

MINUTES

TITLE: Special Council
DATE: Tuesday 20 June 2006
TIME: 9.30 am
VENUE: Tasman Council Chambers, 189 Queen Street, Richmond
PRESENT: Mayor J C Hurley, Crs T B King, T E Norriss, E J Wilkins, P K O'Shea, E M O'Regan, R G Currie, S G Bryant, J L Inglis, E E Henry, M J Higgins
IN ATTENDANCE: Chief Executive (R G Dickinson), Corporate Services Manager (D G Ward), Environment and Planning Manager (D C Bush-King), Community Services Manager (L L Kennedy), Minute Secretary (V M Gribble)

APOLOGIES

Moved Crs Henry/Wilkins
CN06/06/26

THAT apologies for absence from Crs R G Kempthorne, S J Borlase and N Riley be sustained.
CARRIED

1 MINUTES

1.1 Special Council – 2 June 2006

Cr O'Shea advised that she had noted some spelling errors in the minutes

Moved Crs O'Shea/O'Regan
CN06/06/27

THAT the minutes of the Special Council of 2 June 2006, as amended, containing resolution number CN06/06/18 be confirmed as a true and complete record of the proceedings of that meeting.
CARRIED

1.2 Special Council – 6 June 2006

Moved Crs O'Regan/Henry
CN06/06/28

THAT the minutes of the Special Council of 6 June 2006, containing resolution number CN06/06/19 be confirmed as a true and complete record of the proceedings of that meeting.
CARRIED

1.3 Special Council – 7 June 2006

**Moved Crs Henry/O'Regan
CN06/06/29**

**THAT the minutes of the Special Council of 7 June 2006, containing resolution numbers CN06/06/20 and CN06/06/21 be confirmed as a true and complete record of the proceedings of that meeting.
CARRIED**

1.4 Special Council – 9 June 2006

**Moved Crs Henry/O'Regan
CN06/06/30**

**THAT the minutes of the Special Council of 9 June 2006, containing resolution number CN06/06/22 be confirmed as a true and complete record of the proceedings of that meeting.
CARRIED**

1.5 Special Council – 12 June 2006

**Moved Crs Bryant/Inglis
CN06/06/31**

**THAT the minutes of the Special Council of 12 June 2006, containing resolution number CN06/06/23 be confirmed as a true and complete record of the proceedings of that meeting.
CARRIED**

2 CONSIDERATION OF SUBMISSION ISSUES

2.1 Civil Defence Funding Request

Mr Ward advised that the request for additional funding for Civil Defence had been withdrawn.

**Moved Crs Norriss/Currie
CN06/06/32**

**THAT Council acknowledges the withdrawal of submission number 317 to its draft LTCCP.
CARRIED**

2.2 Awaroa Inlet

Cr Norriss said Council heard a submission from Mr Franks saying there had been a high property value sale that had pushed values in Awaroa up, but that sale took

place after the revaluation. He said there are a lot of baches and they've been included in valuation of coastal properties.

Mr Dickinson supports the recommendation in not accepting a special rating area for Awaroa. Mr Franks made a professional submission which must be given careful consideration. Mr Dickinson noted this matter could be considered as part of the debate on the UAGC.

Cr Higgins was uncertain whether a change in UAGC will benefit all residents in Awaroa.

**Moved Crs Norriss/Wilkins
CN06/06/33**

**That the Funding Impact Statement not include a differential for properties at Awaroa Inlet, but that the impact of issues raised in relevant submissions be considered during discussion on the UAGC.
CARRIED**

2.3 Events Strategy Funding

Council received submissions that identified a sum of up to \$400,000 for funding an Events Strategy for the Nelson/Tasman Region.

**Moved Crs King/Henry
CN06/06/34**

**THAT the request for allocation of funds towards an Events Strategy for the Nelson/Tasman Region, be declined.
CARRIED**

2.4 Takaka Library

The view of the workshop was that Council needs to retain this project in its final LTCCP, albeit acknowledging that there is still further work to be undertaken acknowledging the options of a new facility/new location versus extension of the existing facility.

Mr Kennedy said to extend the building would cost between \$400,000 and \$500,000.

Mr Dickinson said the recommendation is that Council keep the same funding already in the LTCCP. He suggested on pages 148 and 197 of LTCCP where it talks about major activities 2006/2007, and add to the bullet point saying complete concept and build a new building “/extend existing library in Takaka”.

Cr Higgins said some submitters wanted it deleted altogether and that should be considered as an option.

Mayor Hurley was particularly interested to see that report. He said the majority of submitters wanted a new library, clearly on the understanding that the existing library couldn't be altered.

Cr Higgins asked whether this project is a possibility to be deleted from this year's budget and reconsidered in three years time.

Cr Henry is happy to see the wording altered so we leave the option open for either building a new library or extending it. There is insufficient room in the main library, and staff work rooms are cramped.

Cr King said Takaka Library should be put back three years. We need to make a decision now in the knowledge that Council's indebtedness was the biggest single factor that came through submissions.

Mr Dickinson said the proposed recommendation puts a library construction of some sort in a three year window in two places of the plan.

Mr Kennedy said \$750,000 would be allocated and if the building didn't start until after Christmas there'd be no costs until next financial year. If we put it out three years we're going to have to do something with the staff area.

Cr Inglis said at the end of the day we have to find the money to pay for it. We should be making the hard decisions now. He said it should be put back three years.

Cr O'Shea believed the Golden Bay Community Board contribution was for particular aspects of a new building. She believes these are facilities that DILs should be paying for as growth is putting the pressure on them.

Cr King said another option is to look at other items ie Richmond library and perhaps the opportunity exists to swap the two projects.

Mayor Hurley said \$750,000 has been committed to remain, but the resolution leaves open the option to extend the existing or build new.

Cr Higgins preferred to delay the project for three years and understands fully the implications of it. He accepts that staff quarters are cramped, but would like to weigh this project against other projects later in the day.

Mr Kennedy said we don't know if we can extend the library and if we can we don't know if it can be done for that price. The Golden Bay Community Board may not give the \$120,000 if the existing library is extended.

**Moved Crs Norriss/Inglis
CN06/06/35**

**THAT a budget of \$500,000 be allowed in the LTCCP for either extension of existing Takaka Library or construction of a new library.
CARRIED**

2.5 Development Impact Requests

Community Services considered and adopted a number of variations to the LTCCP, all of which were identified through the LTCCP submission process.

**Moved Crs O'Regan/O'Shea
CN06/06/36**

**THAT Council accepts the recommendations to the variations to the LTCCP for development impact levy requests.
CARRIED**

2.6 Dog Registration Fees

Mr Bush-King said Council shouldn't make provision for the National Dog Database in this year's LTCCP. Council probably won't have to pay until 30 June 2007 and that gives it time to see what happens.

**Moved Crs Norriss/Currie
CN06/06/37**

**THAT the dog fees identified in the schedule of charges in Volume 2 of the LTCCP be retained.
CARRIED**

2.7 Kaiteriteri Road

Cr Norriss said the works are for minor corner works on the present road, not picking up the report on the new Kaiteriteri Road.

Mr Ashworth said the work Cr Norriss is referring to is done under the minor safety budget. Provided we can maintain our current maintenance budget we will do it next year. He understood from the discussion we need to look at a shorter section of Kaiteriteri Road.

Cr Norriss said Council debated selling land but we couldn't sell it until the new road alignment was done.

Mr Ward said Council received submissions and each one requested Council to bring the upgrading of Kaiteriteri back inside the ten year window.

Mr Ashworth said the costings in 1998 were between \$2.5 million and \$3 million to upgrade the road.

**Moved Crs Bryant/O'Regan
CN06/06/38**

**THAT the submissions on the Kaiteriteri Road be received.
CARRIED**

2.8 Bridge Valley and Gibbs Valley Road Works

Cr Higgins said the important part of the road is Bridge Valley Road end of seal to Bridge Valley Ranch. If we run out of money, he would be happy to delete the rest of Bridge Valley and Gibbs Valley.

**Moved Crs Higgins/Norriss
CN06/06/39**

**That the scheduled timetabling of Bridge Valley and Gibbs Valley road sealing works be swapped.
CARRIED**

2.9 Proposed Motueka Channel

Mr Ward said funding sources were questioned, as to whether it was being provided by port users or Port Motueka Endowment Fund.

Cr Higgins said the Port Endowment Fund could be used to pay off the groyne debt.

