work he and his team were doing in that regard, and the directors for supporting that. The Hamnak pipeline had been a significant success for the company and the district, and it epitomised the relationship between the company and Council that was now being enjoyed. The Mayor then wished the company well for the next year.

Councillors acknowledged the WCL Directors and Chief Executive through a spontaneous round of applause.

4. Omarama Airfield Limited – Annual Report 2017/18

The report, as circulated, proposed that Council receive the audited Omarama Airfield Limited 2017/18 Annual Report, and also that a resolution be presented for the receipt of the report and the appointment of auditors, such resolution being in lieu of a shareholders’ meeting.

Director Mr Glen Claridge had intended to be in attendance to present the report. The Chair advised that, unfortunately, he had had to put in a late apology due to an urgent need to attend another meeting. He had, however, emailed through some comments to Group Manager Paul Hope.

Mr Claridge had noted that there was nothing remarkable in Omarama Airfield Limited’s (OAL) annual report for the 2017/18 year. It continued to be a successful little operation. There was more happening now, with a new tenant in the café who was spending money to refresh the operation. OAL was continuing to look at options to generate extra revenue that were non-airfield-related, and further information on that would be provided in due course.

Cr Craig Dawson noted that activity in this industry was picking up and, with constricting capacity in Queenstown, it was expected that there would be strong movement from companies to other areas, like Omarama, in the next 2-3 years.

There was discussion about the \$16k accounting and auditing fees representing 10% of the company’s turnover. It was noted that this was a disadvantage of the CCO model. The suggestion of forming a Trust was made. The Mayor said that could be done, but Council would first need to talk to the community about it, and the pros and cons would need to be identified. Group Manager Paul Hope concurred, but also noted that the directors had not raised it as an issue. Accounting fees would still need to be paid, and they were happy with the service they received. The audit fee was unfortunate, but it could not be avoided.

Mr Hope also acknowledged he had received correspondence from Chairman Clive Geddes who was recovering from surgery. He and the Board were keen to have a workshop with Council to discuss some of the ideas they had for non-airfield-related revenue. Mr Geddes had highlighted the potential of the café development, and that the Board was very happy with the new tenant. They had experience, and were making quite a significant investment into the café. It was seen as a very positive development for the airfield and Omarama in general. The workshop between Councillors and the OAL Board would be held before Christmas.

RESOLVED

WDC 2018/190

Cr Jim Hopkins / Cr Craig Dawson

That Council:

1. Receives the Omarama Airfield Limited 2017/18 Annual Report.
2. Authorises the Mayor and Chief Executive to sign the resolution pursuant to Section 122 of the Companies Act 1993 in lieu of the Annual General Meeting of shareholders of Omarama Airfield Limited.

CARRIED

There being no further business, the Chair declared the meeting closed at 10.27am.

CONFIRMED at the Council Meeting held on the 4th day of December 2018, in the Council Chamber, Third Floor, Office of the Waitaki District Council, 20 Thames Street, Oamaru.

Chairperson