

MINUTES OF AN EXTRAORDINARY MEETING OF THE GORE DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, 29 CIVIC AVENUE, GORE ON MONDAY 9 JUNE 2014 AT 1:06pm.

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

IN ATTENDANCE The Chief Executive (Mr Stephen Parry), General Manager District Assets (Mr Paul Withers), Parks and Recreation Manager (Mr Ian Soper), Roading Manager (Mr Murray Hasler), HR/Administration Manager (Susan Jones), Chief Financial Officer (Mr Luke Blackbeard), Communications Coordinator (Sonia Gerken) and seven members of the public in the gallery.

APOLOGIES Crs Beale and Gover apologised for absence.

His Worship extended a welcome to those present. He clarified that the purpose of the hearing was to listen to the submitters and ask questions if required. It was not a place for any debate.

The Chief Executive had advised that submissions to the draft Annual Plan had closed on 27 May. A total of 64 submissions had been received and 16 had indicated they wished to be heard. A copy of the submissions had been circulated.

Submission No 2014/51 – Peter Hargest and Mark Copland

The submission was presented was Messrs Hargest and Copland. It covered local authority amalgamation, funding for parks and reserves and roading, lack of consultation over rebranding, arts and heritage and the civic administration building upgrade and the proposed dog park. A copy of the submission is attached and forms part of these minutes.

His Worship asked what proactive meant in their view for the Council to seek amalgamation.

Mr Hargest said it was not sitting on hands and talking with the neighbours.

Mr Copland thought the clock was ticking and the Government would move on small local authorities eventually. Why not start earlier and see what can be done and get a better outcome.

His Worship asked their view of the community being the driver behind any shift or the Council leading it.

Mr Copland thought the Council should run a referendum and see what the outcome was.

Cr P Grant asked about the proposed fence at the Eccles Street playground. He felt it was only a matter of time before a child was run over.

Mr Hargest said his concern was with parents who were not active in supervising their children.

Submission Nos 2014/55 and 2014/56 – Sally McIntyre

Mrs McIntyre had advised she was unable to attend the hearing.

Submission No 2014/60 – Eastern Southland Federated Farmers

The submission was presented by Jeremy McPhail and John Gardyne.

Cr Bolger referred to the rating model and asked if the submitters were aware the model was closely aligned to Nigel Billings model. He said in dollar terms the actual increase in rates was only half for rural ratepayers compared to urban ratepayers.

Mr Gardyne disagreed.

His Worship asked if the submitters were aware of the proposed changes being imposed by NZTA for roading funding.

Mr Gardyne was aware the subsidy was being reduced.

His Worship said the issue was not only about funding but the classification of roads was going to be removed from Councils as well. He thought dialogue with Federated Farmers would be useful.

Cr Byars asked what the preference was as a result of the decrease in roading subsidy - the level of service to remain or pay more through rates?

Mr Gardyne said his preference was for the level of service to stay the same.

Mr McPhail added there were many more milk tankers on the roads now.

Submission No 2014/61 –Southland Federated Farmers

The submission was presented by Tanith Robb, Senior Policy Advisor with Federated Farmers. A copy of it is attached and forms part of these minutes.

His Worship asked if they were aware of other Councils that had a lower proportion of rates than the Gore District.

Ms Robb said she was aware of other Councils who had UAGCs at higher rates.

Submission No 2014/30 – Gavin and Leanne Grant

The submission was resented by Leanne Grant. She tabled some photographs that she had taken earlier in the day of Nicholson Road. She said the roading budget needed to be increased each year. She felt very frustrated at the state of the road and there was a lot of traffic using it.

In response to Cr D Grant, Mrs Grant said she had lived on the road since 2007.

His Worship asked if the service levels were to be raised was she prepared to pay more rates.

Mrs Grant said they paid quite a bit now.

His Worship said if the service level was raised then it would require more money. He said the Government had reduced the level of its roading subsidy and if the service level was to increase then a greater local share would have to be found.

Mrs Grant said as a compromise even oiling the road would hold it together.

