

MINUTES OF A MEETING OF THE WAIMAKARIRI DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBER, RANGIORA SERVICE CENTRE, 215 HIGH STREET, RANGIORA, ON TUESDAY, 28 FEBRUARY 2023, COMMENCING AT 4.30PM.

PRESENT

Mayor D Gordon (Chairperson), Councillors A Blackie, R Brine, B Cairns, T Fulton, J Goldsworthy, N Mealings, P Redmond, J Ward and P Williams.

IN ATTENDANCE

J Millward (Acting Chief Executive), H Street (Corporate Planner), T Tierney (General Manager Planning and Regulation), S Hart (General Manager Strategy, Engagement and Economic Development), M Maxwell (Strategy and Business Unit Manager) and A Smith (Governance Coordinator).

1. APOLOGIES

Moved: Councillor Ward

Seconded: Councillor Blackie

THAT an apology for absence be received and sustained from Councillor N Atkinson.

CARRIED

2. CONFLICTS OF INTEREST

There were no conflicts of interest recorded.

3. REPORT

3.1 Adoption of the Draft Annual Plan 2023/2024 and Consultation Documents – J Millward (Acting Chief Executive)

J Millward presented this report seeking adoption of the Draft Annual Plan 2023/2024 (the Plan) and Consultation Document. The consultation period would run from 17 March to 17 April 2023. The Plan recommended a 5.97% increase in rates from the current year. J Millward acknowledged that this had been a challenging year, with budgets initially indicating a 14% increase to the rates. Efforts to reduce the rating had included delay in depreciation charges to be spread over the coming five years and to delay increasing the earthquake loan rate for a year to progressively fund the loan.

Councillor Williams acknowledged the above actions which minimised effects on rate increases, however he noted that efficiencies had not been made in Council departments to reduce budget increases and asked for examples where these had been achieved. J Millward responded that the efficiencies made were shown with the overall effects of inflation since the Covid pandemic. With the cumulative increases in inflation over the past two to three years, the Council had made a savings in rates that would otherwise be charged. Savings had been made with staff training budgets (which included travel costs) and were now half the budget they were three years ago. The savings had made the rate increase equal to the lowest across the Canterbury councils over the past three years. Another initiative established during the past three years, was the Procurement and Contract Management Policy. By using the panel of approved contractors, the Policy had achieved the biggest area of savings as a large percentage of Council expenditure was for capital works.

Following a suggestion from Councillor Redmond, and with the agreement of all Councillors, recommendation (f) was amended, as per the listed recommendations below.

Councillor Fulton referred to the different economic climate that the Council was currently working under. J Millward noted that the Council was entering into a difficult phase during the 2023/24 financial year, however noted that the district was still a desirable area to live in, and with continued growth in house building, however this would not insulate the Council against the challenges affecting the country. The effects impacting the community currently were the restrictions in supply of resources, increases in staff resources costs and significant delays which affected costs across the board.

Following a question from Councillor Goldsworthy, J Millward noted that the Council funds depreciation made up the Council reserves, therefore instead of accessing external funding sources, the Council borrowed internally. This avoided any additional costs to the funding and with the Council hedging of loan funds, there had been some insulation.

Councillor Cairns commented that he had been impressed with the amount of detail and information included in the budget packs provided to Councillors and asked if it was known what the cost was for compiling the draft budget. J Millward provided an overview of the process undertaken by each department in submitting their budgets, which was a significant cost. It was noted that not all Council's consult with their community on their annual plans and only did so for their Long Term Plans. It was acknowledged that it was a significant cost, however it was also important to ensure that the Council heard from the community and aimed to achieve the most practical budget overall.

Councillor Mealings noted a correction required in page 35 of the draft Annual Plan document – correction to the spelling of Darnley Square. Councillor Cairns also noted page 5, correction to spelling of the word whether/weather.

Moved: Councillor Ward

Seconded: Councillor Cairns

THAT the Council:

- (a) **Receives** report No. 230217021500.
- (b) **Adopts** the Draft Annual Plan 2023/2024 (TRIM No. 221108195041) as the principal document relied on for the content of the Consultation Document;
- (c) **Adopts** the Consultation Document 2023/2024 (TRIM No. 230216021299) as the statement of proposal for public participation in decisions on the content of the draft Annual Plan;
- (d) **Notes** the Annual Plan Engagement Schedule (TRIM No. 230217021640) with the special consultative procedure was to open on 17 March 2023 and close on 17 April 2023;
- (e) **Notes** the Draft Annual Plan and Consultation Document referred to further information and reports and this information would be provided on the Council website during the special consultative procedure from 17 March 2023 to 17 April 2023;
- (f) **Notes** that given the 2021 – 2031 Long Term Plan was prepared on economic inflation forecasts of approximately 2% and the Local Government cost index had been as high as 7.6%, the draft 2023/24 Annual Plan average rates increase was proposed at 5.97%;
- (g) **Delegates** to the Mayor and Acting Chief Executive authority to amend the Consultation Document following Audit opinion and Council comments.

CARRIED

Councillor Williams opposed

As a member of the Long Term Plan Project Control Group, Councillor Ward congratulated staff on the draft annual plan that had been presented to the Council. Councillor Ward acknowledged the challenges that staff had in achieving a budget at the proposed rate increase of 5.97%. Challenges noted included inflation, the burden of uncertainty with Three Waters and RMA reform, managing a larger than normal staff turnover, which included key management staff, and supply issues had made this a particularly challenging task.

Councillor Cairns reiterated the comments of Councillor Ward and congratulated staff on keeping the rate increase down.

Mayor Gordon also acknowledged the work of staff at being able to keep the rate increase down, and the challenges of increased cost of living, staff wage costs, increased water testing costs to meet required standards and service levels expected by the community. Mayor Gordon acknowledged that staff did consider areas for efficiencies when budgets were considered, and there was opportunity for these to be scrutinised by the Council and any further savings that were offered at the time. This was a responsible budget for the ratepayers and Mayor Gordon supported this motion. Mayor Gordon also acknowledged that Waimakariri was a growing district and the Council needed to keep up with the development rather than fall behind.

Councillor Williams acknowledged the matters of increasing inflation, interest rate increases and staff wage increases however reiterated his previous comments that he had not seen any major efficiencies which would benefit the budget. Regarding procurement, Councillor Williams suggested that some local smaller contractors should be given an opportunity to tender for work and believed that the procurement process that the Council had introduced did not achieve the best results. Some of the smaller contractors were ratepayers in the area. Councillor Williams would not support this motion until he could see some efficiencies in place he stated.

In response to Councillor Williams comments, Councillor Blackie noted that with his portfolio, Greenspace, the biggest expenditure was for the contractor Delta, acknowledging that this was a three-year contract that the Council was locked into. Councillor Blackie was comfortable supporting the motion and did not believe any lower increase in rates would be feasible for the Council.

Councillor Redmond quoted that this was a "budget for our time". The 5.97% was the average increase, but it was important to remember that there were large variations in different areas of the district and could be misleading. Some residents would have lower increases, and some would have higher. Councillor Redmond expressed concern that the Council could not keep increasing rates every year and an alternative means of revenue needed to be considered by the Government. Recognition of those residents in the district who were on fixed incomes needed to be acknowledged. Councillor Redmond also acknowledged the well-presented budget, noting that there may be further funding required for roading in the district. Levels of service needed to be maintained and Councillor Redmond was comfortable that the best result available had been achieved.

Councillor Fulton concurred with Councillor Redmond's comments, noting that over the years this Council had maintained good infrastructure throughout the district. Reference was made to other Councils in the country where there had been short cuts in provision and maintenance of infrastructure and failure to depreciate assets appropriately. This Council was in a strong financial position and Councillor Fulton commended the management team and staff.


In reply, Councillor Ward encouraged Councillors to support this motion and the staff. In conclusion, Councillor Ward expressed hope that the future would allow the Council to retain ownership of its infrastructure assets and retain staff to be able to provide the level of service expected in the district.

17. **NEXT MEETING**

The next meeting of the Council is scheduled to commence at 1pm on Tuesday 7 March 2023 in the Council Chamber, 215 High Street, Rangiora.

There being no further business, the meeting closed at 4.58pm.

CONFIRMED



Chairperson
Mayor Dan Gordon

7 March 2023
Date