

**MINUTES OF CENTRAL HAWKES BAY DISTRICT COUNCIL
EXTRAORDINARY COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, 28-32 RUATANIWHA STREET, WAIPAWA
ON THURSDAY, 30 MAY 2019 AT 3.30PM**

PRESENT: Mayor Alex Walker
Cr Ian Sharp (Deputy Mayor)
Cr Shelley Burne-Field
Cr Kelly Annand
Cr Tim Aitken
Cr Gerard Minehan
Cr Brent Muggeridge
Cr David Tennent
Dr Roger Maaka

IN ATTENDANCE:
Monique Davidson (Chief Executive)
Bronda Smith (Group Manager, Corporate Support and Services)
Doug Tate (Group Manager, Customer and Community Partnerships)
Nicola Bousfield (People and Capability Manager)
Leigh Collecutt (Governance and Support Officer)

1 PRAYER

Dr Maaka opened the meeting with a prayer

2 APOLOGIES

Leave of absence previously granted to Cr Chote at Council meeting 10th April.

3 DECLARATIONS OF CONFLICTS OF INTEREST

No conflicts were declared

4 STANDING ORDERS

RESOLVED: 19.41

Moved: Cr Gerard Minehan
Seconded: Cr Kelly Annand

THAT the following standing orders are suspended for the duration of the meeting:

20.2 Time limits on speakers

20.5 Members may speak only once

20.6 Limits on number of speakers

And that Option C under section 21 General procedures for speaking and moving motions be used for the meeting.

Standing orders are recommended to be suspended to enable members to engage in discussion in a free and frank manner.

CARRIED**4 REPORT SECTION****ANNUAL PLAN 3 WATERS COMPLIANCE ADDITIONAL FUNDING****PURPOSE**

The matter for consideration by the Council is the approval of additional funding required in the Annual Plan 2019/20 to support regulated compliance work for the three waters.

RESOLVED: 19.42

Moved: Cr Ian Sharp

Seconded: Cr David Tennent

That having considered all matters raised in the report:

- 1) Council approve the additional budget required in the Annual Plan 2019/20 to support regulated compliance for the Three waters and this is loan funded to a total value of \$113, 191.**

CARRIED

Cr Minehan sought clarification about whether we were currently meeting drinking water standards and wondered as we progressed whether it was likely that we would not be meeting future requirements. The Chief executive confirmed that what has changed are the standards for drinking water which requires a refreshed approach to water safety plans.

Cr Burne-Field sought clarification on what planned asset management planning work was already being done. Officers confirmed that they were preparing for the next Long Term Plan to remodel and redevelop asset management plans to present to elected members.

Cr Burne-Field sought clarification on whether Stormwater asset management planning included LiDAR costs. It was confirmed that it doesn't specifically affect this budget due to it sitting as an overhead.

Cr Tennent sought clarification about whether funds could only be taken from 3 water targeted rate. Officers confirmed this to be the case.

Mayor Walker asked what the disadvantages were for option 2 around affordability for ratepayers. Officers noted that it would be likely that Council needed to make a similar decision around funding three waters in 12 months' time.

Cr Sharp moved option 2 from the report - that the activity was loan funded to lessen impact to ratepayers. He acknowledged that this was only a stop gap measure however that when imposing the new regulations, Central government have inferred that funding may be available later.

Cr Tennent raised the need to loan fund despite this being an operational matter, because the rating consequences would be too much in one year otherwise. Seeing rates increases higher than initially indicated. Opportunity to rationalise some other expenditure for next year.

Cr Aitken noted his frustration that Council need to borrow money for regulatory expense.

Challenge for a small community to be able to afford this compliance. Cr Aitken supported the motion with reluctance but felt the risk was too high not to.

Cr Muggeridge agreed that loan funding was the only viable option.

Mayor Walker highlighted the risk in loan funding over a long period of time, given likely increased costs in subsequent years. Mayor Walker also highlighted the need to take compliance seriously and so expressed reluctant support for the motion.

Cr Sharp reiterated how unfortunate it is that territorial authorities must reap these costs.

6.2 CENTRAL HAWKE'S BAY DISTRICT COMMUNITY TRUST - REQUEST FOR ADDITIONAL FUNDING

PURPOSE

The purpose of this report is to present further information to Council to determine whether to provide additional annual funding for operational costs to the CHB Community Trust.

RESOLVED: 19.43

Moved: Cr Shelley Burne-Field

Seconded: Cr Ian Sharp

That having considered all matters raised in the report:

- a) **That Council provide additional funding to the Central Hawke's Bay District Community Trust of \$14,500 ongoing, above and beyond the current Service Agreement value, noting an additional rating impact of \$8,910 in the 2019/20 year; or**

CARRIED

Mayor Walker sought clarification on what other funding is available for trusts in this situation. Officers confirmed that they were limited in terms of external funding and that sponsorship is the only avenue that the trust could explore.

Cr Tennent sought clarification about whether there was an ability for the trust to approach the operator of the pool to source extra funding.

Officers confirmed that this could be a long term option but it would rely on renegotiation of contract with operator.

Cr Sharp commended the trust for their foresight in highlighting this need at the time of the annual plan, rather than waiting for annual June reporting.

Cr Minehan asked whether the trust could access any invested reserves for increased insurance costs. Officers confirmed that there was no money available to access as it was renewal money for governance of the facility.

Councillor Burne-Field asked for clarification of the ongoing sustainability of the trust's capacity to get more external funding to cover future costs.

Officers confirmed that this had been discussed with the trust and that the initial insurance increase was higher than anticipated. There was relative confidence that the future costs would be able to be managed in future.

Cr Burne-Field moved option one from the officer's report.

Cr Sharp highlighted that the cost of running the facility is substantial however if it were a Council operated facility the cost would be higher. Cr Sharp commended the trust for seeking best deal for insurance.

Cr Annand raised that further information had been needed to ensure that we were supporting trust to be successful and is in support of the motion.

Cr Tennent highlighted that the pool is a great community facility but had concerns with the budget allocation process which made it difficult to foresee what rates rises would be when doing Long Term Planning.

Cr Burne-Field declared an indirect conflict with her sister in law being a trustee of the trust.

Cr Aitken raised his frustration that other options could be explored if more time was given.

Meeting suspended at 4.05pm

Meeting reconvened at 4.08pm

Cr Annand returned to meeting at 4.09pm

5 PUBLIC EXCLUDED BUSINESS

RESOLUTION TO EXCLUDE THE PUBLIC

RESOLVED: 19.44

Moved: Cr David Tennent

Seconded: Cr Gerard Minehan

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 - Supplier Recommendation : SH2 Borefield Upgrade | 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 |
| 7.2 - Supplier Recommendation: Otane Alternate Supply | 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

RESOLVED: 19.45

Moved: Cr Ian Sharp

Seconded: Cr Tim Aitken

That Council moves out of Closed Council into Open Council.

CARRIED

6 DATE OF NEXT MEETING

RESOLVED: 19.46

Moved: Cr Brent Muggeridge

Seconded: Cr Shelley Burne-Field

THAT the next meeting of the Central Hawke's Bay District Council be held on 20 June 2019.

CARRIED

7 TIME OF CLOSURE

The Meeting closed at 4.52pm.

The minutes of this meeting were confirmed at the Ordinary Meeting of the Council held on 20 June 2019.

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CHAIRPERSON