

# MACKENZIE DISTRICT COUNCIL

## MINUTES OF A MEETING OF THE MACKENZIE DISTRICT COUNCIL HELD IN THE LAKE TEKAPO COMMUNITY HALL, ON TUESDAY 14 FEBRUARY 2006 AT 9.00 AM

### **PRESENT:**

John O'Neill (Mayor)  
Crs John Gallagher  
Dave Pullen  
Barry Stringer  
Evan Williams

### **IN ATTENDANCE:**

Glen Innes (Chief Executive Officer) from 3.00 pm  
Jason Beck (Manager – Finance and Administration)  
Rosemary Moran (Committee Clerk)

### **I APOLOGY:**

Resolved that an apology be received from Cr McDermott and that Cr Page's Leave of Absence be noted.

### **II MINUTES OF 20 JANUARY 2006:**

Resolved that the Minutes of the meeting of the Mackenzie District Council held on 30 January 2006 be confirmed and adopted as the correct record of the meeting.

**B J D Stringer/D Pullen**

### **III RATING AND FUNDING ISSUES:**

The Chief Executive Officer provided a power point presentation on a number of Rating and Funding Issues, a copy of which is attached to this record as Appendix A.

#### 1. ROAD FUNDING

The issue of underinvestment in township infrastructure was discussed. Cr Pullen and Cr Stringer were of the opinion that there was no under-investment in Twizel and Lake Tekapo.

Cr Gallagher said there was under-investment in Fairlie.

The Manager – Finance and Administration noted that ongoing submissions to Annual Plans had urged the Council to keep up improvements to the rural roading network. It was noted that seal extensions could not be undertaken unless subsidies were available.

The Chief Executive Officer suggested that, given roading was a District-wide network, financial pressures could be combated by using the strength of the entire rating base rather than diluting buying power by splitting it into four.

The option of funding roading from the general rate was discussed. The Mayor suggested that models be developed to show the effect of that option.

Cr Pullen expressed some doubt that the need for roading improvements in the high country was as great as the need below Burkes Pass. The Mayor noted that level of rates collected in the high country was not comparable with that collected elsewhere.

The Chief Executive Officer clarified that treating the District's roading network as one unit would make no difference to the level of subsidy received from Land Transport New Zealand.

The Chief Executive Officer distributed figures relating to current roading spend of the Works and Services rates, a copy of which is attached to this record as Appendix B.

The Manager – Finance and Administration asked what parameters should be used for modelling the proposed roading rate.

The Mayor suggested that one model could address the effect of increasing the general rate by \$175,000 which equated to a \$50 fixed charge.

Rural lifestyle blocks and the township boundaries were also noted as issues which would impact upon a District-wide rate for roading.

The meeting was adjourned at 10.53 for morning tea and reconvened at 11.10 am

#### **IV PUBLIC EXCLUDED:**

Resolved that the public be excluded from the following part of the proceedings of this meeting namely:

Mackenzie Holdings Limited Report

##### 1. Mackenzie Holdings Ltd

<b><u>General subject of each matter to be considered</u></b>	<b><u>Reason for passing this resolution in relation to each matter</u></b>	<b><u>Ground(s) under Section 48(1) for the passing of this resolution</u></b>
1 Mackenzie Holdings Ltd Report to Council	The making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied it	48(1)(a)(i) That good reason exists for not discussing the matter with the public present and is not outweighed by the public interest

This resolution is made in reliance on Section 48(1)(a)(i) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

*“Mackenzie Holding Ltd Report to Council”, to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied it. Section 7(2)(b)(ii).*

**J Gallagher /E Williams**

The Council continued in Open Meeting.

The meeting was adjourned at 12.40 pm for lunch and reconvened at 1.40 pm

### **III RATING AND FUNDING ISSUES (Continued)**

#### **2. FUNDING COMMUNITY FACILITIES:**

The Council considered options for part funding depreciation for community facilities.

The Mayor suggested asking the community boards if they wished to fund depreciation on halls and pools etc.

The Manager – Finance and Administration said the question had been put as part of the consultation on the first Long Term Council Community Plan. Fairlie and Tekapo had indicated that their halls and pools should be retained. Twizel’s response had been more involved. He suggested that in the future the Council could be asked to ensure the facilities were protected and the only way to do that would be to create a fund for the purpose.

The Mayor said there seemed to be a view that the building maintenance fund needed to be updated.

Cr Gallagher said he wanted the building maintenance fund to be the vehicle for taking care of community facilities, rather than the funding of depreciation on them.

The Chief Executive Officer noted that Councils were supposed to match operating expenses, including depreciation, with operating revenue unless there was good reason not to do so. He expressed concern that the current building maintenance fund was not only inadequate to maintain community assets in good shape, but also it was not designed to enhance the facilities or provide for their replacement. He noted that other Council assets such as pipes in the ground were fully protected.

The Mayor suggested the communities should be again asked for their views again.

### 3. CONTRIBUTION TO URBAN FACILITIES

The Council considered the issue of rural financial support for urban based community facilities.

In response to the question “Why change the current regime?”, the Mayor said the concerns raised by the Fairlie Community Board had to be addressed.

The Chief Executive Officer noted that the most appropriate way of addressing the Fairlie situation would be to change the community boundaries as part of a representation review. The Council had indicated it did not want to do that at this time.

The Mayor suggested that a specific rating area could be created to fund community facilities; such a proposal would require consultation with all affected ratepayers.

The Chief Executive Officer suggested a transfer of \$10,000 to \$15,000 from the rural hinterland to the three townships would make a significant difference to the current situation.

The Manager – Finance and Administration undertook to develop some models including the drawing of a special rating area around each township, and contributions from the rural area to the townships.

### 4. UPDATED FINANCIAL CONTRIBUTIONS:

Consideration of this issue was held over until the next Council meeting.

Cr Pullen left the meeting at 3.10 pm.

### 5. THOUGHTS ON GROWTH PREDICTIONS:

The Manager – Finance and Administration distributed a paper entitled “Thoughts on Growth Predictions” which is attached to this record as Appendix C

He noted that he had reached no particular conclusions and the paper was designed to illustrate the effect of the new sections which had been created and those for which titles had yet to be raised.

He also distributed a list of Council properties which he considered were priorities for disposal. (Appendix D)

It was noted that the Twizel Pony Club land should be added to the list as well as the Tekapo camping ground and village centre land.

The Manager – Finance and Administration said the list did not preclude the disposal of other parcels of land which might become available, such as forestry blocks. He noted that all surplus land formed part of Council’s real estate portfolio.

**THERE BEING NO FURTHER BUSINESS THE  
MAYOR DECLARED THE MEETING CLOSED  
AT 4.10 PM**

**MAYOR:** \_\_\_\_\_

**DATE:** \_\_\_\_\_