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**MINUTES OF THE ORDINARY MEETING OF THE STRATFORD DISTRICT COUNCIL HELD BY AUDIO VISUAL LINK ON TUESDAY 14 APRIL 2020 AT 4 PM**

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**PRESENT**

The District Mayor N C Volzke (the Chairman), the Deputy Mayor A L Jamieson, Councillors G W Boyde, R W Coplestone, P S Dalziel, J M S Erwood, A K Harris, V Jones, M McKay, W J Sandford and G M Webby.

**IN ATTENDANCE**

The Chief Executive – Mr S Hanne, the Director Community Services – Ms K Whareaitu, the Director Corporate Services – Mrs T Radich, the Director Assets – Mrs V Araba, the Director Environmental Services – Mr B Sutherland, the Executive Administration Officer – Ms R Vanstone, the Customer and Leisure Services Manager – Mrs A Mathews, the Corporate Accountant – Mrs C Craig, and one member of the media (Stratford Press).

1. **WELCOME**

The District Mayor welcomed the Chief Executive, Councillors, staff and the media.

2. **APOLOGIES**

There were no apologies.

3. **ANNOUNCEMENTS**

Mayor Volzke noted that a late agenda item had been received. There were no announcements from the Chief Executive.

**RECOMMENDATION**

THAT the report *Decision Report – Agree to the Amendments to the LGFA* be added as item 11 of this agenda in accordance with Standing Order 9.12 as an urgent matter that cannot be delayed. The signing of the amendment documentation cannot be delayed as expected changes to the LGFA must be executed by 30 April 2020 at the latest, with changes taking effect from 1 July 2020.

BOYDE/ERWOOD

Carried

CL/20/22

4. **DECLARATIONS OF MEMBERS INTEREST**

The District Mayor requested Councillors to declare any real or perceived conflicts of interest relating to items on this agenda.

Councillors were reminded that the monthly update for the declaration of member's interest would be circulated by email for them to update and acknowledge by return email.

In relation to today's agenda, elected members had no real or perceived conflicts of interest.

5. **ATTENDANCE SCHEDULE**

The Attendance Schedule for Ordinary and Extraordinary Council meetings was attached.

6. **CONFIRMATION OF MINUTES**

6.1 **Ordinary Meeting – 10 March 2020**  
D20/5389 (Pages 7-11)

**RECOMMENDATION**

THAT the minutes of the Ordinary Meeting of Council held on Tuesday 10 March 2020 be confirmed as a true and accurate record.

JONES/HARRIS  
Carried  
CL/20/23

The Executive Administration Officer undertook to make the following amendments:

- Page 10, change wording to reflect that Councillor Jones was disappointed that Stratford Press's article omitted that dogs would be required to be on leash in the areas of Broadway and Prospero Place.

7. **DECISION REPORT – APPROVAL FOR RELEASE OF DRAFT ANNUAL PLAN 2020/21 FOR PUBLIC FEEDBACK**

D20/4350 (Pages 12-141)

**RECOMMENDATIONS**

1. THAT the report be received.

ERWOOD/BOYDE  
Carried  
CL/20/24

2. ~~THAT the following options for the rates requirement for the financial year ended 30 June 2021 be considered:~~

~~**Option One:**~~

~~Rates increase of 5.72%, as per Year 3 of the Long Term Plan 2018-28, and detailed in the draft Annual Plan 2020/21 attached to this report.~~

~~**Option Two:**~~

~~Rates increase of 4.90%, removing \$119,000 from Option One above.~~

~~**Option Three:**~~

~~Rates increase of 3.86%, removing \$218,596 from Option One above.~~

~~**Option Four:**~~

~~Rates increase of 0%, removing \$706,642 from Option One above.~~

3. THAT the draft Annual Plan 2020/21, with the preferred rates increase option above as decided on by elected members, be released for public feedback and is

brought back to the May Policy and Services Committee meeting for deliberations and adoption.

JAMIESON/COPLESTONE  
Carried  
CL/20/26

**RECOMMENDED REASON**

Council is required to adopt an Annual Plan, pursuant to Section 95 of the Local Government Act 2002 (“the Act”), before the commencement of the year to which it relates - by 30 June 2020, and prior to setting the rates for the financial year.

The District Mayor noted that the rates increases had been discussed at length in earlier workshop sessions and the Director – Corporate Services had been asked to come back to council with rates increase options for the 2019/20 year.

The Director – Corporate Services noted the following points:

- The intention was to come to the March Policy and Services Committee meeting with a rate increase of 5.72 per cent however the Covid-19 event has changed this situation.
- The Chief Executive added that the key aspect of the presented options is that key infrastructure renewals remain untouched. He added a caution that a reduction now will add to next year’s rates increase.

Questions/Points of clarification:

- Councillor Boyde noted his support for a balance between options 2 and 3. In light of the extraordinary circumstances, he understood the need to get the balance right. Whilst he was aware of the hardships facing the community, he also recognised the need for continuing to ensure that council delivers its services. Councillor Boyde wished to note his support for the government’s stimulus plans. An increase in the early 4 per cent range would be adequate to continue to deliver on core services and infrastructure works.
- Councillor Harris was leaning toward option 2. She suggested strongly that the forestry strategy study proceed and be conducted in house as suggested. In light of the Chief Executive’s cautionary comments, Councillor Harris considered that the effects of Covid-19 would be felt for a number of years. Option 2 gave some relief now and in later years.
- Councillor McKay was weighing up options 1 and 2 – and recommended no or slight changes. Having done some rough urban rates calculations, she noted that the difference between the options was between 44 cents and \$1 per week. She was of the view that an increase in this range would not cause any easing in terms of hardship but that the consequence of not increasing, was a lack of service being delivered. She was of the view that council should consider supporting the community in other ways.
- Councillor Jones sought clarification on repairs and maintenance to council buildings and whether carpet in the Centennial Restrooms was considered key infrastructure. He also questioned where the \$50,000 budgeted contribution to Tapuae Roa sat. In summary, Councillor Jones favoured an option between 2 and 3.
- Mr Hanne agreed with Councillor Jones that carpet was not key infrastructure. Tapuae Roa funding is part of a regional strategy and in itself does not deliver economic development but leads into it. He felt it sensible to review the contribution. The Director - Community Services added that Tapuae Roa funding was more about establishing an ecosystem for regional priority areas like food futures for instance, to flourish. Mayor Volzke added that State Highway 43 was part of the Tapuae Roa strategy and that economic development ought to be assessed as a region.
- Councillor Webby was hovering between options 1 and 2. She felt that the community was being supported through rates postponements and remissions.
- Councillor Erwood agreed that action was required in these unprecedented times. He supported option 2 adding that some projects could potentially be reduced, such as carpeting.

- Councillor Sandford was weighing up options 2 and 3. He considered that some activity areas like library purchases or training could be reduced. He also asked for more detail around pensioner housing as he had been told by those tenants that they did not consider renovations necessary nor desirable. Councillor Sandford agreed that council needed to show some empathy to ratepayers.
- Councillor Dalziel noted that increases for options 2 or 3 equated to fairly low actual dollar increases. He thought that businesses would be looking at their existing costs closely. He did not accept the bow wave argument being presented by some councils. Councillor Dalziel was of the view that maintenance and supplier contracts should be reviewed closely with cost savings in mind. He was also raising not fully funding depreciation as an option. Other savings ideas from Councillor Dalziel included offsetting rates increases with council surplus, pulling money from the council farm and staff transitioning to a 4 day working week. Councillor Dalziel ended by advising that he supported a zero percent rates increase.
- Councillor Coplestone was supportive of option 2. In his mind, option 1 was not a good look and a zero per cent increase was bad economics. Any surplus should be used for projects that benefitted the town and stopping projects or activities this year did not see them disappear next year.
- Councillor Jamieson agreed that the district needed to see a rates reduction in these tough times and that council should be leading the charge. He thought that an increase of just below or on 4 per cent was satisfactory. Decisions about specific areas or activity cuts could be made later with recommendations from council officers.
- Mayor Volzke thanked elected members for their arguments - it appeared the support for options 2 and 3 was fairly evenly split. Whilst he agreed with Councillor McKay's comment that there was little difference in terms of dollars, there was a political message which needed to be conveyed. It was worth noting that New Plymouth District Council were anticipating a 4 per cent increase and South Taranaki District Council, no higher. He was convinced that an increase of between 3.68 and 4 per cent was satisfactory and achievable.
- Mayor Volzke questioned whether transferring the interest on debt saved in option 3 plus reducing Tapuae Roa funding and making smaller reductions in areas like staff training would bring the figures down to a more palatable option 2 increase with little impact on the community and provision of council services.
- Mrs Radich clarified that this could be achieved by reducing the interest rate assumption.
- Mr Hanne disagreed with Councillor Sandford's view to cut the library (new book purchases) budget any further as customers would immediately notice the reduction.
- Councillor Boyde was happy with a 4.3 per cent increase – he felt this was a happy medium.
- Councillor McKay was comfortable with that figure adding that cuts could be genuinely absorbed now but not in the future.

A division was called.

**RECOMMENDATION**

2. THAT Council's rates increase be set at 4.3% for the financial year ending 30 June 2021.

BOYDE/HARRIS  
Carried  
CL/20/25  
Division  
For 8  
Against 3

Those voting for the motion were Councillors: Boyde, Coplestone, Erwood, Harris, Jones, Webby, Sandford and the District Mayor.

Those voting against the motion were Councillors: Dalziel, McKay and the Deputy Mayor.

8. **DECISION REPORT – FARM AND AERODROME COMMITTEE – TERMS OF REFERENCE**

D20/4471

(Pages 142-149)

**RECOMMENDATIONS**

1. THAT the report be received, and the attached proposed Terms of Reference for the Farm and Aerodrome Committee be adopted.
2. THAT the members of the Farm and Aerodrome Committee are to be appointed by the Mayor.
3. THAT the first meeting date and time for the Farm and Aerodrome Committee be set.

McKAY/JONES  
Carried  
CL/20/27

**Recommended Reason**

The Mayor announced after the 2019 local government election that a new Farm and Aerodrome Committee will be established to provide governance oversight, and recommendations to Council, on the combined activities of the Farm and Aerodrome. The recommendations above support the implementation of the Committee.

The Director – Corporate Services noted the following points:

- The terms of reference of council's Farm and Aerodrome Committee sets the objective, purpose and scope of the committee.
- Councillor Boyde was satisfied with the document and had nothing to add.
- Councillor Jones suggested inserting a reference to the aerodrome in the second paragraph and that a degree of flexibility be considered in relation to the point 3 which currently states in relation to the farm, "*To return to Council an annual 'dividend' of \$50,000, with any remaining profit put towards repaying debt.*" Flexibility would see either the repayment of debt, or as a higher dividend or reinvestment.
- Mrs Radich noted that the repayment of debt objective was required by elected members in June 2019.
- Councillor Boyde agreed with Mayor Volzke's suggestion that the objective could be reworded by removing the second part of the sentence. Once strategic plans are done, going forward any dividend could go into capital works, repaying debt or paying a higher dividend.
- Mayor Volzke clarified that the terms of reference would be reviewed at the three yearly self-review of the committee, following a question from Council Erwood.
- Mrs Radich clarified that the reference to remuneration on page 149 would be expanded noting that committee members will be remunerated according to the remuneration set by the Remuneration Authority.

9. **DECISION REPORT – SWIMMING POOL DEVELOPMENT LOCATION**

D20/3457

(Pages 150-164)

## **RECOMMENDATIONS**

1. THAT the report be received.

BOYDE/SANDFORD  
Carried  
CL/20/28

2. THAT following consideration of the four options for the location of the new swimming pool facility, Council adopt Option 2 being the co-location with the TET MultiSports Centre.

McKAY/JAMIESON  
Against ERWOOD & SANDFORD  
Carried  
CL/20/29

### **Recommended Reason**

A decision on the location of the new build of the Stratford swimming pool facility must be made to enable the project to move forward and for detailed plans to be completed. While the capital cost of option 2 to co-locate with the TET MultiSports Centre is higher than the three other options, the operational benefits and synergies that are gained from this co-location make it a better long term location.

The Customer and Leisure Services Manager noted the following points:

- The pool location has been workshopped a number of times with elected members. A decision on the location of the development is required to move onto the next phase – the detailed design work.
- Councillor McKay wholeheartedly supports option 2 and believes that the pool development will go a way towards creating a vibrant community and attracting people from outside of the district.
- Councillor Jamieson was also in favour of option 2.
- Councillor Boyde expressed his support for option 2 adding that the synergies of having a pool and TET in the same development outweighed any other options.
- Councillor Erwood spoke to the contrary. In relation to the benefits (item 7, page 155 of the report), the councillor noted limited car parking. He asked what the cost would be to extend the east side of Portia Street or to utilise the primary school as a carpark. He also noted that the development was not visible from Broadway and asked what other impacts there would be for the TET during construction. Councillor Erwood's preferred option was to put the pool development behind the police station. He therefore supports option 3 which would see a pool development on council land but standalone.
- Councillor Erwood asked how council would ensure that the synergies between the pool and the TET were going to work. Two entrances were going to make this difficult.
- The Chief Executive noted that car parking has been significantly discussed and council officers thought that additional (street) car parking could be added later on if required.
- Mrs Mathews clarified that the additional entrance provided afterhours access to events in the TET stadium. One main entrance would serve the TET and the pool during normal opening hours.
- Councillor Erwood expressed that he would like his concerns noted.

Questions/Points of clarification:

- Mayor Volzke added that the project would be put forward as shovel ready as part of the government's recovery stimulus package.

Points noted in discussion:

- Councillors Erwood and Sandford voted against the motion. The motion was carried.

9. **DISTRICT MAYOR'S REPORT**

D20/6115

(Pages 165-170)

**RECOMMENDATIONS**

1. THAT the District Mayor's report be received.

VOLZKE/BOYDE  
Carried  
CL/20/30

2. THAT Deborah Clough be confirmed as a Council appointed Trustee to the Percy Thomson Trust.

3. THAT Councillors Grant Boyde, Vaughan Jones and Peter Dalziel be confirmed as appointees to the Council's Farm and Aerodrome Committee. Councillor Boyde is appointed as Chairman of this Committee.

VOLZKE /WEBBY  
Carried  
CL/20/31

The District Mayor noted the following points:

- Acknowledged all council staff working at the TEMO office and those staff who are covering for them.
- That Powerco has completed much-needed infrastructure work at Whangamomona.
- The Percy Thomson Trust deed requires that at least 50 per cent of the trustees shall not be current elected members of the Stratford District.
- The appointment of Deborah Clough follows a robust selection process.

11. **TABLED ITEM:**

**DECISION REPORT – AGREE TO AMENDMENTS TO THE LGFA**

D20/6198

**RECOMMENDATIONS**

1. THAT Council approves the attached Deeds of Amendment and proposed amendments to the Local Government Funding Agency ("LGFA").
2. THAT Council authorises two elected members and the Chief Executive to execute the changes by signing the amendment documentation attached to this report, comprising of:

- Amendment and Restatement Deed (Multi-issuer Deed)
- Amendment and Restatement Deed (Guarantee and Indemnity)
- Amendment and Restatement Deed (Notes Subscription Agreement)
- Guarantee certificate

McKAY/BOYDE  
Carried  
CL/20/32

**Recommended Reason**

A Council resolution is required to authorise the signing of the amendment documentation.

The Director – Corporate Services noted the following points:

- Mrs Radich apologised to elected members for the lateness in submitting this report. By way of an explanation, the paperwork was forwarded to her (and other non-shareholder councils) only last week. The LGFA requires all paperwork to be signed by 30 April 2020. Shareholder members are able to attend the LGFA AGM's and were therefore aware of these requirements – Stratford District Council is not a shareholder.
- The key change is that council controlled organisations (CCOs) are able to borrow directly from the LGFA from 1 July 2020. Many councils loan to CCOs – administratively it is easier and tidier for them to borrow directly from the LGFA. CCOs must seek approval from council and council is required to guarantee the loan.
- Councillor Boyde expressed concern around the CCO borrowing directly from the LGFA and the risks to the council's LTP and budgeting processes that this would bring. Mrs Radich reiterated the approval process.
- The District Mayor noted that Stratford District Council would be required to review its policies in relation to its only CCO – the Percy Thomson Trust.
- Councillor Dalziel pointed out that the risk is no greater than the council borrowing themselves.
- Councillor Dalziel also asked why this matter had not been brought to our attention much earlier, especially given that the AGM notice was dated November 2018. Mrs Radich clarified that she had questioned LGFA about the timing of this but had received no response.
- It was clarified that any two elected members could sign off on the documentation.

10. **QUESTIONS**

There were no questions.

*The meeting closed at 5.25pm.*

N C Volzke  
**CHAIRMAN**

Confirmed this 12th day of May 2020.

N C Volzke  
**DISTRICT MAYOR**