Submission Nos 2014/33, 2014/32 and 2014/31 – Mr Elmer Curry

The submission was presented by Mr Curry. He said he was present to plead the case of those on fixed incomes. He said he had limited access to the internet and found it difficult to get a copy of all of the submissions. He expressed frustration at being told the Council only had to provide the information two clear days prior to a meeting. He spoke about the rebranding, the amount of debt being borrowed for the water and the proposed dog park and playground fence. The amount of debt will increase to \$13.5 million. He believed the bank was getting control over the Council. The debt per ratepayer was \$2,200 based on figures he had obtained from the Council. There were 6,000 ratepayers and a population of 12,000 people. Each person today owed \$1,125. In the last three years the Council had borrowed something like \$6 million. The interest on \$13.5 million was \$675,000 a year at 5%. He did not know if capital was repaid. From all accounts the Council was still owing a large debt on the swimming pool and skating rink. He wondered whether the borrowing would stop. He asked if there was a ceiling on how much the Council could borrow. He had been told there was and the Council could borrow up to \$18 million. He did not believe the average ratepayer had any idea on how much the Council could get into debt. A superannuitant earned just over \$500 each week. He said they would not be able to carry on with paying rates for much longer before they would have to dig into the little capital they had. They were unable to send rate demands like the Council did. He asked how the Council paid its debt. The debt did not seem to be getting any less. It would have been more prudent to increase the admission fee to the swimming pool by \$1 or \$1.50 to cover any maintenance. He had read there had been no maintenance done since it was opened. An extra dollar from each admission would have added up for maintenance, but the Council did not seem to do that. There should be a user pays system.

The proposed dog park and fencing the Eccles Street playground he believed were pipe dreams. Hamilton Park was fine without having an area fenced for dogs. It would cost money to construct, maintain and repair as it would be vandalised. If people had a dog they should be sufficiently responsible to control it and not incur cost on all ratepayers for a dog park. It was too far out of the way and people living in West Gore would not use it. It was an absolute waste of money.

Fencing the Eccles Street playground – he lived in the area and no-one asked their opinion about fencing it. Most people who used the playground with little children took them by motorcar and parked the vehicle on the side of the road. They were there to oversee what the child was doing. Eccles Street was probably quite dangerous, but why allow people to park on it. There should be a no-parking area. It was not up to senior citizens on fixed incomes to pay towards the cost of fencing the playground. He suggested moving the equipment to another playground where it was not so busy. It would make Gore look like a prison if there were fences everywhere. It was a waste of money.

He added it cost everyone a lot of money for rebranding. If it was good for business, then let business pay for it. He had not had any trickle down benefit from the rebranding.

There were so many things that ratepayers paid for, the event centre, he thought it had been obtained for \$1 yet it was costing the Council \$90,000 a year. Community grants and subscriptions – he and his wife made their own donations, yet the Council granted over \$160,000 to other groups. He objected to the Council collecting money from ratepayers and giving it away gratuitously.

His Worship expressed disappointment at his frustration at getting copies of the submissions.

Cr Bolger took on board Mr Curry's comments about fixed incomes. He said the Council did repay capital.

Cr Sharp said the Council had owned the pool for 10 years and the debt was about \$40,000 more than it was when it was built. He said the Council's debt management was not good and he did not support it.

Submission No 2014/38 – Mr John Gardyne

Mr Gardyne presented his submission. He concurred with some of Mr Curry's comments about debt. He said the UAGC needed to be increased to the maximum. A 400 acre sheep farm this year would pay an extra \$400 in rates this year. He would like to see a list of loans included in the annual plan and the costs.

The Council had a problem of rising debt and it had to decide what to do. The Managers should be asked to reduce their costs. Were the extra staff needed now that Solid Energy's projects would not proceed. There needed to be discipline and discipline to manage debt.

Mr Gardyne referred to a proposal raised in Dunedin whereby people could invest funds in the Council to offset their rates.

His Worship referred to the percentage spend on roading and the ratepayer contribution was matched by Government funding and the tight constraints. He asked if there was an opportunity to increase the levels of service what was his response to increasing the local share.

Mr Gardyne said he would probably accept a higher cost for roading but would prefer to reduce debt which would ultimately provided more funding for other areas.

Cr Bolger said to free up \$700,000 in interest costs, everything would have to be funded by rates. He did not think the Council would ever not be able to have debt.

