

MINUTES

TITLE: Corporate Services Committee
DATE: Thursday 11 May 2006
TIME: 9.35 am
VENUE: Pohara Beach Boat Club Rooms, Abel Tasman Drive, Takaka

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

IN ATTENDANCE: Golden Bay Community Board Members J Bell, C McLellan, Chief Executive (R G Dickinson), Engineering Manager (P W Thomson), Corporate Services Manager (D G Ward), Minute Secretary (V M Gribble)

APOLOGIES

Moved Crs Bryant/Wilkins
FN06/05/01

THAT apologies for absence from Crs T B King and R G Kempthorne be sustained.
CARRIED

1 PUBLIC FORUM

1.1 B Petterson

Mr Petterson read a letter expressing his concerns at the proposal to build a new library in Takaka.

Cr O'Regan advised that the letter will be considered as a 2006/2007 Long Term Council Community Plan submission.

1.2 Mr B Faulkner

Mr Faulkner spoke in support of the Motueka Community Pool and asked for Council support for the project.

2 CONFIRMATION OF MINUTES

2.1 Corporate Services Committee – 12 April 2006

An amendment was made to the minutes of 12 April 2006 on page 6, 3rd paragraph as follows: "Mr Bush-King said *a reserve contribution of \$42,000 had been paid, but no utility contribution had been paid, ...*"

**Moved Crs Henry/Currie
FN06/05/02**

THAT the minutes of the Corporate Services Committee meeting held on 12 April 2006, containing resolutions numbered FN05/04/13 to FN05/04/26, as amended, be confirmed as a true and complete record of the proceedings of that meeting.

CARRIED

3 CITIZENSHIP CEREMONY

A Citizenship ceremony was held for the following people.

M J Elmhirst
W Hardwick
H J Mick
A F Schellekens

P Steer
J S Steer
C J Steer

A group of children from Motupipi School entertained with the National Anthem and another song.

Golden Bay Community Board Chairman, Mr Bell, welcomed each candidate to the district and invited them to share in why they decided to settle in Golden Bay.

Following the ceremony the candidates and school children joined the Committee for morning tea.

4 CORPORATE SERVICES MANAGER'S REPORT

4.1 Funding Requirements

The following loans have been included in Council's 2005/2006 Annual Plan. Works have commenced, or are about to commence, on the listed projects below, thus the requirement to pass the appropriate resolution to allow staff to raise the approved loans.

**Moved Crs Henry/Borlase
FN06/05/03**

THAT:

i)		The Council shall borrow the sum of Two million one hundred and fifty two thousand one hundred and eighty five (\$2,152,185) 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:																												
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; width: 20%;">\$</th> </tr> </thead> <tbody> <tr> <td>Best Island Bridge</td> <td style="text-align: right;">157,850</td> </tr> <tr> <td>Footpaths New Works</td> <td style="text-align: right;">100,000</td> </tr> <tr> <td>Abel Tasman Drive</td> <td style="text-align: right;">230,000</td> </tr> <tr> <td>Streetscape Richmond</td> <td style="text-align: right;">150,000</td> </tr> <tr> <td>Bird and Elizabeth Streets, Richmond, Stormwater</td> <td style="text-align: right;">100,000</td> </tr> <tr> <td>Hunt and Lowry Streets, Richmond, Wastewater</td> <td style="text-align: right;">200,297</td> </tr> <tr> <td>Stormwater Collingwood</td> <td style="text-align: right;">100,000</td> </tr> <tr> <td>Water Brightwater Reservoir</td> <td style="text-align: right;">296,320</td> </tr> <tr> <td>Sewer Motueka Pumps and Ponds</td> <td style="text-align: right;">400,000</td> </tr> <tr> <td>Sewer Motueka Pipe Renewals</td> <td style="text-align: right;">200,000</td> </tr> <tr> <td>Sewer Treatment Renewal</td> <td style="text-align: right;">118,718</td> </tr> <tr> <td>Kaiteriteri Riwaka Tapu Bay</td> <td style="text-align: right;"><u>110,000</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>2,152,185</u></td> </tr> </tbody> </table>		\$	Best Island Bridge	157,850	Footpaths New Works	100,000	Abel Tasman Drive	230,000	Streetscape Richmond	150,000	Bird and Elizabeth Streets, Richmond, Stormwater	100,000	Hunt and Lowry Streets, Richmond, Wastewater	200,297	Stormwater Collingwood	100,000	Water Brightwater Reservoir	296,320	Sewer Motueka Pumps and Ponds	400,000	Sewer Motueka Pipe Renewals	200,000	Sewer Treatment Renewal	118,718	Kaiteriteri Riwaka Tapu Bay	<u>110,000</u>		<u>2,152,185</u>
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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)	<p>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.</p>
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CARRIED

4.2 Emergency Works – Golden Bay

At its meeting of 27 April 2006, Council’s Engineering Services Committee resolved:

“That Engineering Services Committee recommends to Council that it approves the local share of funding of \$153,000 from the General Disaster Fund.”

The agenda contained details of when the General Disaster Fund was established and the purpose for which it was established, along with criteria for use of the fund.

Cr Henry noted the fund should only be used as a last resort for something that is critical. She asked what other fund could be used for these works if it was not approved.

Cr Norriss said as part of the Engineering budget there was \$100,000 allowed for work of this nature, but that was removed because it was believed this type of work could be covered by the Disaster Fund.

Mr Ward said there are no other avenues currently available for this money to come from.

Cr Higgins said the General Disaster Fund was set up in preference to paying out annually a large sum of money for infrastructural asset insurance. A significant payout from Port Nelson had occurred in 1998 from Port Nelson Ltd and \$1 million from this payout was the basis of the General Disaster Fund. Our infrastructural assets are under-insured and Council had agreed to place money into a Disaster Fund annually. He said the recommendation does not fit with the criteria of the General Disaster Fund. He said the Wainui Hill works are not major, nor are they unforeseen. He said it is a maintenance job and it should be done out of the maintenance budget.

Cr Riley agreed with Cr Higgins and said if shoots to take away excess water to prevent erosion below the road were put in the damage we have now would not have occurred. He was disappointed that the General Disaster Fund has not been added to and said it should be addressed immediately. He said the Wainui Road is clearly a maintenance job, not a disaster.

Mr Ward said in 2005/2006 Council included \$200,000 from general rates to top the account up and that has been the only top up since 1998.

Cr Borlase said the \$153,000 doesn’t fit the criteria for the General Disaster Fund but asked that it be used and flagged to be replaced from the general engineering fund after 1 July 2006.

Mr Bell said insurance is taken out to pay for damage caused by events. If this work isn't done and mitigation measures, eg shoots to take away excess water to prevent erosion below the road not done, then costs in future for remedying could be considerably more. Repairs need to be made promptly and effectively.

Mayor Hurley concurred with Crs Higgins and Henry and said the emergency fund is there for if the road is impassable, but that he will vote in favour of the motion because it is imperative that the work is done.

Cr Inglis said the job has to be done and if the only budget available is from the General Disaster Fund it should be used and paid back. He mentioned work needed on bridges in Marahau and said Council needs to put more money in the maintenance budget.

Mr Dickinson arrived at the meeting at 11.25 am.

**Moved Crs Borlase/Inglis
FN06/05/4**

THAT the Corporate Services Committee approves the local share of funding of \$153,000 be taken from the General Disaster Fund for Wainui Hill road works and that this sum be repaid from the general engineering maintenance budget at 1 July 2006.

CARRIED

Mr Ward undertook to make changes to the criteria for both General Disaster Fund and Rivers Fund for consideration by Council at the next meeting.

5. MOTUEKA COMMUNITY SWIMMING POOL

Mr Ward spoke to the report on the Motueka Community Swimming Pool.

Mayor Hurley, Cr Wilkins and Corporate Services Manager met with Motueka Community Pool Committee on 10 May 2006. Following discussion at that meeting on a number of swimming pool options, the Motueka Pool Committee advised that it believes the only option is a fully covered pool.

Mayor Hurley said the Motueka Pool Committee noted their frustrations with the delay in progress. The report states the pool will be constructed at the Recreation Centre. He has reservations about the proposed siting. He was concerned about the drain being shifted.

Mr Thomson arrived at the meeting at 11.40 am.

Mayor Hurley considered the costs were well within the acceptable parameters but was concerned about whether the project costs could be retained. He said a fundraising target of \$880,000 for the community is a huge ask.

Cr Wilkins said there is a need to move forward and said a poll is necessary and needed sooner, rather than later. Location is a priority but would have little to do with the cost of the pool. People reacted favourably to the operation rate.

Cr Norriss said in his own case, he will be expected to pay three times and based on that and the fact that he is 30 kilometres away he will not support it. He is concerned about the effect on the farming community who are further away from the facility and who often will have more than one rateable property. In the last poll there was a huge argument over the way it was worded and people with multi-rateable properties did not realise they would pay for each rateable property.

Cr O'Shea agreed with Cr Wilkins about the need for a poll and said Council needs to indicate what level of response it is looking for.

Mayor Hurley asked what happens if we get a poll that says build the pool and 12 months later they come back and say they can only raise \$500,000.

Cr O'Regan said if the amount of money cannot be raised that is a decision for Council based on the percentage they get.

Cr Bryant acknowledged the pool project has been around some considerable time, but it is important to have a poll of the people who will be paying the operating rate, they will also be paying the increase in facilities rate if the project goes forward. What do you do if they haven't raised the amount by the date set. It is important to have the poll and then set the pool committee the task of raising the money within a specified timeframe.

Cr Inglis said Council has always said there will be a poll and that should go ahead and he will support the majority.

Mr Bell said the question needs to be clear and simple with a yes or no answer otherwise we won't get the guidance. He questioned whether a simple majority is going to be the best thing for the community and considered a two-thirds would be better.

Cr Higgins said if we seek a poll the probability is the project will be lost. He was mindful that we're on the verge of completing the grandstand and they are still seeking to get their fundraising goal and there is a group in Motueka actively pursuing the development of the hospital. He is concerned that the three projects are too much. He believes it should be parked for five years and then be readdressed.

Cr Henry supports the idea of a poll and said 60% plus should be needed. She expressed concern about how this is going to impact financially on people, not only of Motueka, but the rest of the district. In the intervening time we should be looking at pulling back on expenditure from Motueka DILs so that the funds can be used. It is important that we use as much money as possible out of DILs, including from Moutere/Waimea.

Cr O'Shea said there is a level of concern in the community about ongoing costs and whether the community can afford it and that's why she supports a poll.

Cr Inglis said hospital plans will be shown to the public on 30 May 2006 and fundraising will be undertaken.

**Moved Crs Bryant/Wilkins
FN06/05/05**

THAT the Corporate Services Committee reaffirms on behalf of Council, its intention to conduct a poll of rateable properties within the area defined in the attached rating map to determine support for a Motueka pool complex.

CARRIED

**Moved Mayor Hurley/Cr Wilkins
FN06/05/06**

THAT Corporate Services Manager prepares a report for the Council meeting on 1 June 2006, providing further information on the legal requirements for conducting a poll and incorporating a suggested question to be responded to.

CARRIED

6. REFUSE BUDGET 2006/2007

Mr Thomson spoke to the report that reviewed the proposed 2006/2007 refuse budget (as set out in the draft LTCCP). He tabled supplementary information on the breakdown of waste minimisation initiatives and summary of capital expenditure.

Mr Thomson said Councillors need to be clear on the general rate contribution of \$628,000. If you bring it down to zero it will put extra cost on 16,400 properties and not the others. This report clearly identifies costs, both direct and indirect.

Mr Bell said the matter came up at the Golden Bay Community Board meeting on Tuesday. It was suggested we have a disincentive charge for unsorted refuse and asked if it was possible to work with Nelson City Council on this matter as it is a regional issue.

Mr Thomson said there is opportunity to discuss the matter with Nelson City Council.

Mr Bell said there is a lot of unsorted waste going to landfill and for zero waste to work we need to reduce unsorted refuse.

Mr Thomson said the contractor takes all the risk of getting income from the recoverables. The other obligation the contractor has is to expand the type of recyclables collected.

Mayor Hurley is pleased with the revised figures as Council was very unhappy with disclosure of loss. The figures at best show a break even, or some minor contingency factor built in. He suggested the recycling charge should be \$100 in the 2006/2007 year and said he would like to see a credit balance at this time next year.

Mr Thomson said in terms of the service being a success, it has exceeded what we thought would happen in participation and amount of waste being diverted from landfill. There are other waste/recycling services at each of the recovery centres. He said there is no significant contingency in our budget figures. We have \$25,000 to deal with variables, illegal dumping and issues like that. The biggest unpredictable we have is our income.

