

MINUTES OF THE MEETING OF THE WAIMAKARIRI DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBER, 215 HIGH STREET, RANGIORA, ON TUESDAY, 15 OCTOBER 2024 THAT, COMMENCED AT 1.00PM

PRESENT

Mayor D Gordon (Chairperson), Deputy Mayor N Atkinson, Councillors A Blackie (arrived 1.05pm), B Cairns, T Fulton, J Goldsworthy, N Mealings, P Redmond, J Ward, and P Williams.

IN ATTENDANCE

J Millward (Chief Executive) (via Audio-visual link), K LaValley (General Manager Planning, Regulation and Environment), G Bell (Acting General Manager Finance and Business Support), S Hart (General Manager Strategy, Engagement and Economic Development), C Brown (General Manager Community and Recreation), P Christensen (Finance Manager), S Nichols (Governance Manager), and T Kunkel; (Governance Team Leader).

1. APOLOGIES

Moved: Mayor Gordon

Seconded: Deputy Mayor Atkinson

THAT the Council:

- (a) **Receives** and sustains an apology for absence from Councillor Brine and for lateness from Councillor Blackie, who arrived at 1:05pm.

CARRIED

2. CONFLICTS OF INTEREST

No conflicts of interest were declared.

3. REPORTS

3.1 Adoption of the Annual Report for the Year Ended 30 June 2024 – G Bell (Acting, General Manager Finance and Business Support) and P Christensen (Finance Manager)

G Bell and P Christensen were present for consideration of this report, and G Bell highlighted the following:

- The Annual Report was an important document that served many purposes. First, it was an accountability document for the local community and other stakeholders, which provided valuable information on the Council's finances and information for the year. Second, it provided the Council with solid financial information to plan for the future.
- The Council achieved 68% of its annual performance measures; a further 8% were almost met (assessed as having been achieved to within 5% of the intended target). There were many good results, such as the quality of the roads and footpaths in the district, the Council's response time to water and wastewater faults, the reliability of the Council's curbside waste collection service, the availability of Council recreational facilities and the customer satisfaction in the Council's Aquatic facilities. However, there were also areas where the Council missed its targets, including the response time to building service requests, response time to water supply complaints and the processing of building consent applications.

- Overall, the Council's annual accounts showed a net surplus for the year of \$50million, which included revenue from vested assets of \$60million transferred to the Council to manage. Revenue for the year, excluding vested assets, was \$145million, more or less equal to the budget. Expenditure for the year was \$156million, which was \$18.9million above budget. The most significant variances compared were due to costs which were incurred as part of the capital projects that have been charged as operating expenses, expenditures on the new Corporate Enterprise IT System, interest expense due to above budget interest on variable rate borrowing rates that was offset by higher interest revenue on interest rate swaps and a non-cash loss on the fair value of interest rates swaps due to changes in interest rates during the year.
- Capital Expenditure for the year was \$55.7 million, which was below budget. This shortfall was due to a mix of factors, including land purchases under negotiation of \$7.6 million, the complexity of the water supply UV projects of \$6 million, plus delays and changes due to funding availability and interdependency with other parties.
- The Council's net assets on 30 June 2024 totalled \$2,62million. This was 15% higher than on 30 June 2023 due mainly to the year's surplus and the revaluation of 3 Waters assets, which increased by 28%. Although the increase in net assets enhanced the Council's financial position, it placed an additional burden on the Council to fund the future replacement of the assets.
- As of 30 June 2024, the Council's borrowing for the year increased from \$180million to \$200million. The borrowing was used to assist in funding the Capital Expenditure Programme. The increase was less than budgeted because of the reduction in the Council's capital expenditures compared with the budget. The Council complied with its Treasury Policy Limits. The Council's net debt, as a percentage of operating revenue of 138%, was less than in the previous financial year.

G Bell advised that concerns had been raised about the Council's Community Outcomes, which were included in its Annual Report and referred to the United Nations' Sustainable Development Goals (UNSDG). However, the Council had previously agreed to remove the reference to the UNSDG from its 2024-34 Long Term Plan. Hence, it was suggested that the reference also be removed from the Council's Annual Report, as it was only a cross-reference that would not affect any community outcomes.

G Bell reported that Audit New Zealand Director Y Yang provided the Council with Audit Opinions for both documents, allowing the Council's Annual Report to be approved. The opinion was clear and confirmed that, in the auditor's view, the Council's Annual Statements present a reasonably accurate indication of the financial position as of June 2024.

In conclusion, G Bell thanked all the staff involved with collating the Council's Annual Report and Audit New Zealand for their support and assistance.

Responding to Mayor Gordon's question, G Bell confirmed that Audit New Zealand was not concerned about removing the UNSDG reference from the Council's Annual Report.

Councillor Williams questioned why some assets were being replaced before their use-by date. G Bell noted that when replacing bulk assets, such as pipes, it was the nature of assets that not all would be worn out simultaneously. This did not mean that the Council was placing too long of a life on some assets; it was based on standard asset management practices.

Moved: Mayor Gordon

Seconded: Deputy Mayor Atkinson

THAT the Council:

- (a) **Receives** report No. 240925165282.
- (b) **Adopts** the Annual Report for the year ended 30 June 2024 (Trim 240717117675).

- (c) **Approves** the Annual Report Summary for the year ended 30 June 2024 (Trim 240912156096).
- (d) **Notes** that the Net Surplus for the year was \$24 million higher than budget due to the value of land and infrastructure assets that had been vested in the Council during the financial year.
- (e) **Receives and notes** that Audit New Zealand's Report on the Annual Report and Annual Report Summary would be incorporated into the reports.
- (f) **Approves** the removal of any reference to the United Nations' Sustainable Development Goals from the Council's Annual Report and the Annual Report Summary.
- (g) **Authorises** the Chief Executive and Acting General Manager Finance and Business Support to make necessary minor edits and corrections to the Annual Report that may occur prior to printing.

CARRIED

Mayor Gordon acknowledged the work of G Bell and all staff in compiling the Council's Annual Report. He believed preparing an audited Long Term Plan and an audited Annual Report in the same financial year was excessive. He suggested that the Central Government should rethink the requirements to be more efficient. Mayor Gordon felt that the Council would need to relook at the reporting on performance measures. The Annual Report indicated that the Council did not meet some performance measures; however, it was likely that the high standards it set for itself were unrealistic. Based on the Council having more than 80% approval rating in its Customer Satisfaction Survey, it clearly met public expectations. Therefore, reporting on performance measures should be reviewed and be more realistic, especially staff response times. Mayor Gordon noted his pride in the Council team and its achievements. The Waimakariri District Council was one of the few councils that had finalised its Long Term Plan process, audits, and Annual Reports, which was pretty remarkable. He commended the work done by key staff across the Council under the exceptional leadership of the Chief Executive.

Councillor Ward agreed with Mayor Gordon's comments and commended the Chief Executive and staff on the work done. She remarked that, given Audit New Zealand's lack of resources and the cost to the Council, it would be a win-win situation not to have to produce an audited Long Term Plan and Annual Report in the same financial year.

Regarding the Council's Capital Expenditure, Deputy Mayor Atkinson noted the \$16.3 million of uncontrollable expense, which could not be spent as no fault of the Council, which would have brought the capital expenditure to approximately \$70million. This was a vast improvement in Capital Expenditure in previous financial years. He suggested that a future goal for the Council should be to ensure that it kept capital spending in the right areas.

3.2 **Amendment to Standing Orders – S Nichols (Governance Manager)**

S Nichols explained that the use of audio-visual technology had become more mainstream over the past few years due to Covid and other national disasters which previously had various legislation or Orders In Council to allow members joining meetings remotely to be counted as part of the quorum and to assist councils in carrying out their business uninterrupted. Central Government had seen the benefit of the abovementioned, particularly in emergency management situations, and, therefore, amended the LGOIMA legislation to allow this to continue. There was now a need to slightly amend the Council's Standing Orders to incorporate the new legislative changes that occurred on 1 October 2024.

S Nichols reiterated the quorum required for Council and Committees and if a quorum was not present, the meeting would cease within 30 minutes of the advised commencement time.

Councillor Mealings sought clarity on the clause “*where a quorum of members was present, whether or not they were all voting or entitled to vote,*” as she understood that members not entitled to vote did not form part of the quorum. S Nichols advised that the quorum could only consist of the membership of a Committee, i.e., members entitled to vote. It did not matter whether the members were physically present or on an audio link.

In response to Deputy Mayor Atkinson's question, S Nichols confirmed that only members present at a meeting could vote on confirming the meeting minutes at a subsequent meeting.

Moved: Councillor Mealings

Seconded: Mayor Gordon

THAT the Council

- (a) **Receives** Report No. 241003170494.
- (b) **Revokes** Standing Orders Clause 11.4 that reads: *A meeting is constituted where a quorum of members is present, whether or not they are all voting or entitled to vote. In order to conduct any business at a meeting, a quorum of members must be present for the whole time that the business is being considered.*
- (c) **Approves** Standing Orders Clause 11.4 to read: *A meeting is constituted where a quorum of members is present either in person or via audio or audiovideo link. In order to conduct any business at a meeting, a quorum of members must be present for the whole time that the business is being considered.*
- (d) **Notes** wording change to Standing Orders for clarity in the definitions for ‘*present*’ and ‘*quorum*’ and clauses 11.1 *as members who attend meetings by electronic link will be counted as present for the purposes of a quorum as per legislative change Local Government Act 2002, Schedule 7, section 25A(4).*
- (e) **Notes** the Community Board Standing Orders will be reviewed and be accordingly amended in February/March 2025 to reflect the legislative change and any other changes recommended by Local Government New Zealand and in alignment with the Council Standing Orders.
- (f) **Circulates** a copy of this report to all the Community Boards for information.

Mayor Gordon supported the motion, noting that it was just a slight amendment to the Council’s Standing Orders to incorporate the legislative changes regarding quorums. A more substantial review of the Council’s Standing Orders would be undertaken in February 2025.

Deputy Mayor Atkinson raised concerns about members being allowed to attend public exclusive meetings via an audiovisual link, as there was no control over who was present off-site. Staff advised that Standing Orders did cover this aspect and if the Chairperson suspected the link was not exclusive to the member, then the link could be terminated.

Councillor Redmond supported the motion, noting that it would be helpful if the Standing Orders clearly differentiated between an ‘*elected member*’ and a ‘*member of a Committee*’. He believed it was sensible to allow virtual attendance of meetings when members could not be present. However, it did raise several other matters, such as the Chairperson’s duties and responsibilities, and also, not all meeting venues had audiovisual technology.

Councillor Mealings noted that it was important to ensure that the Standing Orders complied with the latest legislation.

4. **QUESTIONS (UNDER STANDING ORDERS)**

Nil.

5. **URGENT GENERAL BUSINESS (UNDER STANDING ORDERS)**

Nil.

6. **NEXT MEETING**

The next scheduled ordinary meeting of the Council would be held on Tuesday, 5 November 2024, commencing at 1pm, in the Council Chamber, 215 High Street, Rangiora.

THERE BEING NO FURTHER BUSINESS, THE MEETING CLOSED AT 1.35PM.

CONFIRMED



Chairperson
Mayor Dan Gordon

5 November 2024

Date