Cr Page said the table he had in the draft annual plan indicated a 400 acre farm would have a rates increase of about \$100, not \$400 Mr Gardyne was referring to.

Mr Gardyne said a \$3.58 million farm would increase by 8.83% from \$4,711 to \$5,127.

Cr Sharp noted there was no budget allowance for Coopers Well.

Submission No 2014/41 – The Southern District Health Board

The submission was presented by Leanne Liggitt and Tim Mackay. Information about fluoridation and oral health was tabled at the meeting. Mr Mackay said the public health service recommended the Council consider fluoridate its water supplies. He proposed a workshop with Councillors.

His Worship asked how the general population was educated about fluoridation.

Ms Liggitt said the DHB would like to do it in a partnership and in a workshop could work through options for consideration.

Mr Mackay said parents were being consulted at clinics.

Cr Sharp asked how parents reacted about fluoride.

Mr Mackay said there tended to be a small polarised group who did not support fluoridation and the rest of people did not care too much. Most thought the water was already fluoridated.

Cr D Grant asked how many Councils in New Zealand had fluoridated water.

Mr Mackay said over 54% of the country had fluoridated water.

Cr Byars said if people were against fluoride there seemed to be strong and credible information but conversely, there were those who supported it had strong and credible information. Who was right?

Mr Mackay said there was a national fluoridation service in New Zealand and the DHB had its information peer reviewed.

Cr Bolger asked what the comparison was between urban and rural for oral health.

Mr Mackay said most of the non-fluoridated areas were rural.

Submission No 2014/44 – Hokonui Trails Trust

The submission was presented by Mr John Wilson. A trust had been formed and the first trail was planned to be constructed between Pope Road and Dolamore Park. It was approximately 7.5 kilometres in length. It was a cycle trail, not a mountain bike track. There was already a mountain bike track at Pope Road. The trail was designed for families and would be graded at 1 or 2 which was suitable for beginner or intermediate cyclists. It would make a feature of the old water race and the bush area as well as the facilities already at Dolamore Park. The project would commence in July and the trust had 85% of its funding in place.

Biking was becoming a very big part of family life and the trust believed the trail would be an excellent asset and bring people to Gore. The Southland Mountain Bike Club had approached the trust with assistance and tools for the project. There had been renewed interest in the existing mountain bike track. It was evident there was a need and if there was a trail, it would be used. All of the consents were in place as well as a management agreement with the Department of Conservation.

The trail was expected to be the first stage. The trust was hoping for financial assistance from the Council. It was hoped to have the trail opened by the summer.

In response to Cr Davis, Mr Wilson said ongoing maintenance would be covered. It had been a factor with DoC and the trust received funding from the moonshine trail each year and maintenance costs would be covered.

In response to Cr P Grant, Mr Wilson thought the Council may be able to assist with providing piping for the gullies.

Cr Sharp asked if there was a specific use for the amount of money being requested.

Mr Wilson said the project was broken down into several areas and an amount could be identified for a specific area if necessary.

Submission No 2014/46 – Mr Graeme Keown

Mr Keown was in attendance and spoke about the excessive rates paid on vacant sections in Walker Crescent. He was paying \$1,307.25 for the UAGC, \$572.14, Gore residential \$123, Gore network \$168, water and drainage \$276 and \$301 on two vacant sections; a total of \$2,747.39. He and his wife were on a fixed income and did not object to nominal rates but considered the amounts charged to be horrendous.

Cr D Grant asked what he intended to do with the sections.

Mr Keown said one section could be sold but needed to be used for his own property and the other could be sold. He had tried to sell them.

Cr P Grant suggested the sections were too dear.

Mr Keown said they were \$50,000 but he believed the bridge was a problem. He did not consider his sections to be overpriced.

His Worship asked if the sections did not sell had he considered amalgamating the titles.

Mr Keown had considered it, but he was of the understanding that they could not be sold.

The Chief Executive said they could be sold but would need to be surveyed off again.

Submission No 2014/47 – Archer Corporation

Mr Les Archer spoke to his submission via telephone.

Mr Archer referred to a letter he had received from the Council over the method of charging for parks and reserves. His company owned the property occupied by Noel Leeming on Hokonui Drive and under the proposed change his rates would increase from \$5,000 to \$6,000. He felt the contribution of the parks levy for commercial properties appeared to be skewed and he was not sure what the reason was behind it.

His Worship thanked him and said the Council did not have that information before it at this stage.

Cr Highsted said for background information whether the increase was consistent across the other properties he had.

Mr Archer said the Noel Leeming property was the one he received the letter about. He received the rates bill and on-charged it to the tenant. How the Council determined the levy was up to it but he wanted to make sure the funding was fair. If the Council decided it was fairer for higher valued property to pay a higher share of parks and reserves, he asked why and was there a great amenity value for higher valued property. The other point, if the rates increased by 3.5% as well as an additional \$1,000 increase it would impact on

potential rental increases. The rates paid on that property were about \$11,000 last year. There was a limit as to how much commercial tenants could be charged for rates increases. Gore had a fairly static population and commercial rents did not go up by the same amount as in other centres.

Submission No 2014/48 – Combined Lions Clubs of Gore and Mataura

The submission was presented by Margaret McDougall and Margaret Hughes.

The submission requested financial assistance to be allocated for a feasibility study into a cycle/walkway between Gore and Mataura. Cycling was becoming very popular but difficult and dangerous to ride on the state highway. The plan was to combine resources of the Lions Clubs and construct a track between the two towns. However, a study needed to be undertaken to work out the best option.

Cr D Grant asked what a feasibility study would cost.

Mrs McDougall had no idea.

Cr P Grant found it unusual for the Lions Clubs to ask for funding when they usually raised funds.

Mrs McDougall said the Lions Clubs intended to raise funds and construct the track.

Submission No 2014/3 – Renewables Motueka

The submission was presented by Mr Greg Rzesniowiecki. He represented a Motueka based climate action group. He encouraged the Council to galvanise community engagement over the Government's negotiations to conclude an agreement known as Trans Pacific Partnership (TPP).

In response to His Worship, Mr Rzesniowiecki said he wanted the Council to inform itself and its community about the TPP. He suggested inviting the local MP, Bill English to explain the Government's intentions.

Cr D Grant noted Auckland, Nelson and Tasman Councils had adopted versions of a resolution.

Mr Rzesniowiecki said they had and that was an option for Gore.

Submission No 2014/59 – Sport Southland

The submission was presented by Harley Ware, Eastern Southland Coordinator and Vanessa Hughey, Community Sport Manager.

Sport Southland was keen to see a fitness/leisure track at the multi-sports complex and an outline of what was provided in Queenstown was tabled at the meeting. There was also a proposal to have stage four to include a hospitality area and a gym at the indoor event centre. It was very keen to share in the vision of scoping a plan for stage 4.

In response to His Worship about the running and fitness track, Mr Ware thought it could incorporate the existing track at Newman Park and also other areas of Wayland Park and the multi-sport complex. There would be 12-15 stations positioned around for people to access. Compared to a gym membership which can be prohibitive for some people, a fitness track would provide access for a lot of people in the community.

In response to Cr Davis, Mr Ware said a fitness centre as stage 4 was a concept and he had spoken with previous trustees about what had been planned. Ms Hughey added having a fitness centre/gym was often seen as a driver to increase patronage and revenue for an existing business.

Submission No 2014/20 – Community Networking Trust

The submission was presented by Robyn Morris, Manager of the Community Networking Trust and Jo Brand, the Maitua Community Development Coordinator.

The Trust was seeking financial assistance from the Council towards the salary costs of the Coordinator position.

His Worship understood the funding from the Department of Internal Affairs had ceased in June 2013 and there was an ongoing desire in the community to have it continue.

Mrs Morris advised the position had been a full-time one for 40 hours per week due to having remaining funds, it had become a part-time position for 20 hours per week since June 2013 until June 2014. An application had been lodged with the Lottery Grants Board for funding.

Cr Highsted noted that nearly half of the funding was required for overheads and administration.

Mrs Morris acknowledged that and said travel was a big factor. Ms Brand said the support received from the Council to date had been fantastic.

The Chief Executive explained the process that would be followed. A report covering all of the submissions would be prepared and circulated with the minutes of the hearing to be considered at an extraordinary meeting on 17 June. The intention was to have the rates resolution on the Council agenda for the 24 June meeting.

The meeting concluded at 4:07pm

SUBMISSION to DRAFT ANNUAL PLAN 2014 – 15

- Local Government reorganisation & amalgamation. We once again request that GDC become proactive in exploring amalgamations with our two rural neighbours, Clutha & Southland District Councils. A combined entity would have a population of approximately 58,500 people. We would become a very strong, 100% rural based district, creating huge opportunities for efficiencies. The outcome could be a significant positive for Gore, because Gore is the central hub for all 3 districts. Don't forget that non-ratepaying visitors from outside the district flock to use facilities at the Multi-sport Complex now.
- It is important that elected members of the council keep an open and proactive approach to this, otherwise you may find Central Government imposing a less than desirable outcome.
- With the impending General Election this year, it is highly likely that momentum for amalgamation of small local authorities will be back on the agenda early next year. Central Government has been concerned about the duplication and wastage of resources because of the lack of economy of scale, the inefficiency of this state of affairs, the burden this places on ratepayers, and the inability and unwillingness of the sector to confront and deal with these issues.
- Mayor Hicks is quoted in The Ensign 23/5/14 saying that “he could not think of an amalgamation that had resulted in substantial savings being made long term”. This is an interesting statement in light of a recent media release showing that the amalgamation of Auckland City has created savings of \$131 million for the year ended June 2013 and budgeted to be \$188 million by year ending June 2018. No one can say that these savings are not significant, are not substantial, are not worthwhile, or are not long term.
- To cap it off, rate increases have reduced year by year from previously anticipated rises, while capital works are nearly double that of the former councils.
- We ask that GDC stand aside from local parochialism, take the initiative and assertively seek a strengthened and reinforced rural local government entity here in the South. Whatever eventuates will be defining for many following decades. It is especially important, for our people, to get it right.
- The inconsistency of the level of funding for Parks & Reserves and for Roothing is irrational. The Draft Plan indicates that Parks & Reserves consume 14% of rating expenditure, while Roothing & Footpaths take 16%. Given that Gore District has an extensive rural roading network that is core essential infrastructure, it is hard to comprehend that Parks spend, virtually matches Roothing and footpath spend. Compare this to Clutha DC who spend 44% on roads and footpaths, and 12% on Community Services & Facilities and Parks & Reserves combined. Gore DC spends a total of 40% on Community Services & Facilities and Parks & Reserves.
- Based on these figures Gore DC has obvious problems with its priorities and

its allocations. We submit that Gore DC start addressing overexpenditure on less essential items.

- Go District Re. Its hard to find anything positive about this so-called logo. What does “GO District RE” mean? It replaced a perfectly acceptable logo that complimented the district. It fails the first test of a logo. It, or the product is not instantly recognised or understood. The Letters to the Editor and public comment would demonstrate that this has not been a popular decision. Where was the consultation ? If the council thought that this logo was a winner they would not have had any hesitation in putting this up for consultation. Wellington City with over 200,000 people agonised over spending \$10,000 on a new logo, meanwhile Gore wasted approximately \$50,000, without even attempting to consult. Consultation means asking “Do we need a new logo?”, “What you think is iconic or special about our District ?” and “Do you have a preference from the shortlist ?”
- Reported in the Southland Times 27/5/14 is that Cromwell is looking to create a Brand and it realises that it must have full public consultation to get full community buy-in, otherwise it would “fall fiat”.
- Once again we ask, why no consultation? We want to emphasize that the process carried out by the GDC fell well below the standard required, was found widely unacceptable, and should never have happened. In fact it is the kind of thing that happens under a dictatorship.
- Arts & Heritage, and Civic Administration Rebuild. We commend the council for putting these projects on hold given the real prospects of an amalgamation on the horizon and the indebtedness of the council.
- With GoreDC having approximately \$11million debt, with a population of 12,033, (\$900:00 /per capita), and Clutha DC with a debt of \$8471 and a population of 16,890 people, (50 cents/per capita), Gore DC punches well above its weight when it comes to debt.
- We don't want to end up in the financial situation experienced by Kaipara & Waitomo District Councils.
- Dog Park. Where are the submissions in support? Adequate choice for dog owners now? Seems a lot of dog owners are against it.
- Eccles Street Playground. Concern that parents could be lulled into a false sense of security. Parents need to continue to be responsible.

Mark Copland
Peter Hargest

9/6/14

HEARING SUBMISSION

TELEPHONE 0800 327 646 | WEBSITE WWW.FEDFARM.ORG.NZ



To: Gore District Council
From: Federated Farmers of New Zealand
Hearing Submission on: Draft Annual Plan 2014/15
Date: 9 June 2014

Thank you, your worship for the opportunity to speak to our submission.

My name is Tanith Robb and I'm a Senior Policy Advisor for Federated Farmers of New Zealand, based in Invercargill.

Federated Farmers supports the submission of the Eastern Southland branch, and we acknowledge the submissions made by individual members.

Although these discussions are often robust, we believe Council's decision-making is strengthened by the significant amount of interest and effort local ratepayers put into Council processes.

I appreciate you will have read our written submission, and in many respects our submission mirrors that of the rural ratepayers you have already heard from. So I would like to focus on summarising and expanding upon some of the key points we have made.

Rates increase

We're concerned at the proposed rates increases for farmers and we have submitted that Council needs to find a more equitable solution to deal with cost pressures.

The rates disparity is clear; urban sector rates are rising by 3.13% overall, compared to a rural sector increase of 5.54% overall. But it is ratepayers in the rural sector with higher value properties that are really going to hurt as a result of the proposed Annual Plan.

Families with farms valued at over \$2.5 million will receive rates increases of between 8 and 11%, on top of the thousands in rates they are already paying.

We consider this is completely unacceptable. Particularly as a portion of these rating increases for higher value properties are a direct result of Council's decision to reduce the proportion of rates recovered through the Uniform Annual General Charge (UAGC).

After last year's reduction in the UAGC, and our submissions in opposition to this decision, Council responded that the UAGC was being reduced only because of the new waste management charge, with a verbal undertaking that the UAGC would be increased back to 30% of the total rates take for 2014/15.

As Council is aware Federated Farmers is of the strong opinion that a farming property should not contribute a disproportionate amount to Council activities, where that property has no greater impact than that of a residential property, or where the direct benefits are not captured by the farming property.

In short we believe the UAGC should be used to the maximum extent possible to fund activities deemed to provide general benefit to all ratepayers, and where there is no correlation between the size of the property and the extent of the benefit received.

This is why we are such strong proponents of the UAGC and Council's Fixed Targeted Ward Rates, and why we have in the past praised the Council's funding policy in these respects.

Our concern is that Council appears to have changed the unofficial policy to recover 30% of rates through the UAGC, without specific acknowledgement in the draft Annual Plan, or any consultation on what has to now been a cornerstone of the Council's funding policy.

Federated Farmers considers the UAGC is the appropriate funding tool for the activities currently funded through the UAGC.

Our concern is in respect to the proportion of the District Libraries, Aquatic Facilities and MLT Events Centre activities funded through a UAGC, versus the contribution required from property value based rates for these activities.

Given the rural sector is already bearing the largest proportion of the rates increase we question why Council has made the conscious decision to exacerbate this with a reduction in the UAGC, particularly as farmers already pay significantly more in rates than the average ratepayer.

As in previous years, we strongly argue that the UAGC contribution to the District Libraries, Aquatic Facilities and MLT Events Centre activities should be increased to sustain the UAGC at 30% of the total rates take.

Roading

Federated Farmers notes the impact that the reduction in funding from the New Zealand Transport Agency is having on the Council's roading programme, particularly for capital works. Farmers do not want the condition of the district's roads to deteriorate, and we urge Council to ensure that the delivery of roading levels of service is as efficient and effective as possible.

A large part of the issue is the significant amount of rates farmers pay. Roothing is the one area where farmers consider they are getting something approximating value for money from their annual rates bill, and subsequently they expect a reasonable level of service.

Federated Farmers considers that there needs to be more open discussion between Council and rural communities around roading level of service expectations in the rural area, and what this will cost the District.

Conclusion

Thank you for the opportunity to speak to our submission.