

MINUTES

Title: Corporate Services Committee
Date: Thursday 24 March 2005
Time: 9.30 am
Venue: Council Chambers, 189 Queen Street, Richmond
Present: Mayor J C Hurley, Crs T B King (Chair), T E Norriss, M J Higgins, S G Bryant, E M O'Regan, E E Henry, R G Kempthorne, R G Currie, N Riley, S J Borlase, E J Wilkins, J L Inglis
In Attendance: Chief Executive (R G Dickinson), Corporate Services Manager (D G Ward), Corporate / Engineering Administrator (V M Gribble)

Apologies

Moved Crs Bryant/Kempthorne
FN05/03/05

**That the apology for absence from Cr P K O'Shea be sustained.
Carried**

1 Public Forum

1.1 Nola Muller

Ms Muller presented a petition concerning the noise problems arising from tractor use at Marahau and asked Council to review conditions of the operators' consents.

2 Confirmation of Minutes

2.1 Corporate Services Committee – 3 February 2005

Moved Crs Henry/Wilkins
FN05/03/06

**That the minutes of the meeting of the Corporate Services Committee held on 3 February 2005, containing resolutions numbered FN05/02/03 to FN05/02/14 be confirmed as a true and complete record of the proceedings of that meeting.
Carried**

2.2 Council Enterprises Subcommittee – 2 February 2005

Moved Crs Bryant/Henry
FN05/03/07

**That the minutes of the meeting of the Council Enterprises Subcommittee held on 2 February 2005, containing resolutions numbered FN05/02/01 to FN05/02/02 be confirmed as a true and complete record of the proceedings of that meeting.
Carried**

2.3 Council Enterprises Subcommittee – 24 February 2005

Moved Crs Bryant/Higgins
FN05/03/08

**That the minutes of the meeting of the Council Enterprises Subcommittee held on 2 February 2005, containing resolutions numbered FN05/02/19 to FN05/02/23 be confirmed as a true and complete record of the proceedings of that meeting.
Carried**

2.4 Information and Publicity Subcommittee 23 February 2005

Cr Henry asked that Tapawera A & P Show be changed to Murchison A & P Show.

Moved Crs Henry/Kempthorne
FN05/03/09

**That the minutes of the meeting of the Information and Publicity Subcommittee held on 23 February 2005, containing resolutions numbered FN05/02/15 to FN05/02/18 be confirmed as a true and complete record of the proceedings of that meeting.
Carried**

3 Accounts for Payment – January and February 2005

Moved Crs Kempthorne/Henry
FN05/03/10

**That the accounts for payment for January and February 2005 be approved.
Carried**

4 Chairman's Report

Cr King noted that both Engineering and Environment and Planning Departments have reduced their budget after respective Committee discussions, and have prioritised projects.

Cr King suggested in his report that Councillors organise their own lunches for meetings and claim the equivalent of the current cost.

Cr Henry asked Cr King and Corporate Services Manager to work together on the lunch issue.

Moved Crs Kempthorne/Henry
FN05/03/11

**That the Chairman's Report be received.
Carried**

5 Citizenship Ceremony

A Citizenship Ceremony was held for the following people, with a choir from Brightwater School participating in the ceremony.

Ms Darla Esme Blake	Ms Chatrina Seraina Krummenacher
Mr Edward Richard Denton	Ms Anja Krummenacher
Mr Richard Denton	Mr Robert Morton Landau
Mr Clifford Elmer Dewees	Mr Adrianus Wouterius Leegwater
Ms Valeriya Dewees	Ms Susan Elizabeth Shaw
Mr Pardeep Gulati	Mr Stephanus Venter
Mr Brian Harvey	Mrs Julye-Ann Catherine Venter
Mrs Anthea Harvey	Master Steaphan Joshua Venter
Mr Hans Markus Krummenacher	Master Elan Albert Venter
Mrs Therese Krummenacher-Schweizer	Dr Christopher Charles Wheatley

6 Nelson Tasman Chamber of Commerce

S McGuire addressed Council on the different aspects of Nelson Tasman Chamber of Commerce and the following people gave a precise on work their particular associations carry out in conjunction with the Nelson Tasman Chamber of Commerce.

Employers & Manufacturers Association – Evan Price
Latitude Nelson Ltd – Paul Davis
Business Development Company – Sandra Crone
New Zealand Trade & Enterprise – Lynne Korcheski & Jo Rainey
Nelson Bays Arts Marketing Network – Martin Rodgers

7 Engineering Services Committee – Consideration of Budgetary Items

7.1 Refuse Charges

Engineering Manager, Mr Thomson, was present for discussion on the Refuse Budget 2005/2006. He spoke to the report contained in the agenda that reviewed the proposed refuse budget and user charges for the 2005/2006 financial year.

It is proposed that the kerbside recycling rate should be raised from its current level of \$40 to \$50 (incl GST) per property. It is proposed to retain all current user charges for refuse bags and at resource recovery centres, and adopt a flat rate for compacted and uncompact mixed refuse.

Mr Dickinson said Council staff need to do an analysis to show the justification for the \$50 charge which is mainly in the overhead area. He said a lot of the services provided are competitive and if Council charges too much the people will take their business elsewhere. He supported the recommendation.

Mr Thomson said Council didn't have a long term contract for this service when the \$40 was set last year, but we do have certainty for the cost of this service for the next three years.

Mr Thomson said the recycling material is separated in Beach Road and baled and it is disposed of from that site, but not to the landfill.

Cr Higgins said Council and ratepayers are making an effort to try and provide products that can be recycled. Other businesses are trying to pick up the material and turn it profitably into something else. He asked if the pricing structure is the same as the updated Nelson City Council structure.

Mr Thomson said Council needs to understand that the two councils are legally obliged not to fix prices under Commerce Commission regulations. He said Nelson charges on a weighbridge per tonne basis, whereas Tasman charges on a volume basis.

Cr Higgins asked if the overhead recovery is across the whole of Council structure, and if so, can it be justified on refuse collection at the same level.

Mr Ward said more background information needs to be provided on the specifics that make it up. Overhead is allocated right across the board to all contracts Council engages in and it would not be fair not to charge overhead recovery to refuse collection.

Cr King said the whole point of the exercise was to reduce refuse going to landfill, to provide a clear picture of what it costs to dispose of rubbish and provide recycling. He said Council should look at refuse disposal the same as recycling and there should be a separate rate for the rest of refuse disposal.

Cr Norriss agreed with Cr King. He said the sooner Council gets out of the collection of rubbish and leaves it to contractors, the better.

Cr O'Regan agreed with Cr King and said it should be flagged for comment in the submission process. It clearly puts the cost where the benefit is.

Moved Crs Norriss/Kempthorne
FN05/03/12

That:

- a) the Committee approve the proposed 2005/2006 refuse estimates for the draft annual plan;**
- b) the Committee approve the proposed 2005/2006 refuse charges for the draft annual plan and introduce a flat mixed refuse charge of \$28 per cubic metre at the earliest available opportunity;**
- c) the Committee approve the proposed targeted rate for the purpose of funding kerbside recycling in 2005/2006 at \$50 (incl GST) per rating unit for the draft annual plan.**

Carried

Cr Henry said the wise thing to do is to examine again why Council needs to be in the refuse business now that there are so many private operators.

Cr King said the targeted rate should be targeted at bottom line costs, regardless of how your refuse is collected. It may not be the entire cost.

Moved Crs King/Riley
FN05/03/13

That comment be made in the drafting of the annual plan on the possibility of moving to a targeted rate for collection of the general rate contribution to the refuse account.

Carried

7.2 Pan Charges

Mr Cuthbertson was present for discussion on the Pan Charges report which was contained in the agenda. The purpose of this report was to inform Council of the proposed change in the pan charge to \$360, for the 2005/2006 financial year.

Cr Bryant supported the motion and thanked Mr Cuthbertson for getting the price down and expected it to be more acceptable to the public.

Cr Inglis said long term a lot of money is needed to be spent in Motueka, Richmond and Murchison. He asked if a levy or tax should be put on developers, on a per square metre basis per section, say, \$10,000 per section, to upgrade the sewage ponds.

Mr Cuthbertson said DILs have been introduced and were assessed on projects for growth. Developers pay a fee to Council of \$1,860 per lot to help growth.

Cr Higgins asked to what extent Nelson Regional Sewerage Business Unit costs were taken into account.

Mr Cuthbertson said Council's costs for the Nelson Regional Sewerage Business Unit had increased greatly this year and an even larger increase is anticipated for next year.

Cr Norriss asked if no capital work is undertaken in 2006/2007, what will the interest cost see the pan charges rise to next year.

Mr Cuthbertson said the pan charge would go to \$392 with no capital work being undertaken in 2006/2007.

Mr Dickinson said Council needs to bear in mind that the wastewater assessments and review due in the next two months may well include some things that we don't currently know about. The figures presented are probably conservative.

Cr Kempthorne supports the recommendation and asked that it be flagged in the annual plan the expectation that the pan charges will be going up.

Moved Crs Norriss/Borlase
FN05/03/14

That Council includes in the draft 2005/2006 Annual Plan, the pan charge of \$360 (including GST).

Carried

8 Development Contributions

Mr Bush-King was in attendance to present the report on Development Contributions. The report sought agreement to amend the Council's Development Contribution Policy in light of operational experience.

Mr Dickinson supported the wording for alternative criteria.

Cr O'Regan considered a time limit on the review of decisions and suggested 30 days.

Moved Crs Norriss/O'Regan
FN05/03/15

That Council agree to amend the Development Contribution Policy and that the revised Policy as outlined in Annex 1 be incorporated into the 2005/2006 draft Annual Plan for public consultation under the Local Government Act 2004 special consultative procedure.

Carried

9 Futures/Community Outcomes Telephone Survey Report

M Honey, Policy Analyst was present for discussion on the Futures/Community Outcomes Telephone Survey.

Mr Ward and Ms Honey gave a powerpoint presentation on the survey and tabled a draft report on the results of Council's telephone survey which was conducted in November 2004. The purpose of this survey was to commence the public consultation process associated with the LTCCP review that will take place in the second half of the 2005 calendar year. As part of the consultation process, an executive summary will be put in the draft annual plan and also April 2005 Newline – The Mag.

10 Councillors Computer Access Policy

Mr Ward spoke to the report contained in the agenda concerning Councillors computer access from home. The purpose was to formally adopt the policy for the use, provision of and remuneration for, computers.

The wording was amended to read "it is preferred that Councillors provide their own computer".

Moved Crs Kempthorne/Borlase
FN05/03/16

That the report "Councillors Computer Access Policy" be adopted and that it be included in Council's Policy Manual.

Carried

11 Corporate Services Manager's Report

11.1 Proposed 2005/2006 Departmental Budget

The agenda to today's meeting contained schedules of proposed expenditure for Corporate Services Department, the Motueka, Golden Bay and Murchison Service Centres and Council Sundry Income.

Mr Ward spoke to the papers detailing reasons for obvious movements under cost code headings and answered related questions from the meeting.

Moved Crs Bryant/Currie
FN05/03/17

**That the proposed 2005/2006 Departmental Budget be approved.
Carried**

11.2 Proposed 2005/2006 Funding Requirements

Mr Ward spoke to the report contained in the agenda and to a summarised statement forwarded to Committee members prior to this meeting date. In this report, Mr Ward advised Council that in their consideration of the proposed estimates for the 2005/2006 financial year, they should be mindful of the following issues:

- As a result of decisions to proceed with capital projects during the 2004/2005 financial year, Council has automatically committed itself to a rating increase for the 2005/2006 financial year through debt servicing costs.
- During the course of the year, Council has made a number of policy-related decisions which will have an economic impact on subsequent years operations. Council must be mindful when policy is being developed of administrative and related costs.
- When considering levels of affordability, Council should not always be guided by CPI figures. In a number of instances (eg Wai-iti Dam, recycling) a service is being provided at the request of the community and therefore affordability should not necessarily be an issue. In other words, consider why Council is undertaking certain projects or providing stated levels of service – they are often at the request of Council's respective communities of interest.
- Less than 12 months ago, Council adopted asset management plans and incorporated these into its first LTCCP. Where items in the 2005/2006 draft Annual Plan are proposed as variations to the LTCCP, it must question why this has come about so soon after the adoption of its asset management plans and LTCCP.
- Is Council confident that it will be able to complete all of those projects that it is undertaking and for which it is increasing projected rate. Check how Council has progressed on rate-funded projects in the current financial year.

In adopting its LTCCP in June 2004, Council signalled a general rate increase of 6.52% for the 2005/2006 financial year.

Cr King asked that at the workshop on 6 April 2005 a list of random examples of how rates will impact on properties throughout the district be tabled.

Cr Henry said Council would be sensible to accept the proposed budget as it need to administer the district sensibly and she didn't believe Council had a lot of options.

Mayor Hurley concurred with Cr Henry. He suggested that although river works is essential, when looking at sewerage and roading that have to be done, river works is something that could be phased over two or three years. He believed a general rate increase of 5.5% or 6.0% is realistic, but is comfortable with 7.3% to go through the consultation process.

Cr O'Regan said he was happy to look at DILs levels, particularly with relation to sewage as that is in the area where environmental performance is critical. It is essential to keep up progressive work. He asked that Council look at efficiency and annually review one aspect of its operations. He considered a general rate increase between 5% - 7%.

Cr Norriss said there are issues that need looking at, eg Riwaka stopbanks, which is a considerable loan funded project that could be deferred. Mapua/Ruby Bay rock revetment work needs to be addressed. One way of getting the general rate down is by lifting UAGC which doesn't necessarily mean a rate increase, it is a different way of collecting the rate. Dog registration is climbing. He thought 9% general rate increase would be acceptable.

Cr Henry left the meeting at 3.10 pm.

Mr Ward said Council's debt ratio is currently at 18% and it would be 22 – 23% in 2005/2006 year if everything is approved.

Cr Kempthorne said people are wanting walkways, cycle ways, roads, environmental and drainage and sports and recreational facilities which are all things identified. He is happy to go out to the public with 7.3%.

Cr Currie would like to see close to 5% including growth.

Cr O'Regan left the meeting at 3.30 pm.

Cr Bryant said in Murchison Lakes Ward people like to see roading works done. He said people on benefits or fixed incomes see their standard of living declining and we are fuelling inflation by having an increase around 8%. Council has the opportunity to put equality into rating by having a higher UAGC. Council needs to communicate that facilities such as the skatepark in Tapawera are paid for from DILs. He said Council should be looking at 5% to 6% increase.

Cr Higgins said he would like to see the community facilities rate increased marginally. While many projects have been funded to a higher degree there are some large items coming up and would prefer to increase it by \$2.50 this year. He asked where the Suter project is at. The \$40,000 for economic development allowed in the ten year plan he would like to see go to the Wai-iti Dam project, which is real economic development. He said the Enterprises Subcommittee could be expected to return a dividend to Council of, say, \$200,000 per year. Suggested 6% rate increase.

Cr Inglis said one rate we could increase is the X, Y, Z river rate. He said the Riwaka River stopbanks have been there for 50 years and have never broken. The owners

along the river banks have not been consulted. He said half the silt should be used to improve the stopbanks and the other half sold to the ready-lawn people. In Motueka River there is plenty of gravel that should be removed to prevent flooding in the town. Rate increase around 6%.

Cr Riley 7.5% including growth rate of 3%. He said raising the UAGC may be an option and also considers raising the river rate is an option. Subsidised projects should not be deleted.

Cr Borlase said UAGC should be increased annually covering governance, parks and reserves and libraries. Regional DILs, if we communicate where the money is coming from that is providing footpaths, accessways and streetscaping, then people will understand and appreciate that growth is necessary to get things done in local areas. He would like to see general rate increase of 6.5% including growth.

Cr Wilkins asked for any more information that could be helpful for Councillors when considering budgets and supported a 6.5% rate increase.

Mr Ward said 1% on rates is \$200,000 in the budget. On figures we have in front of us we need a reduction of \$700,000. He said as a result of decisions made last year, there is already a 6% increase.

Cr King said advice from staff about community facilities rate is that where it is at the moment, there was no need to raise it in next 12 months, but will require it to go up the year after. He believed there would be an increase of \$200,000 from Forestry account and said next year it probably won't be there.

Mr Ward said a \$600,000 assumption has been made in the budget from the Forestry account.

Cr King said next year because we won't necessarily have that source of money from the Forestry account, we will need to make up the extra \$200,000. A lot commented that they think rivers could be reduced this year. UAGC increase would be better next year in conjunction with revaluations. It may be an opportune time to redistribute some inequities. He would like to see a separate charge for refuse. He said there was an opportunity for a Newsline article explaining how DILs is used. He would like to see Council stay with the LTCCP figure of 9% including growth. Those who want to get it down to 6% need to specify items to be reduced and need to give staff an indication of which budgets to look at.

Cr Norriss agreed with Cr Inglis about the rivers and said he has been trying to get some of the gravel and silt shifted, but the Resource Management Act and Council policy and rules say we can't do it. He said the gravel is not in the flow channel of the river.

Moved Mayor Hurley/Cr Bryant
FN05/03/18

**That Engineering Department be asked to review the proposed river rate budget with a view to deferring part of the river works.
Carried**

Mr Ward said this year there is a deficit in Council's budget to be addressed and it will have an impact on Council's ability to spend money next year.

Cr Norriss said Engineering Committee flagged projects that could be taken out and flagged a couple that weren't in there that should be.

Cr Kempthorne said when Council looks at the LTCCP it needs to take into account those on fixed incomes as it will adversely affect them.

Mayor Hurley asked for a review of the reserves DILs accounts as he believed there is capacity to do some of the work from reserves DILs and pull some money out of the budget.

Cr King said capital expenditure from DILs feeds through to maintenance on Community Services.

Mr Dickinson said it could be investigated whether DILs criteria can be expanded to take in cycle ways and walk ways.

Cr Higgins said the proposed rate increase is too high and asked for advice from Council staff as to how it can be reduced.

Cr King said it would have been useful to have items prioritised that could be reduced from Departments.

Moved Mayor Hurley/Cr Inglis
FN05/03/19

**That Council review Reserves DILs funds for items that can be funded from that source, rather than from general rate.
Carried**

Moved Crs Norriss/Inglis
FN05/03/20

**That departments be requested to report back on the items prioritised for savings in their committee meetings, specific to the general rate at the Council workshop scheduled for 6 April 2005.
Carried**

11.3 Funding Requirements

The following recommendation is required to confirm the uplifting of new loans for items identified in Council's LTCCP for the current financial year.

Moved Crs Higgins/Kempthorne
FN05/03/21

That:

i)	The Council shall borrow the sum of one million one hundred and eighty one thousand nine hundred and fifty five dollars (\$1,181,955)
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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, WestpacTrust and ASB Bank Ltd.	
	b)	A letter of offer from WestpacTrust.	
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:	
			\$
		Collingwood Water Supply (remainder of closed account loan)	371,955
		Port Tarakohe Stage 2 Development	600,000
		District Toilet Loans	<u>210,000</u>
			<u>1,181,955</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.
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Carried

Moved Crs King/Kempthorne
FN05/03/22

That a loan of \$1,938,150.63 be raised for the purpose of repaying on maturity the Tasman District Council General Renewal Loan No 41, 2004 and that such loan be known as Tasman District Council General Renewal Loan No 42, 2004.

Carried

11.4 Hawthorn Fire Blight

Cr Kempthorne addressed the Committee on the process that would be required for growers in the Waimea Plains who would like to remove fire blight host plants near their orchards in order to significantly reduce disease problems.

Moved Crs Inglis/Currie
FN05/03/23

That Cr Kempthorne be the Council representative to work with growers in the Waimea Plains to remove fire blight host plants.

Carried

Moved Crs Currie/Borlase
FN05/03/24

That the Corporate Services Manager's report for March 2005 be received.

Carried

12 Six Monthly Accounts

Mr Ward said in looking at next year's budget you must be satisfied that you are going to complete the projects included.

Cr King said it is important that if you don't think you'll get the projects done, don't put them in.

Mr Ward said Suter have requested a one-off grant of \$260,000.

The meeting concluded at 4.40 pm.

Date Confirmed:

Chair: