



MINUTES

Extraordinary Council Meeting

25 August 2020

**MINUTES OF MACKENZIE DISTRICT COUNCIL
EXTRAORDINARY COUNCIL MEETING
HELD AT THE COUNCIL CHAMBERS, FAIRLIE
ON TUESDAY, 25 AUGUST 2020 AT 9.30AM**

PRESENT: Mayor Graham Smith, Deputy Mayor James Leslie, Cr Anne Munro, Cr Stuart Barwood, Cr Murray Cox, Cr Emily Bradbury, Cr Matt Murphy

IN ATTENDANCE: Suzette van Aswegen (Chief Executive), Paul Numan (GM Corporate Services), Tim Harty (GM Operations), Tim Mulcock (Transition Manager), Alexis Gray (Manager People and Culture), Chris Clarke (Communications Advisor), Connie Giquel (Executive Advisor), Arlene Goss (Governance Advisor), Bruce Mincham from 10.38am (Chairperson Audit and Risk Committee)

1 OPENING

The Mayor opened the meeting and welcomed everyone.

2 APOLOGIES

Nil

3 DECLARATIONS OF INTEREST

There were no declarations of interest.

4 REPORTS

4.1 REVISED PROCUREMENT AND RISK MANAGEMENT POLICIES

Updated policies have been developed for Procurement and Risk Management. This update is part of implementing recommendations in the Audit New Zealand Interim Audit Report.

Tim Mulcock spoke to this report. He explained a change in the Procurement Report and read out the new wording as follows:

5.7.2 Exceptions to the Standard Procedure

Where an exception to the standard procurement is required, a proposal must be presented to Council for approval. The proposal must include:

- *evidence documenting the reason for the exception*
- *a procurement plan developed and submitted with the request for exception*
- *confirmation that estimated contract costs are over the \$50,000 threshold.*

Note that application for approval of exceptions can only be sought for estimated contract costs over \$50,000.

Tim Mulcock answered questions related to the time required by the procurement process, and how to get things going faster without sacrificing the openness and fairness of the process.

Councillors asked if the new policies put more pressure on staff. The chief executive said it took time to do things properly, but staff saved time later by not having to deal with problems. Mr

Mulcock also noted that increasing the spending thresholds streamlined the procurement process when lower amounts of money were involved.

RESOLUTION 2020/25

Moved: Deputy Mayor James Leslie

Seconded: Cr Emily Bradbury

1. That the report be received.

CARRIED

RESOLUTION 2020/26

Moved: Cr Anne Munro

Seconded: Cr Matt Murphy

2. That the revised Procurement and Risk Management Policies be approved.

CARRIED

5.1 THREE WATERS SERVICE DELIVERY REFORM AND STIMULUS PACKAGE

The purpose of this report was to update Council on the Three Waters reform process and seek direction on whether Council wanted to participate in the initial stages of the formal review by signing a Memorandum of Understanding (MoU) with the Crown.

Tim Harty took the report as read. His report was based on the model paper put out by Department of Internal Affairs, with local context added. He said there would be a lot of different conversations in coming months in different forums. The council's "bottom lines" were drafted so people would be aware of these and could refer to them when taking part in conversations.

Although the government's view was that this part of the process did not trigger consultation, he strongly suggested consulting with the community on this matter and encouraging the community to participate in the reforms. This would be one of the largest local government changes since 1989.

The Mayor asked about consultation with runanga, and said he would like this to be part of the resolution. The Mayoral forum was working with Ngai Tahu but it was essential for MDC to involve local runanga. Resolution number 6 was amended to reflect this.

The chief executive noted that the MOU needed to be signed by the end of August and the discussion with the community would start after that.

Cr Barwood asked who was paying to look at regional arrangements between councils. Each council would be paying a contribution towards this and provision would need to be made for this in the delivery plan for the money coming from government.

The Mayor expressed concern that Christchurch City Council would take money from the smaller councils to fix Christchurch earthquake problems if the water supplies were combined.

Work has gone into understanding where councils were placed regarding water and this ranged significantly between councils.

A question was asked about the impact this reform would have on Mackenzie District Council in general. The chief executive said she was concerned about this and would have a conversation

with the executive team. A financial sustainability study was needed. The elephant in the room was the work the government was doing in parallel to this reform, regarding things like who would be responsible for the delivery of social services, such as housing, in the future.

MDC believed all Canterbury councils were signing the MoU.

A delivery plan would come back to Council with a list of projects and councillors would have the opportunity to have input into this. It was noted that the money would need to be invested in projects that were not already in the Long Term Plan.

RESOLUTION 2020/27

Moved: Cr Anne Munro

Seconded: Cr Emily Bradbury

1. That the report be received, and that,

CARRIED

RESOLUTION 2020/28

Moved: Mayor Graham Smith

Seconded: Deputy Mayor James Leslie

2. Council approves signing of the non-binding MOU and delegates the Chief Executive to sign on Council's behalf, and that,
3. Council supports the approach of the Mayoral Forum that recommends the allocation of Regional funds on the same basis as the Local Authority allocation, and further that,
4. Council requests that staff develop the Funding Agreement and Delivery Plan and delegate sign off of these documents to the Chief Executive, and further that,
5. Council endorses the Bottom Lines as outlined below:
 - (a) Local representation and voice in any future water entity – Any Water entity developed through the process must enable both local and equal representation and Council must not lose its ability to influence and represent its community.
 - (b) Control on the Price of water – Pricing structures and controls on pricing must ensue.
 - (c) The transfer of asset and debt must not negatively impact on Councils ability to be a viable organisation (i.e. is not reform by stealth).
 - (d) Costs and management of any stranded assets must be considered and catered for, alongside central government speeding up the process that are looking at what might "fill the gap" left by Waters, and further that,
6. Staff, in partnership with the local Runanga, develop an engagement plan to accompany the roll out of the works associated with the Tranche 1 process, and this be delivered in parallel with the delivery plan.

CARRIED

5 PUBLIC EXCLUDED

RESOLUTION TO EXCLUDE THE PUBLIC

RESOLUTION 2020/29

Moved: Cr Anne Munro

Seconded: Cr Stuart Barwood

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
5.1 - Contract for Infrastructure Works Programme	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
5.2 - Contract Negotiations Te Manahuna Ki Uta/Destination Mackenzie	s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
5.3 - Appointment of Non-Executive Director - Alpine Energy	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
5.4 - Council Office Renovation - Cost to Complete	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for

	unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	which good reason for withholding would exist under section 6 or section 7
1.1 - Te Manahuna Ki Uta-Destination Mackenzie Project Contract Award Report	s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
CARRIED		

RESOLUTION 2020/30

Moved: Cr Anne Munro
 Seconded: Cr Matt Murphy

That Council moves out of Closed Council into Open Council.

CARRIED

The Meeting closed at 11.36am.

The minutes of this meeting were confirmed at the Ordinary Meeting of the Mackenzie District Council held on 22 September 2020.

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CHAIRPERSON