

MINUTES

Title: Special Council Meeting
Date: Thursday 2 March 2006
Time: 9.30 am
Venue: Moutere Hills Recreation Centre and Sports Complex

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

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), Accounting Manager (M W Staite), Transportation Manager (R Ashworth), Utilities Asset Manager (J C Cuthbertson), Development Manager (D Ley), Minute Secretary (V M Gribble)

APOLOGY

An apology for lateness was received from Cr E E Henry.

1 ELECTED MEMBERS REMUNERATION 2006/2007 AND RULES FOR EXPENSES AND ALLOWANCES POLICY

The report advised that the Remuneration Authority has provided figures for the new 2006/2007 remuneration pool. This is to come into effect as from 1 July 2006 and will be gazetted prior to that date.

Cr O'Shea asked if Council was required to accept the increase.

Cr King said it must be accepted and then you can give it back if you wish.

Moved Crs Kempthorne/King
CN06/03/01

THAT:

- a) Council use the Remuneration Model "G" formula to calculate the 2006/2007 salaries from the increased pool;
- b) Council re-confirm its Rules for Expenses and Allowances Policy as adopted 6 May 2004.

CARRIED

2 ASSET MANAGEMENT PLANS

Mr Ward said the asset management plans are to be passed as a draft companion document to the draft LTCCP.

Mr Thomson said the documents will be consistent with the ten year budgets that Council will adopt in the draft LTCCP.

Cr Higgins said Council has agreed on a draft budget for 2006/2007 but not subsequent years. He is concerned that the draft document has rate increases and cost increases that Council intends to have. He doesn't see we can justify general rate increases larger than 5% including growth per year.

Cr Henry arrived at the meeting at 9.55 am.

Mayor Hurley referred Council to second clause that noted the AMPs are based on existing levels of service, currently available information and the existing knowledge/judgement of the Council staff. It is unrealistic to cap the general rate increase at 5% for the next ten years. In each year the economic state and political implications and what is affordable needs to be considered. Once the AMPs goes out in draft form there needs to be compelling reasons to change them.

Cr King said AMPs Council is considering are Engineering, which largely reflect in separate charges, water, wastewater, refuse etc. He asked where the Community Services Asset Management Plan was. In discussions about future rates and years after year 3, we need to remember Council has issues relating to cashflow which over the last two years have gone from a healthy position to a fragile position.

Mayor Hurley said Council needs to be prudent and budget for an over-recovery rather than just a break-even in refuse/recycling.

Mr Ward said Community Services Asset Management Plans are still to be received and will be debated at another meeting. He said last year Council used cash reserves that we no longer have. Changes to an asset management plan are done through a consultative process.

Cr Inglis believes the Engineering budget is too tight and Council needs to look after its infrastructure. He said Council's refuse service is very good and compared to wheelie bin charges it is competitive.

Cr Kempthorne said increases in water, wastewater and stormwater are the ones that are unsustainable.

Mr Thomson said when the AMPs were reviewed, we built from the bottom up but have to accept the financial pressures imposed by Council from the top down. Each AMP includes an improvement process so when they are reviewed the level of knowledge and assumption and forecasting is improved. Council must meet its statutory obligations and services must be operated within Council policy and objectives. The community must be able to fund the level of service provided.

Cr O'Regan noted these plans are indicative of where Council at this point of time thinks we will go.

Mr Thomson said Council can redirect funding and attend to urgent issues. They are tactical plans.

Cr O'Regan said the law says we must have AMPs but the process is putting costs onto our ratepayers when we could deal with these things adequately year to year.

Mr Thomson accepted the audit requirement costs money but there is a benefit and reason behind it. It forces Council to recognise issues of depreciation. With AMPs we know when we need to replace infrastructure and can budget accordingly.

Cr Norriss agreed with Cr O'Regan and asked for some indication in the Engineering budget of what it is costing for AMPs. He is concerned at the TRMP with budgeted costs of \$1m over next ten years, that we spend time consulting and not doing.

