



Ōtorohanga District Council

MINUTES

26 May 2020

10am

ŌTOROHANGA COMMUNITY BOARD

26 May 2020

Minutes of an Ordinary meeting of the Ōtorohanga District Council held via Zoom on 26 May 2020 at 10am.

Tanya Winter
CHIEF EXECUTIVE

MINUTES

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PRESENT

His Worship the Mayor MM Baxter, Councillors K Christison, B Ferguson (attended at 10.45am), R Johnson, K Jeffries, RA Klos and A Williams

IN ATTENDANCE

Ms. T. Winter (Chief Executive), Messrs. A Loe (Group Manager Environment), G Bunn (Group Manager Corporate), R Brady (Group Manager Engineering), Ms. T Ambury (Community and Economic Development Manager) and Mr. CA Tutty (Governance Supervisor)

His Worship declared the meeting open and extended "Good Morning" to members, staff and members of the Public joining this meeting via Livestreaming. He said it was a wonderful Tuesday morning.

REFLECTION / PRAYER / WORDS OF WISDOM

Councillor Williams recited words of wisdom giving 'thought to time', also said a new day is a gift and recommending that we all use each day as best we can.

DECLARATION OF CONFLICTS OF INTEREST

His Worship asked members whether they had any declarations of conflicts of interest.

No declarations of conflicts of interest were received.

CONFIRMATION OF MINUTES – ŌTOROHANGA DISTRICT COUNCIL – 17 MARCH 2020

The Governance Supervisor reported that Councillor Jeffries had highlighted an omission in the minutes and requested that the following be inserted –

*ITEM 56 SUBMISSIONS ON THE REVIEW OF DOG CONTROL POLICY AND BYLAW
The Triangle, Kaora Street, Kawhia*

Three submissions were received, one submission opposed the proposed dog prohibited area at the Triangle and suggested that enforcement action should be increased to target irresponsible dog owners. Another proposed a partial ban suggesting the ban be in place from 9am till 7pm during summer and the third submission requested better signage, harsher penalties and lower dog registration fees.

Councillor Jeffries supported the partial ban option and requested that the Kawhia Community Board (KCB) be advised of the submissions received.

RESOLVED that the minutes of the meeting of the Ōtorohanga District Council held on 17 March 2020, as amended, be approved as a true and correct record of that meeting and the recommendations contained therein be adopted.

COUNCILLOR FERGUSON / COUNCILLOR JOHNSON

HUIPUTEA DRIVE

His Worship queried the progress with KiwiRail regarding the lowering of the road and associated works.

The Group Manager Engineering replied that KiwiRail had responded giving permission to fill holes in the road and he was hopeful that the project will continue.

CONFIRMATION OF MINUTES – ŌTOROHANGA DISTRICT COUNCIL EXTRAORDINARY MEETING 14 MAY 2020

The Chief Executive referred members to Item 68 – Decision making framework for a loan to the Ōtorohanga Kiwi House, in particular to the last paragraph on page 1, three proposed options.

His Worship reported that Option 1 is unlawful, Option 2 fits the timeframe and legal requirements, Option 3 does not fit within the timeframe.

This change reflects **what was actually said** by His Worship.

What he meant to say was –

“Option 1 does not fit within the timeframe, options 2 fits the timeframe and legal requirements, option 3 is unlawful”.

Resolved that the minutes of the Extraordinary meeting of the Ōtorohanga District Council held on the 14th of May 2020 as amended, be approved as a true and correct record of that meeting and the recommendation contained within be adopted.

COUNCILLOR JEFFRIES / COUNCILLOR FERGUSON

ITEM 64 HIS WORSHIP THE MAYOR – VERBAL REPORT

His Worship reported on the various meetings / activities he had attended during the period 21 March 2020 to 26 May 2020, these being:

- 24 March 2020 – attended a meeting at World Travellers Ōtorohanga where customers were informed of what restrictions were going to be in place under different Alert Levels.
- 30 March 2020 – first of weekly Mayoral Forum meetings.
- 1 April 2020 – Zoom Mayor’s Taskforce for Jobs with Foodstuffs New Zealand.
- 3 April 2020 – Zoom Regional Transport Committee meeting and meeting with Hon. Minister Mahuta.
- 8 April 2020 – First regular Radio interview on Maniapoto FM Radio.
- 9 April 2020 – Budget Meeting and Councillor Zoom meeting.
- 20 April 2020 – Northern King Country Development Trust meeting, currently the Chair.
- 18 April 2020 – Waikato Plan Meeting.
- 25 April 2020 – Waikato Plan Meeting, Deputy Chair.
- 31 May 2020 – attended the first of a series of weekly Maniapoto Community Response Unit hui
- 20 May 2020 – Northern King Country Development Trust meeting.

Other meetings included:

Each Friday joined meetings of Civil Defence and NEMA meetings.

Attended numerous Zoom ‘All Staff’ meetings.

Risk & Assurance Chair, Simpson Grierson meeting.

Zoom meeting mentoring Rangitahi currently participating on the TUIA Program from across New Zealand.

RESOLVED that His Worship the Mayor’s verbal report be received.

HIS WORSHIP / COUNCILLOR WILLIAMS

ITEM 65 CHIEF EXECUTIVE REPORT 16 MARCH – 25 MAY 2020

The Chief Executive referred members to her report the purpose of which was to inform Council of the key focus areas for the Chief Executive in the last month and signal anything of note coming up in the next month.

The report covers two months due to the COVID-19 lockdown where the April Council Meeting was cancelled as a result.

The Chief Executive advised that she is happy to take any questions on the content of her report.

The Chief Executive said she would like to publically thank Elected Members and members of the Kawhia and Ōtorohanga Community Boards and staff for their patience during this period. She said the feedback of information supplied to Council staff during this time was appreciated.

In response to a question about what support Council had offered to community organisations in COVID-19, The Community and Economic Development Manager responded that support had been offered and provided to both Te Waka and ODDB during lockdown.

Councillor Johnson extended his sincere thanks to those staff who were essential workers who have continued to carry out their duties during the lockdown period.

RESOLVED that the Chief Executives report for the period 16 March – 25 May 2020 be received.

HIS WORSHIP / COUNCILLOR KLOS

PRESENTATION – TE WAKA

Representatives of Te Waka, Ms. Michelle Hollands and Mr. Michael Bassett-Foss attended the meeting via Zoom.

Ms. Hollands commenced the presentation reporting on the following items:

- Highlighted the work being undertaken behind the scenes in particular mention of the initiative ‘Community of Learning’.
- Endeavoring not to duplicate resources being carried out by other organisations.
- Liaison between the Ōtorohanga District Development Board and the local business community to engage directly with businesses from a local perspective acknowledging the great effort undertaken by Mr. Duncan Coull, Chair of the Ōtorohanga District Development Board and Council’s Community and Economic Development Manager, Ms. Trish Ambury.
- 82 percent of local businesses felt that the recovery from COVID-19 will be very slow in returning to normal and are concerned that they may have to make some redundancies.
- The region however, is fairly positive and optimistic.
- Te Waka will continue to support the Ōtorohanga District Development Board team and local business to have available the necessary tools and information in place.

Mr. Bassett-Foss attended the meeting via Zoom and apologised for his lateness. Mr. Bassett-Foss provided an update on the activities of Te Waka in particular their Business Focus Support, a way of communicating with the local businesses. This will cover the following:

- Te Waka alignment.
- Business support.
- Market intelligence and Comms.
- Regional projects.
- Regional recovery.
- Regional alignment.

Mr. Bassett-Foss then asked members whether they had any questions on the presentation.

The following items were discussed:

- Support of businesses and Communities has to be carried out by local people and they be encouraged to come together, to work together and identify roles.
- The Waikato Region needs to come together to show unity and to be partnered with Central Government.
- New businesses setting up in the Waikato such as a Tech Company, food processing operations and food growing operation.
- Acknowledgement of the Ōtorohanga District Development Board and their team for the wonderful job they have carried out during this period.
- Tourism – to focus on the Domestic market however, it will be a couple of years before the Tourism industry fully recovers.

His Worship thanked the presenters for their time and information. He asked that they continue to carry out this vital work.

RESOLVED that the presentation made by Te Waka be received.

HIS WORSHIP / COUNCILLOR JEFFRIES

PRESENTATION – ŌTOROHANGA DISTRICT DEVELOPMENT BOARD

Representatives of the Ōtorohanga District Development Board, Mr. Duncan Coull and Ms. Kara Thomas attended the meeting via Zoom. Mr. Coull thanked Council for the opportunity to present.

Mr. Coull outlined the endeavors of the Board being:

- To establish where the main focus of support should be.
- Ensure there are no cross-overs with other organisations.
- Economic support and recovery engaging with local business and understanding their needs and directing them to the appropriate resource.
- Redeploying the i-Site team to make contact with local businesses.

- The true impact of the Pandemic on local businesses will show its effect in approximately six months' time.
- Creating forums for public engagement.
- Awareness around local campaign – encourage to spend local.
- Enable businesses to engage in digital enablement.
- Support projects already in the pipeline.
- Make adjustments to the i-Site funding for next year to enable that business to stand alone.
- Cross border think-tank.

Ms. Kara Thomas reported on the 'think-tank' proposal being a group formed across the District who will meet weekly and come up with strategic ideas.

The following items were identified:

- Need support in attracting visitors.
- Business survival needs.
- Re-employment and reskilling.
- Developing future projects.
- To attract new business into town – recognise land use.
- Mental Health issues
- Holding events in town to attract people into the District / Community.

Over the coming period the next stage would be about stimulus in respect to Tourism. This would look at how to build diversity into the economy by identifying development such as a proposed Cycle way to Waitomo, a support center, community housing and co-sharing business spaces.

His Worship thanked the presenters very much for the support they have provided to the community and said that it is really encouraging to see the opportunities they have identified in going forward. He said their efforts are very much appreciated by Council and the Community Boards.

Councillor Jeffries also requested it be recorded his compliments and thanks to the Ōtorohanga District Development Board regarding the scope of work that they have undertaken during this period. He also identified the opportunities which exist in the Kawhia and Aotea areas.

His Worship's hope for Council in the future is to have a constructive and productive future with the Ōtorohanga District Development Board.

RESOLVED that the presentation by representatives of the Ōtorohanga District Development Board be received.

HIS WORSHIP / COUNCILLOR WILLIAMS

ITEM 70 AMENDMENT TO INVESTMENT POLICY

The Group Manager Corporate referred members to his report advising that amendments are needed to Council's existing Investment Policy to allow Council the ability to lend money and / or provide financial guarantees to Community organisations.

The Group Manager Corporate reported that the Investment Policy adopted at the meeting of Council on 24 October 2017 be amended to include the following sections:

- 1- Guarantees
- 2- Loan advances

He then asked members whether they had any questions on the content of the report.

Clarification was sought on the following paragraph –

Loans investments greater than 100,000 will in the first instance be funded from debt (this includes internal debt) be limited to no more than 10% of Council's debt capacity at the time of making the investment. As prudent managers of debt Council will allocate debt capacity for the value of the potential drawable principle of loan investment to ensure that Council can always meet its obligation should all funds be drawn.

Following discussion on the above paragraph it was agreed that this matter left on the table until a suitable amendment is drawn up.

ITEM 69 AMENDMENT TO LIABILITY MANAGEMENT POLICY

The Group Manager Corporate summarised his report advising that amendments are needed to Council's existing Liability Management Policy to allow Council the ability to borrow money up to limits established by the LGFA.

The Group Manager Corporate was asked whether community grants would sit alongside this policy.

He replied that applications to Council would be required in respect to community grants and that these would be considered on a case by case basis. He said it would be necessary for Council to decide how these applications would be funded as they would not form part of the Investment Policy.

RESOLVED that

1. The Liability Management Policy adopted at the meeting of 24th October 2017 be amended to replace the existing table under the heading Debt Ratios and Limits with the following table:

Ratio	Ōtorohanga
Net debt as a percentage of total revenue	< 175%
Net Interest as a percentage of total revenue	< 20%
Net Interest as a percentage of annual rates income (debt secured under debenture)	< 25%
Liquidity (External, term debt and committed loan facilities and liquid investments/ cash equivalents to existing external debt)	> 110%

COUNCILLOR JEFFRIES / COUNCILLOR FERGUSON

ITEM 68 LOCAL GOVERNMENT FUNDING AGENCY AMENDMENTS

The Group Manager Corporate referred to his report and advised that Council sources the majority of its borrowing requirements through the Local Government Funding Agency (LGFA). The LGFA intends to amend its borrowing programme. The proposals were signalled in the LGFA's 2018 Annual General Meeting.

The purpose of the proposed amendments can be summarised as follows-

- Enable approved council-controlled organisations to borrow directly through the LGFA borrowing programme (on the basis of a guarantee from and/or sufficient uncalled capital issued to the parent local authority);
- Allow a local authority to apply to LGFA to be tested at the group level rather than at the parent level for compliance with LGFA covenants;
- As previously notified by LGFA, increase the amount of borrower notes that must be issued to a local authority when it is borrowing from 1.6% to 2.5% of the amount borrowed; and
- Make certain other minor technical improvements to the borrowing programme (including to facilitate the provision of committed standby borrowing facilities).

To implement these changes, certain documents for the LGFA need to be amended, these amendments can only progress if the proposed changes are officially approved by those local authorities via, in our case, Council resolution.

Reference was made to Item 2 of the recommendation and it was suggested that the one other Councillor should be identified as the Deputy Mayor.

RESOLVED that

1. The Council's entry into the documentation noted in this report be authorised,
2. The Mayor and Deputy Mayor be authorised to execute the following deeds for the purposes of the recommendation above:
 - a. Amendment and Restatement Deed (Multi-Issuer Deed);
 - b. Amendment and Restatement Deed (Notes Subscription Agreement); and
 - c. Amendment and Restatement Deed (Guarantee and Indemnity)

3. The Council authorise the Chief Executive to execute the Chief Executive Certificate and such other documents and take such other steps on behalf of the Council as the Chief Executive considers necessary or desirable to execute or take to give effect to the preceding recommendations above.

COUNCILLOR JEFFRIES / COUNCILLOR FERGUSON

ITEM 67 APPROVAL OF REVISED DOG CONTROL POLICY & BYLAW

The Group Manager Environment referred members to his report advising that following the hearing of public submissions in March 2020 Councillors requested that further changes be made to the proposed Ōtorohanga District Dog Control Policy and Bylaw (the Policy). Those amendments have been incorporated into the revised Policy which is now presented for approval.

During discussion the following issues were raised:

- Developing the Waipa Esplanade site as a dog exercise area – there was little support for this in submissions, therefore why carry on with work in this area in addition to the proposed Lake Huiputea area.
- In respect to the above members were advised that the work proposed to be undertaken on the Waipa Esplanade site will happen anyway – the tidy up from the Stopbank Walkway.
- Two dog exercise areas can be created for minimal cost.
- The revised policy will be placed on Council's website, copies to be made available to other Council locations.
- Critical that good signage is erected in the various areas.
- Support the two Ōtorohanga Community areas being established as they are not in close vicinity.
- Fencing of the Waipa Esplanade area not required to dog control standards.
- Huiputea Drive area, appropriate netting to be erected to stop dogs entering the Railway corridor.
- Clarification was sought on Clause 5.7 in the Bylaw around dogs being kept in cars within prohibited areas.

Following further discussion, it was agreed that this matter lay on the table while the clause on dogs in cars was confirmed.

ITEM 70 AMENDMENT TO INVESTMENT POLICY - CONTINUED

The Finance Manager presented two options for consideration of amending paragraph 3, page 57 of the recommendation. These options were –

Option 1 – loan investments greater than \$100,000 will in the first instance be funded from debt (this includes internal debt). New loan investments are limited to no more than 10% of Council's debt capacity, at the time of making the investment.

Option2 – loan investments greater than \$100,000 will in the first instance be funded from debt (this includes internal debt), total loan investments are limited to 10% of Council's total debt capacity.

Members expressed the opinion that Option 1 would be more enabling.

RESOLVED that The Investment Policy adopted at the meeting of 24th October 2017 be amended to include the following sections:

Guarantees

Council may provide financial guarantees to community, service or other organisations. Guarantees will support the purpose of local government by improving the wellbeing of the community and Council's strategic objectives.

Guarantee applications are required to be in writing with appropriate business plans and documentation to allow Council to undertake appropriate due diligence of the guaranteed party and associated contracts. Generally, the guaranteed party would meet all costs of seeking the guarantee.

Should the guarantee be called up, Council takes immediate action to recover the money.

Guarantees will be limited to no more than 5% of Council's debt capacity at the time of the Guarantee being approved. As prudent managers of debt Council will allocate debt capacity for the value of the guarantee to ensure that Council can always meet its obligations should a guarantee be called.

Granting of any guarantees is by Council resolution. Council will regularly (at least annually and more so of required by Council) monitor the financial circumstances of the guaranteed organisation.

Loan Advances

Council provides financial guarantees to community, service and other organisations but generally does not make loan advances, except in special circumstances, which would require Council resolution.

Council will determine on a case by case basis the financial return on the investment (including if a negative financial return) taking account of the contribution to the wellbeing of the community and Council's strategic objectives.

Where Council lends at a financial loss, the loss would be met by the budget that supports to purpose of the loan. Community loans would generally be offered a rate similar to Council's projected cost of finance. Loans to support commercial activities can expect Council to add a risk factor to the investment return.

Loan advances applications are required to be in writing with appropriate business plans and documentation to allow Council to undertake appropriate due diligence of the borrower and associated contracts at the borrowers expense. Council may undertake its own investigation or studies at its expense and expects the full co-operation of the borrower and its associates.

Council may by resolution make exception to the requirements of the above paragraph.

Loans investments greater than \$100,000 will in the first instance be funded from debt (this includes internal debt). New loan investments are limited to no more than 10% of Council's debt capacity at the time of making the investment. As prudent managers of debt Council will allocate debt capacity for the value of the potential drawable principal of loan investment to ensure that Council can always meet its obligations should all funds be drawn.

Council will resolve for each new loan:

- That Council will enter the loan
- The party or parties Council is entering the loan agreement with.
- The value of the loan
- The term of the loan
- The loan repayment criteria
- The security requirements
- The method by which interest will be calculated or interest rate (if fixed)
- Penalty interest and other default requirements
- Other conditions – such as use of the loan funds and accountability

All new loans will be documented with signed loan agreements appropriate for the size and potential risk exposure to the Council.

HIS WORSHIP / COUNCILLOR FERGUSON

LUNCH ADJOURNMENT

RESOLVED that Council adjourn for Lunch at 12.35pm

HIS WORSHIP / COUNCILLOR CHRISTISON

RESOLVED that Council resume the meeting at 1.10pm

HIS WORSHIP / COUNCILLOR JEFFRIES

ITEM 67 APPROVAL OF REVISED DOG CONTROL POLICY & BYLAW – CONTINUED

Following further discussion it was agreed that Clause 5.7 of the Dog Control Bylaw, relating to dogs in cars, be deleted.

RESOLVED that

- 1) the Ōtorohanga District Dog Control Policy and Bylaw, as amended by the 2019 Policy review be approved subject to the deletion of clause 5.7 of the Dog Control Bylaw,
- 2) that the proposed exercise area located beside the Lake Huiputea Reserve be included in the revised Policy and an allocation of \$5000 from the Reserves Improvements account be approved to cover establishment costs.

COUNCILLOR JOHNSON / COUNCILLOR WILLIAMS

ITEM 66 STATEMENT OF PROPOSAL – KIWI HOUSE LOAN

The Group Manager Corporate presented his report advising that Council resolved at its 14 May 2020 Extraordinary Meeting to prepare a Statement of Proposal for public consultation on investing in the redevelopment of the Kiwi House to be operated by the Ōtorohanga Kiwi House Charitable Trust.

During discussion the following matters were raised-

- The interest rate on the loan at 2.95%.
- Separate meetings for considering submissions and making a decision on the loan.
- How the consultants costs were funded.
- Liability and protection for Councillors should the funds not be able to be paid back – Council would be faced with the repayment.

RESOLVED

- 1) Adopt the Statement of Proposal (Attachment 1).
- 2) Undertake community consultation as follows:
 - a. Commencing as soon as practicable after the adoption of the Statement of Proposal.
 - b. Closing submissions on 9 June 2020 (a two-week process)
 - c. Hearing submissions at the 16 June Council Meeting
 - d. Making a decision on whether to approve a loan or not at a Council meeting on 25 June
 - e. Advertise and promote the consultation by publication of the Statement of Proposal and other material on Council's website, social media, local papers, at council headquarters and library facilities and that no public meetings will be held.

COUNCILLOR CHRISTION / HIS WORSHIP

His Worship extended Council's thanks to the staff members involved in putting the Statement of Proposal together.

ITEM 71 MATTERS REFERRED

Members were advised that Council staff are working through and addressing concerns on the Occupancy Policies. A workshop will be held on this in June.

It was agreed that an item regarding Mobile Traders be placed on Matters Referred for future consideration.

COUNCILLOR UPDATE

COUNCILLOR KLOS

- Expressed concern about the District in particular totally the focus on the town rather than the opportunities that are out in the District.

COUNCILLOR FERGUSON

- Due to the COVID-19 Pandemic times are hard out there.
- Hearing Councillor Klos concerns.
- He expects the District will be hit hard in approximately two to three months' time as a result of the Pandemic.
- I-Site have done a wonderful job during the lockdown.

COUNCILLOR WILLIAMS

- Went to an Emergency meeting Civil Defence in Hamilton due to COVID-19 to allow Local Controllers to move between Districts.
- Engineering meeting.
- Operation of a farm will not be easy next year.
- Participated in an EQUIP workshop last Wednesday – considering items which Council could do to support the Community.
- Thanks expressed to Staff in maintaining good communication during lockdown.

COUNCILLOR JOHNSON

- Reported on the proposed Beattie Home Dementia unit and advised that their application for funding through CPI was declined however, they have been advised to make an approach through the Provincial Growth Fund. He said the site has been cleared and the building work should commence in approximately six weeks' time with a completion date being March 2021.
- Extended appreciation and credit to the staff of Beattie Home managing this facility during the Pandemic.

COUNCILLOR JEFFRIES

- Quiet at Kawhia during lockdown.
- Took part in Zoom meetings.
- Interesting ANZAC Day in Kawhia. Wreaths were laid on behalf of Council and KCB.
- Communications have been excellent throughout the lockdown period, commended all those involved.
- Charter Boats now leaving the Kawhia Wharf with passengers on-board.
- Now a member, back room assistant of the local Kawhia Fire Brigade.

COUNCILLOR CHRISTISON

- Has assisted with meals on wheels and shopping for elderly.
- Engaged with local businesses supporting and talking with them.
- Ōtorohanga District Development Board meeting / workshops.
- Expressing concern at the poor backfilling being carried out by Chorus along Councils road verges.

MEETING CLOSURE

The meeting concluded at 2.56pm