Mr Thomson said we can look at costs of deferring major extension of Eves Valley landfill but some of the wider environmental outcomes are beyond staff at the moment.

Cr Henry said we should be talking about “waste management” not “refuse”.

Mr Thomson said private contractors provide no significant recycling service, but they pick the eyes out of the market for refuse and then pick the cheapest place to drop it off. They don't want to, and they're not prepared to, compete in the recycling market.

Mr Thomson said bag sales have held steady over the last two years, but eroded in the five years before that.

Cr Currie said the targeted ratepayers are paying and the people who are not in the targeted area come into town and make use of facilities the community has. In the targeted rate area, if we have wheelie bins, we pay the rate and pay extra on top.

Mrs McLellan is concerned about the general rate impact on rural people. They don't have the option of recycling and refuse. She said Tasman District Council and Nelson City Council should be talking together and contractors bringing unsorted rubbish should be paying more.

Cr Norriss asked for the correct figures that refuse has lost in the 2005/2006 financial year.

Mr Thomson said staff reported to a recent Engineering Services Committee that there was about half a million shortfall in the current year and last year it was more than that.

Cr Norriss said we went through an exhaustive draft waste management strategy and those involved in the strategy were told by private contractors, who we met with several times, that they would follow the strategy. If we could agree on no more mixed refuse to landfill both Councils would be onto a winner. Although we live in a rural area we have the ability to use the landfill and dispose of our recycling free of charge. In light of huge costs and 18 months away from contract renewal, the collection way that our contractor does it now is just a muddle. Maybe recycling being picked up on a fortnightly basis could help reduce the cost. The true cost needs to be reflected in the charges.

Mr Thomson said there is a contract price with Streetsmart to go out and do all kerbside collection. If they pick up more bags or more recyclables the price doesn't change. They have changed their operation in recognition that they can lower their own costs by ensuring that they separate more at the kerbside.

Cr Borlase suggested that the recycling rate be referred to as being \$1.92 per week.

Cr Henry asked how the information is going to be brought to the knowledge of the public.

Mr Ward said there will be a press release put out immediately following this meeting and there will be newspaper and radio advertising.

Cr O'Regan also expressed concern about public awareness. He said he would be surprised if there were no savings in the budget process.

Cr Higgins is not willing to approve an increase in general rate. If Engineering Services wish to obtain an additional \$147,000 then some other expenditure of Council has to be reduced. He is of the view that the rate increase struck is higher than it should be.

Mr Thomson said the \$10 extra generates \$147,000 and if it's a closed account then you could argue that contingency isn't critical.

Debate on this item was adjourned.

7. RESOLUTION TO EXCLUDE THE PUBLIC

Cr Currie did not agree that this item should be held in committee. He had concerns that the report is not the same report that had been presented to Nelson City Council.

**Moved Crs Wilkins/Borlase
FN06/05/07**

THAT the public be excluded from the following part of the proceedings of this meeting, namely:

Nelson Bays Heritage Trust

Subject	Reason	Grounds
Nelson Bays Heritage Trust	Consideration of Report	That the public conduct of the whole of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to: <ul style="list-style-type: none">a) protect the privacy of natural persons, including that of deceased natural persons.b) enable free and frank expression of opinions.

CARRIED

(Refer to Confidential Minute Book, resolutions numbered FN06/05/08 to FN06/05/13).

**Moved Crs Riley/Higgins
FN06/05/14**

**THAT public meeting be resumed.
CARRIED**

6. REFUSE DEBATE CONTINUED

**Moved Crs Higgins/Henry
FN06/05/15**

THAT Council receive the report and consider it as a staff submission to the draft LTCCP with recommendations to revise the 2006/2007 refuse budgets, increase the refuse bag sale price to \$1.20, increase the Refuse Recycling Target Rate to \$100.00 per rating unit effective from 1 July 2006 and to operate as a closed account.

CARRIED

8. ACCOUNTS

**Moved Crs Norriss/Borlase
FN06/05/16**

THAT the accounts for April 2006 be approved for payment.

CARRIED

9. NINE MONTHLY REPORT

**Moved Crs Bryant/Henry
FN06/05/17**

THAT the nine-monthly financial report to 31 March 2006 be adopted.

CARRIED

The meeting concluded at 4.03 pm.

The Committee then inspected the Takaka Library.

Date Confirmed:

Chair: