

MINUTES

TITLE: Corporate Services Committee
DATE: Thursday 22 February 2007
TIME: 9.30 am
VENUE: Tasman Council Chambers, 189 Queen Street, Richmond
PRESENT: Cr T B King (Chair), Mayor J C Hurley, Crs T E Norriss, M J Higgins, J L Inglis, E J Wilkins, N Riley, S J Borlase, E M O'Regan, S G Bryant, 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 Henry/Norriss
FN07/02/04

THAT apologies for absence from Crs P K O'Shea and S G Bryant be sustained.

CARRIED

1 CONFIRMATION OF MINUTES

1.1 Corporate Services Committee – 14 December 2006

Moved Crs Henry/Inglis
FN07/02/05

THAT the minutes of the Corporate Services Committee held on 14 December 2006, containing resolutions FN06/12/21 to FN06/12/32 be confirmed as a true and correct record of the proceedings of that meeting.

CARRIED

1.2 Council Enterprises Subcommittee – 13 December 2006

Moved Crs Inglis/Henry
FN07/02/06

THAT the minutes of the Council Enterprises Subcommittee held on 13 December 2006, containing resolutions FN06/12/05 to FN06/12/20 be confirmed as a true and correct record of the proceedings of that meeting.

CARRIED

1.3 Information and Publicity Subcommittee – 13 December 2006

**Moved Crs Henry/Kempthorne
FN07/02/07**

THAT the minutes of the Information and Publicity Subcommittee held on 13 December 2006, containing resolutions FN06/12/01 to FN06/12/04 be confirmed as a true and correct record of the proceedings of that meeting.

CARRIED

1.4 Audit Subcommittee – 8 February 2007

**Moved Crs Higgins/O'Regan
FN07/02/08**

THAT the minutes of the Audit Subcommittee held on 8 February 2007, containing resolutions FN07/02/01 to FN07/02/03 be confirmed as a true and correct record of the proceedings of that meeting.

CARRIED

2 CHAIRPERSON'S REPORT

In his report, Cr King said if there are areas of under-recovery in fees and charges showing up in the quarterly and six monthly reports then Council will need to address the projects included in the draft 2007/2008 Annual Plan.

He also referred to challenges in measuring achievement against performance targets and the Port Nelson share buy-back consultation process.

**Moved Crs Norriss/O'Regan
FN07/02/09**

THAT the Chairperson's report for February 2007 be received.

CARRIED

3 CORPORATE SERVICES MANAGER'S REPORT

3.1 Rural Property Numbering

Council's Funding Impact Statement contains the rural property numbering rate of \$30 which will be applied as a one-off specifically to properties that have received the benefit of this service in both the Inland Moutere/Rural Motueka and the Coastal Moutere/Rural Waimea areas.

The rural property numbering project has been extremely successful for Council with 4,800 sites captured to date. There is now only one area of the district remaining – Coastal Moutere/Rural Waimea. Staff are currently preparing an information brochure to be direct mailed to all affected properties within this area during the next fortnight. Staff estimate that there approximately 3,500 properties within this area. Assuming there are no concerns raised during the consultative process with property owners in this area, we would anticipate that the contractor will be available to commence numbering of these properties in early April 2007.

This rate will be levied in the 2007/2008 year only.

**Moved Crs Kempthorne/Norriss
FN07/02/10**

THAT:

- a) **Corporate Services Committee approve rural property numbering for the area designated Coastal Moutere/Rural Waimea and properties directly benefiting from this service be levied a one-off rate of \$30.**
- b) **Staff prepare an appropriate contract between Council and Rural Property Numbering for the provision of services within the defined Coastal Moutere/Rural Waimea area.**

CARRIED

3.2 Funding Requirements

**Moved Crs Norriss/Kempthorne
FN07/02/11**

THAT:

- i) **The Council shall borrow the sum of three hundred and eighty thousand dollars (\$380,000) 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:**

Pohara/Tata Beach Wastewater	<u>\$380,000</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) **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 2007/2008 Draft Annual Plan Timetable

The annual plan document will be released on Friday 9 March 2007 and the public meetings commence on Monday 26 March 2007. Submissions close on 15 May 2007. Submission hearings will be held during the week commencing 5 June 2007.

**Moved Crs Kempthorne/Henry
FN07/02/12**

THAT Council adopts the timetable identified in the report for the release, consultation and adoption of its draft 2007/2008 Annual Plan.

CARRIED

3.4 Port Company Share Buy-back Funds Consultation Process

The agenda contained a timetable for the consultation process for the Port Company share buy-back.

Cr Higgins said the interest on the \$12.5 million is being used to hold the rates for the 2007/2008 year and was mindful of the fact that the rates will need to go up in future years to compensate.

**Moved Crs Norriss/Borlase
FN07/02/13**

THAT the timetable and process for consultation on potential allocation of Port Nelson Ltd share buy-back funds as contained in the Corporate Services Manager's report of February 2007 be adopted.

CARRIED

3.5 Low Value Properties

Over recent months Council has undertaken a review of low value properties within the District upon which Council continues to levy rates. These properties generally comprise of roadside reserves and ad hoc pieces of land for which rates have been charged on a perennial basis, albeit that the value of that rate has only become a concern with the application of District-wide targeted and UAGC rates.

He suggested that the Committee may wish to ask staff to research all the low value properties to see if there are contiguous or other issues and bring a report back to the annual plan submission hearings in early June 2007.

Cr Kempthorne asked for a report on the properties affected, showing where they are and what they are paying.

Cr O'Regan says this has arisen from a change in the Act where liability for rates was put on the land owner, not lessee. Properties that had contiguous status became non-contiguous.

Cr Riley asked that Council-leased land be included in the report.

Mayor Hurley arrived at 10.00 am.

**Moved Crs O'Regan/Borlase
FN07/02/14**

**THAT a report on low property value rating be brought back to the June 2007 annual plan submission hearings.
CARRIED**

3.6 Local Government Rating Enquiry Discussion Paper

Mr Ward recommended that Council form a subcommittee of interested Councillors and staff to consider the draft Local Government Funding : A Statement of Issues paper and prepare Council's response to LGNZ/SOLGM.

**Moved Crs King/Norriss
FN07/02/15**

**THAT a subcommittee comprising Crs E M O'Regan, S J Borlase, M J Higgins, R G Currie, E J Wilkins, the Acting Chief Executive and the Corporate Services Manager be formed to prepare Council's response to the LGNZ/SOLGM paper entitled "Local Government Funding : A Statement of Issues".
CARRIED**

It was agreed that this Subcommittee would meet on Wednesday 28 February 2007 at the conclusion of the Environment and Planning Committee meeting.

3.7 Rating Rebate

To date, 1,308 property owners have received rates rebates to the value of \$596,419 for the 2006/2007 year, with an average rebate of \$456.

In answer to a question Mr Ward undertook to do some research and report back on staff costs of administering the scheme.

3.8 Golden Bay Medical Centre Community Trust

Mr Ward declared an interest in the Trust as he is their Auditor.

**Moved Crs Riley/Borlase
FN07/02/16**

**THAT the Golden Bay Medical Centre Community Trust Annual Report for the year ended 30 June 2006 be received.
CARRIED**

3.9 Bishop Suter Art Gallery Trust Board Annual Report

Cr Henry represents Tasman District Council on the Bishop Suter Trust Board. She said Tasman District Council contributes \$70,000 per year and has indicated in the LTCCP that it will contribute money towards capital development of an updated Suter, from the Community Facilities rate. The Trust is hopeful that by June/July 2007 it may be successful in having an act of parliament passed so ownership passes through to Nelson City Council. There has been no suggestion since Tasman District Council declined to become part of the share owning of the Suter, that they will come back asking for money.

3.10 Members Interest Register

Mr Ward referred to the presentation on the International Financial Reporting Standard in relation to Members Interest Registers at the Audit Subcommittee meeting on 8 February 2007.

Any Councillor, Community Board Member or key staff member who believes they may be involved in any organisation or transaction that could trigger a need for inclusion of a transaction in Council's Members Interest Register was asked to contact the Corporate Services Manager.

**Moved Crs Borlase/Kempthorne
FN07/02/17**

**THAT the Interests Register be adopted annually for inclusion in Council's Annual Report.
CARRIED**

3.11 Future Corporate Services Meetings

Mr Ward advised that the Corporate Services meetings of 12 April 2007 and 24 May 2007 are to be cancelled.

Cr Henry asked that the accounts for payment be attached to a Council meeting agenda.

Cr Norriss asked that the meetings calendar given to Councillors at the beginning of the year be updated and redistributed.

**Moved Crs Henry/Norriss
FN07/02/18**

**THAT the Corporate Services Manager's report for February 2007 be received.
CARRIED**

4 BROADBAND

Council's Information Services Manager, Peter Darlington, was present and gave a powerpoint presentation on the current status and the potential future benefits of Broadband and demonstrated how these can be enhanced through Council support and continued staff involvement with this technology.

Mr Darlington said Council needs to decide if it recognises the need for Broadband, and does it want staff to continue investigations. He suggested inviting Network Tasman and Pacific.net to come to Council and make a presentation.

Cr King said a lot of successful companies do their manufacturing in Malaysia, and marketing in Japan and connections like this that provide the opportunity to shift large data is going to be essential to getting businesses and companies to stay in various regions and operate their business world-wide.

**Moved Crs Kempthorne/Henry
FN07/02/19**

THAT:

- a) Council recognises that Broadband infrastructure is important to the future development of our district, and supports the work done by the Nelson Marlborough Inforegion;**
- b) Tasman District Council staff continue participation in the Nelson Marlborough Inforegion to define the exact costs, and structure involved in setting up a local internet peering exchange;**
- c) Network Tasman and pacific.Net be given the opportunity to present to Council a network operator's view on how best to increase broadband coverage in our district.**

CARRIED

5 SIX MONTHLY ACCOUNTS TO 31 DECEMBER 2006

Mr Ward advised that Council is tracking to budget to 30 June 2007. Council has funded a high percentage of infrastructure and fixed asset purchases out of cash, as opposed to loans. Development contributions have not reached the budgeted level which will mean moving some projects funded from this source from 2007/2008 to 2008/2009.

Cr Higgins noted that fees have had to be increased, particularly in the Environment and Planning area, and overheads have increased and had an impact. He asked if increases in overheads is more than anticipated.

Mr Ward requested Councillors to look at the financial status of activities and to give particular reference to achievement against performance targets. He suggested that if performance targets are not going to be met, we must consider how Council should address those issues in terms of the 2007/2008 budget.

Moved Crs Henry/O'Regan

FN07/02/20

**THAT the Six Monthly Financial Report to 31 December 2006 be received.
CARRIED**

6 CLOSED ACCOUNT REPORT TO 31 DECEMBER 2006

The meeting considered a closed account report to 31 December 2006 which was attached to today's agenda. This report was prepared to provide information on the status of Council's current accounts, the adequacy of rating levels and the degree of loan funding attached to activities.

Mr Ward suggested Council agree to pay back minor loans, say under \$20,000. Letters will be sent to people who were non lump sum contributors to schemes asking if they want to make a lump sum contribution now, which will discharge their responsibility to pay a rate.

Moved Crs Norriss/Borlase

FN07/02/21

**THAT the Closed Account Report to 31 December 2006 be received.
CARRIED**

7 COMMUNITY OUTCOMES

The agenda contained a report and a booklet which allowed Council the opportunity to review and consider the prioritising of those community outcomes that it intends to pursue and report against over the next three years.

Moved Crs Henry/Riley

FN07/02/22

**THAT the Community Outcomes report be received and form part of the draft
2007/2008 Annual Plan consultation process.
CARRIED**

**8 ACCOUNTS FOR PAYMENT – DECEMBER 2006 AND JANUARY
2007**

**Moved Crs Henry/Currie
FN07/02/23**

**THAT the accounts for payment for December 2006 and January 2007 be
approved.
CARRIED**

The meeting concluded at 12.25 pm.

Chair:

Date: