



**SOUTH WAIRARAPA DISTRICT COUNCIL
Minutes from 27 October 2021**

- Present:** Mayor Alex Beijen, Deputy Mayor Garrick Emms, Councillors Pam Colenso, Rebecca Fox (from 1:12pm), Leigh Hay, Brian Jephson, Pip Maynard, Alistair Plimmer, and Brenda West.
- In Attendance:** Harry Wilson (Chief Executive), Katrina Neems (Chief Financial Officer), Russell O’Leary (Group Manager Planning and Environment), Karen Yates (General Manager Policy and Governance), Stefan Corbett (Group Manager Partnership and Operations), Bryce Neems (Amenities and Waste Manager), Charlie Clarke (Finance Manager) and Suzanne Clark (Committee Advisor).
- Conduct of Business:** Due to COVID-19 restrictions this meeting was held via video conference and live streamed to Council’s YouTube channel. All members participating via video conference count for the purpose of the meeting quorum in accordance with clause 25B of Schedule 7 to the Local Government Act 2002.
The meeting was held in public under the above provisions from 1:00pm to 3:47pm except where expressly noted.
- Public Forum:** Jim Hedley, Mel Maynard, Aidan Ellims, and Daphne Geisler.
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Open Section

Cr Colenso read the Council affirmation.

A1. Apologies

COUNCIL RESOLVED (DC2021/84) to receive lateness apologies from Cr Rebecca Fox.

(Moved Cr Plimmer/Seconded Cr Emms)

Carried

A2. Conflicts of Interest

There were no conflicts of interest declared.

A3. Acknowledgements and Tributes

Cr Maynard acknowledged the passing of Diana Cresswell who provided invaluable services to Wharekaka Rest Home as well as the Martinborough urban and rural communities.

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Cr Maynard acknowledged the passing of Glen Morrison and his contribution to the roading infrastructure in the South Wairarapa district. Mr Morrison was a prior SWDC Roading Engineer.

A4. Public Participation

Mr Hedley believed that Council had deceived ratepayers over the rates increase amounts and that the official statements made did not address the questions that ratepayers wanted answers to. Mr Hedley queried the validity of the rate setting and why elected members were receiving a remuneration increase.

Mr Ellims requested Council focus on the top three priorities identified in the LTP engagement. Mr Ellims was against reducing the levels of service and wanted elected members to look at other ways of reducing rates, e.g. halting Greytown smart meter trial, reviewing operational expenditure to build capability, and selling the old Featherston golf club land.

Ms Maynard believed councillors number one job was to decide the rates for the district and to consider above all else what percentage rates rise the community could bear. Ms Maynard queried why Council work programs and projects required huge rates increases and why reserves money was being spent.

Ms Geisler was concerned that Council had not been transparent and whether actions of members represented the 2019 election campaign commitment for transparency. Ms Geisler suggested that elected members ask officers for the original budgets so decisions on savings could be made and details of project costs and reasoning for the project and cost could be examined. Ms Geisler did not believe that libraries would need to be closed as they had been funded last year.

A5. Actions from public participation

Discussion on public forum items was deferred to agenda item B1 'Options for Reducing Budget and Rates for 2021/22'.

A6. Extraordinary Business

There was no extraordinary business.

B Decision Reports from Chief Executive and Staff

B1. Options for Reducing Budget and Rates 2021/22

Mr Wilson requested guidance from Council on a preferred way forward to take to the community for feedback. Mr Wilson repeated an apology regarding the consultation but noted that this did not detract from expenditure as outlined in the adopted Long Term Plan and audited by Audit NZ. Mr Wilson noted that the Office of the Auditor General also supported this position (refer tabled letter).

Mrs Neems summarised the presented options for members noting that the objective was to find savings that would provide an impact this financial year.

The difference between permanent savings and deferred savings and the effect on future years rates was discussed.

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Mrs Neems noted that the projects put forward for extraction from the budget did not affect levels of service and that the most immediate way to make change was through operational expenditure projects.

Members noted:

- That the Greytown smart meter trial had been funded via central government stimulus funding and that rollout funding could be reviewed as part of the Annual Plan.
- That the Spatial Plan was a capitalised project.
- That the surplus shown in the LTP is made up of asset gains (a paper transaction), financial contributions and NZTA subsidies for capital projects and although the financial statements show a \$4m surplus, this was to be transferred to reserves and public assertions are incorrect.
- That selling assets should not be used to fund rates. If an asset was not required then proceeds from sale would, in the first instance, offset debt. The resulting benefit would be the capital gain on the sale and officers did not recommend this be used to fund operational expenditure.
- That the cost to redo the LTP was not known. Audit NZ costs and availability had not been determined.
- Net proceeds would generally go to district property reserve. Intended use of this reserve is for town centre development. Funds would be used for a capital program of works.
- Deferred expenditure will always cost more tomorrow. Council costs are not tied to CPI. The majority of costs are driven by the infrastructure and construction indexes.

Cr Jephson left the meeting at 2:21pm.

Cr Jephson returned to the meeting at 2:22pm.

- That water reform impacts and timeframe were not known so dovetailing into that LTP reset process was unlikely to be possible.
- That it would not be easy to roll a work program back 5 months into a financial year.
- That 80% of expenditure was on the top four priorities as identified through engagement.

The meeting adjourned at 2:37pm.

The meeting reconvened at 2:55pm.

- That rates rebate information continued to be actively promoted.
- That there were no hidden costs and that \$2.03m was accounted for.
- The Long Term Plan financial statements were presented exclusive of GST and the rates resolution always include GST which would account for the difference.
- That status quo was also an option.

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Varying ways of funding CAPEX projects was explored with officers noting that sufficient cashflow needed to be preserved.

COUNCIL RESOLVED (DC2021/85):

1. To receive the Options for Reducing Budget and Rates for 2021/22 Report.
(Moved Cr Jephson/Seconded Cr Hay) Carried
2. To note the background to the development of the 2020/21 Annual Plan and 2021–31 Long Term Plan.
(Moved Cr Hay/Seconded Cr Plimmer) Carried
Cr West abstained
3. To note the tools available to assist ratepayers who are finding it difficult to pay their rates.
(Moved Cr Fox/Seconded Cr Maynard) Carried
Cr West abstained
4. To consider the options for reducing the budget and rates for the 2021/22 financial year and agreed that the preferred position to discuss with the community in November 2021 was to work towards making reductions in costs that do not significantly reduce levels of service and carry over savings to the next financial year.
(Moved Cr Fox/Seconded Cr Plimmer) Carried
Cr Maynard voted against
Cr West voted against
5. That in conjunction with the previous direction any potential savings will be monitored by the Finance, Audit and Risk Committee leading up to the 22/23 Annual Plan.
(Moved Mayor Beijen/Seconded Cr Hay) Carried
Cr Maynard voted against

C Public Excluded Business

The general subject 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(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Report/General Subject Matter	Reason for passing this resolution in relation to the matter	Ground(s) under Section 48(1) for the passing of this Resolution
Earthcare Change of Control Report	Good reason to withhold exists under section 7(2)(h) and section 7(2)(i)	Section 48(1)(a)

This resolution (DC2021/86) 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 are as follows:

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Reason for passing this resolution in relation to the matter	Ground(s) under Section 48(1) for the passing of this Resolution
The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.	Section 7(2)(h)
The withholding of the information is necessary to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 7(2)(i)

(Moved Cr Colenso/Seconded Cr Hay)

Carried

Confirmed as a true and correct record

.....(Mayor)

.....(Date)

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