Mr Thomson said Council is audited on AMPs and could receive a qualification from the Auditor General if they are not good enough.

Cr King commented on customer service satisfaction being 65% and considered it was low.

Mr Thomson said some are low and some go higher. We are trying to get it where there is an achievable performance measure which will be reviewed in three years time.

Cr King asked why managing budgets was within 10%, not within budget.

Mr Thomson said it seemed a reasonable target as it is normally difficult to achieve all capital projects and operational maintenance and bring it down to the last dollar.

Cr King commented on the accepted level of sewage overflows and considered they were high.

Mr Thomson said levels of service are based on history, experience and current knowledge. We could put in higher performance but it may not be a fair assessment.

Cr Henry asked if thought had been given to establishing a landfill in Golden Bay.

Mr Thomson said Engineering Committee has looked into landfill options in Golden Bay and it was concluded it wasn't cost effective and it was a better option to cart waste back to Eves Valley.

Cr Riley supported the AMPs and agreed maintenance is needed. He noted Council hasn't seen the maintenance costs yet.

Mr Thomson said capital budgets include renewal activity.

Cr Bryant supports the AMPs. He was concerned about comments under the significant negative effects about the possibility of recycling initiatives becoming unworkable if markets or uses for recovered materials are not found.

Cr Kempthorne considered some of the rivers/streams on Table 1 Classified Rivers Network should be Y class rather than X.

Cr Riley said Mangarakau Wharf should be added to the structures transferred to other parties.

**Moved Crs Norriss/O'Regan
CN06/03/02**

THAT Draft Activity Management Plans March 2006 for Aerodromes, Coastal Structures, Water Supply, Wastewater, Stormwater, Solid Waste, Rivers and Transportation be approved and adopted by Council as public documents, subject to all plans being updated to be consistent with the draft LTCCP 2006-2016.

CARRIED

3 DEVELOPMENT CONTRIBUTIONS

Mr Bush-King spoke to the report on Amendments to the Development Contributions Policy.

Discussion was held on the status of second dwellings and the calculation of development contributions and HUDs.

Mr Dickinson said when a discount is given on a DIL you are transferring the cost to the water or wastewater account.

Mr Bush-King said it is recommended that when you are connecting to a Council service you should pay a development contribution and it is to be included in the policy.

Mayor Hurley said when these development costs are applied to subdivisions in say, Tapawera or Murchison, they become uneconomic. There is a huge variation in the price of sections from area to area.

Cr Wilkins left the meeting at 11.45 am.

Mr Bush-King said while we could have specific catchment by catchment approach and identify the capital works programme, but it is not necessarily the case that development costs would be less.

Mr Staite said Council will experience additional costs with each new development and if development contributions are reduced Council will be shifting these costs onto other people.

Mr Bush-King said the demand per household unit has created problems for Engineering in that it does not reflect the true demand on Council's services and also is not clear in regard to non residential development. It is to be written in that there are no fractions, with 0.5 and above rounded up and under 0.5 rounded down.

Mr Ley said the pipe size into a building or property can give a good indication of the potential water use and therefore the commitment that Council will have to expend on infrastructure for supply to the development, ie drinking water only or full fire sprinkler flows.

Mr Ley proposed that two carparks on a commercial site equate to one roading HUD.

Cr O'Regan suggested that three carparks on a commercial site would be a more equitable HUD assessment.

Cr King said people want to see developers pay their share.

Mr Bush-King said the objective is to come up with a formula which will stop debate.

Mayor Hurley asked for an amended completed document to be put on the table before Council is asked to adopt it.

Mr Bush-King spoke to the proposed amendments in the Development Contributions Policy.

**Moved Crs O'Regan/King
CN06/03/03**

**THAT the proposed Development Contributions Policy, as amended, be adopted for inclusion in Council's 2006 draft LTCCP.
CARRIED**

4 URBAN DRAINAGE AREAS

Mr Cuthbertson spoke to the report which requested Council's approval to include the updated Urban Drainage Areas to be included in the LTCCP.

Cr Higgins said the issue of Pigeon Valley sewerage reticulation will be important within the next ten years.

Mr Thomson said if proposed development areas change then it is quite straightforward to amend the maps. A growth assessment has been done around Wakefield, and significant growth been allowed for in Wakefield.

The following maps had been circulated to Council:

Stormwater UDA	Wastewater UDA	Water Supply
Patons Rock	Brightwater	Takaka
Tapawera	Wakefield	Motueka
Tasman	Richmond/Hope	Murchison
Wakefield	Collingwood	Upper Takaka
Takaka	Ligar Bay/Tata Beach	Pohara
St Arnaud	Pohara	Kaiteriteri
Mapua/Ruby Bay	Takaka	Collingwood
Kaiteriteri	Upper Takaka	Riwaka
Richmond	Kaiteriteri	Tapawera
Murchison	Motueka	Richmond
Motueka	Mapua/Ruby Bay	Mapua/Ruby Bay
Pohara	Riwaka	Wakefield
Ligar Bay/Tata Beach	Tapawera	Brightwater
Collingwood	St Arnaud	
Brightwater	Murchison	

**Moved Crs Norriss/Borlase
CN06/03/04**

**THAT Council approve the inclusion of the Urban Drainage Area and Water Supply Rating Area maps into the Draft LTCCP.
CARRIED**

5 FUNDING IMPACT STATEMENT

Mr Ward noted some amendments to the Funding Impact Statement.

Cr Henry asked when the report on rating a targeted rate on a per dwelling basis would be available.

Cr Higgins asked about the Ruby Bay Stop Bank Rate.

Mr Thomson said very little, if any, money has been spent against the targeted rate collected to date, however currently we are negotiating a cost sharing arrangement to do protection work at the southern end of the Old Mill Walkway Reserve, then the need to investigate planning and feasibility of long term structure. A letter has been written to Mapua Residents Association. The total project is similar to that reported to full Council last year, with a total estimated cost of \$900,000.

Mayor Hurley said indications are that there is a realisation by those more directly affected that some greater contribution will be looked at.

Cr Wilkins returned to the meeting at 2.15 pm.

Page 1, Paragraph 2, last sentence, altered to read "Balance of Council activities are funded by general rate levied on a capital value basis".

Cr Norriss suggested the Kerbside Recycling Rate should be raised to \$75.

Mayor Hurley said he would prefer to have some over-recovery and agreed with Cr Norriss.

Mr Thomson said there is nothing being promoted in our service that will dramatically change the recycling volumes we collect. The cost of disposal going up will make recycling more popular but we're not looking at increasing transfer station charges or bag charges. The targeted rate applies to all rateable units and that has been an issue. Approximately 10% of targeted rate properties are empty sections.

Cr Borlase said if someone is on the route and there is no house on the property they shouldn't be paying.

Mr Dickinson said the budgets have been prepared on certain assumptions. One assumption is there is no change in policy on charging to all properties within the targeted area. If we were to change that policy a recycling rate of around \$81 would be needed.

**Moved Crs King/Henry
CN06/03/05**

THAT Council's draft Funding Impact Statement, as amended, be adopted for inclusion in the draft 2006 LTCCP.

CARRIED

Mr Dickinson advised there is no provision in Council's operating budgets for anything to do with Clean Air Regulations, or public transport subsidies. There is no provision for extra costs associated with Bird Flu, no provision for any payment to Economic Development Agency, or any general contingency provision. There is no change to the previous rating policy, eg UAGC, no change currently to the dwelling policy and no change to exemption for empty sections for recycling rate.

Mayor Hurley suggested considering a donation from the Mayoral Fund to the Peter Blake Foundation to help with costs for young people to attend the Youth Conference in Asia.

Cr Higgins said in many primary industries income is not increasing at the rate of inflation. He asked that the 2007/2008 rate increase be not higher than 5% and that it be included in this year's LTCCP.

Staff were requested to carry out the property rating comparison exercise.

The meeting concluded at 3.10 pm.

Date Confirmed:

Chair: