

# MACKENZIE DISTRICT COUNCIL

## MINUTES OF A MEETING OF THE MACKENZIE DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON TUESDAY 28 MARCH 2006 AT 9.00 AM

### **PRESENT:**

John O'Neill (Mayor)  
Crs John Gallagher  
Simon McDermott  
Graeme Page  
Dave Pullen  
Evan Williams

### **IN ATTENDANCE:**

Glen Innes (Chief Executive Officer)  
Jason Beck (Manager – Finance and Administration)  
Martin King (Manager – Planning and Regulations)  
Bernie Haar (Asset Manager) for parts of the meeting  
Garth Nixon (Community Facilities Manager)  
John McGartland (Solid Waste Manager)  
John O'Connor (Utilities Engineer) for parts of the meeting  
Mike Shears (Manager – Roading) for parts of the meeting  
Rosemary Moran (Committee Clerk)

### **I APOLOGY:**

Resolved that an apology be received from Cr Stringer.

**D Pullen/S McDermott**

### **II REPORTS:**

#### 1. BUILDING MAINTENANCE RESERVE BUDGET

This report from the Manager – Finance and Administration was provided to enable the Council to assess the rate requirement from each community towards its Building Maintenance for the next ten years.

The report was accompanied by the proposed Building Maintenance Work Programme for the 10 years and the Proposed Contributions for the 10 year period.

Resolved that the report be received.

**G Page/D Pullen**

Resolved that the proposed Building Maintenance budget be approved indicatively for incorporation into the budget for the 2006/2016 period; implementation of the programmed work to be subject to a separate report for approval by the Council.

**S McDermott/D Pullen**

Resolved that the proposed contributions from the communities be approved for incorporation into the budgets for the 2006/2016 period.

**S McDermott /J Gallagher**

2. LONG TERM COUNCIL COMMUNITY PLAN ASSUMPTIONS – GROWTH IN THE RATING BASE UPDATE:

This report from the Manager – Finance and Administration referred to the assumptions Council had already made regarding the level of new sections that would be created in the District in the next 10 years. The value of those sections had now been received and a spreadsheet of the Increase in Capital Values of the District accompanied the report.

Resolved that the report be received.

**S McDermott/E Williams**

Resolved:

1. That the Capital Values added to the Rating Information Database as scheduled in Appendix 1 attached to this record, be adopted by the Council as its assumptions for growth in the Long Term Council Community Plan.
2. That the budgeted Land Subdivision Reserve Contributions be set at 5% of the land values as assessed in Appendix 1.

**G Page/S McDermott**

3. RURAL BUDGET FOR 2006/2016:

This report from the Manager – Finance and Administration referred to the rural budgets for the 10 year period. The report was accompanied by a Rural Area Summary, Proposed Rate Strike for the 2006/2007 year, Rates Comparison and the Cost Centre Budgets.

Resolved that the report be received.

**E Williams /G Page**

The Manager – Finance and Administration outlined the proposed rates strike for the 2006/07 year. He explained the how the inflation figure had been applied in all the budgets across the ten year period.

The Councillors considered the budgets and made the following comments/amendments:

**Page 29 Subsidised Roading - Rural**

The Manager – Roading circulated a graph illustrating the impact of issues affecting the costs of roading over the previous ten years.

The Asset Manager undertook to provide information on movements in the proposed budgets for Pavement Markings and Traffic Services.

The meeting was adjourned at 10.40 am for morning tea and reconvened at 11.08 am

4. OVERHEAD BUDGETS FOR 2006/2016:

This report from the Manager – Finance and Administration was accompanied by the Overhead Accounts Budget Report - Rate Requirement.

Resolved that the report be received.

**J Gallagher/S McDermott**

**Salaries and Wages 2006/07:**

Resolved that the level of increase in the total wages and salaries budget for 2006/07 be limited to 4% of the 2005/06 budget of \$1,330,503.

**S McDermott /D Pullen**

**Staff Training:**

Resolved:

1. That the budget for staff training be reduced to \$50,000 with the exception of training for the Inspectorate (currently set at \$10,000).
2. That if further training is required, separate submissions are to be made to the Council for consideration.

**G Page /D Pullen**

The Mayor requested that a reporting mechanism be set up to advise elected members of the training undertaken by staff.

**Consultancy:**

Resolved that the budget for Consultancy of \$401,420 as proposed for 2006/07 be adopted.

**D Pullen/E Williams**

Cr Williams left the meeting at 12.28 pm

The meeting was adjourned at 12.28 pm for lunch and reconvened at 1.23 pm.

**Direct Expenditure:**

001 4540 Telephone and Tolls - reduce the budget to \$32,000

Resolved that the 2006/07 budgets for recording equipment and computers at Resource Recovery Parks be moved to Year 2 and that budget be the subject of a full report for approval by the Council.

**S McDermott /J Gallagher**

**Information Technology Support:**

Resolved that the capital expenditure budget for IT for 2006/07 be reduced from \$59,100 to \$20,000 and that if more funding is required, a case be made to the Council through the submission process.

**S McDermott /G Page**

**Council Building – Fairlie:**

Resolved that the air conditioning proposal apply to staff work areas only.

**D Pullen/G Page**

**Waste Budgets:**

The Manager – Finance and Administration noted the adjustments to be made to the budgets following the earlier Council decision to remove the budget for computer equipment for the Resource Recovery Parks.

- **Tekapo Resource Recovery Park**  
Telephone and tolls reduced to \$1,000

Cr Williams rejoined the meeting at 3.15 pm.

- **Twizel Resource Recovery Park**  
Resolved that the budget for Plant and Equipment of \$4,500 be approved in principle, subject to the production of a report on the cost/benefit of the purchase of a trailer.

**J Gallagher/G Page**

The meeting was adjourned at 3.25 pm for afternoon tea and reconvened at 3.40 pm

The meeting was adjourned at 4.10 pm and reconvened at 10.15 am on 29 March 2006.

**PRESENT:**

John O'Neill (Mayor)  
Crs John Gallagher  
Simon McDermott  
Graeme Page  
Dave Pullen  
Evan Williams

**IN ATTENDANCE:**

Glen Innes (Chief Executive Officer)  
Jason Beck (Manager – Finance and Administration)  
Bernie Haar (Asset Manager) for parts of the meeting  
Garth Nixon (Community Facilities Manager)  
John McGartland (Solid Waste Manager) for parts of the meeting  
John O'Connor (Utilities Engineer) for parts of the meeting  
Mike Shears (Manager – Roading) for parts of the meeting  
Rosemary Moran (Committee Clerk)

**I APOLOGY:**

Resolved that an apology be received from Cr Stringer.

**D Pullen/S McDermott**

The Mayor proposed that the Council meeting scheduled for 4 April 2006 be cancelled. The next Council meeting would be held on 18 April 2006. Councillors endorsed the Mayor's proposal.

## **UPDATE ON CHANGES MADE SO FAR:**

The Manager - Finance and Administration outlined the changes which the Council had already made to the General Rate budget:

- Solid Waste Budget reduced to \$99,000
- IT Department budget reduced by \$14,500
- Salary and Wages reduced by \$26,333
- Staff Training (with the exception of Inspectorate Training) reduced by \$12,600

Cr McDermott referred to the cost of the Solid Waste Strategy and the need to offset the expense by disposing of the stockpile of *Mackenzie Gold* compost.

The Mayor noted that the Solid Waste Manager had already advised that sales of compost were currently keeping pace with production and that he was working on strategies to reduce the stockpile.

#### 4. **OVERHEAD BUDGETS FOR 2006/2016 (continued)**

##### **Community Services**

- 084 9505 Adjust income derived from Twizel Township to a more equitable figure relative to other communities
- 084 4425 Reduce the budget for Other Consultancy Services to \$4,000 for the next 9 years

##### **Resolved:**

1. That the budget of \$103,760 for Building Maintenance Work for Year 1 be spread over Years 1 and 2.
2. That the budget for Cost Centre 084 4425 – *Consultancy* be reduced to \$4000.

**S McDermott/J Gallagher**

Cr McDermott expressed his concern that the Council had given no signal that funding support could possibly be available for the Village Centre Upgrade project in Twizel. He referred to the rates level recommended by the Twizel Community Board which included a special rate to fund the Twizel Village Centre development project and expressed his discomfort that the Board's recommendation was contrary to Council's policy to limit rate increases to the level of inflation.

The meeting was adjourned at 12.30 pm for lunch and reconvened at 1.30 pm.

##### **Rural Fires**

**Resolved** that the Council's contribution to Rural Fires be reduced to the level of the Forecast for 2005/06 (\$33,000) plus an inflation factor of 3.2%.

**S McDermott /D Pullen**

The Manager - Finance and Administration included in the budgets an interim figure of \$23,000 representing the Council's credit in the Rural Fire accounts. He explained that the credit was being investigated by Rural Fire Office staff.

##### **Lake Opuha Reserve**

- 093 5078 Reduce budget for spraying to \$589.

##### **Albury Hall**

- 120 5026 Increase budget for repairs and maintenance to \$2,000 annually across the 10 year period, and include a further \$6,000 in Year 6.

### **Subsidised Roading – Rural**

The Asset Manager advised the following changes to the budgets had been made:

- 253 6010 General Maintenance now \$520,600  
 253 8163 Budget for streetlight upgrade removed.  
 253 8172 Budget for Bridges removed  
 253 8162 Minor Safety budget reduced to \$120,000 and spread across the ten year period.
- 253 1208 He noted that Cattle stops had been included in the budget for General Maintenance

### **Cass River Bridge:**

The Asset Manager undertook to research the issues of ownership and Council's legal and moral obligations with regard to the Cass River Bridge.

Resolved that the Cass River Bridge be noted with a nil value for its replacement cost.

**D Pullen/G Page**

## 5. GENERAL RATE BUDGET FOR 2006/2016:

This report from the Manager - Finance and Administration was accompanied by the General Rate Budget for 2006/2016. The report was accompanied by the General Rate, Democracy, Commercial Activities, Tourism, Solid Waste, Planning and District Community Facilities Budgets.

Resolved that the report be received.

**S McDermott/J Gallagher**

### **Mackenzie Tourism and Development Board (MTDB):**

The Chief Executive Officer advised that there were a number of issues which should be considered to enable the Council to decide on the budget for Tourism and Development. He suggested the Council needed to:

- define what it wanted in terms of its tourism and economic development activities
- address the unsatisfactory ongoing 'Acting Board Chairman' issue
- determine how surpluses or losses in the Lake Pukaki Visitor Centre account should be dealt with
- agree on a funding mechanism – ratio of beneficiaries/rates contributions

The Mayor said the Chief Executive Officer, Cr Gallagher and he planned to meet with Mackenzie Tourism and Development Board members Graeme Murray and Denis Callesen to negotiate the issues. He suggested that a workshop be held following the meeting to consider a way forward. It was agreed that consideration of the Mackenzie Tourism and Development Board budget be delayed until then.

### **Civil Defence:**

The Asset Manager undertook to ascertain the testing regime for the Twizel generator.

Resolved that the capital expenditure in Cost Centre 0108925 in Years 5 and 8 be removed.

**J Gallagher /G Page**

**Dog Control**

Resolved that \$6,000 budget for the National Dog Data base be removed.

**D Pullen/G Page**

Cr McDermott voted against the motion.

The Chief Executive Officer advised that the Council was out of order in requiring its Officers to break the law.

**Building Control**

Resolved that the total amount of the Budget for BCA Accreditation for Council and Staff and BCA Staff Training be reduced to \$20,000 for Year 1.

**S McDermott/D Pullen**

Resolved that \$15,000 be transferred from Reserves to equalise the rating impact of funding Building Control in Year 1 of the Budgets

**G Page/S McDermott**

**Resource Planning**

Resolved:

- 1 That the budget for 087 4430 3 Fairlie Planning be reduced to \$20,000 for Years 1 and 2.
2. That the budget for 087 4430 4 Rural Development be reduced to \$20,000.

**S McDermott//J Gallagher**

**Community Facilities**

Resolved that cost centre 048 4485 Donations and Grants be amended by replacing the budget of \$600 for Burkes Pass Heritage with a budget for General Grants of \$2,000.

**S McDermott/J Gallagher**

Resolved that the budget for 048 5262 Peace Avenue Trees be reduced to \$2000

**J Gallagher /D Pullen**

Resolved that the budget of \$5,000 for Employment Scheme be removed from the Long Term Council Community Plan.

**S McDermott /J Gallagher**

Resolved that the budget for 048 5251 Sport South Canterbury be reduced to \$4,000

**S McDermott /G Page**

Resolved that a budget of \$5,000 be included for 048 5266 Road Safety Trust.

**G Page /E Williams**

Resolved that a budget of \$12,000 be included in 048 8803 Aerial Photography in Year 3 for Twizel and Lake Tekapo.

**S McDermott/E Williams**

**Fairlie Public Toilets**

The Community Facilities Manager referred to the Cleaning Contract which included the Fairlie Public Toilets and said he intended to offer the existing contractor the opportunity to roll over the contract at the existing rate, and if that offer was declined, to call for tenders for one contract for Fairlie/Lake Tekapo and separate contracts for Fairlie and Lake Tekapo.

**Fairlie Cemetery**

The Community Facilities Manager noted the need to correct the budgets for Plot Fees and Burial Fees in all the District Cemeteries.

**Fairlie Pensioner Housing**

The Chief Executive Officer noted the need for firm direction from the Council with regard to the proposed new Fairlie Pensioner Housing project to enable it to move forward.

Resolved that the budget for Capital Expenditure (190 8920) be approved subject to the explanation being included in the Long Term Council Community Plan that the Council will allow the new Fairlie Pensioner Housing project to proceed only if the application for a Housing New Zealand subsidy is successful.

**D Pullen/E Williams**

The Manager - Finance and Administration noted that Council had resolved to fund depreciation on Pensioner Housing.

He advised the Council that with the amendments made to the budgets the total rate requirement for the General Rate was \$1.8m, a reduction of \$88,500, representing a 6% increase in the general rate requirement. He said the increase in the rating factor when applying the new Capital Values would be 1.3% for individual general ratepayers.

Resolved:

1. That the budgets as amended be approved.
2. That the additional work as directed by the Council be carried out.
3. That any further amendments be considered at the Council meeting to be held on 18 April 2006.

**D Pullen/E Williams**

The Mayor noted that the next Council meeting would be held on 18 April 2006. He asked Councillors to let him know if they could attend the Local Government New Zealand Conference in July 2006 and/or the Zones 5 and 6 Meeting to be held in Dunedin on 27 and 28 April 2006.

**THERE BEING NO FURTHER BUSINESS THE  
MAYOR DECLARED THE MEETING CLOSED  
AT 6.55 PM**

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

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