

## MACKENZIE DISTRICT COUNCIL

### MINUTES OF A MEETING OF THE MACKENZIE DISTRICT COUNCIL HELD AT THE COUNCIL CHAMBERS, FAIRLIE, ON TUESDAY JUNE 10, 2014, AT 10.00AM

#### PRESENT:

Claire Barlow (Mayor)  
Cr Graham Smith  
Cr Murray Cox  
Cr Noel Jackson  
Cr James Leslie

#### IN ATTENDANCE:

Wayne Barnett (Chief Executive Officer)  
Paul Morris (Finance and Administration Manager)  
Garth Nixon (Community Facilities Manager)  
Bernie Haar (Asset Manager)  
Geoff Horler (Water Manager)  
Arlene Goss (Committee Clerk)  
Former Mayor Neil Anderson (observing)  
A media representative from the Timaru Herald

The meeting was also attended by those speaking to their submissions as follows:

10:00-10:15am	Mackenzie Rugby Club: Mitch Taylor (Submission 5)
10:15-10:30am	Julie Greig & Jan Zyzalo (Submission 6)
10:45-11:00am	Federated Farmers: Greg Anderson, Neil Campbell (10)
11.00-11.15am	Stan Taylor (Submission 11)
11.15-11.30am	Peter Maxwell (Submission 7)

#### OPENING:

The Mayor welcomed everyone to the meeting.

#### APOLOGY:

Resolved that an apology be received from Cr Evan Williams.

**Graham Smith/Noel Jackson**

#### DECLARATION OF INTEREST:

Cr Noel Jackson declared a conflict of interest on Submission 12, which has been submitted by his wife Pauline Jackson.

#### HEARING OF SUBMISSIONS TO THE ANNUAL PLAN 2014/15:

The purpose of this meeting was to consider public submissions to the Draft Annual Plan 2014/15.

Resolved:

1. That the report be received.

**Russell Armstrong/Murray Cox**

2. That the submissions for the Annual Plan 2014/15 be considered.

**Russell Armstrong/Murray Cox**

### **MACKENZIE RUGBY CLUB: SUBMISSION 5**

Mitch Taylor from the Mackenzie Rugby Club introduced the club. He said water charges have been increasing over time and the water is only used in the kitchen and for showering. The club asked the council to repeal the water charges to help keep costs down.

The Mayor asked how much money this was. Last year it was \$774.

Cr Smith asked if the rugby club applies for grants from other organisations. Yes they apply for lottery grants and others. This is getting harder with more people applying. Cr Smith pointed out that council money is from rates, so Mr Taylor was asking the whole district to pay for the rugby club's water. Mr Taylor said the rugby club contributes a lot to the community.

There was a question regarding the amount of water being used as it seemed a lot. Water manager Geoff Horler was asked to check on the amount of water used by the club. He left the meeting to do this at 10.10am.

Cr Leslie asked if the club had approached the community board for a grant. No.

Could they charge players more? Players already pay a \$150 sub. Charging more might deter people from playing rugby.

Geoff Horler returned to the meeting at 10.14am. He was unable to get water rating information immediately but it would be available later in the meeting.

The Mayor thanked Mr Taylor for his submission and he left the meeting.

### **ADJOURNMENT:**

The meeting adjourned for morning tea at 10.15am and reconvened at 10.30am.

### **JULIE GREIG AND JAN ZYZALO: SUBMISSION 6**

Julie Greig attended the meeting to speak in support of her submission regarding public toilets in Burkes Pass. This has been a problem for years but with more visitors stopping at Burkes Pass it is now an increasing problem.

She said people have been using a toilet on her property but there are risks involved and problems with access.

She read an email from Jane Batchelor which suggested a possible site for a council toilet. Other suggestions were for a composting toilet or long drop, and would council consider a partnership with the community. Suggestions were made regarding a design, and this could also be coin operated.

The Mayor said it was good to have positive suggestions on how the council and community could work together.

Cr Smith asked if the signatures on the petition were local people. No they are visitors to Burkes Pass. What length of time has the petition been out? Two months with 219 signatures collected.

Cr Smith asked if there was any estimate on costs. No this is just a starting point to open the dialogue. There are builders in Burkes Pass who could build the toilet.

Cr Jackson asked if the Burkes Pass community were proposing to maintain or clean the toilets. Julie Greig said they could maintain the building but were not offering to clean the toilets.

The Mayor thanked Julie Greig for her submission and asked for a copy of the email and photos she referred to.

## **FEDERATED FARMERS FAIRLIE: SUBMISSION 10**

Neil Campbell and Greg Anderson from Federated Farmers were welcomed to the meeting. Greg Anderson introduced himself as chairman.

Federated Farmers acknowledges the hard work by staff and elected members in preparing the annual plan.

Regarding the general rate, Mr Anderson was concerned that council is moving further away from targeted rates and more towards general rates.

They have asked for a break down on how the general rate was spent. They would like to see a break down on how rates are spent included on the rates demand.

Roading is one of council's core businesses and the rural area survives on roading. Federated Farmers have a concern with district wide roading. They feel these funds are being manipulated politically. Mr Anderson questioned how the rates were worked out by staff and believed it was unfair. He

questioned differences between what was predicted in the long term plan, and what was included in the annual plan in terms of rates for rural properties.

Mr Anderson was concerned that council was behind in roading maintenance. He would like to know where the money in the rural roading reserve has been spent.

Regarding investments, he was concerned that investments have gone down from 9 million to 3.2 million dollars. Last year's annual plan includes 2.4 million dollars in property sales but he was concerned that there is nowhere in this year's plan that accounts for that money. He would like to know where it has gone.

Federated Farmers submitted last year to get a better understanding of the figures. He would like some figures included in the annual plan so they can scrutinise how the money is spent.

Public toilets have become a bottomless pit with \$599,000 negative in the public toilets account, with more to spend at Tekapo. Mr Anderson would like council to investigate other ways to fund public toilets. Very few locals use the toilets.

Cr Smith asked where Mr Anderson had got the investment figures from. Mr Anderson said from the plan. Paul Morris said investments represent council's bond portfolio. As they have matured council has not reinvested in the bond market because the return is low. Council has been putting the money into term deposits at 90 days. Council is also using internal cash to fund the Twizel water upgrade and earning interest on that. This is why the amount of money invested appears to have reduced.

The Mayor asked Mr Anderson about his concern that rural people are not benefitting from district wide roading amalgamation. Mr Anderson said it looks like the \$20 rate has been removed to soften the rates in other districts.

Neil Campbell then spoke. He is a member of Federated Farmers. He was concerned the administration of council makes up 20% of the running costs. Anything spent on administration is not being spent on core services. He would like the administration spend to be better monitored and see council measure staff time to drive more efficiencies. He would like to see more information on where administration costs are spent.

Federated Farmers would like council to gain efficiencies in administration. The other point he would like council to act on is to lobby for DOC to pay rates. DOC land is on public roads and they should pay rates to maintain those roads. He would like a collective approach with other councils using LGNZ to progress this issue.

Cr Smith said last week he was at the provincial councils meeting and they looked at possibly being able to rate DOC.

The Mayor asked Mr Campbell and Mr Anderson for their notes so a detailed reply can be sent in response. The Mayor thanked them for their submission.

### **STAN TAYLOR: SUBMISSION 11**

Stan Taylor addressed councillors regarding his submission on page 39 of the agenda.

He said Ecan did some tests on a local stream and picked up a high nutrient level in that stream, and consequently it was handed back to residents to do more testing. He has been paying for this.

He is seeking council support regarding the catchment group. Council staff have been assisting Mr Taylor.

His group are lobbying Ecan and getting some sympathy. He believes this is a community issue.

The Mayor said in the plan this year there is a new salaried position to work with farmers on these issues.

Cr Cox asked if Mr Taylor had discussed things with the water zone committee. Yes this is being driven by them. The water zone committee can liaise with Ecan on his behalf. Mr Taylor wants to move ahead quickly.

Cr Smith thanked Mr Taylor for raising the issue. Councillors are aware of it and will do what they can to support water quality. The Mayor thanked Mr Taylor for his submission.

### **PETER MAXWELL: SUBMISSION 7**

Peter Maxwell said there is a Tourism Plan which aims to increase tourism to New Zealand. He said this strategy runs on the same timeline as the council's long term plan. Tourism is estimated to be worth \$200 million to the region. This is serious money and council cannot let the operators do all the work.

He read from his notes regarding the need for the region to be out in front so the brand of the region is not eroded. He said the two strengths of the region are tourism and agriculture. He believes farming intensification needs to happen, but taking water is difficult. He gave examples of situations where water demand is creating uncertainty.

Speaking on tourism he wants the right plan put in place to ensure the strengthening of tourism. He urged council to get the tourism industry involved in the long-term plan process.

Mr Maxwell suggested the tourism rate be charged on the number of beds rather than on capital value. He suggested it as a way for the rate to be

charge on a fairer basis. He also commented that council is not getting enough from its relationship with Christchurch and Canterbury Tourism, which was very focussed on Christchurch. He said there was some advertising using a photo of Aoraki Mount Cook to advertise Christchurch.

Council is probably getting good value from CCT but are they offering the best package of services or is there something better, and would it be better to have a mix between what they provide and something local?

It was suggested that council re-vist the CCT package in the long-term plan process. The Mayor said CCT have put some recommendations to council on how we can improve things.

Cr Smith said Tim Hunter from CCT spoke to council on tourism and the concern was that visitors are spending 25% less now than they were five years ago. We are having to service more people for less spend. Mr Maxwell said that is of concern and a number of factors are causing it. He said Lake Tekapo was one of the most expensive places in NZ to stay the night. He saw this as a positive thing and talked about the need to provide value for spend.

The Mayor thanked Mr Maxwell for his submission and asked him to leave his notes.

## **CONSIDERATION OF GENERAL SUBMISSIONS:**

1. Community and Public Health.

Resolved that the submission be accepted.

**James Leslie/Russell Armstrong**

2. Alasdiar Chapman, Twizel.

Some of these matters do not relate to the Annual Plan. The major issue he raises is the 13% rates rise. This is driven by the water upgrade and this cost is what the users need to pay.

Resolved that the submission be declined.

**Claire Barlow/Graham Smith**

3. Colin McNeilly, Mosgiel.

This is not an annual plan submission but is more of a district plan submission, as it is a planning issue.

Resolved that the submission be declined as part of the Annual Plan process, but be referred to the next meeting of the Planning and Regulation committee.

**Clair Barlow/Noel Jackson**

4. Phil Keene, NZ Landcare Trust.

This organisation has involvement with the OOPs Water Zone committee. Cr Williams suggested they send an application to council for funding. The chief executive said he has discussed this with Mr Keene who suggested about \$2000 a year was an appropriate amount.

The Mayor asked whether council's recent decision to put aside staff resource for this work would be a contribution. Cr Cox said we are already spending a lot of money on water zone committees. There are a lot of catchment groups popping up and he doesn't know where they fit in terms of their role and where their money comes from.

Cr Smith feels that council's contribution should be in staff and services rather than funding. The staff resource will be worth more than \$2000. The Mayor said there is also the Biodiversity First Steps funding from Ecan available.

Resolved that the submission be accepted with the response highlighting Mackenzie District Council's current contributions to this work through the support of the zone committees and the provision of a staff resource in this annual plan. The Mackenzie contribution should be a contribution in kind, rather than a cash contribution.

**Graham Smith/Russell Armstrong**

5. Mackenzie Rugby Club

Water manager Geoff Horler presented water use figures for the Mackenzie Rugby Club. These show they have consistently been using more than the 700 cubic meters of water allowed. In 2010 they used 1,858 cubic meters, in 2011 it was 2,717 cubic meters, in 2012 it was 2,282 cubic meters and in 2013 it was 3,732 cubic meters.

Geoff Horler said there may be an issue with urinals running all summer or a leak in the system. The showers are also magnificent and pour a lot of water down the drain. There may be ways for the club to reduce their water use.

The Mayor asked if council can offer the club advice on improving their water efficiency. Yes this would be possible.

The law says water charges cannot be changed for one person, only for everyone who pays this rate. If council wanted to reduce the amount it would have to be by giving a grant rather than changing a fixed charge.

Resolved that the submission be declined and that council instruct staff to work with the rugby club to see if their water use can be reduced, and suggest that the club present a grant application to the Fairlie Community Board for any further assistance.

**Graham Smith/Russell Armstrong**

6. Julie Grieg/Jan Zyzalo, Burkes Pass.

Cr Cox says this raises the question of public toilets in small towns. Overall it's a good thing, but if there are businesses offering a stop and a coffee, there is a responsibility for them to provide a service. He would like to look at a partnership between council, Burkes Pass businesses and trusts to raise the money.

Council would need a staff report on where to locate toilets.

Cr Jackson said a business that supplies coffee or food should supply toilets. The Mayor said what about people who are not stopping for coffee. People are wandering onto private property to relieve themselves.

Garth Nixon said a basic long drop costs \$8,000-\$10,000. For something connected to a sewer the cost is about \$30,000. He said there is an advantage to having a sewer in Burkes Pass that is suitable. One clean a day at \$30 is \$12,000 a year for cleaning.

Regarding pay toilets, they encourage public urination. In France pay toilets have a trough around the back that is free.

Councillors would like to do some further work with the Heritage Trust. Practical solutions are needed on things like cleaning and where the money would come from.

Resolved that the submission be declined as a submission to the Annual Plan, but council instructs staff to investigate further and engage with the Burkes Pass community with a view to including this within the Long Term Plan Process.

**Murray Cox/Noel Jackson**

7. Peter Maxwell, Lake Tekapo.

Cr Cox said there are anomalies in the system regarding using the use of capital value to determine the rates. In some places the capital value of the entire property is not the same as the amount of property being used.

Paul Morris said he doesn't think the rating system can be set up to do a bed tax.

Resolved that the submission be accepted in part and note that council will have further discussion on how it rates for tourism as part of the long term plan process.

**Claire Barlow/Graham Smith**

8. Owen Hunter, Fairlie.



This is regarding the removal of the fixed portion of the roading rate to ease the situation in Twizel.

Cr Smith said council has let the rural sector down in the dropping of the fixed charge for amalgamation. Both this submission and the Federated Farmers submission refer to it.

Cr Cox said council would probably do the same if it happened to other towns.

Cr Leslie said reversing this in the annual plan would result in a rates increase for Twizel and this would be hard to change now.

The Mayor said two and a half years ago when council did the long term plan process it did not communicate enough with the Twizel community and there was not enough information for Twizel people to make informed decisions. She is prepared to stand on the decision that was made, but in the future she would not like to see communities pitted against each other. She would like to decline the submission from Owen Hunter.

The other option is to put the \$20 rate back into play, which would bump the Twizel rates up to 14 percent.

Cr Smith said Federated Farmers feel they have been let down by council in the dropping of this charge. It was said to them there would be amalgamated roading and the whole district would contribute.

Paul Morris said the \$20 has been used to flatten the roading rate across the district. In this situation council is using rates in one area, roads, to offset rates in another area, water.

The Mayor asked regarding emergency reinstatement work on rural roads, what is the ratepayer contribution. \$160,000 in the last financial year, plus \$150,000 so far this year. This is not about favouritism but about making it work as a district. Rural are benefitting from this and it comes from all ratepayers.

Cr Cox said we also used other reserves to offset Twizel. Yes, general funded.

Paul Morris suggested re-introducing the \$20 rate and softening the Uniform Annual General Charge so it is shared by everybody. Discussion was held on the benefits and disadvantages of doing this.

The chief executive said there are two levels to consider – the overall objective of what you are trying to do, and the detail on how to do it. Federated Farmers and Owen Hunter say there was an important agreement to amalgamate the systems and council is changing an overall objective. Is the deal that was done before sacrosanct and not able to be changed? If that is the case it affects your ability to spread out the Twizel effect. If the overall achievement of a reasonable rate increase is prominent, you stick with it. Re-

introducing the \$20 on roading and taking the money from somewhere else is shuffling the cards to get the same result, and wouldn't be seen to be transparent by the community.

Paul Morris suggested a compromise with a \$10 charge. Do we need to have policy around what we can adjust to balance rates out in the future?

The Mayor asked for a lunch adjournment and for Paul Morris to bring back figures on the projected impact of a \$10 or \$20 rate for discussion after lunch.

#### **ADJOURNMENT:**

The meeting adjourned for lunch at 12.15pm and reconvened at 12.38pm.

#### **CONSIDERATION OF GENERAL SUBMISSIONS CONTINUED:**

Paul Morris presented figures to explain the different in rates with the \$20 charge added. He then changed the spreadsheet to show a \$10 rate as a comparison.

Cr Leslie said council made a decision it was now re-considering. Adopting a compromise would mean council was not keeping to its principles and is trying to make everybody happy. He believed council needed to 'stick to its guns'.

The Mayor said the purpose of public consultation was to suggest change. Cr Cox said the rural area was targeted to help pay for Twizel. Cr Smith said it wasn't fair for rural to be at a 1% rates increase while Twizel was at 20%. But he still thinks there should be a uniform charge of \$20. He questioned whether this was a tool that could be used to level rates, and could it be used every year or not.

The Mayor said a decision needs to be made. She recommended that the submission be declined and this was seconded by Cr Leslie. A vote was taken and the resolution was agreed by all except Cr Smith.

Resolved that the submission be declined.

**Claire Barlow/James Leslie**

#### **9. Cancer Society/Heart Foundation**

Cr Cox suggested that smokefree status be included in the landscape design for the Tekapo Lakefront Development.

Resolved that the submission be received.

**Graham Smith/Russell Armstrong**

#### **10. Federated Farmers**

Councillors agreed to go through these points one at a time.

Point 1 – Is a comment rather than a submission. This is a legislative requirement.

Point 2 – A decision has been made. Declined.

Point 3 – Raised due to a lack of understanding. Declined.

Point 4 – Reject with an explanation. Declined.

Point 5 – It is incorrect that locals do use public toilets. Declined.

Point 6 – Accepted but this is not an annual plan issue.

Councillors received the submission and noted that Federated Farmers had not asked council to take specific action in their submission. However it was important to talk to Federated Farmers about each of the issues raised.

One request was to include a breakdown on the rates bill showing where the money is spent. Paul Morris said this may not be technically possible on the rates bill but could be included in the Mackenzie Messenger which goes out with every rates bill. It could also go on the website. He will look into this.

Resolved that the submission be declined with no action taken on the Annual Plan, and a response is sent to Federated Farmers giving an explanation on the points raised.

**Graham Smith/Noel Jackson**

11. Stan Taylor.

Resolved that the submission be received.

**Claire Barlow/Russell Armstrong**

12. Pauline Jackson, Fairlie

Cr Jackson declared a conflict of interest. He did not debate or vote on this matter.

Bernie Haar spoke regarding this submission. He said events had overtaken the submission because contractors had filled in behind the curbs last week, however the submission also raises issues about sealing urban streets and they need to be done at some point. There is a need to fix up the utilities before the roads are sealed. He suggested this be a proposal in the long-term plan.

The Mayor asked if the community board would be asked to develop a strategy on this. No it's a council decision, but council can ask for guidance from the community boards.

Resolved that the submission be received and the issues related to the state highway be referred to NZTA, and also that the district wide issue of unsealed roads be considered in the long term plan process.

**Graham Smith/James Leslie**

13. Verna Parker, Sport Canterbury.

Resolved that the submission be accepted.

**James Leslie/Murray Cox**

### **AMENDMENT TO THE ANNUAL PLAN**

This report from the Finance and Administration Manager requested changes to the Annual Plan that have come up since the draft plan was released to the public.

Resolved:

1. That the report be received.

**Graham Smith/Murray Cox**

2. That council accepts the Ashwick/Opuha Water Race Committee recommendation to set the water rate at \$225 (inclusive of GST) and amend the Annual Plan according.

**Graham Smith/Murray Cox**

3. That council accepts the adjustment for the Downlands Water Scheme and increase the per serviced unit rate to \$327 per unit and increase the per unit rate to \$131.00.

**Graham Smith/Murray Cox**

**THE MAYOR DECLARED THE MEETING CLOSED AT 1.20pm**

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

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

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### MINUTES OF A MEETING OF THE MACKENZIE DISTRICT COUNCIL HELD AT THE COUNCIL CHAMBERS, FAIRLIE, ON TUESDAY JUNE 10, 2014, AT 1.20PM

#### PRESENT:

Claire Barlow (Mayor)  
Cr Graham Smith  
Cr Murray Cox  
Cr Noel Jackson  
Cr James Leslie

#### IN ATTENDANCE:

Wayne Barnett (Chief Executive Officer)  
Paul Morris (Finance and Administration Manager)  
Arlene Goss (Committee Clerk)

#### APOLOGY:

Resolved that an apology be received from Cr Evan Williams.

**Graham Smith/Noel Jackson**

#### DECLARATION OF INTEREST:

There were no declarations of interest.

#### ADOPTION OF THE ANNUAL PLAN:

Resolved that council adopt the Annual Plan 2014/15, subject to changes as detailed in the submission hearing process, with a final sign-off, once changes are made, delegated to Mayor Claire Barlow and Cr Noel Jackson.

**Graham Smith/Russell Armstrong**

**THE MAYOR DECLARED THE MEETING CLOSED AT 1.22pm**

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

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