Cr Norriss said there is a commitment from users and Talleys to upgrade the training wall.

Mr Thomson said at the most recent discussions held with the port users group there was discussion on the need for dredging as well and that's the substantial amount shown in the plan and not just upgrading the training wall. He said we haven't any submissions in support of dredging works from users. Discussions with users have indicated that the consent is to allow them to do works in the channel.

**Moved Crs Higgins/King
CN06/06/40**

**THAT the \$1,086,400 budgeted for dredging at Port Motueka in year 2009/10 be deleted from proposed major capital projects.
CARRIED**

2.10 Sealing of Wharariki Road

**Moved Crs Norriss/King
CN06/06/41**

**THAT proposed works on Wharariki Road be removed from the final LTCCP.
CARRIED**

2.11 Development Contribution Policy Wording

Mr Bush-King advised wording amendments to the Development Contribution Policy to be included in the final LTCCP.

Cr O'Regan said one submission was to protect the fact that development contributions commenced on 1 July 2004. He believes it is covered under item 1.6 which refers to the fact that Council will not take both development contributions and financial contributions under RMA for the same purpose. The second point relates to the ability to offset work done against development contributions.

**Moved Crs King/O'Regan
CN06/06/42**

**THAT the wording changes to the Development Contribution Policy as outlined in Version 20/6/06, as amended, be adopted.
CARRIED**

2.12 Development Contribution Levies

A staff submission identified a required variation to the published proposed development contributions per HUD.

Cr O'Regan said two major subdivisions in rural 3 have been put on hold, with two likely to proceed. The level of development contribution that is coming into Council in that zone is currently very limited.

Cr King said while cost of subdivision comes into it, that's not the determining factor as to whether or not subdivisions go ahead.

Mr Dickinson said the recommendation is correcting an error. Cr O'Regan has sounded a note of caution on the possible impact of DILs on future development and that would be noted.

**Moved Crs King/Bryant
CN06/06/43**

**THAT the district-wide development contribution levies for the 2006 – 2016 LTCCP read: Roading \$1,554, Stormwater \$1,561, Water \$3,065, Wastewater \$6,087.
CARRIED**

2.13 Refuse Rate/Bag Charge Variation

Cr Henry said this activity should be "waste management" rather than "refuse".

Mr Thomson suggested it would be better referred to as "solid waste".

**Moved Crs O'Regan/Inglis
CN06/06/44**

**THAT the rubbish bag charge identified in Council's schedule of charges for the 2006/2007 financial year be increased to \$1.20 per bag, including GST.
CARRIED**

2.14 Wai-iti Dam Targeted Rate Variation

The Funding Impact Statement that will be adopted today includes a proposed variation of the Wai-iti Dam target rate to \$280 per hectare for the 2006/2007 year.

An option for people to pay a lump sum contribution will be available.

Cr King said we would need to have capital and operations and management costs separated out.

Cr Higgins is of the opinion that before the dam is paid off we'll be talking about the next one. The cost of water will be ongoing with one project followed by another and would like to move it towards a cashflow issue rather than capital payment.

Mr Thomson referred to the submission from Wai-iti Water Augmentation Committee and they were clear they want to keep the rate down to around \$280. There are one or two who would like to pay a lump sum but that wasn't part of the submission from the Committee. Whilst having two rates is something that could be put forward we need to leave that to go through the process next year. There will be a new Wai-iti User Committee formed shortly. We don't have the two rates advertised through the consultation process. The Committee's concern is that irrigators have had a lot of capital cost and the first request is to have it set at \$280 per ha.

2.15 Carlyon Road Sealing Proposal

The Funding Impact statement that will be adopted today excludes the proposed Carlyon Road resealing rate that was included in the draft LTCCP.

2.16 Animal Health Board Funding Request

Mr Bush-King said Nelson City Council has increased their pest management contributions that they pay us by \$30,000 per year. The issue is do we apply that to help increase our local share to the Animal Health Board. If we don't do that, the only way we can meet the \$107,000 is cutting elsewhere or increasing general rate. No allowance has been made for contingency in pest management and \$10,000 could be kept back for contingency and \$20,000 put to the Animal Health Board budget increase.

Cr Norriss supported it, but asked for it to be left until the end of the debate for a decision.

