

MINUTES

TITLE: Corporate Services Committee
DATE: Thursday 3 September 2009
TIME: 9.30 am
VENUE: Tasman Council Chambers, 189 Queen Street, Richmond.
PRESENT: Cr T B King (Chair), Mayor R G Kempthorne, Crs T E Norriss, M J Higgins, E J Wilkins, J L Inglis, R G Currie, S G Bryant, J L Edgar, B W Ensor, B F Dowler
IN ATTENDANCE: Corporate Services Manager (M Staite), Information Services Manager (P Darlington), Accounting Manager (R Holden) Financial Accountant (B Grammer), Administration Assistant (J A Proctor)

APOLOGIES

Moved Crs Edgar/Wilkins
FN09/09/01

THAT apologies from Crs S J Borlase, G A Glover and N Riley be received.
CARRIED

1 CONFIRMATION OF MINUTES

1.1 Corporate Services Committee – 11 June 2009

Moved Crs Norriss/Wilkins
FN09/09/02

That the minutes of the Corporate Services Committee meeting held on 11 June 2009 containing resolutions numbered FN09/06/01 to FN09/06/41 be confirmed.
CARRIED

1.2 Council Enterprises Subcommittee – 17 June 2009

Moved Crs Norriss/Higgins
FN09/09/03

That the minutes of the Council Enterprises Subcommittee meeting held on 17 June 2009 containing resolutions numbered FN09/06/42 to FN09/06/50 be received.
CARRIED

1.3 Communications Subcommittee – 15 July 2009

Moved Crs Edgar/Wilkins
FN09/09/04

**That the minutes of the Communications Subcommittee meeting held on 15 July 2009 containing resolutions numbered FN09/07/01 to FN09/07/04 be received.
Subcommittee meeting held on 15 July 2009 containing resolutions numbered FN09/07/01 to FN09/07/04 be received.
CARRIED**

1.4 Council Enterprises Subcommittee – 29 July 2009

**Moved Crs Norriss/Higgins
FN09/09/05**

**That the minutes of the Council Enterprises Subcommittee meeting held on 29 July 2009 containing resolutions numbered FN09/07/01 to FN09/07/15 be received.
CARRIED**

2 REPORTS

2.1 Corporate Services Manager's Report – 21 August 2009

Corporate Services Manager, Mr Staite spoke to his report contained in the agenda.

Cr Norriss asked if the Nelson City and Tasman District Councils were to amalgamate, would this deter potential investors and what were the consequences of the public debate continuing. Mr Staite explained that the key issue involved was whether Councils risk was increased or decreased.

Cr Higgins enquired what the impact would be on margins for a public vs private placement and Mr Staite responded that a retail issuance would potentially be in the range of 100 - 200 basis points.

In response to a question from Cr Inglis, Mr Staite advised that the bank commentators had noted that the Council was viewed by some as a safer option for investors than commercial banks and could therefore command a better rate in the market place.

**Moved Mayor Kempthorne and Cr Bryant
FN09/09/06**

**THAT the Corporate Services Manager, subject to regular reporting, be authorised to exceed the maximum and minimum limits for borrowing facility maturity and develop recommendations to be brought back to council by 30 November 2009 about the use of a debenture trust deed.
CARRIED**

**Moved Cr Edgar and Mayor Kempthorne
FN09/09/07**

**THAT the Corporate Services Manager's report dated 15 August 2009 be received.
CARRIED**

2.2 Information Services Manager's Report – 21 August 2009

Information Services Manager, Mr Darlington spoke to his report contained in the agenda.

The purpose of the report was to update the Corporate Services Committee of Council on latest activity and projects in the Information Services Section.

**Moved Crs Norriss/Edgar
FN09/09/08**

**THAT the Information Services Manager's report dated 21 August 2009 be received.
CARRIED**

2.3 Financial Accountant's Report – 15 August 2009

Financial Accountant, Mr Grammer spoke to his report contained in the agenda.

The purpose of the report was to approve Council loan funding for the 2009/2010 year.

Cr Inglis declared a conflict of interest in relation to the Motueka Hospital and took no part in the discussion.

Cr Norris sought confirmation that the information given was in line with LTCCP and Mr Grammer confirmed that it was.

Mr Grammer explained that the feasibility cost shown against "Motorsports" was a proposal and that it was not necessarily going to be spent. It was a requirement to include this as it was shown in the LTCCP.

Mayor Kempthorne stated that if it were to be spent under the LTCCP, then it would need to be approved prior to being spent.

In response to a question from Mayor Kempthorne, Mr Grammer confirmed that Council did not loan fund road maintenance. An asset is loan funded and if it does not meet the definition of an asset, it is not loan funded.

**Moved Crs Bryant/Wilkins
FN09/09/09**

THAT:

- i) The Council shall borrow the sum of twenty seven million, three hundred and seventy-four thousand, one hundred and five dollars (\$27,374,105) 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 2009/2010 Annual Plan:**

| | \$ |
|--|-----------|
| Roading: | |
| Unsealed Road Metalling | 626,908 |
| Sealed Road Resurfacing | 1,136,230 |
| Drainage Renewals | 283,714 |
| Pavement Rehabilitation | 676,387 |
| Structures Component Replacement | 157,911 |
| Associated Improvements | 307,927 |
| Bridge Renewals Year 1 | 152,338 |
| Minor Safety Improvements | 361,549 |
| Development Contributions Bridging Finance | 296,488 |
| Takaka - Fire Station Carpark | 186,707 |
| Footpaths Rehab/K&C/Street Lighting/Litter Bins/Walkways | 111,054 |
| Murchison -Hotham/Chalgrave Footpath | 74,621 |
| Gladstone Road Undergrounding | 123,852 |
| Stringer Rd | 223,914 |
| Road Construction Capital | 280,318 |
| Seal Extension: Wakefield - Eighty Eight Valley Rd | 448,344 |
| Stormwater: | |
| Motueka: Poole St/High St and Old Wharf Road projects | 241,604 |
| Ruby Bay | 187,546 |
| Seaton Valley Drain | 330,844 |
| Jeffries Creek | 193,861 |
| Reservoir Creek | 155,776 |
| Pohara Main Settlement | 212,464 |
| Refuse: | |
| Eves Valley Landfill Enhancements & Stage 3 consent | 215,723 |
| Richmond RRC Enhancements | 273,544 |
| Richmond RRC: Land & building purchase | 583,137 |
| Mariri RRC: Recycling facilities | 209,930 |
| Collingwood/Takaka RRC Enhancements | 79,885 |
| Kerbside Recyclables Enhancements | 497,885 |
| General Site Works | 128,478 |
| Water: | |
| Richmond Improvements & Upgrades | 461,389 |
| Richmond Water Treatment Plant | 165,418 |
| New Groundwater Source | 101,660 |

| | |
|--|-----------|
| Lee Valley Dam - TDC Contribution | 258,025 |
| Meter Renewals | 204,033 |
| Richmond Well Heads | 190,967 |
| Waimea Treatment Plant | 118,452 |
| Telemetry | 123,852 |
| Motueka Reticulation Valves & Meter Renewals | 91,272 |
| Other Rural Water Supplies renewals | 112,417 |
| Dovedale Renewals | 330,953 |
| Brightwater Renewals & Improvements | 261,250 |
| Murchison Well Head Improvements & Meter Renewals | 188,721 |
| Tapawera Improvements | 58,551 |
| Wakefield Improvements & Renewals | 213,668 |
| Firefighting Capacity Improvement - Takaka CBD | 1,044,521 |
| Renewals for Pohara, Kaiteriteri, Mapua & Upper Takaka | 66,871 |
| Wastewater: | |
| Development Contributions Bridging Finance Loans | 2,426,826 |
| Motueka Renewals | 772,108 |
| Richmond Pipeline Renewals | 309,630 |
| Takaka Upgrade | 109,075 |
| Brightwater Renewals | 168,490 |
| Kaiteriteri Renewals & Improvements | 355,892 |
| Mapua Renewals | 85,004 |
| Murchison Renewals & Improvements | 494,407 |
| St Arnaud Renewals & Improvements | 158,892 |
| Pohara/Tata Beach | 133,141 |
| Coastal Structures: | |
| Coastal Protection - Old Mill Walkway | 41,284 |
| Port Tarakohe Capital Works | 547,013 |
| Port Tarakohe Wharf Replacement | 1,238,520 |
| Property: | |
| Council Upgrade: Chamber | 103,210 |
| Main Office Buildings | 1,032,100 |
| District Library Building | 1,857,780 |
| Community Facilities: | |
| Land - Sportspark Motueka | 335,433 |
| Saxton Field Grant | 423,522 |
| Softball/Hockey Pavilion | 284,625 |
| Learn To Swim Pool - ASB Aquatic Centre | 1,032,100 |
| Motorsports | 310,500 |
| Richmond Community Facility Grant | 776,250 |
| Reserve Financial Contributions: | |
| Mapua Waterfront Park | 516,050 |
| Rivers: | |
| Lower Motueka Stopbank | 268,346 |

Other:

| | |
|---|---------|
| Motueka Hospital Grant | 120,000 |
| Sundry (eg computers, vehicles /records management) | 722,948 |

\$27,374,105

- 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

In addition to loans budgeted to be uplifted for the 2009/2010 year, a resolution was sought from the Committee to raise the loans approved by the Corporate Services Committee on 11 June 2009.

**Moved Crs Ensor/Norriss
FN09/09/10**

THAT:

- i) **The Council shall borrow the sum of fourteen million, three hundred and ninety-six thousand, three hundred and sixty-two dollars (\$14,396,362) 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.**

| | \$ |
|---|---------------------|
| St Arnaud Stormwater/Wastewater Upgrade | 154,000 |
| Brightwater Reservoir (budget increase) | 50,000 |
| Tapawera Wastewater Treatment Plant (budget increase) | 210,000 |
| Wastewater DCs Bridging Finance | 4,186,843 |
| Port Motueka Endowment Land Short Term Funding | 402,000 |
| Saxton Field Stadium (Project ahead of schedule) | 2,338,000 |
| Murchison Sports Centre (budget increase) | 220,000 |
| Utilities Budget Carryovers | 6,270,537 |
| Property Acquisition | 564,982 |
| | \$14,396,362 |

- 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.**
- vii) **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.**
- viii) **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.**
- ix) **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

2.4 Financial Accountant's Report – 17 August 2009

Financial Accountant, Mr Grammer spoke to his report contained in the agenda.

The purpose of the report was to seek approval from the Corporate Services Committee for funding carry forward approvals from other Council committees.

Moved Cr Edgar and Mayor Kempthorne FN09/09/11

THAT the Corporate Services Committee approve the carry forward of loan funding of \$173,486 from the Environment & Planning Committee from the 2008/2009 financial year to the 2009/2010 financial year.

THAT the Corporate Services Committee approve the carry forward of rate funding of \$30,000 from the Community Services Committee from the 2008/2009 financial year to the 2009/2010 financial year.

THAT:

- i) The Council shall borrow the sum of one hundred and seventy- three thousand, four hundred and eighty-six dollars (\$173,486) 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 carried forward to the 2009/2010 Annual Plan:**

| | |
|------------------------|------------------|
| | \$ |
| Rainfall Runoff Model | 148,486 |
| Harbour Vessel upgrade | 25,000 |
| | \$173,486 |

- 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

Cr King vacated the Chair and left the meeting at 10.25 am. Cr Bryant assumed the Chair.

2.5 Port Nelson Ltd – Statement of Intent - 20 August 2009

Corporate Services Manager, Mr Staite spoke to his report contained in the agenda.

The purpose of the report was to approve the Port Nelson Limited Statement of Intent (SOI) for 2009-2010.

Cr Edgar questioned whether the report should contain an operating budget and Mr Staite responded that there was no requirement to do so.

**Moved Crs Currie/Ensor
FN09/09/12**

THAT the Port Nelson Ltd Statement of Intent for 2009/2010 be approved for signing, subject to also being approved for signing by the Nelson City Council.
CARRIED

Adjourned for morning tea 10.30 am.

2.6 Tourism Nelson Tasman Ltd - Statement of Intent - 20 August 2009

Meeting resumed at 10.50 am.

Cr King rejoined the meeting and resumed the Chair.

Corporate Services Manager, Mr Staite spoke to his report contained in the agenda.

The purpose of the report was to approve Tourism Nelson Tasman Limited's Statement of Intent (SOI) for 2009-2010.

Please note amendment to attachment Page 26, Phil Taylor was Acting Chair.

Mr Staite advised that there were shortfalls evident at the Murchison and Golden Bay i-SITES, but that the Nelson i-SITE balanced the figures.

Cr Higgins left the meeting at 11.17 am.

**Moved Crs Norriss and Mayor Kempthorne
FN09/09/13**

**THAT the Tourism Nelson Tasman Limited Statement of Intent for 2009/2010 be approved for signing, subject to also being approved for signing by the Nelson City Council.
CARRIED**

2.7 Low-Flow Restricted Water Supply Connections - 20 August 2009

Corporate Services Manager, Mr Staite spoke to his report contained in the agenda.

The purpose of the report was to provide appropriate delegation to the Corporate Services Manager, in conjunction with Engineering Services, to amend the number of cubic metres charged to low-flow restricted water supply connections on a quarterly basis during the rating year.

Mayor Kempthorne spoke about the cost recovery in this area as being historically poor and that this was a step in the direction of realigning matters. He continued, that if Councillors were asked to explain the adjustment, then questions should be directed to the Corporate Services Manager or Rates Officer.

**Moved Mayor Kempthorne and Cr Norriss
FN09/09/14**

**THAT the Corporate Services Manager, after recommendation from the Utilities Asset Manager, be delegated to amend, on a quarterly basis, the number of daily cubic metres of water supplied to low-flow restricted water supply connections from the urban supply. In addition an outline from the Utilities Asset Manager and Corporate Services Manager on the process and history that the Council used to arrive at this point.
CARRIED**

Cr Norriss asked that Councillors publicly record their thanks and appreciation of Council staff involved in dealing with the general public over the rates issues.

**Moved Cr Bryant/Dowler
FN09/09/15**

THAT Councillors wish to record their thanks and appreciation of all Council staff involved in dealing with the general public over rates issues.

CARRIED

2.8 Late Applications for 2009/2010 Rate Remissions - 26 August 2009

Accounting Manager, Mr Holden was in attendance to present Mr Fraei's report contained in the agenda.

**Moved Crs Norriss/Bryant
FN09/09/16**

THAT Nelson Scout Zone, Friends of Gilbert Lodge be granted a 100% rate remission for the 2009/2010 financial year.

That Nelson/Waimea Gun Club be declined any additional remission.

CARRIED

2.9 Rates Rebate Scheme - 18 August 2009

Accounting Manager, Mr Holden was in attendance to present Mr Fraei's report contained in the agenda.

Cr Currie asked if superannuitants were still required to provide proof of income when applying for a rebate. Mr Holden advised that he would seek clarification from Mr Fraei and report back to the Committee.

Cr Currie advised that Grey Power had offered to provide assistance to those applicants requiring help with their application.

**Moved Crs Norriss/Currie
FN09/09/17**

THAT the Rates Officer's report dated 18 August 2009 be received.

CARRIED

2.10 Increase to Asset Capitalisation Threshold – 25 August 2009

Accounting Manager, Mr Holden spoke to his report contained in the agenda.

The purpose of the report was to seek approval from the Corporate Services Committee to increase the minimum value at which Council capitalised Office Equipment, Computer Equipment and Furniture and Fittings from \$250 to \$500.

**Moved Cr Edgar and Mayor Kempthorne
FN09/09/18**

THAT the Corporate Services Committee approve the increase in the minimum value at which we capitalise Office Equipment, Computer Equipment, and Furniture & Fittings from \$250 to \$500, effective from the financial year starting 1 July 2009.

CARRIED

3 ACCOUNTS

**Moved Cr Bryant/Wilkins
FN09/09/19**

**THAT the accounts for payment for June 2009 and July 2009 be received.
CARRIED**

The meeting concluded at 11.50 am.

Date Confirmed:

Chair: