
MINUTES
of the
FULL COUNCIL MEETING
held
9.30am, Thursday, 28 May 2020
Via Zoom Videoconferencing
and at
Tasman Council Chamber, 189 Queen Street, Richmond

Present: Mayor T King, Councillors S Bryant, C Butler (via Zoom), C Hill (via Zoom), K Maling, C Mackenzie, D McNamara, D Ogilvie, T Tuffnell, A Turley (via Zoom), T Walker (via Zoom) and D Wensley

In Attendance: Chief Executive (J Dowding), Executive Assistant to the Mayor (R Scherer), Community Development Manager (S Edwards), Corporate and Governance Manager (M Drummond), Engineering Services Manager (R Kirby), Chief Information Officer (S Manners) and Environment and Planning Manager (D Bush-King)

Part Attendance: Finance Manager (M McGlinchey), Senior Management Accountant (J Douglas) and Strategic Development Manager (S Flood)

1 OPENING, WELCOME

Deputy Mayor Stuart Bryant opened the meeting and invited Cr Hill to present the opening karakia.

Deputy Mayor Bryant also welcomed Barry Dowler, who joined the meeting via Zoom, and congratulated him on his appointment as a Motueka Ward Councillor following the recent by-election.

2 APOLOGIES AND LEAVE OF ABSENCE

Moved Cr Wensley/Cr Ogilvie

CN20-05-28

That apologies for lateness from Mayor King, Councillor T Tuffnell and from Councillor M Greening be accepted.

CARRIED

3 PUBLIC FORUM

Nil

4 DECLARATIONS OF INTEREST

Mayor Tim King declared his interest in item 9.3 in the closed session of today's agenda regarding the Port Nelson Revised Constitution. He advised that he would leave the meeting when that item was discussed.

5 LATE ITEMS

Nil

6 CONFIRMATION OF MINUTES

Moved Cr Maling/Cr Ogilvie

CN20-05-19

That the minutes of the Full Council meeting held on Thursday, 21 May 2020, be confirmed as a true and correct record of the meeting.

CARRIED

Cr McNamara asked that his vote against the confirmation of the minutes of the Full Council meeting held on Thursday, 21 May 2020 be noted in the minutes.

7 PRESENTATIONS

Nil

8 REPORTS

8.1 Response and Recovery to COVID-19 - Financial Strategy

Chief Executive, Janine Dowding presented the report which was taken as read.

Cr Wensley spoke about a recent webinar held by the Commission for Financial Capability which showed that the financial stress on communities in New Zealand is unlikely to be spread evenly as a result of the COVID-19 pandemic. She suggested that the Council needs to ensure that we can have a positive impact on those sections of the community that will need the most assistance.

In response, Ms Dowding confirmed that the Council's financial strategy in response to the COVID-19 pandemic will be spread across the communities in terms of social, economic and health needs.

Responding to a question, Ms Dowding, advised that the Ministry of Social Development provides quarterly statistics regarding unemployment in the Tasman District. She noted that early indications show there are significant unemployment numbers in the Nelson-Tasman region.

Referring to the principles outlined in the draft resolution, Cr Mackenzie suggested that the Council's commitment to carbon zero and its environmental and stewardship obligations do not stand out. Cr Mackenzie suggested a change to the draft resolution to include under point g):

The Council will meet its fiscal prudence, sustainability, environmental and stewardship obligations including its commitment to carbon zero under the relevant legislation

The Councillors debated the proposed amendment to the resolution and agreed on wording for point g) to include all of the elements of the Council's commitment to climate change.

Responding to a question, Ms Dowding said that the financial strategy will require further work and will also consider any suggestions that may be presented to the Council as a result of the public consultation on the Long Term Plan.

Mayor King joined the meeting at 10.00 am

The Councillors discussed the impacts of the COVID-19 lockdown on the tourism industry in Tasman District. Ms Dowding acknowledged that some businesses will be directly affected from the downturn in tourists visiting our District. However, she also noted that many of our tourist activities are provided free of charge and there may not be the same negative impact as places like Queenstown will experience.

Cr Tuffnell joined the meeting at 10.07 am

Moved Cr Wensley/Cr Ogilvie

CN20-05-20

That the Full Council:

- 1. receives the Response and Recovery to COVID-19 - Financial Strategy report RCN20-05-15; and**
- 2. agrees that the Council has an important role to play in helping to stimulate and strengthen the economy as it recovers from the impacts of COVID-19 and that now is not the time to reduce services or capital works programmes; and**
- 3. agrees that the current financial debt and rate limits will be reviewed as the Council develops its Long Term Plan 2021-2031; and**
- 4. approves the following seven financial strategic principles for the development of the Long Term Plan 2021-2031:**
 - a) The case for savings or investment will be made through a medium to long term lens.**
 - b) The drive for cost savings or investment will be balanced by a clear understanding of the trade-offs or benefits across all of the wellbeing domains in the present and the future.**
 - c) Realise the potential of local government spending to be an economic stimulus and buffer for increasing unemployment, and for spending now to achieve longer term cost savings.**
 - d) Use the economic environment to the benefit of ratepayers e.g. enhanced borrowing terms and increased labour and skill availability.**
 - e) Right-sizing rather than down-sizing of Council staffing and operational expenditure.**
 - f) Realise the enhanced opportunities for Government funding, subsidies and other incentives.**

- g) The Council will meet its fiscal prudence, sustainability, environmental and stewardship obligations including its commitment to carbon zero under the relevant legislation; and**

- 5. notes that in order to accommodate the proposed 0% rates revenue increase in 2020/2021, staff will look to find savings across the organisation. The areas of savings will be reported back to the Council in September 2020.**

CARRIED

Cr McNamara asked that his vote against the resolution be recorded in the minutes.

8.2 April 2020 Quarterly Financial Update

Finance Manager, Matt McGlinchey presented the report which was taken as read.

Responding to a question about the decrease in residential building as a result of the COVID-19 pandemic, Environment & Planning Manager, Dennis Bush-King said that there had been a noticeable decrease in the number of building consents in March 2020. However, numbers returned to normal during April. He also noted that after discussions with developers he understands that they are not seeing any signs of slowing demand for new housing. Mr Bush-King said that there was a lack of available sections in Motueka which will result in a lower growth rate than previous years. However, he expected that staff will continue to meet a reasonable workload in the next 18 months to two years. He also noted that the Council had decreased its reliance on external consultants in the building consent team.

Responding to a question, Mr McGlinchey agreed that the variance in other expenses included in the statement of comprehensive revenue and expenditure was due to the additional amount of forest harvesting work and some road maintenance.

Mr McGlinchey explained the unfavourable variance in the resource recovery centres budget which was the result of an accounting error. He noted that processes have been introduced to ensure that this error is not repeated.

In response to a question about carryovers in the capital expenditure budget, Engineering Services Manager, Richard Kirby agreed that progress with a number of projects had been held up due to delays with gaining landowner consent.

The unfavourable variance in the Council's insurance budget was discussed. Corporate and Governance Services Manager, Mike Drummond noted that indications are that the Council will see significant increases in insurance costs, particularly in the area of public liability where an increase of around 50% in premium costs is likely. He said that insurance premiums for materials damage cover is also likely to increase by around 10%. The growing number of natural disaster events in New Zealand in recent years had resulted in a consistent upward movement in insurance premiums.

Mr McGlinchey noted that the Council currently pays about \$1.5 million per annum for insurance.

Moved Cr Mackenzie/Cr Maling

CN20-05-21

That the Full Council receives the April 2020 Quarterly Financial Update report, RCN20-05-16.

CARRIED

8.3 Treasury Report

Mr McGlinchey presented the report which was taken as read.

The Councillors discussed the Council's debt forecast. Mr McGlinchey said that the current forecast reflects the Council's net debt and does not include any funding for the Waimea Community Dam. He said that the additional funding for the Waimea Community Dam is not required until the 2021/2022 financial year.

Responding to a question about the Council's borrowings, Mr Drummond advised that as part of its Treasury Policy objectives, the Council has reduced its borrowings from banks and increased its borrowings from the Local Government Funding Agency. This objective will be reviewed when the Council reviews its Treasury Policy as part of the Long Term Plan review.

In response to a question, Mr McGlinchey confirmed that the term deposit of \$9 million had been fixed for three years with an interest rate of 3.74%. The funding had been fixed specifically for use towards the costs of the Waimea Community Dam.

Mr McGlinchey advised the Council that he will liaise with the Council's Treasury advisers to confirm a date for them to present their annual report to the Council.

Responding to a question about the Council's applications to the Crown Infrastructure Partners for funding assistance with "shovel ready" projects, Mayor King said that the recommended projects are due to be put before the Cabinet for final decision. However, he said that a timeframe for the Government's decisions is not known.

Moved Cr Mackenzie/Deputy Mayor Bryant

CN20-05-22

That the Full Council receives the Treasury Report RCN20-05-17.

CARRIED

9 CONFIDENTIAL SESSION

9.1 Procedural motion to exclude the public

Moved Cr Ogilvie/Deputy Mayor Bryant

CN20-05-23

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

9.2 Proposed Change to LGFA Foundation Policy Covenants

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of

reason for withholding exists under section 7.	disadvantage, commercial activities.	information for which good reason for withholding exists under section 7.
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9.3 Port Nelson Revised Constitution

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

CARRIED

The meeting concluded at 11.18 am.

Date Confirmed:

Chair: