

MINUTES

TITLE: Corporate Services Committee
DATE: Wednesday 20 September 2006
TIME: 1.30 pm
VENUE: Tasman Council Chambers, 189 Queen Street, Richmond
PRESENT: Cr T B King (Chair), Mayor J C Hurley, Crs T E Norriss, N Riley, S J Borlase, M J Higgins, E M O'Regan, S G Borlase, E J Wilkins, J L Inglis, R G Kempthorne, E E Henry, R G Currie
IN ATTENDANCE: Corporate Services Manager (D G Ward), Minute Secretary (V M Gribble)

APOLOGIES

Moved Crs Norriss/O'Regan
FN06/09/18

THAT apologies from Cr P K O'Shea for absence and Cr R G Kempthorne for lateness be sustained.
CARRIED

1 CONFIRMATION OF MINUTES

1.1 Corporate Services Committee – 3 August 2006

Moved Crs Norriss/Riley
FN06/09/19

THAT the minutes of the Corporate Services Committee meeting held on 3 August 2006, containing resolutions numbered FN06/08/01 to FN06/08/35 be confirmed as a true and complete record of the proceedings of that meeting.
CARRIED

1.2 Council Enterprise Subcommittee – 9 August 2006

Page 2, resolution number FN06/08/38 the word "government" to be changed to "governance".

Moved Crs Bryant/Riley
FN06/09/20

THAT the minutes of the Council Enterprise Subcommittee meeting held on 9 August 2006, containing resolutions numbered FN06/08/36 to FN06/08/51, as amended be confirmed as a true and complete record of the proceedings of that meeting.
CARRIED

1.3 Information and Publicity Subcommittee – 16 August 2006

**Moved Crs Henry/Norriss
FN06/09/21**

**THAT the minutes of the Information and Publicity Subcommittee meeting held on 16 August 2006, containing resolutions numbered FN06/08/51 to FN06/08/54 be confirmed as a true and complete record of the proceedings of that meeting.
CARRIED**

2 CHAIRPERSON'S REPORT

**Moved Crs Borlase/Inglis
FN06/09/22**

**THAT the Chairperson's report for September 2006 be received.
CARRIED**

Cr King reported on the government's rate rebate scheme. He said whatever the terms of reference set for a rates review will determine whether there are significant benefits.

Cr Currie left the meeting at 2.20 pm.

3 CORPORATE SERVICES MANAGER'S REPORT

3.1 Funds Rollover

The following recommendation is required to acknowledge a funds rollover that has taken place on 20 June 2006, for a three month period. The interest rate for this rollover facility was 7.67%.

**Moved Crs O'Regan/Norriss
FN06/09/23**

**THAT a loan of \$3,464,747.46 be raised for the purpose of repaying at maturity the Tasman District Council General Renewal Loan No 49, 2006, and that such loan be known as the Tasman District Council General Renewal Loan No 50, 2006.
CARRIED**

3.2 Funding Requirements

The following loans have been included in Council's 2006/2007 LTCCP. Works have commenced, or about to commence, on the listed projects below, thus the requirement to pass the appropriate resolution to allow staff to raise the approved loans.

THAT:

i)		The Council shall borrow the sum of Six million, four hundred and six thousand, four hundred dollars (\$6,406,400) 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:	
			\$
		Saxton Field Development 2006/2007	1,307,000
		Waimea Water Wells and Pumps 2005/2006	450,000
		Stormwater Richmond 2005/2006	271,000
		Sewerage Tapawera 2005/2006	100,000
		Tasman Tennis 2006/2007	190,000
		Water Brightwater 2006/2007	957,400
		Stormwater Brightwater 2006/2007	360,000
		Stormwater Mapua 2006/2007	74,640
		Stormwater Motueka 2006/2007	105,200
		Sewerage Infiltration Richmond 2006/2007	151,000
		Sewerage Infiltration Takaka 2006/2007	527,660
		Sewerage Tapawera 2006/2007	135,500
		Water Dovedale 2006/2007	164,100
		Water Motueka 2006/2007	93,700
		Water Redwood 2006/2007	561,800
		Water Urban 2006/2007	<u>957,400</u>
			6,406,400
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

3.3 Rates Rebate Scheme

Council has received over 1,100 applications for rebates. The aim is process them all no later than 30 September 2006. 35 – 40 applications have been rejected for various reasons. The only people getting the full \$500 are single superannuitants.

Cr Henry asked that the report to be provided to the next meeting include the cost of administering the rates rebate scheme.

3.4 Elected Members – Taxation

Mr Ward advised Councillors to give a copy of the updated tax brochure to their accountants.

3.5 Rate Remission Requests

3.5.1 Nelson Speedway Association

Mr Ward said having listened to comments made at the last meeting and looking at comparative organisations, it has been hard to find a reason not to give the Nelson Speedway a rebate. They are entitled to 50%, reduced to 25% because they have a licensed bar on the premises.

**Moved Crs Norriss/O'Regan
FN06/09/25**

THAT the Nelson Speedway Association receives a 25% general rate remission for the 2006/2007 financial year.

CARRIED

3.5.2 Te Wharerangi Trust (Golden Bay Community Gardens)

Staff have reviewed financial statements forwarded by this organisation in support of its remission application. It was noted that the Trust is the recipient of external grants from a range of organisations including Tasman District Council.

**Moved Crs Henry/O'Regan
FN06/09/26**

**THAT the application from Te Wharerangi Trust for a remission of general rate for the 2006/2007 financial year be declined.
CARRIED**

3.5.3 Te Whare Mahana Inc

Staff have viewed a statement of financial position specific to this organisation and do not believe that financial pressure will be placed on the owners if general rate remission is not granted. They receive operational grants from the District Health Board.

**Moved Crs Henry/Wilkins
FN06/09/27**

**THAT the application form Te Whare Mahana Inc for a remission of general rate for the 2006/2007 financial year be declined.
CARRIED**

3.6 Rating Subcommittee

Staff were requested to report back to Corporate Services Committee on the feasibility of re-establishing the Rating Subcommittee.

Rate remission policies are published in Council's LTCCP and any variation to these is required to be advised through the annual plan consultation process in the intervening years. To reinstate the Rating Subcommittee, the policy would need to be amended concurrently.

Cr Henry said where Council has a clearly stated policy which says it will be administered by the Manager, it should be. The only ones that come to Council should be the ones that are more complicated.

**Moved Crs Henry/Bryant
FN06/09/28**

THAT:

- a) applications for 2007/2008 be confirmed in accordance with clause 8 of the Sporting, Recreation or Community Organisations Policy;**

- b) a recommendation to delete clause 9 from the policy on Sporting, Recreation or Community Organisations be included in Council's draft 2007/2008 annual plan.**

CARRIED

Cr Bryant left the meeting at 2.50 pm.

3.7 2006 Annual Report

Audit field work for Council's 2006 Annual Report commenced on 18 September 2006 and is scheduled to last up to three weeks. Scheduled Audit sign off date is 20 October 2006 and the Annual Report will be adopted by Council at a special meeting on 26 October 2006.

3.8 2007/2008 Draft Annual Plan

Mr Ward proposed to organise several days of workshops in December 2006 and have staff discuss with Council year two budgets, funding streams and priority of projects. He said we need to acknowledge and comply with community outcomes included in the LTCCP.

Cr Kempthorne arrived at the meeting at 2.55 am.

Cr Higgins said Council won't want to put the rates up by 10% which means significant discussions are needed.

Cr Norriss asked if Council can just put out to the public what we propose to do as included in the LTCCP and have a series of meetings around the district after the workshops. We have asked the Environment and Planning Manager to break down the budget so we can scrutinise it. Community Services and Corporate Services also needs to break down the budget so Council can see where the money is going. Council has already signalled what it proposes to do. Maybe we should be asking the community for variations before the draft plan goes out.

Mr Ward said staff have been briefed that we want an activity by activity break down. He believed there was a lot of value in the annual plan meetings held around the district.

Cr King suggested two-day workshops over two weeks, held in the Council Chambers in early December 2006.

Mayor Hurley suggested the meetings be held before the end of February 2007. He said the value of the information is improved if we've got a greater period of time.

Cr King said staff will be working through Christmas and that is the time they will put together what we decide at the workshops.

Mr Ward said his preference is to have the workshops in December 2006 as everyone will be here then which gives more time to react to changes. He said revenue policies are to be included in the review process.

Cr O'Regan said staff would welcome the opportunity to bring a report to the workshops on development contributions.

Mr Ward said a managers meeting will prepare a draft timetable and circulate for comment by Council first.

3.9 Disaster Fund Policy Reviews

The Engineering Manager and Corporate Services Manager have met to review and amend the wording to the policies which were included in the agenda.

Cr Borlase suggested \$100,000 should be kept in the budgets to allow for contingency in case of a major disaster.

Mr Dickinson said if we had a disaster the Engineering Department would have to find the first \$100,000 from engineering funding sources before the emergency fund could be utilised.

Cr Borlase said last year we had the problem on the Wainui Hill of \$153,000 and there wasn't anything left in the Engineering budget, hence the disaster fund was utilised.

Cr Henry said in the past there has been provision for reporting back to Council as we need to know every time the fund is used. She asked for it to be included in the policy.

Cr Higgins said when the funds were first established it was envisaged that the fund would increase to \$10 million. This Council resolved to fund the Wainui Hill from the Disaster Fund with the condition that it be reimbursed but that has not happened. He is concerned that the door is wide open for Engineering to use this fund and regularly get money from it and it will never build up to cover natural disasters that government has set it won't fund. His understanding was that river works in the Z rating area was covered for by the Z river rate. He asked if Council is adequately covered for a significant natural disaster.

Mr Ward said the rivers fund has doubled since seeding date with a balance of \$1,417,000 at 30 June 2006. The general disaster fund has halved and now has \$764,000. The sum of money is \$2.2 million in these two funds and in addition we have approximately \$560,000 in the self insurance fund.

Mr Dickinson said we should not assume that Council won't get help from central government in a major event. Tasman gets a serious rainfall event probably every 12 months somewhere around the district which keeps the pressure on the fund.

Cr O'Regan said there have been a number of instances when it has been come to Council as a fait accompli. \$764,000 in the disaster fund won't do much. We need to make a bigger commitment to keeping this fund up and exercise discipline on the size of disaster it funds.

Mr Dickinson said we have deliberately kept out of the LAPP fund and in effect we have self insured against disasters. The premium makes the LAPP fund unattractive. Some of this fund is designed to enable you to lock into the bigger amount from central government, like in the Motueka 1993 floods we got government money. We had to demonstrate that we had saved budgets and spent all our contingencies.

Mr Ward said every one of the draw downs from the fund have been for flood events, The way to address it is to a) reintroduce contingency or b) make a commitment to top the fund up on an annual basis. When requests are being considered for use of the fund remember the impact it will have.

Cr King said the \$100,000 could be increased to \$200,000. The responsibility is for Council to take it seriously and where means become available, to keep the disaster fund at a meaningful level.

**Moved Crs Norriss/O'Regan
FN06/09/29**

THAT:

- a) the policy for General Disaster Fund for Council Assets and for Classified Rivers Asset Protection Fund be adopted.**
- b) It be included in the policy that whenever the fund is used it be reported back to Corporate Services Committee.**

CARRIED

**4 MURCHISON RECREATION AND CULTURAL CENTRE PROJECT
MANAGEMENT TENDER EVALUATIONS**

Mr Kennedy was in attendance for discussion on this item.

Mr Ward spoke to the report that had been circulated prior to the meeting.

A subcommittee comprising Crs O'Regan, Bryant and King, together with Murchison Project Committee members Tony Peacock, Ricky Leahy and Judene Edgar, supported by Lloyd Kennedy and David Ward met to prepare a request for proposal immediately after the last Corporate Services Committee meeting.

Five responses were received and were measured against six criteria. Following discussions by the subcommittee, it was agreed that the tender for project management services be awarded to Arrow International.

Cr O'Regan commented on the thoroughness by which the local committee members had analysed the responses received. He agreed with the decision. In conjunction with this project there is a land purchase to take place which is processing and anticipates finalisation shortly.

**Moved Crs O'Regan/Bryant
FN06/09/30**

**THAT Arrow International be appointed project managers for the Murchison Sport Recreation and Cultural Centre.
CARRIED**

5 ACCOUNTS FOR PAYMENT

Cr Norriss asked for more clarification on payments made.

Mr Ward said staff always welcome queries on accounts. He said to itemise each payment would be a lot of work.

**Moved Crs Norriss/Borlase
FN06/09/31**

**THAT the accounts for July 2006 and August 2006 be approved for payment.
CARRIED**

The meeting concluded at 4.00 pm.

Chair:

Date: