

MINUTES

TITLE: Special Council Meeting
DATE: Thursday 23 February 2006
TIME: 1.00 pm
VENUE: Moutere Hills Community Centre and Sports Complex

PRESENT: Mayor J C Hurley (Chair), Crs E E Henry, P K O'Shea, E J Wilkins, J L Inglis, T B King, M J Higgins, T E Norriss, E M O'Regan, S G Bryant, N Riley, S J Borlase

IN ATTENDANCE: Chief Executive (R G Dickinson), Corporate Services Manager (D G Ward), Engineering Manager (P W Thomson), Environment and Planning Manager (D C Bush-King), Community Services Manager (L L Kennedy), Minute Secretary (V M Gribble)

APOLOGIES

Moved Crs Borlase/O'Regan
CN06/02/06

THAT apologies for absence from Cr R G Currie and for lateness from Cr R G Kempthorne be sustained.

CARRIED

1 CORPORATE SERVICES MANAGER'S REPORT – FEBRUARY 2006

1.1 Funding Requirements

Moved Crs King/Norriss
CN06/02/07

THAT the loans identified in the table to this resolution are to meet the costs of projects in the 2005/2006 Annual Plan previously adopted by Council.

i		The Council shall borrow the sum of two million, one hundred and forty seven thousand eight hundred and sixty six dollars (\$2,147,866) from Bank.
ii		The loan documentation shall comprise the following:
	a	Existing deed of charge entered into between Tasman District Council, Bank of New Zealand, National Bank of New Zealand, Westpac and ASB Bank Ltd.
	b	A letter of offer from Westpac.
iii		The Mayor and the Chief Executive are authorised to sign the loan documentation on behalf of the Council.

iv		The Chief Executive is authorised to sign a certificate, pursuant to S122ZG(3) of the Local Government Act 1974.	
v		The loan advance of \$2,147,866 shall be used to finance the following projects identified in Council's Annual Plans:	
		Capital Asset Fund All-weather Sealed Roads Takaka Treatment Plant Upgrade	\$ 350,000 532,350 <u>1,265,516</u> <u>2,147,866</u>
vi		The Council shall charge rates revenue as security for the loan and the performance of its obligations pursuant to the loan documentation.	
vii		The Council acknowledges that by charging rates revenue, the Council is deemed to have made a special rate of such amount each year, on the rateable value of every rateable property in the District, as is sufficient to provide in that year for the payment of its commitments in respect of the loan or loan documentation during that year plus 10% thereof until the loan is repaid or the obligations incurred under the loan documentation are fully performed.	
viii		The Council has considered the risks and benefits to the Council of the loan and loan documentation and of the security to be given in relation to the loan and loan documentation.	
ix		The Council is satisfied that the general terms and conditions of the loan and loan documentation and of the security to be given in relation to the loan and loan documentation are in accordance with the borrowing management policy adopted by the Council and, in particular, the limits and guidelines set out in that borrowing management policy.	
x		The Council delegates to the Chief Executive and the Corporate Services Manager the authority to further determine the precise terms and conditions of the loan, loan documentation and security, to be negotiated at the best current terms and conditions, such terms and conditions to be advised to the Council following the raising of the loan.	

CARRIED

1.2 Rural Property Numbering

The Lakes/Murchison Ward rural property numbering exercise will be undertaken during the first half of the 2006 calendar year.

**Moved Crs Bryant/Norriss
CN06/02/08**

THAT Rural Property Numbering be engaged to undertake a rural property numbering exercise in the Murchison/Lakes Ward, the exercise to commence in March 2006 and be completed by 30 June 2006.

CARRIED

1.3 Motueka Clock Tower Trust

Mr Kennedy advised that the Motueka Community Board had recommended that \$20,000 be paid off the Motueka Clock Tower Trust loan and \$7,000 per year from 2006/2007 be put towards the annual loan repayments and that these be allocated from the Motueka Reserve DILs account.

Cr Inglis suggested the Motueka Clock Tower Trust should be asked to give the clock tower to Council. He said the Trustees are struggling to meet the repayment costs.

**Moved Crs Wilkins/O'Shea
CN06/02/09**

THAT \$20,000 be paid off the Motueka Clock Tower Trust loan and \$7,000 be allocated annually from 2006/2007 towards loan repayments. These payments to be allocated from Motueka Reserve DILs.

CARRIED

1.4 Members Interest Register

Mr Ward asked Councillors to contact either the Chief Executive or himself if they had any questions regarding the Members Interest Register.

1.5 Website Update

Mr Ward advised the re-launch of the website will be held in March 2006.

**Moved Crs Higgins/Henry
CN06/02/10**

THAT the Corporate Services Manager's report be received.

CARRIED

2 TREASURY MANAGEMENT POLICY

Mr Ward spoke to the report contained in the agenda which reviewed the Council's Treasury Management Policy which will subsequently be included in the 2006 LTCCP.

Mr Dickinson advised that the amendments are being made to a Draft Treasury Management Policy which will be put out for community consultation.

**Moved Norriss/O'Regan
CN06/02/11**

**THAT the Treasury Management Policy, incorporating proposed amendments, be adopted for inclusion in Council's 2006 LTCCP.
CARRIED**

3 COMMUNITY OUTCOMES

A Subcommittee of Crs King, Henry and O'Shea considered community outcomes for inclusion in Council's 2006 LTCCP. The Subcommittee's recommendations were circulated prior to the meeting and the meeting debated the outcomes.

**Moved Crs O'Shea/King
CN06/02/12**

**THAT the report containing proposed community outcomes be adopted for inclusion in Council's 2006 draft LTCCP.
CARRIED**

4 SCHEDULE OF CHARGES

Cr Norriss raised questions about the proposed charges for dog registration and impounding.

Cr Borlase supported Cr Norriss. He suggested Government be lobbied to get the micro-chipping scrapped.

Mr Dickinson said as the law stands there is a national dog database and new dogs have to be micro-chipped.

Mr Bush-King said a portion of the \$30,000 increase is for the requirements of the new law and the rest is for dog registration costs that have not been transparent up until the present time.

Cr O'Regan asked for a report on the impact of charges on people who are irrigating and generating electricity.

**Moved Crs King/Borlase
CN06/02/13**

**THAT the Schedule of Charges, as amended, be adopted, effective from 1 July 2006
CARRIED**

5 POLICY REVIEW

Council reviewed and amended Volume II of Council's 2004 LTCCP (included with the agenda), prior to incorporation in Council's 2006 LTCCP.

Moved Crs King/O'Shea
CN06/02/14

THAT all policies attached to the Policy Review report be adopted for inclusion in Council's Draft 2006 LTCCP.
CARRIED

6 SIX MONTHLY REPORT – TO 31 DECEMBER 2005

Mr Dickinson noted Council could end up \$500,000 to \$600,000 over budget by year end in the refuse/recycling account.

Cr Norriss said Council always knew that recycling was not going to be cheap but it is what the community asked for. Council cannot continue with a \$500,000 deficit because of refuse.

Moved Crs Norriss/Borlase
CN06/02/15

THAT the Six Monthly Financial report to 31 December 2005 be received.
CARRIED

7 ACCOUNTS FOR PAYMENT – NOVEMBER AND DECEMBER 2005 AND JANUARY 2006

Moved Crs King/O'Shea
CN06/02/16

THAT the accounts for payment for November and December 2005 and January 2006 be approved.
CARRIED

8 COUNCILLOR INFORMATION

Moved Crs King/Borlase
CN06/02/17

THAT the Councillor information be received.
CARRIED

9 COUNCIL OPERATING BUDGET

Mr Ward advised that by the end of the meeting today, staff need a clear indication of numbers and projects to be included in the LTCCP. This rating impact is going into a draft document for consultation. Staff are proposing to impose a variation on the Dovedale water scheme to meet increased cost of capital and the other water schemes are proposed to increase also. A general rate increase of 4.5% is proposed. The main drivers are a loss of forestry revenue of \$200,000 with a further loss next year of \$200,000 being predicted. Inflationary increases of 2.8% are included. Wastewater pan charges are proposed to increase by \$45. Increases in the regional sewerage account for most of this increase and the affect of debt funding on new

projects from 2005/2006. Overall increase in water is 27.3%. Rivers will increase 11.9%. Stormwater increase is 12.0%. Refuse/Recycling is proposed to increase from \$55 to \$72. Community Facilities Rate is proposed to increase from \$43 to \$64.

Cr Kempthorne arrived at the meeting at 3.30 pm.

Cr Henry questioned making provision in the Community Facilities Rate for the Motorsports and Theatre Royal projects when they more than likely won't go ahead.

Cr King said there are three separate rates, ie district facilities rate, regional facilities rate and museum rate separately identified which is currently \$8.40 but it is now suggested it will include operational funding of the Provincial Museum and District Museums of \$15.00. It makes it very clear and transparent. The biggest queries about rating are from people who have big valuation increases who have asked Council to look at reducing the general rate.

Cr Norriss said if the Council decides it won't fund the Performing Arts Centre it should be excluded.

Cr Higgins said the Performing Arts Centre has been promoted by people with significant ability and backing in the community. He would like it left in for public submissions and to put it in year 2009. He questioned the Motueka Pool and suggested it should be moved out three years. Council was promised the Motorsports venue would not be a cost to Council.

Cr Borlase said there was a submission made by the Golden Bay Community Board that Council looks at collecting \$5 from all departing passengers from Nelson Airport, for funding such things as the Performing Arts Centre. He suggested canvassing it further.

Cr Norriss said Council is looking at a lease arrangement for the land for motorsports which would be paid for by the users, but there would be some capital cost.

Cr Kempthorne said netball at \$4.15 appears to be high compared to the community that it will benefit.

Mr Kennedy said Netball covers a stadium for all sports and will be used seven days per week.

Mr Dickinson said at the last workshop Council considered a 7.8% general rate proposal and staff undertook to examine further reductions. The 7.8% included 2.3% natural growth and this could come off. In addition, a further cut of \$100,000 from Environment and Planning budget, Richmond CBD project has been delayed one year and \$100,000 has been trimmed from the Customer Services budget. After these amendments the general rate proposed is now 4.3%.

Mayor Hurley said Council is looking at the general rate but it is the targeted rates which impact mostly on the general ratepayer. He said everyone wanted zero waste but Council cannot afford to continue losing money on that service.

Cr King was concerned that by cutting to the bare bones Council is lining itself up for big rate increases in a few years time. Roading and water have been cut which are things that will be needed and he supported the 4.5% general rate increase.

Cr Borlase is happy with 4.5%. He would like to see some pruning in targeted rates.

Cr Kempthorne agreed with 4.5%. Two areas in targeted areas going up the most are wastewater and water, but the work is essential. Refuse recycling is well supported, and Council needs to be careful with bag increases and costs at transfer stations.

Cr O'Regan said wastewater has significant upgrading needed because of growth and it is better to spend the money in that area than on policy planning.

Cr Inglis said Council needs to carry on with the basics of wastewater, water, roading, stormwater and the rest needs to be put on hold.

Cr Bryant said Councils have developed general and targeted rates and most people look at the total dollars on the bottom line. Recycling was a Council decision to aim at zero waste. Council needs to look at staffing and budgetary implications in the policy planning area.

Mayor Hurley said mandatory drinking water standards will impact early in the ten year plan and will create huge problems as a lot of Council's schemes may not comply. Clean Air Standards will also affect Council to some extent.

Cr Norriss is happy for this to go out as a draft where it is. He can't agree with cuts in utilities budgets as they are core services. There is a cost to refuse and he believes Council should get out of bag collection.

Mr Thomson said in terms of kerbside collection, funding from targeted rate is \$72 per property and bag sales at the current level is self funding. The things that require general rate input are the high costs of running the landfill and transfer stations.

Cr Kempthorne cautioned against slashing the policy planning budget without discussion and supports having a detailed look at the budgets.

Cr O'Regan preferred to adopt the draft and gave notice that if this resolution is lost he would move that between now and beginning of May 2006 Council receives reports relating to waste and recycling, resource policy budget and community facilities rate account.

Cr O'Shea said Council is also a regional council and environmental planning is also a core service for us.

Amendment

Moved Crs Higgins/Bryant
CN06/02/

THAT a 3.0% general rate increase be achieved by budget reductions of \$15,000 in the regional policy statement, reduction of \$150,000 in the Tasman Resource

Management Plan, reduction in Corporate Services of \$60,000 (ie Total Mobility \$10,000 and Community Assistance \$50,000) and Community Services by \$75,000.

Division

Borlase – against
Bryant – for
Henry – against
Higgins – for
Inglis – for
Hurley – for
Kempthorne – against

King – against
Norriss – against
O’Regan - against
Riley – for
O’Shea –against
Wilkins –for

Amendment Lost 7 to 6

Moved Crs Kempthorne/Borlase
CN06/02/

THAT a 4.5% general rate increase and targeted rates as agreed, be incorporated in the draft Funding Impact Statement for inclusion in the draft LTCCP.

Division

Borlase – for
Bryant – against
Henry – for
Higgins – against
Inglis – against
Hurley – against
Kempthorne – for

King – for
Norriss – for
O’Regan – for
Riley – against
O’Shea – abstained
Wilkins - against

Amendment Lost 6 to 6

Cr Higgins said a decision should be made today and he doesn’t believe further information will solve the problem.

Mr Ward said Council had a four day workshop in December 2005 covering all Departments, so staff will be asking what additional information can be provided. The opportunity was at that meeting for managers to be asked questions. The other thing Council needs to consider is that there is a statutory process in preparing and distributing agenda papers.

Mr Thomson said Engineering put forward budgets, but Council didn’t spend any time discussing its operations and maintenance, it focused on capital. Corporate Services doesn’t have a capital budget, and neither does Environment and Planning. Community Services capital comes from DILs.

Mayor Hurley said the issue isn’t the general rate, the problem is the real rate which on average is 15%.

Cr King agreed the general rate isn’t the issue. The way the process is structured, everyone has been involved in all budget discussions and had all the information.

Cr O'Regan supported staff's efforts but it has been difficult to go into this process in any detail. He considered more scrutiny was needed of department budgets.

**Moved Crs Kempthorne/O'Shea
CN06/02/18**

**THAT a 3.7% general rate increase and targeted rates as agreed for the 2006/2007 financial year, be incorporated in the draft Funding Impact Statement for inclusion in the draft LTCCP.
CARRIED**

The meeting concluded at 6.05 pm.

Date Confirmed:

Chair: