

Minutes of an Extraordinary Meeting of the Gore District Council held in the Council Chambers, 29 Civic Avenue, Gore on Tuesday 15 April 2014 at 4.04pm.

PRESENT His Worship the Mayor (Mr Tracy Hicks, JP), Crs Bolger, Beale, Byars, D Grant, P Grant, Page and Sharp.

IN ATTENDANCE The Chief Executive (Mr Stephen Parry), General Manager District Assets (Mr Paul Withers) (from 4.09pm) Parks and Recreation Manager (Mr Ian Soper), Roading Manager (Mr Murray Hasler), Chief Financial Officer (Mr Luke Blackbeard), Communications Coordinator (Sonia Gerken) and Corporate Support Officer (Tracey Millan).

APOLOGIES Crs Davis, Dixon, Gover and Highsted apologised for absence.

His Worship called for any conflicts of interest. None were received.

1. DRAFT 2014/15 COUNCIL ESTIMATES (SC0143)

A memo had been received from the Chief Executive together with the draft estimates for the 2015 financial year for consideration.

In response to Cr D Grant, the Chief Financial Officer said originally in the draft estimates, the costs for the Gore signage was half and pushed out till next year. It was then resolved to fund the full cost of the project by a loan.

In response to Cr Beale, His Worship said if Councillors had any issues, now was the time to raise them. He hoped there was a good level of understanding as a lot of work had been put in going through the documents.

In response to Cr Beale, the Roading Manager said the Council would definitely not be sealing a section of the State Highway under its reseal programme. It was sealing a section of the Waimea Valley Road that had been shown on the map as the Waimea Highway which was incorrect.

In response to Cr Beale, His Worship said a rural community that serviced a hall decided itself how much they wanted to contribute to their hall.

In response to Cr Sharp, the Chief Financial Officer said a broad range of activities were combined in the graph for Community services and facilities.

RESOLVED on the motion of Cr Grant, seconded by Cr Bolger, THAT the Council Estimates be adopted for incorporation in the draft Annual Plan 2014/15.

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2. COMMERCIAL RATES PAYABLE FOR PARKS AND RESERVES (SC0143)

A memo had been received from the Chief Executive together with a report that detailed three options in regard to the imposition of a rating floor and ceiling for the parks and reserves commercial rate which would involve rating on a pure capital basis between the set minimum and maximum.

The Chief Executive said it was a subject senior staff had battled around for a couple of years and in particular staff that dealt with ratepayers directly and fielded questions about why the system was the way it was. Fixed tiers could be very unforgiving and blunt. Bands had no allowances and could sometimes mean a difference of \$400-\$500 for a ratepayer compared to a property of a similar, but not the same value. .

He said staff had wondered if it would be worthwhile exploring having a rating floor for each commercial ratepayer and a maximum contribution. The reason for this was that if capital value applied without any sort of break, there would be a select few properties that would pay an extreme amount based on capital value. What the floor and ceiling fixed rates should be was a matter of political choice if the Council decided to go down that path. A key point to emphasise was that it was only for commercial parks and reserves rating. The percentage contributions made by urban residential and the rural sector remain unchanged.

His Worship added the percentage coming from the commercial sector remained the same also. It was just how it was split between that sector.

Cr Sharp said winners would be happy and the losers would be noisy. He said it would be better to include two extra steps, with one step between \$148,000-190,000--and another step between \$265,000-\$365,000. Tenants paid the rates and some were struggling.

His Worship said any change to a system effectively brought about winners and losers, whether it was a step system or a curve. The question to consider was what was the fairest way to apportion the contribution that came from the commercial sector. Some ratepayers were indicating that the current system was not the fairest. There may well be other options.

Cr Bolger said a couple of extra steps was a legitimate suggestion but he was not comfortable with the concept of winners and losers. He did not think that

circumstances changed. He believed the current system was not particularly fair to some and was happy with the graduated scale which in a way put in lots of steps.

The Chief Financial Officer said more steps created a better curve.

Cr Bolger said the Council had to be careful not to lose sight of the principle, that it was related to capital value. That was the driver and the critical point. The good thing about a graduated scale was that it looked after smaller businesses in the commercial sector who were worthy of the Council's consideration.

Cr Page said a graduated system seemed fairer as it had more steps.

Cr D Grant declared a belated interest in the item. He was a commercial ratepayer.

Cr Beale said he was leaning towards option 2.

Cr Sharp also advised he owned commercial property in the District, however he did not pay the rates. The rates notice for his property was sent to the tenant's mailing address.

His Worship said Cr Sharp would still be liable to pay the rates on property he owned.

Cr Bolger said in a sense all Councillors were ratepayers, so were conflicted. However, it was not an issue.

His Worship agreed. He said it was good that the matter had been raised. He did not think it altered Councillors ability to partake in the debate or to vote on the subject.

Cr Byars said she was in favour of a consultation process to get feedback from the public.

Cr Page agreed with Cr Beale.

RESOLVED on the motion of Cr Beale, seconded by Cr Page, THAT the Council approve the removal of valuation bands for the rating of Parks and Reserves in respect of commercial and industrial properties in the urban rating sector and that all properties be rated on a capital value basis subject to minimum and maximum contributions being specified,

THAT the Council select option 2 for incorporation in the Draft 2014/15 Annual Plan to enable consultation to take place with ratepayers,

AND THAT the Council note that this proposed change does not affect the contributions made on a percentage basis to the parks and reserves activity by Rural and Residential ratepayers.

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Cr Sharp voted against the motion and asked for his vote to be recorded.

3. 2014/2015 DRAFT ANNUAL PLAN (SC0143)

A memo had been received from the Chief Executive together with a copy of the Council's Draft 2014/15 Annual Plan. This plan had been prepared based on year three of the Council's 2012/22 Long Term Plan together with modified estimates that had been considered in two workshops.

His Worship said the draft Annual Plan had been well presented. The summary outlined the year and put things into perspective.

The Chief Financial Officer advised of a typographical error in the Mayor and Chief Executive foreward. The proposed total increase in rates for 2014/15 is 3.76%, not 3.71%.

Cr D Grant noted there was a typographical error on page 3, third paragraph of the draft annual plan. The word form should be from.

RESOLVED on the motion of Cr Bolger, seconded by Cr D Grant, THAT the Council approve the attached Draft Annual Plan for public notification and consultation in accordance with Section 85 of the Local Government Act 2002.

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4. CONSIDERATION OF DRAFT JOINT SUBMISSION ON THE BUILDING (EARTHQUAKE PRONE BUILDINGS) AMENDMENT BILL (SC0980)

A memo had been received from the Chief Executive together with a draft submission prepared on behalf of the territorial authorities in response to the Building (Earthquake Prone Buildings) Amendment Bill.

His Worship said it was likely that more Councils would join as time went on.

RESOLVED on the motion of Cr P Grant, seconded by Cr Beale ,THAT the Council endorse the draft submission and authorise His Worship the Mayor to sign on the Council's behalf.

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The meeting closed at 4.39pm.