2.17 Torrent Bay Funding Request

Mr Ward advised that \$10,000 per annum has been provided to assist with funding of capital and maintenance projects at Torrent Bay. The Ratepayers Association has requested \$20,000 per annum to undertake identified projects.

Cr Norriss said the \$10,000 was agreed to for the foreshore and issues like that. If it is increased to \$20,000 we need to see what projects they want to do and noted they want to upgrade the jetty.

Cr Inglis agreed with \$20,000 and said the jetty needs replacing. If they're going to do the work it's a good investment for the Council.

Cr Higgins said if the works are on reserves, they should be paid for out of DILs and is concerned about it coming from general rate.

Mr Kennedy said some funding from District wide DILs funding could be used.

Cr Henry said the cost to upgrade the jetty is \$70,000 and they want another \$30,000 for an upgraded water supply. They want \$20,000 per annum to pay it off, then want Council to grant an interest-free loan of \$100,000.

Mr Dickinson suggested a \$10,000 contribution from general rate be retained and further investigation of DILs funding be reported to Community Services.

Cr Norriss noted this community receives few services from Council. The water supply at Torrent Bay is not council owned it was put in by the community. It needs upgrading for fire protection.

**Moved Crs Norriss/Inglis
CN06/06/45**

THAT \$10,000 per annum contribution from general rate be retained for Torrent Bay in the LTCCP and further investigation of DILs funding be referred to Community Services.

CARRIED

2.18 Iwi Submissions

Iwi submissions were noted and can be provided for with the existing Iwi Liaison budget.

2.19 Tasman Bays Heritage Trust

Cr O'Shea asked that the wording be amended on page 11 of the LTCCP to make it clear what amount went to District Museums.

2.20 Manoy St/Talbot St

Mr Thomson said LTCCP funding is for the investigation and preliminary design only.

2.21 Coastal Pipeline

Submissions have been noted and we will be expanding wording in the LTCCP as a result.

2.22 Queen Street Landscaping

A submission raised the issue of inconsistency in the draft LTCCP concerning the Queen Street landscaping.

Mr Thomson said there is conflicting information on page 85 where it is shown in years 1 and 2, but in actual fact funding has been prepared and based on years 2 and 3. In order to fit in with funding, the project should be occurring years 2 and 3.

**Moved Crs King/O'Regan
CN06/06/46**

**THAT the Queen Street Landscaping project be moved into years 2 and 3.
CARRIED**

2.23 Pan Charge Increase Impact

A & P Association submission raised the issue of the impact of pan charge increases. It was suggested in the LTCCP we indicate an intention to review the existing bulk discount formula.

Cr King said someone has to pick up the difference and if Council is serious about addressing anomalies, the whole management of wastewater structure should be reviewed.

2.24 Recognition of Public Transport

Mr Dickinson said there were a number of submissions wanting recognition of public transport. He suggested we add more wording to say that public transport is an issue that we need to reconsider within the ten year timeframe.

Cr King said a lot commented on the cost of energy, oil etc and impact over ten years and that could be incorporated in some better wording.

Cr Bryant noted that public transport is being considered as part of the Corridor Study.

Cr Higgins raised caution over the issue. He said Council has been told by enthusiasts that we need public transport, but the market will deliver public transport very quickly when the need arises.

Cr O'Regan said some submissions asked Council to form a working group on energy and public transport. It should be noted that it is not part of Council's brief to spend money in that area.

2.25 Fortnightly Recycling

Mr Dickinson said we had a number of submissions suggesting recycling be on a fortnightly basis and Street Smart said they didn't believe there would be significant cost savings.

Cr King asked that it be referred back to Engineering Services. Comments by Street Smart were relevant, but there may be an opportunity to reassess rural collection versus urban collection.

2.26 Community Outcomes Booklet

Cr King said there was a suggestion that we have a separate book with community outcomes.

Cr Henry said it is a good idea but it should have been done prior to where we are now.

2.27 Tourism Nelson Tasman Ltd – Tourism levy

Mr Ward suggested the Company be advised that Council wishes to reintroduce discussion on a levy scenario and it will be signalled in the final LTCCP.

Cr Norriss said the funding of Tourism Nelson Tasman Ltd was originally for a short specific period to get them up and running. The issues raised are relevant. Some tourist operators make a direct contribution to Tourism Nelson Tasman Ltd, but a lot of others benefit from the generic advertising of the region and should make a contribution.

Cr Higgins said the funding was intended to be ongoing. The purpose was to establish the company and allow it to grow by self-funding. The percentage Council is now paying is significantly less. The reality is, is that it is difficult for them to target their users. In terms of public good, tourism permeates a lot of the population and there's a good case to sustain their funding.

2.28 Fire Fighting

Mr Ward said the submissions include rural fire fighting and firewells.

Cr King said words along the line that Fire Service restructuring could impact on the role we play in rural fire fighting should be included in the final LTCCP.

Mayor Hurley said we received submissions about the adequacy of firewells.

Cr O'Regan said in reply to NZ Fire Service it should be noted that the system in Murchison is being upgraded and the driving force of that is to upgrade the fire fighting capacity at the south end of the town.

2.29 Submission 383 - Motueka Airport

It was advised that the change noted in the Airport Manager's submission on Motueka Airport will be actioned in the final LTCCP.

2.30 Submission 325 – Cultural Centre, Grace Church

Cr Higgins said there seems to be support for involvement with the project. Grace Church requested it be brought forward one year, to allow certainty for them to go ahead with planning. This will be dealt with under Facilities Rate discussions.

2.31 Submission 14 – B Perriam

This submitter asked that Council take over Tukurua Road.

Mr Ashworth said it is a private right of way, with about 20 users. Public meetings have been held where there has been no agreement among them.

2.32 Submission 491 – M Eggers

Mr Eggers questioned whether Central Road needs to be sealed.

2.33 Submission 436 – A K Warren

Mr Warren questions why they should pay the urban drainage rate when they don't have urban drainage or footpaths. He has asked if Tahi Street could be rated as rural drainage rate.

Mr Dickinson said there is a process to go through to alter an urban drainage area.

Cr Higgins said we should consider that option in the process.

Cr Norriss said this issue has been raised before. While they don't receive direct service it would be hard to say they don't receive a benefit from wider stormwater works in Mapua which prevents more water ending up there. There are a number of areas that don't have stormwater but they are still in the area and charged.

Cr Higgins said he raised it because Tahi Street pays high rates, doesn't have or want footpath or stormwater and suggested it be left as it is but taken out of the urban drainage area.

Moved Crs Higgins/Norriss CN06/06/47

**THAT the matter of urban drainage rate in Tahi Street be readdressed by the Engineering Services Committee.
CARRIED**

Cr Henry said there were several submissions regarding Newline and asked that a report be presented to the Information and Publicity Subcommittee to address these issues.

Mr Ward said he identifies submissions for each of the four committees and at the next respective committee meetings they will be considering each of the issues not already discussed.

2.34 Submission 545 - Mapua UDA

Mr Dickinson said submission 545 which concerned the Mapua wastewater urban drainage area suggested that Area "A" be included and Area "B" be excluded. Area "B" is currently zoned rural and has about five houses on it which are connected

through a small pipe across the road to the Mapua sewerage scheme. The question was asked would that pipe at some future date be big enough to accommodate residential rezoning. The answer is “no” you’d have to build a new trunk line. The staff recommendation remains that Area “B” should be excluded from the wastewater UDA.

Cr Higgins confirmed his concern that if we don’t allow for urban subdivision now, then the pipe sizes downstream won’t be adequate. The agenda for the next Resource Policy Committee includes a recommendation that reconsideration is given to the Mapua Study. There’s a recommendation which will tie in with the submission to the LTCCP if we decide to adopt it. He is inclined to accept the submission and have it removed.

Cr O’Regan said there are other parts of the district that include parts of the rural zone in the UDA.

Mr Thomson said Council has made decisions about servicing the land in Seaton Valley and to delete the UDA is consistent with all decisions made to date.

**Moved Crs King/Norriss
CN06/06/48**

**THAT area “A” be included in the Mapua UDA and area “B” be excluded.
CARRIED**

2.35 UAGC

Mr Dickinson said there were a number of submissions concerning the UAGC. A paper was tabled showing the effect of increasing the UAGC.

Mayor Hurley said an increased UAGC has a major impact on high valuation properties.

Cr King said we have a rating system based on the Local Government Act and there are things in the Act that can be interpreted in a number of ways. A number of submissions commented on rates increases. The impact becomes more obvious the higher you increase it. He said it should be \$180 or higher.

Cr O’Shea said the other thing to look at is the severe impact on some people compared to the relative saving to some other people. She sees severe inequalities.

Cr Norriss said people who live in residential areas have got Council services more easily available to those in rural properties. He wants the UAGC increased on a staged increase.

Mr Dickinson said if the UAGC is increased at all, it has some effect on the lower value properties.

Mayor Hurley said we've been out with the LTCCP and submissions have been received about shifting the UAGC. He said we should be looking out three years and suggested going \$10 or \$20 for the next three years.

Cr Higgins concurred with Mayor Hurley.

Mr Ward said the wording would reflect the UAGC go to \$180 with proposed increases of \$20 for 2007/2008 and 2008/2009.

Cr Bryant said there were a lot of submissions asking that UAGC be increased.

Cr O'Regan said people at the lower end of the valuation are disadvantaged and UAGC increases benefit the higher valuations.

**Moved Crs Higgins/Currie
CN06/06/49**

THAT the Uniform Annual General Charge be increased by \$20 in 2006/2007, and a further proposed \$20 for the subsequent two years, ie 2007/2008 and 2008/2009.

CARRIED

2.36 General Rate

Mr Thomson said Council is familiar with issues reported through Engineering, with the effect of recent oil price increases on the roading budget. For the current year we're having to accommodate these increases. If the budget next year isn't increased, funding in the draft LTCCP for road maintenance, reseals, pavement maintenance and reconstruction will be eroded. Over and above what is in the draft LTCCP we'll need another \$800,000, approximately \$400,000 being Tasman District Council share. There are other options for Council to look at.

Mayor Hurley said resealing is the area that Council can't sustain. We can't afford to continue loan funding maintenance.

Mr Ashworth said Council also needs to consider repayment of the disaster fund. In effect we've got \$800,000 plus an additional \$153,000 for the disaster fund.

Mayor Hurley said the disaster fund could be repaid over time.

Mr Thomson said the three major roading contracts involve pricing of pavement reconstruction works and resealing works. They have about three years to run. The figures given have been reviewed carefully. If the dollar moves lower it may be wrong and there may be greater effect than \$800,000.

Mr Ashworth said the detail in the draft LTCCP is the same budget as presented to Council. What we're saying is that 10% of the budget will now be taken up with oil cost increases. If we don't do reseals and area wide pavement treatments there will be deferred maintenance which will raise issues further down the track.

Cr Inglis said we've got to do maintenance and we can't loan fund it. \$100,000 should be taken off other departments to pay for the fuel.

Cr King said all submitters who were asked agreed we should maintain our assets. Maintenance is the one area that should be last in terms of being cut. We have to maintain the maintenance budget and maybe other areas of expenditure need to be addressed.

Cr Norriss said we shouldn't be loan funding our basic maintenance programme. The \$800,000 is only estimated and could be worse.

Mr Dickinson said \$400,000 could be made up by Engineering finding \$200,000, Environment and Planning, \$100,000, Community and Corporate Services \$50,000 each. The Disaster Fund repayment could be paid back gradually. The obvious other area where fuel would hit would be in Community Services on mowing and reserves maintenance.

Mr Kennedy said we've renegotiated contracts and there was probably some allowance for these increased fuel prices.

Cr Inglis said he wanted to see the \$400,000 spread over all departments. He said maintenance has to be carried out on our infrastructure.

Cr O'Shea said there are more ways to save general rate than by reducing maintenance. Every capital project we undertake then incurs an ongoing cost.

Cr Higgins said the disaster fund repayment should remain in. Council conceded to pay for Wainui Hill out of the disaster fund on the condition it was repaid.

Mr Bush-King said he would like to keep \$10,000 from Nelson City Council for contingency in the Pest Management budget.

Cr O'Regan said there are more things than possums to be dealt with. There are serious issues in facets of primary production that we need to keep \$10,000 for. He believed we can allocate \$20,000 extra to AHB and keep \$10,000 for contingency for other biosecurity issues.

Cr Bryant said Tasman District is a critical area fringing on Kahurangi National Park.

Cr King suggested we fund half of \$400,000 from Engineering and the other half by raising rates by 0.9%.

Cr Currie said it's all very well to put the general rate up. He said a person living alone on superannuation is getting \$12,000 and in Richmond they could be paying \$2,000 in rates.

Cr Henry was keen to see the disaster fund repaid but if we wanted to lessen the impact we could spread it over two years.

Cr Higgins asked the implications of a reseal cycle of 10 to 15 years (with an average of 12) and a 20 year loan programme. The implications of not repaying loans in 12 years is severe.

Mr Dickinson said the question about whether it is a good idea to fund resealing with loans is unanswered.

Mr Thomson said if we wanted to change reseals and not loan fund, you'll need to find another \$500,000.

**Moved Crs King/Henry
CN06/06/50**

**THAT the general rate increase for the 2006/2007 year be 4.8% (excluding growth).
CARRIED**

Cr O'Regan asked for a report early in the next financial year on implications of loan funding and the possibility of extending the rate resealing programme.

Mr Thomson said the staff recommendation is that money shouldn't be taken out of roading maintenance and suggested capital works should be deleted.

Cr Higgins said he is not willing to concede 88 Valley as a cost cutting option. He said when Council built the Kainui Dam promises were made that the road would be sealed and the top part of the road has to be done.

2.37 Community Facilities rate

Mr Ward said the \$500,000 cost share for the Cultural Centre, has an impact on the District Facilities rate of \$2.30 pa impacting from 1 July 2009. There is a suggestion that it be brought forward one year to 1 July 2008.

Cr Higgins said a Cultural Centre will be good for Richmond and bringing it forward one year helps it to happen by saying we'll go in conjunction with the people building it.

**Moved Crs Higgins/Norriss
CN06/06/51**

**THAT the Cultural Centre contribution of \$500,000 be advanced by one year and be available in 2008/2009 year to be funded by the District Facilities Rate.
CARRIED**

2.38 Trafalgar Park

The impact on the Regional Facilities Rate based on \$720,000 would be \$3.20 pa from 1 July 2007. The issue is the retention of the project and proposed funding level within Council's final LTCCP.

Cr Higgins said all the significant projects have been considered by the Regional Forum. The Suter and Theatre Royal are both on hold, whereas this project is ready to go.

Cr Inglis said the money should be put towards a grandstand that can be moved.

Cr Norriss said he would vote against the resolution. He said the reason Trafalgar Park is in the position it is, is that the owners have not spent money on it for 30 years. He asked if Nelson City Council charge the Union a lease to use Trafalgar Park.

Mr Kennedy said the new Tasman Rugby Union has requested the money and they are putting up \$1 million themselves.

Mayor Hurley said the presentation mentioned withdrawing from the consent the question of lights. If the project is to be reduced the sum we're asked for should also be reduced.

Cr King agreed with Mayor Hurley. The reason for the delay in lights is the perceived issues with consents.

Mr Dickinson suggested adding the words "up to" \$720,000 to allow for pro-rata reductions if the lights were omitted from the project.

**Moved Crs King/Higgins
CN06/06/52**

THAT subject to the necessary resource consents being obtained by Tasman Rugby Union and confirmation of funding from other parties, Tasman District Council agrees to fund a contribution of up to \$720,000 from the Regional Facilities Rate.

CARRIED

2.39 Nelson Performing Arts Centre

Cr O'Regan said the total level of borrowing showing in the LTCCP is virtually unobtainable and said the Nelson Performing Arts Centre should be deferred beyond the ten years.

Mr Kennedy said the Performing Arts Working Party is employing a project manager to revisit the project. He suggested leaving it within the ten years.

Cr Higgins said the city is budgeting to spend quite a bit promoting the project and working towards achieving it. If this Council is of a mind that this project will exceed what it is willing to be part of, should we be signalling it.

Mayor Hurley said we are signalling that. If something else happens we can relook at it.

Cr King said we should advise the working party that the project in its current form is not supported.

**Moved Crs Norriss/O'Regan
CN06/06/53**

**THAT support for the Nelson Performing Arts Centre be deferred beyond the ten year period covered by the LTCCP.
CARRIED**

2.40 Engineering Budget Cuts

Mr Thomson tabled a list of projects to be considered for deleting from the Engineering programme.

Mr Thomson said Motueka saltwater baths carpark was deferred from last year but could be deferred again and it is a low priority project.

Hart Road reconstruction, something that needs to be done, but could be deferred a year as a non subsidised project.

Low traffic road seal extension, small amount in terms of savings, annual loan funded budget and could defer one year.

Central Road, year one of three year programme and would be a significant saving. It is rate funded but only at 41% because 59% comes from Transit

Swamp Road, Riwaka, is a priority that could wait another year.

Cycle way projects, with the highest being Staples Street, a link between Motueka River Bridge and township, followed by Lodder Lane and then King Edward Street which is the section between High Street and Queen Victoria Street.

Mayor Hurley said saltwater baths carpark is a high priority, Hart Road only gives a small saving, low traffic sealing should stay in the budget, Central Road should be deleted, no need for King Edward Street and Staples Street should stay in.

Cr Norriss said saltwater baths car park, Central Road extension and Staples Street cycleway should all remain, with the rest deferred. That makes savings of \$205,000.

**Moved Crs O'Regan/Henry
CN06/06/54**

**THAT Hart Road project be set back one year to 2007/2008.
CARRIED**

**Moved Cr O'Shea/Mayor Hurley
CN06/06/55**

**THAT King Edward Street cycleway be deferred to year 2009/2010.
CARRIED**

**Moved Cr Norriss/Inglis
CN06/06/56**

**THAT Swamp Road reconstruction be moved to 2007/2008.
CARRIED**

**Moved Crs Norriss/Inglis
CN06/06/57**

**THAT Lodder Lane cycleway be moved to 2007/2008.
CARRIED**

Cr O'Regan suggested that Theatre Royal and Suter funding be moved out to 2008/2009.

Cr Henry said with the idea that Nelson City Council might be interested in making the Suter a Council Controlled Organisation, the building has been put on hold and a the earliest a decision would be made would be 1 July 2008. Once governance has been resolved they will want to move quickly.

Cr Higgins is concerned about the Theatre Royal project and would be happy to delete it because it hasn't proceeded and let it come forward on its merits again.

Mr Kennedy said we have made a commitment for funds and it would be unwise to delete it.

**Moved Crs O'Regan/Henry
CN06/06/58**

**THAT Suter contribution be moved out to 2008/2009.
CARRIED**

2.41 Funding Impact Statement

Cr O'Regan said within the recycling rate there is a contract for over \$70,000 to Waste Education Services that is an imposition on our ratepayers at this point of time. We were told the rate would be \$72, then it was raised to \$100.

Cr Norriss concurred with Cr O'Regan, but said Engineering Services have awarded the contract to be reviewed on an annual basis.

Cr King said a lot of submissions received were on genetic engineering and asked if it would be advisable to put some wording in the LTCCP, acknowledging the issue around liability, and acknowledging that it is essentially a government issue. Staff agreed to make an appropriate amendment to the LTCCP.

Cr O'Shea said there a number of text items that need to be addressed.

Moved Crs King/Norriss
CN06/06/59

THAT:

- a) the Funding Impact Statement, as amended, for 2006/2007 be adopted by Council for inclusion in the LTCCP.
- b) Council adopt its final LTCCP, as amended, for audit for 2006 – 2016.

CARRIED

3 FUNDING REQUIREMENTS

Funds are required for the following projects identified in Council's 2005/2006 Annual Plan for which works have either been recently commenced or have been completed.

Moved Crs Henry/Inglis
CN06/06/60

THAT:

i)	The Council shall borrow the sum of Three million one hundred and thirty two thousand three hundred and eighty four dollars (\$3,132,384) 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 dollars shall be used to finance the following projects identified in Council's Annual Plans:	
		\$
	All Weather Pavement Treatment	235,000
	Road Purchase – Cnr Queen/Gladstone Road	500,000
	District Kerb and Channel	54,000
	Seal Extension Pinehill Road	95,000
	Stormwater Motueka	276,958
	Stormwater Brightwater, Jefferies, Pitfure and Rintoul Streams	546,898
	Water Murchison	130,528
	Water Richmond New Mains/Telemetry	162,000
	Best Island land	315,000
	Sportspark Motueka	140,000
	Motueka Recreation Centre Roof	150,000
	Saxton Field Development	<u>527,000</u>
		3,132,384

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

The meeting concluded at 4.55 pm.

Chair:

Date: