



439<sup>TH</sup> MEETING OF THE  
MACKENZIE DISTRICT COUNCIL

## TO THE MAYOR AND COUNCILLORS OF THE MACKENZIE DISTRICT COUNCIL

### **Membership of the Council:**

Claire Barlow (Mayor)  
Cr Russell Armstrong  
Cr Murray Cox  
Cr Noel Jackson  
Cr James Leslie  
Cr Graham Smith  
Cr Evan Williams

*Notice is given of a meeting of the Mackenzie District Council to  
be held on Tuesday October 28, 2014, at 9.30am.*

**VENUE:** Council Chambers, Fairlie

**BUSINESS:** As per the attached agenda.

WAYNE BARNETT  
CHIEF EXECUTIVE OFFICER



## MACKENZIE DISTRICT COUNCIL

Agenda for Tuesday October 28, 2014, at 9.30am

### OPENING AND APOLOGIES

### DECLARATIONS OF INTEREST

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B) TEKAPO COMMUNITY BOARD MINUTES	121
C) FAIRLIE COMMUNITY BOARD MINUTES	126

### RECEIVE COMMITTEE MINUTES:

Receive the minutes of the Finance, Planning and Regulation, Asset and Services, and Strategy and Policy committee meetings held on October 16, 2014, including parts taken with the public excluded.

A) FINANCE COMMITTEE MINUTES	132
B) ASSET AND SERVICES COMMITTEE MINUTES	138
C) PLANNING AND REGULATION COMMITTEE MINUTES	145
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**RECEIVE FORESTRY BOARD MINUTES: 152**

Receive the minutes of the Mackenzie Forestry Board meeting held on October 16, 2014.

**CONFIRM COUNCIL MINUTES: 155**

Confirm and adopt the minutes of the Mackenzie District Council meeting held on September 16, 2014, as the correct record of the meeting, including those parts taken in public excluded.

**CONFIRM EXTRAORDINARY COUNCIL MINUTES: 179**

Confirm and adopt the minutes of the Extraordinary Mackenzie District Council meeting held on September 24, 2014, as the correct record of the meeting.

**PUBLIC EXCLUDED:**

Resolve that the public be excluded from the following part of the proceedings of this meeting namely the discussion of previous minutes taken in public excluded:

- A) POSSIBLE LAND PURCHASE. 182
- B) PREVIOUS MINUTES FAIRLIE COMMUNITY BOARD, OCTOBER 13.
- C) PREVIOUS MINUTES FINANCE COMMITTEE, OCTOBER 16.
- D) PREVIOUS MINUTES ASSET AND SERVICES COMMITTEE, OCTOBER 16.
- E) PREVIOUS MINUTES COUNCIL, SEPTEMBER 16.

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48(1) for the passing of this resolution</b>
Possible Land Purchase	Enable commercial negotiations	48(1)(a)(i)
Previous minutes Fairlie Community Board October 13	Commercial sensitivity	48(1)(a)(i)
Previous minutes Finance Committee October 16	Enable commercial negotiations	48(1)(a)(i)
Previous minutes Asset and Services Committee October 16	Commercial sensitivity	48(1)(a)(i)
Previous minutes Council September 16	Maintain legal professional privilege	48(1)(a)(i)

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: *Previous minutes Fairlie CB and previous minutes of Asset and Services Committee under section 7(2)(b)(ii). Previous minutes of the Finance Committee and Possible Land Purchase under section 7(2)(i). Previous minutes of Council under section 7(2)(g).*

**ADJOURNMENTS:**

- 10.30AM MORNING TEA
- 12.00PM LUNCH
- 3:00PM AFTERNOON TEA

## MACKENZIE DISTRICT COUNCIL

**REPORT TO:** MACKENZIE DISTRICT COUNCIL  
**SUBJECT:** GENERAL ACTIVITIES REPORT  
**MEETING DATE:** 16 September 2014  
**REF:** PAD 2/3  
**FROM:** MAYOR

### ACTIVITY REPORT

#### **COUNCIL, COMMITTEE AND BOARD MEETINGS**

24 September	Extraordinary Council meeting.
6 October	Twizel & Tekapo Community Board meetings.
16 October	Forestry Board and Committee Meetings.
28 October	Council meeting.

#### **OTHER MEETINGS AND ACTIVITIES**

17 September	Attended the Champion Canterbury Awards Dinner in Christchurch.
19 September	Attended the UPWZC meeting in Twizel.
23 September	Attended a Gigatown workshop session in Timaru at Timaru DC.
26 September	Met with the CEO & Albert Brantley from Genesis Energy. Met with the Mackenzie A&P Society regarding their ideas for the 2015 Show.
30 September	Discussed NZ Defence Force issues with Bernie Haar & Suzy Ratahi. Attended a Sth Canterbury Rural Fire meeting in Timaru.
1-3 October	In Wellington.
7 October	Met with Aurecon Iwi in Tekapo regarding stormwater. Attended the Tekapo Property group meeting. Attended the community drop-in session in Tekapo for consultation on car-parking project.
8 October	Attended a UPWZC – nutrient allocation public workshop
10 October	Met with Major Pete Boywer – Commander of the Southern Regional Support Centre, NZ Army
14 October	Attended Canterbury Water Management Strategy Workshop at Arowhenua Marae in Temuka with the CEO, Deputy Mayor and Cr. Williams.
15 October	Attended a Webinar on property Law with the CEO and Paul Morris, Cr Leslie also attended from home. Met with Sefton from Audit NZ.
16 October	Attended the unveiling of Trooper Mackenzie on the Village Green in Fairlie with the Council.

17 October	Attended UPWZC Meeting in Omarama and met with Runanga representatives from Arowhenua and Waihao.
18 October	Attended a St Johns Dedication of two new ambulances ceremony in Timaru.
19 October	Attended the Seafarers' Service & Trafalgar Day Luncheon in Timaru.
21 October	Meet with Commissioner Peter Skelton of Ecan to talk about the Mackenzie Agreement and a way forward with this.
22 October	Attend Farewell Function for John Hamilton, Civil Defence National Controller.
23 October	Tour of the Waitaki District with Mayor Kircher.

1. That the report be received.

CLAIRE BARLOW  
MAYOR

## MACKENZIE DISTRICT COUNCIL

**REPORT TO:** MACKENZIE DISTRICT COUNCIL

**SUBJECT:** CHIEF EXECUTIVE OFFICER'S GENERAL ACTIVITIES REPORT

**MEETING DATE:** 28 OCTOBER 2014

**REF:** PAD 2/3

**FROM:** CHIEF EXECUTIVE OFFICER

### ACTIVITY REPORT

#### **COUNCIL, COMMITTEE AND BOARD MEETINGS**

24 September	Extraordinary Council meeting.
6 October	Twizel & Tekapo Community Board meetings.
13 October	Fairlie Community Board meeting.
16 October	Forestry Board and Committee Meetings.
28 October	Council meeting.

#### **OTHER MEETINGS AND ACTIVITIES**

17 September	Management Meeting.
19 September	Chief Executive meeting with Waimate & Timaru DC's.
23 September	Attended Planning and Strategy meeting at Selwyn DC with Toni Morrison.
24 September	Management Meeting. Met with Managers to discuss growth in the district in regard to the LTP. Met with Twizel Golf Club and Garth Nixon.
25 September	Planning Catch up with Toni & Nathan.
26 September	Met with the Mayor & Albert Brantley from Genesis Energy.
29 September	Management Meeting.
2 October	Met with Garth Nixon and Sally Jones (DOC) regarding Tenure Review in the morning and then Mel Schauer in the afternoon regarding iwi consultation.
6 October	Management meeting.
7 October	Met with Aurecon Iwi and the Mayor in Tekapo regarding stormwater. Attended the Tekapo Property group meeting with the Mayor. Attended the community drop in session in Tekapo for consultation on carparking project, with the Mayor.
10 October	Met with Charles Anderson regarding Clayton Road.
13 October	Met with Jason Gaskill from Tourism Waitaki.
14 October	Attended Canterbury Water Management Strategy Workshop at Arowhenua Marae in Temuka with the Mayor.
15 October	Attended a Webinar on Property Law with the Mayor and Paul Morris, Cr Leslie also attended from home.

	Met with AuditNZ and the Mayor. Met with Toni Morrison regarding land development/vegetation clearance.
16 October	Attended the unveiling of Trooper Mackenzie on the Village Green in Fairlie with the Council and Mayor.
17 October	Met in Timaru with the Roding Collaboration Team.
20 October	Management Meeting. Met with Randall Froude in the afternoon.
22 October	Travelled to Christchurch and met with Boffa Miskell representatives and Mel Schauer regarding the Tekapo Lakefront Development. Upon return met with Graham Batchelor of Burkes Pass regarding cycle trails.
23 October	Had a planning catch up with Toni Morrison and Nathan Hole.
24 October	Travelled to Christchurch with Councillor Williams for the Zone 5 & 6 meeting.

**RECOMMENDATION:**

1. That the report be received.

WAYNE BARNETT  
CHIEF EXECUTIVE OFFICER

## **MACKENZIE DISTRICT COUNCIL**

**REPORT TO:** MACKENZIE DISTRICT COUNCIL

**SUBJECT:** LAND SALE AT TWIZEL

**MEETING DATE:** 28 OCTOBER 2014

**REF:**

**FROM:** WAYNE BARNETT, CHIEF EXECUTIVE OFFICER

### **PURPOSE OF REPORT:**

To obtain Council's confirmation in relation to an exemption under Section 40(1)(a) of the Public Works Act 1981.

### **STAFF RECOMMENDATIONS:**

1. That the report be received.
2. That Council resolve that it would be unreasonable, impractical or unfair to offer Lot 1, DP 445569 back to a previous owner on the basis that the land had been placed on the open market prior to the Crown purchase.

**WAYNE BARNETT**  
**CHIEF EXECUTIVE OFFICER**



**ATTACHMENTS:**

- APL Report dated 14 October 2014

**BACKGROUND:**

The Sale and Purchase Agreement for part of Lot 1 DP 445569 (to Meridian Energy) is conditional upon the Vendor “resolving by not later than forty (40) working days after the date of this agreement that it has satisfied all local government and other administrative or statutory requirements necessary to prepare the property for sale.”

At Council’s meeting on 16 September 2014 Council resolved to delegate approval of all Local Government and other administrative or statutory requirements necessary to prepare the property for sale as referred to in Clause 32.1(b) of the Agreement to the Mayor.

Staff have commissioned the attached APL report to support their advice to the Mayor in relation to this matter.

APL’s report indicates that an exemption to Sec 40(2)(a) of the Public Works Act 1981 is justified.

The Public Works Act requires a resolution from a Local Authority to confirm an exemption.

**POLICY STATUS:**

Not applicable.

**SIGNIFICANCE OF DECISION:**

This decision is not significant in terms of Council’s Policy on Significance.

**ISSUES & OPTIONS:**

This is essentially an administrative procedure. The requested resolution formalises Council’s position on what seems to be a very obvious point.

If Council determined not to resolve for an exemption it would trigger an offer back process for the land to an owner who had decided to leave the District in 1965.

A decision not to support this resolution would cast doubt in relation to a number of other potential and past land sales.

**CONCLUSION:**

This resolution would clear the way for staff to advise the Mayor that there is no impediment to her exercising the authority delegated to her Council on 16 September (to approve Clause 32.1(b) of the Sale and Purchase Agreement with Meridian Energy).

14 October 2014

Attention: Paul Morris  
Mackenzie District Council  
PO Box 52  
FAIRLIE 7949

Dear Paul

**MACKENZIE DISTRICT COUNCIL LAND DISPOSAL LOT1437 DP 48820, TWIZEL**

The following is in relation to your request to investigate under the Public Works Act 1981 the disposal of Lot 1437 DP 48820, Twizel, for disposal by the Mackenzie District Council.

As per the standard process, a Section 40 Report has been prepared (attached). As you will note, the Section 40 Report details the historical acquisition of the subject property and determines that it was acquired as a public work under the Public Works Act 1981 (PWA).

In some circumstances, and for a number of different reasons, it may be unreasonable, unfair, and/or impractical to offer the property back.

The Section 40 Report addresses the rights to exemption from the offer back process, and it is proposed that pursuant to Section 40(2)(a), land held in title CFR560547 be exempt from the offer back as it is unreasonable and impractical given that it has been determined that the property had been placed on the open market prior to acquisition by the Crown. Under the PWA, the Chief Executive Officer has the authority to determine this exemption.

**Method of Sale**

As stated in our previous correspondence, local authorities are required to manage assets prudently and in the interests of their communities, and unless particular or special circumstances exist, sales should be transparent with full exposure to the market and be sold in a fair and open manner. It is Council's responsibility to access the current method of disposal under this governance proviso.



### **Process from here**

In the first instance, Council is required to consider the recommendations of the section 40 report. The report is required to be executed by the Chief Executive Officer and a copy returned to the undersigned. If Council do not resolve to adopt an exemption under section 40(2)(a), then a formal offer back of the property to the previous owner may be required.

If Council resolves to adopt the exemption under section 40(2)(a), then, as mentioned above, the method of sale needs to be further considered by Council.

If you require any further information please do not hesitate to contact the undersigned. Please ensure that the Section 40 report is action, and if accepted then it is to be signed and returned to the undersigned. Enclosed is an invoice for the preparation of the Section 40 report that requires your action

Yours sincerely

A handwritten signature in black ink that reads 'Samantha Forrest'.

**SAMANTHA FORREST**

**PROJECT & PROPERTY MANAGER**

Email: [samantha.forrest@aplproperty.co.nz](mailto:samantha.forrest@aplproperty.co.nz)

Enclosed: Section 40 Report



## Ward Property Services

### Chris Ward

AREINZ Accredited Supplier to LINZ

46 Alpine View

P O Box 176

Hokitika

New Zealand

Telephone 03 755 7357

Mobile 0274 371 254

Email: [wardc@xtra.co.nz](mailto:wardc@xtra.co.nz)

Home Page: <http://www.wardpropertyservices.co.nz>

3 October 2014

### Reference:

The Chief Executive  
Mackenzie District Council  
C/- APL Property Blenheim Limited  
Blenheim

### **Section 40 Report – Lot 1437 DP 48820 – Twizel - Canterbury**

#### Client

Mackenzie District Council

#### Introduction and Background

The Council is considering the future of this property and the purpose of this report is to identify the obligations under section 40 of the Public Works Act 1981.

#### Legal Description – All Canterbury Land District

Lot 1 DP 445569. Area: 0.8016 hectares.

NOTE: This land was previously part of Lot 1437 DP 48820 contained in CB29A/905.

#### Land Status

Freehold land held by the Mackenzie District Council. All the land in CFR 560547.

#### Contamination/ Liability Issues

None known.

#### Mineral Status

The non-statute minerals are held by the Crown.

#### Other Clearances

The vendor may decide it no longer requires the property nor has a wish to retain an interest in the property. This decision would trigger the Section 40 offer back issues.

There is no known requirement for this property for any other public work and there is no known or likely exchange requirement for the property in terms of Section 105 of the Public Works Act 1981.

#### Physical Description

A largely open area of land within the Twizel Town Centre.

Valuation

To be obtained for disposal by Council.

Survey/Title Requirements

Title has issued, no survey required unless subdivision is proposed.

Background/Acquisition History

The land was originally acquired from Maori by the Kemp purchase of 1848 and it has been considered Crown land from that point.

The land was included in Warrant 6C/188 and title CB545/45 was issued in 1951 over RS 36867.

Subsequently CB 589/72 issued from that title in 1953 for the balance of the land amounting to 13,442 acres 2 roods 35 perches (equates to 5440.0752 hectares).

In 1965 the Crown purchased the property from Alan Cecil Stanley (NZ Gazette 1965 page 1732) for the development of Water Power (Waitaki River Power Scheme).

Following the development of this power scheme there were many disposals of land for a wide range of purposes from this title.

The area under report was part of a slightly larger area defined as Lot 1437 DP 48820. In 1986 the land in a number of deposited plans including DP 48820 was disposed of by the Crown to the Mackenzie District Council for housing purposes – see title CB28F/123.

From this title a number of roads were legalised and the other sections within this title were separated and individual titles issued. Title CB29A/905 was issued over Lot 1437. A subdivision of the Lot 1437 in 2011 resulted in DP 434229 and Lot 2 on this plan was retained by Council (CFR529554) and Lot 1 sold – CFR 529553.

Lot 2 DP 434229 was again subdivided in 2013 and DP 445569 defined Lots 1 and 2. Lot 1 was retained by Council CFR 560547 and Lot 2 sold – CFR 560548.

This is the current position with Council holding title CFR 560547.

Comment

As can be seen with the history of this land the ownership was originally held by a private owner and the Crown purchased the land in 1965 as part of a major public work.

From a search of the former Ministry of Works file it is clear that just prior to the purchase by the Crown, Stanley had placed the property on the market (with Wright Stephenson and Co Ltd) as he had secured an option on another property in the North Island – see Land Purchase Report dated 2 August 1965.

The Crown did advise Stanley in June 1965 that his property was under investigation as some of the works may affect the property. Subsequent file notes show that it came out that Stanley had already placed the property on the market.

Once it had been established that the property was on the market, the Crown moved very quickly to secure the property and settlement occurred in August 1965.

The land required for this scheme has now been established and there have been many disposals of land originally acquired.

There were a number of areas sold to Mackenzie County Council and this was part of one of those areas. It was sold to the Council for Housing Purposes in April 1986.

Ngai Tahu Claims Settlement Act 1998

The land is not relevant land in terms of the above Act and therefore Part 9 of that Act is not applicable.

Issue to be Considered

Sec 40(2)(a) – the Crown originally purchased the land from Maori and by Warrant 6C/188 sold the land into private ownership.

It is clear from the files that the property had been placed on the market prior to the Crown purchasing and an exemption on the grounds of unreasonable, impracticable or unfair can be justified.

Sec 40(2)(b) – there has been no changes to the property that would amount to a significant change in the character of the property sufficient to meet an exemption test.

Sec 40(3) – not applicable (not acquired between 31/1/1982 and 31/3/1987).

Sec 40(4) – the property is capable of sale on the open market and this provision could not be used to exempt them from an offer back.

Summary

An exemption under section 40(2)(a) is able to be supported.

Recommendation and Authority

That pursuant to section 40(2)(a) of the Public Works Act 1981 the land in title CFR560547 be exempted from the offer back as it is unreasonable and impracticable



Chris Ward  
Accredited Supplier  
3 October 2014

Approved

.....  
Chief Executive  
Mackenzie District Council

Date: / /2014

666 282.

Extract from N.Z. Gazette, 7 October 1965, No. 58, page 1732

Declaring Land Taken for the Development of Water Power (Waitaki River Power Scheme) in Blocks VII and VIII, Campbell Survey District, and Blocks III, V, VI, VII, and IX, Strachey Survey District, Mackenzie County

PURSUANT to section 32 of the Public Works Act 1928, the Minister of Works hereby declares that, a sufficient agreement to that effect having been entered into, the land described in the Schedule hereto is hereby taken for the development of water power (Waitaki River Power Scheme).

SCHEDULE

CANTERBURY LAND DISTRICT

ALL those pieces of land in the Canterbury Registration District described as follows:

- A. R. P Being
- 13.442 2 35 Part Rural Section 36867 situated in Blocks VII and VIII, Campbell Survey District, and Blocks III, V, VI, VII, and IX, Strachey Survey District. All certificate of title, Volume 589, folio 72, Canterbury Land Registry.
- 13.1 5 Lots 1 and 2, D.P. 16453, being part Rural Section 36867, situated in Block VI, Strachey Survey District. All certificate of title, Volume 581, folio 27, Canterbury Land Registry.

Dated at Wellington this 15th day of September 1965.

PERCY B. ALLEN, Minister of Works.

(P.W. 92/12/71/6; D.O. 40/14/4/1/1)

R. E. OWEN, Government Printer, Wellington, New Zealand.

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 2/ Lands Dept  
 3/ Valuation Dept  
 4/ NZEP, [initials]  
 5/ NZEP, Wellington (2)  
 JPD 18/10/65

Records  
 [initials]  
 7

JJD:MIS

P.W. 40/14/4/1/1

1479,  
CHRISTCHURCH.

17 August 1965

Messrs Raymond, Raymond, Hay and Ward,  
Solicitors,  
P.O. Box 118,  
TIMARU.

Dear Sirs,

MARYBURN-PUKAKI POWER SCHEME  
RUATANIWHA STATION : A.C. STANLEY

Referring to the telephone discussion with Mr Sinclair Raymond on 17 August, I am forwarding to this Department's Timaru office, a cheque for £47,823.-.9 in your favour representing essentially the purchase of the freehold and covering the Crown's share of rates and insurance premiums. The voucher has been prepared upon the information given per telephone as at the time of drafting this letter your statement had not been received.

It has been necessary for cheques for the greater part of the purchase money to be drawn today, so I am holding a further cheque for £17,000 in your favour which will be forwarded to you upon receipt of the report on the stock and chattels from the Lands and Survey Department. Any necessary adjustment will be made by a further cheque posted to you but, of necessity, made payable to Mr Stanley direct. Apart from the "overs" and "unders" in respect of the stock as provided for in the contract, there will be a deduction of £5 for the set of 30 cwt scales (H. Pooley and Son) which Mr Stanley wishes to retain.

If you are now holding them, would you please hand to this Department's representative upon receipt by you of the cheque for £47,823.-.9, the discharged mortgage (together with 5/- in cash), the insurance policies duly transferred and the title. If they are not available, please post them to me later.

Yours faithfully,

*P.D. Cheque for £17,000 also forwarded to Department's Timaru office today (18 Aug) cheque for £13,000 will be posted on 19 (voucher to Mr Stanley)*

D. B. Dallas  
District Commissioner of Works

Per: *JEP*

The Resident Engineer,  
Ministry of Works,  
TIMARU.

... Cheque for £47,823.-.9 attached. Please hand to Mr Sinclair Raymond as indicated above and forward me any documents received. The sum of 5/- represents stamp duty on the discharge of mortgage. *Cheque for £17,000 also enclosed, for handing to Mr Raymond on 19 inst.*

D. B. Dallas  
District Commissioner of Works

Per:

17.8.65

*Posted 18.8.65  
5 P.O.  
11.30am  
JP*

Encl.



P.W. 40/14/4/1/1

Ministry of Works,  
CHRISTCHURCH.

2 August 1965

The District Commissioner of Works,  
OFFICE.

MARYMURH-PUKAKI POWER SCHEMES  
KUATANIWAHIA STATION

Approval has been given to the acquisition for the development of water power of the whole of the Kuantaniwhia Station adjoining the Cheu River owned by Mr A.C. Stanley.

After being given a verbal assurance that the Crown would acquire his property, Mr Stanley exercised an option to purchase a farm in the North Island, and he is committed to settlement on 20 August 1965. He has since formally offered to allow the Crown to take his present property under the Public Works Act 1928 on the condition that compensation is assessed in accordance with the provisions of the Act by agreement, or, failing agreement, by the Land Valuation Court, and this offer has been duly accepted by this Office.

It is intended that the property be acquired as a going concern. A compensation settlement has been negotiated and details are as follows:-

<u>SETTLEMENT WITH:</u>	Mr Alan Cecil Stanley, C/- Messrs Raymond, Raymond, Hay and Ward, Solicitors, P.O. Box 118, Timaru.
<u>INTEREST:</u>	Freehold.
<u>PURPOSE:</u>	Development of water power.
<u>AREA:</u>	13,456 acres.
<u>DESCRIPTION:</u> (Legal)	Part R.S. 36867, and Lots 1 and 2, D.P. 16453, being part of the said R.S. 36867, situated in Blocks VII and VIII, Campbell Survey District, and Blocks III, V, VI, VII and IX, Strachey Survey District (all C.T. 589/72 and 581/27).

The land in C.T. 589/72 is subject to Electricity Agreement 441529.

(General) 1700  
The land comprises approximately 400 acres of good recent alluvial flats along the Twisel River, 11,000 acres of largely morainic flats and hills arising from about 17,000 to 5,000 feet. The area is reasonably well subdivided with fair average fences, and 120 acres of the better flats have been cultivated with the object of supplying winter feed for some of the younger stock. Bisection of the flats by the Glen Lyon Road is of great assistance in the easy working of the property. Merino wool production during recent years has averaged approximately 35,000 lbs annually, and the sale of surplus stock, including a proportion of fat lambs has averaged approximately 27% of the shearing totals of 4,000 to 4,200 sheep.

## 2.

The main buildings comprise the station homestead which, although about 40 years old, now contains all modern conveniences and provides comfortable accommodation, a staff cottage which has been entirely renovated and modernized by Mr Stanley, and an iron wool shed of approximately 2,600 square feet. There are also shearers' quarters and implement and hay sheds.

The stock and chattels listed in the attached Schedule are included in the settlement. Included are 4,233 sheep and 65 head of cattle. The only items which the Crown is not purchasing are the truck, landrover and bulldozer. These items were never intended for sale by Mr Stanley and are not included in any valuation.

VALUATION:

A special Government valuation dated 23 July 1965 as a going concern is £65,000.

This valuation is made up as follows:-

U.V.	£33,500
Impts	13,500
Stock and Chattels	<u>18,000</u>
	<u>£65,000</u>

A valuation of the stock and chattels, except the dishmaster and refrigerator now included in the purchase, made at my request by the Pastoral Lands Officer, Lands and Survey Department (and endorsed by the Chief Pastoral Lands Officer) is £18,000. This valuation has been discussed with and adopted by the District Valuer.

SETTLEMENT NEGOTIATED:

£65,500 - including the stock and chattels listed in the attached schedule - subject to the following conditions:-

1. Vacant possession shall be given to the Crown and rates and insurance premiums shall be apportioned on settlement.
2. Settlement shall be effected on 18 August 1965.
3. At the date of settlement, the said price shall be adjusted for overs and unders at the following rates:-
  - (a) Sheep at £3. --. - per head.
  - (b) Cattle at £30. --. - per head.
  - (c) Hay at 5/- per bale.

but the owner shall not deliver more than 4,500 head of sheep and more than 70 head of cattle, and the owner shall not deliver less than 4,150 head of sheep and less than 60 head of cattle.

AUTHORITY:

Head Office teleprint P.S. 92/12/71/6 of 9.7.65.

COMMENTS:

The Ruataniwha Station will be affected by two power houses, the Ohau Lake control structure, the Ohau canal and outlet structure, the main Pukaki-Ohau canal, the Ohau bridge dam and the lake behind the latter dam. The Project Engineer considers that the station is also the logical site for a village of approximately 530 acres.

3.

After obtaining an option on the North Island property, Mr Stanley placed the Ruataniwha Station in the hands of Wright Stephenson and Co. Ltd for sale at a price of £68,000 as a going concern. A few days later he was made aware of the water power proposals as they affect his property and he realized that he would be bound at least morally to disclose these proposals to any prospective purchaser, and that this would mean that the prospects of sale to a private purchaser were ruined. After receiving the assurance that the Crown would acquire the property, he withdrew it from sale.

Mr Stanley claims that during the brief period in which the Station was available for private sale, keen interest was shown and I am prepared to believe this as the Station is considered generally to be one of the most desirable in the Mackenzie Basin. Moreover, as far as I am aware, this is the only freehold run in existence. It has been submitted to me that the price of £68,000 was quoted for a quick sale, is conservative and that there was every prospect that the Station would readily sell for this amount. It appears from the evidence available that a price of £68,000 would have been a little high, but I am not able to say that a price approaching this amount would not have been obtained. There are, however, certain savings and advantages in selling to the Crown which I have not failed to stress in the negotiations.

The settlement at £65,500 was negotiated after a lengthy conference last Friday between Mr Stanley, his solicitor, his accountant and myself, and I consider it to be reasonable. The District Valuer has stated that settlement at £65,500 is quite satisfactory and the Chief Pastoral Lands Officer regards purchase at this amount as excellent.

The negotiated rates for overs and unders - sheep at £3 per head, cattle at £30 per head and hay at 5/- per bale - were recommended by the Pastoral Lands Officer. Under the terms of the offer, the maximum payments for overs are; sheep £201 and cattle £150. It is estimated that there will be 2,000 bales of hay left on the property at the date of settlement and this is the number referred to in the attached Schedule. There were 3,000 bales on hand on 15.7.55. I consider that £150 can be allowed for overs of hay. A total amount of £500 should be allowed for overs of sheep, cattle and hay, but it will probably not be necessary to use much, if any, of this amount.

**RECOMMENDATION:** I recommend that Mr A.C. Stanley be paid the sum of £65,500 as full compensation for the acquisition for the development of water power of the Ruataniwha Station of 13,456 acres, including the stock and chattels listed in the Schedule, subject to the above conditions of the offer.

The expenditure of up to a further amount of £500 should also be approved to allow for possible "overs" of sheep, cattle and hay on settlement day.

(R. A. Auldby)  
Senior Land Purchase Officer

The Commissioner of Works,

R. N. FERGUSON  
District Land Purchase Officer

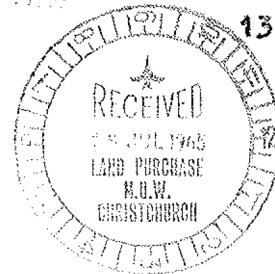
I concur.

Asst. Chief Land Purchase Officer

/ /65

40/120/4/1/1

92/12/71/6/1



13 July 1965

The Director General,  
Lands and Survey Department,  
WELLINGTON.

Attention Fields Director:

MARYBURN-PUKAKI POWER SCHEMES  
RUATANIHIA RUN

...

I would refer to a recent discussion between Messrs J. Fitzharvis and A.T. Bell relative to the acquisition of Mr Stanley's land in connection with the above power schemes. I attach hereto a plan showing the effect of the schemes on Mr Stanley's land and some notes relative to the land requirements for power development.

The property containing an area of approximately 13,000 acres has been offered for sale to the Government and approval has been given for the purchase.

The run has been offered as a going concern together with stock and plant. It is understood that it is carrying approximately 4,500 ewe equivalents and that the plant is valued at approximately \$3,500.

The actual price has not yet been determined, but it is understood that the run was recently placed on the market at \$64,000.

Apart from the area which it is intended to develop as a site for the construction village and the possibility of preliminary investigations for power development the land will not be required for three or four years.

The present owner is ready to give vacant possession in the very near future and the question of management is a matter which should be resolved as quickly as possible. In this respect it is suggested that your Department and mine should confer with New Zealand Electricity Department to discuss the situation.

*From: Pukaki  
13-11-65  
M.O.W. form*

P.L. Laing  
Commissioner of Works

Referred to

*[Signature]*

Per:

*[Signature]*

Encl:

15/7/1965

*[Signature]*

(Tumble)

DISTRIBUTION:

The General Manager,  
New Zealand Electricity Department,  
WELLINGTON.

Your references 21/80/11 and 21/84/11.

The District Commissioner of Works,  
CHRISTCHURCH.

Attention District Land Purchase Officer:

The Project Engineer,  
Ministry of Works,  
OTEMATA.

P.W. 40/14/4/1

1479,  
CHRISTCHURCH.

13 July 1965

The Commissioner of Crown Lands,  
Department of Lands and Survey,  
Private Bag,  
CHRISTCHURCH.

UPPER WAITAKI POWER DEVELOPMENT : MARYBURN-PUKAKI  
POWER SCHEME : RUATANIWAHIA STATION

I refer to the discussion of yesterday between your Mr R.W. Wilson, Chief Pastoral Lands Officer and the Senior Land Purchase Officer concerning the Ruataniwha Station, a freehold run of 13,456 acres adjoining the Ohau River and owned by Mr A.C. Stanley. The land is contained in Cs.T. 589/72 and 581/27.

I confirm that the Minister of Electricity, in anticipation of a Government decision to proceed with the above scheme, has given his approval to the acquisition of the whole property under the Public Works Act 1928 for the development of water power, with the consent of Mr Stanley, compensation to be assessed in accordance with the provisions of the Act by agreement or, failing agreement, by the Land Valuation Court. I believe that Mr Stanley has now entered into a commitment to purchase another property in the North Island and that he will be required to settle for the latter property on 20 August next.

As explained to Mr Wilson, the Ruataniwha Station will be adversely affected by two power houses, the Ohau Lake control structure, the Ohau canal and outlet structure, the main Pukaki-Ohau canal, the Ohau bridge dam and the Lake behind the latter dam. The Project Engineer also considers that the Station is the logical site for a village of approximately 530 acres. It is estimated that the total land requirement during the construction period, including the village site, will be over 3,000 acres, but, on completion of the work, it is expected that approximately 1,700 acres can be released for farming purposes. The main construction work would not commence until 3 to 5 years' time and would last about 7 years. However, if Government approval to the scheme is given, possession of the village site would be required almost immediately, and the village could perhaps remain for something like 20 years.

The question of whether the Crown should acquire the Station as a going concern, or acquire the land and buildings only, leaving Mr Stanley to dispose of the stock and plant, has been considered and discussed with Mr Wilson. Mr Stanley wants any purchase to be as a going concern and it is agreed that this is also the better course from the Crown's point of view. Negotiations are therefore proceeding on this basis. It is considered surplus portions of the Station can be used later to compensate adjoining runholders affected by the scheme. Mr J.A.P. Cameron, who holds the adjoining Ben Ohau Station, in a discussion with the Senior Land Purchase Officer and Mr Wilson yesterday, expressed interest in acquiring portion of the Station in settlement of his own claim. Any action along these lines, however, is premature at this stage and there seems no reason why normal farming cannot proceed for some years yet, except that

2.

it may be necessary to exclude an area for the village. Mr Wilson mentioned that your Department could, no doubt, assist with interim management and I understand that this aspect is to be discussed at Head Office level. Positive action in this connection is, of course, not possible until negotiations with Mr Stanley are finalized and a date for possession is fixed.

A valuation of stock and plant is required immediately for negotiation purposes and Mr Wilson is arranging for such a valuation to be made. Your co-operation is appreciated.

D. B. Dallas  
District Commissioner of Works

Per: 

The Project Engineer,  
Ministry of Works,  
Private Bag,  
OTEMATATA.

Copy for your information.

D. B. Dallas  
District Commissioner of Works

Per: 

13.7.65

The Commissioner of Works,  
WELLINGTON.

Attention of Chief Land Purchase Officer:

... Your teleprint NR J375 (P.W. 92/12/71/6) of 9.7.65 refers. Search notes of the Ruataniwha Station are enclosed. I understand that the Project Engineer, Otematata has sent Mr A.T. Bell a plan showing the Station and the effect of the proposed activities. Mr Sinclair Raymond of Messrs Raymond, Raymond, Tweedy and Hay, solicitors, Timaru, last Friday said that he was quite prepared to rely on the verbal assurance given by the Senior Land Purchase Officer that approval had been given to the acquisition of the whole property under the Public Works Act, and that he would advise Mr Stanley to exercise the option on the North Island property. I believe that Mr Stanley duly did so. A confirming letter was posted to the solicitors last Friday with a request that Mr Stanley give his formal consent to the taking of the whole property under the Public Works Act, subject to the assessment of compensation in accordance with the provisions of the Act. Mr Raymond had said that such consent would be readily forthcoming. Purchase as a going concern is the only logical course, and I gather from your teleprint that you will take the question of interim management up with the Director of Lands. Negotiations for a compensation settlement are proceeding.

D. B. Dallas  
District Commissioner of Works

Per: 

13.7.65

Encl.

NR J 375 HEAD OFFICE TO CHRISTCHURCH 9.7.65 P.W. 92/12/71/6

49/14/4/11

MARYBURN - PUKAKI POWER SCHEME STANLEY PROPERTY

FILE 40/14/4/1

ATTENTION MR RR FERGUSON.

----- U R G E N T -----

1. I REFER TO TELEPHONE DISCUSSION OF THIS MORNING - MESSRS FERGUSON, AUBREY AND BELL - CONCERNING AN UNDERTAKING BY THE CROWN THAT IT WILL ACQUIRE THE 13,000 ACRE PROPERTY OF MR STANLEY FOR THE MARYBURN - PUKAKI POWER PROJECT.
2. A DISCUSSION WAS HELD AT NOON TODAY IN THE OFFICE OF THE MINISTER OF ELECTRICITY AT WHICH WERE PRESENT HONS. MESSRS ALLEN AND SHAND MR A.D. DICK M.P. MR E.B. MACKENZIE GENERAL MANAGER N.Z.E.D. WITH ENGINEER MR P. BLAKELEY, AND MESSRS HALLELL AND BELL OF THIS DEPT.
3. IT WAS AGREED THAT THE PROPERTY SHOULD BE ACQUIRED AND THAT MR STANLEY BE GIVEN AN UNDERTAKING ~~XXX~~ BEFORE NOON ON MONDAY 12 JULY THAT THE CROWN WOULD PURCHASE AND THE MINISTER OF ELECTRICITY HAS APPROVED ACCORDINGLY.
4. YOU MAY THEREFORE ADVISE MR STANLEY OR HIS SOLICITOR'S (UNDERSTOOD TO BE MESSRS RAYMOND, TWEEDIE AND HAY OF TIMARU) OF THIS, AND IT IS ASSUMED YOU WILL GIVE THE UNDERTAKING IN THE FORM OF AN ACCEPTED CONSENT FROM THE OWNER, FOR THE ~~XXX~~ CROWN TO TAKE HIS PROPERTY FOR THE DEVELOPMENT OF WATER POWER, WITH COMPENSATION TO BE AGREED UPON OR ASSESSED IN ACCORDANCE WITH THE PROVISIONS OF THE P.W. ACT.

CONTD:-



NR J 375 CONTD:-

- 2 -

5. ON THE QUESTION OF STOCK AND CHATTELS, THIS ASPECT WAS DISCUSSED AND THERE IS NO DOUBT THAT IF THESE HAVE TO BE ACQUIRED, THE APPROVAL INCLUDES SUCH ITEMS. WOULD YOU PLEASE ADVISE AS SOON AS POSSIBLE THE NATURE OF THE UNDERTAKING AND YOUR VIEWS ON CONTROL AFTER POSSESSION, IN ORDER THAT APPROACHES MAY BE MADE IF NECESSARY TO LANDS DEPT. FOR ASSISTANCE IN INTERIM MANAGEMENT.

IT MAY BE ADVISABLE TO HAVE PRELIMINARY DISCUSSIONS WITH THE COMMISSIONER OF CROWN LANDS IF STOCK AND CHATTELS ARE INVOLVED AND I WILL ~~XXXXXX~~ ACQUAINT LANDS H.O. WITH THE POSSIBLE POSITION.

P.L. LAING

COMM. OF WORKS

PER A.T. BELL

TOD 22.1 MO

FIN THKS

RD 368/37 375 IFP

ATA TO HEAD OFFICE 7.7.65 DO 74/6/1

ENGINEER PROJECTS ; PUKAKI - OHAU ; ACQUISITION  
LAND FOR VILLAGE AND STRUCTURES

ENGINEER (POWER)

CONFIDENTIAL

MADE TO MR STANLEY OF BUKANIWA STATION P.M.

GAUGE HIS REACTION TO OUR FUTURE ~~XXXX~~ ACTIVITIES  
THE PROPERTY, WHICH IS THE ONLY FREEHOLD RUN IN THE AREA.  
SIZE OF THIS RUN RUN IS A LITTLE OVER 13,000 ACRES AND CONTAINS  
LAND FLAT. IT STRETCHES FROM OHAU BRIDGE TO OHAU LAKE OUTLET  
BEYOND ON CANTERMURY SIDE OF RIVER. THIS PROPERTY WILL BE  
HEAVILY AFFECTED BY THE PROPOSED CANALS AND STRUCTURES TO THE  
FOLLOWING EXTENT: TWO POWERHOUSES, OHAU LAKE CONTROL STRUCTURE,  
INLET AND OUTLET STRUCTURE, MAIN PUKAKI OHAU CANAL SECTS  
PROPERTY, OHAU BRIDGE DAM HAS ONE ABUTMENT ON THE PROPERTY,  
LAND BEHIND DAM WILL OCCUPY AN AREA OF THE PROPERTY.  
LOSS OF LAND IS ESTIMATED TO BE CONSERVATIVELY AT LEAST  
1. TEMPORARY LOSS DURING CONSTRUCTION WOULD BE DOUBLE  
WORKING AREAS THAT MAY BE REQUIRED FOR WORKSHOPS AND  
EQUIPMENT, BORROW PITS AND TEMPORARY ROADS. IN TOTAL  
THE PROPERTY COULD BE AFFECTED. IT WOULD APPEAR THAT THE  
THE ENVISAGED CONSTRUCTION  
NOT COMPATIBLE OVER A MAJOR  
RUN.  
A RUNHOLDERS IN THE TWIZEL  
OPPOSITION TO THE DEPARTMENT  
TE. I CONSIDER ABOUT 600  
PURPOSE. THERE IS A CONVENIENT AREA  
AROUND OF CONSTRUCTION ACTIVITIES

RECORD UNIT (1/11/1960)  
MAY 1961  
1961

AND ADJACENT TO THE MAIN ROAD. IT IS ALSO SITUATED AT THE  
 CALCULATED ~~CENTRE~~ CENTRE OF GRAVITY OF THE WHOLE UPPER MAITAKI  
 DEVELOPMENT. THE AREA OF LAND FOR THE VILLAGE MUST BE OBTAINED  
 WITH OR TWO TO ALLOW PLANNING TO PROCEED. IT SEEMS TO  
 PROBLEMS WOULD BE SOLVED BY THE EARLY ACQUISITION  
 STATION NOT THE LEAST OF THESE BEING THE VERY  
 EFFECT ON OTHER RUNHOLDERS IN THE AREA, WHO ARE PREPARED  
 TOOTH AND NAIL TO AVOID HAVING THE VILLAGE ON THEIR OWN  
 IF WE ARE ABLE TO OBTAIN RUATANIWA FOR THE VILLAGE  
 THAT ONLY THE STATION WILL BE AFFECTED BY THE PUKAKI  
 SECTION ON THE CANTERBURY SIDE I.E. RUATANIWA AND BEN OHAU  
 VALLEY.

DURING OUR DISCUSSION WITH MR STANLEY IT CAME OUT THAT  
 HE ALREADY PUT HIS PROPERTY ON THE MARKET. THE REASON BEING,  
 HE WANTED THAT HE IS HOPING TO PURCHASE ANOTHER PROPERTY IN  
 A DIFFERENT PART OF THE COUNTRY. I CONSIDER HE HAS UNDER-  
 ESTIMATED THE AMOUNT HE WILL BE AFFECTED BY OUR ACTIVITIES AND  
 BY HOLDING FURTHER DISCUSSIONS WITH HIM TOMORROW ON THIS  
 SUBJECT. I AM HOPEFUL THAT L.P.O. CHRISTCHURCH, WILL BE IN  
 ATTENDANCE TO ANSWER SOME QUESTIONS HE HAS TO ASK ON LAND COMPENSA-  
 TION. MR STANLEY APPARENTLY HAS A POTENTIAL BUYER WHO MAY WELL  
 BE FORESTALLED BY A FULLER EXPLANATION OF OUR FUTURE ACTIVITIES.  
 IF WHEN RUMOUR HAS DONE IT'S WORK, MR STANLEY COULD WELL  
 HAVE NO POTENTIAL PURCHASERS EXCEPT THE MINISTRY OF WORKS.  
 I AM SURE HE WOULD BE VERY AMENABLE TO DOING A QUICK DEAL  
 WITH ANYONE WHO CAN PRODUCE THE MONEY AND I RECOMMEND IMMEDIATE  
 NEGOTIATIONS BE HELD WITH PURCHASE OF THE PROPERTY IN VIEW. THE  
 AREA COULD BE TAKEN OUT AND NORMAL FARMING COULD PROCEED  
 FOR THE REMAINDER FOR THE NEXT 3 -5 YEARS.

STATE OF CALIFORNIA  
DEPARTMENT OF WATER RESOURCES  
DIVISION OF WATER CONSERVATION  
SACRAMENTO, CALIFORNIA

DNR X 968

3.

I CONSIDER THIS COULD BE THE MOST SIGNIFICANT STEP WE COULD  
TO SETTLE MANY LAND PROBLEMS AND I AM SURE OVERALL OUR  
CONDITIONS WOULD BE ENHANCED AND THE COST OF THE LAND WILL  
BE MANY TIMES BY SAVING IN BRIDGES OVER CANALS AND OTHER  
STRUCTURES. THE ABOVE IS FURTHER TO OUR TELECON THIS A.M.

BY ENGINEER

2,16 EL



J 336 HEAD OFFICE TO CHRISTCHURCH 7.7.65 P.W. 92/12/71/6

POWER PROJECT : TEKAPO - PUKAKI - OHAU

FILE 40/12/4/1

ATTENTION MR FERGUSON.

----- U R G E N T -----

1. I UNDERSTAND FROM POWER DIVISION THAT MR TAIT PROJECT ENGINEER AT OTEMATATA RANG TODAY CONCERNING A <sup>13,000</sup>~~30,000~~ ACRE PROPERTY OWNED BY A MR STANLEY WHICH WILL BE AFFECTED BY THE TEKAPO-PUKAKI-~~OH~~ SCHEME, AND BY A LATER SCHEME. IT IS UNDERSTOOD ALSO THAT THE SITE OF THE CONSTRUCTION VILLAGE WOULD BE BEST LOCATED IN THIS LAND.
2. MR STANLEY HAS APPARENTLY PLACED HIS PROPERTY ON TEXX THE MARKET AT A FIGURE OF £64,000, AND IT IS NOT KNOWN ~~NR~~ HERE WHETHER THE EFFECT ~~OF~~ OUR OPERATIONS COULD JUSTIFY PURCHASE OF THE ~~WHOEXX~~ WHOLE AREA, ALTHOUGH PARTS COULD POSSIBLY BE OF USE IN COMPENSATION ADJUSTMENTS WITH OTHER AFFECTED OWNERS, AND THE BALANCE TRANSFERRED TO LANDS AND SURVEY IN DUE COURSE, WITH CONSEQUENT RECOUPMENT OF THE ELCTRICITY ACCOUNT.
3. POWER DIVISION EXPECTS AUTHORITY OF GOVT. FOR THE INITIAL SCHEME, TO BE AVAILABLE WITHIN ABOUT A MONTH, BUT IN THE MEANTIME I UNDERSTAND MR TAIT WOULD LIKE THE L.P.O. TO ACCOMPANY HIM FOR PRELIMINARY DISCUSSION WITH RX MR STANLEY.

CONTD:-

NR J 336 CONTD:- - 2 -

4. IN THE CIRCUMSTANCES IT WOULD BE APPRECIATED IF YOU WOULD CONTACT MR TAIT AND ARRANGE FOR THE L.P.O. WHO WILL BE HANDLING THIS WORK TO MEET MR TAIT WITH THE OBJECT OF SECURING AN APPRECIATION OF THE PROJECTED ACTIVITIES AS THEY EFFECT MR STANLEY'S LAND, AND ADVISING HIS VIEWS ON SUBSEQUENT PURCHASE ACTION PARTICULARLY IN RELATION TO THE ADVISABILITY OF TOTAL ACQUISITION, OR DEALING ONLY WITH NORMAL COMPENSATION FOR LAND REQUIRED, BE IT EITHER FROM MR STANLEY OR FROM ANY POSSIBLE PURCHASER OF HIS AREA.

P.L. LAING  
COMM. OF WORKS  
PER A.T.BELL  
TOD 3.38 MO

BJB/EL

I/We hereby offer to supply the back hereof.  
Trade, cash, prompt pay  
N264/AIB/228/162  
DELIVERY D

Private Bag,  
OTEMATATA.

24th June, 1961.

Mr A.C. Stanley,  
Ruataniwha Station,  
PUKAKI.

54905  
P-36867  
A.R.V.I.  
Stanley

Dear Sir,

UPPER WAITAKI HYDRO-ELECTRIC INVESTIGATIONS

You have no doubt read the newspaper reports of the recent Government decision to proceed with the Cook Strait power cable, thus linking the electric power systems of the North and South Island.

This decision will mean that the power resources of the South Island will now be developed more rapidly and in particular, the present work on investigations for hydro-electric power schemes in Upper Waitaki area. Your station is at present included in the area under investigation and I would emphasise that the investigation will be arranged and conducted to cause you as little inconvenience as possible. If however, any difficulties are created by our work, I would appreciate it if you would contact the Investigation Office at Pukaki or the Benmore Office so that the matter may be rectified.

Part of your station could be affected by the proposed canal, the dam at the Ohau bridge and the intake lake.

I would be pleased to discuss with you any matter concerning the proposed power development as it affects your station in particular.


Yours faithfully,

J.W. Ridley  
Project Engineer

Copy to:

The District Commissioner of Works,  
Ministry of Works,  
DUNEDIN.

Copy for your information.

  
J.W. Ridley  
Project Engineer

## MACKENZIE DISTRICT COUNCIL

**REPORT TO:** MACKENZIE DISTRICT COUNCIL  
**SUBJECT:** LAND SALE TO TEKAPO LAKE RESORT LTD  
**MEETING DATE:** 28 OCTOBER 2014  
**REF:**  
**FROM:** WAYNE BARNETT, CHIEF EXECUTIVE OFFICER

### **PURPOSE OF REPORT:**

To seek Council approval in relation to vendor conditions within the Lake Tekapo Resort Ltd Sale and Purchase Agreement.

### **STAFF RECOMMENDATIONS:**

1. That the report be received.
2. That Council resolves to approve the terms and conditions of the Sale and Purchase Agreement per Clause 61(a).
3. That Council resolves that it has satisfied all local government and other administrative requirements necessary to prepare the property for sale per Clause 61(b).
4. That Council delegate authority to grant approval for Clause 61(c) to Councillor Cox.

**WAYNE BARNETT**  
**CHIEF EXECUTIVE OFFICER**



**ATTACHMENTS:**

- APL report dated 22 May 2014.
- Letter from Anthony Harper dated 16 July 2014

**BACKGROUND:**

On 1<sup>st</sup> April 2014 Council resolved to proceed with the Sale and Purchase Agreement (with Horizons New Zealand) subject to sign off by the Mayor, Cr Cox and Cr Smith.

Approval of the Sale and Purchase Agreement was obtained and the agreement was executed on 12 August 2014.

The agreement includes the following conditions for the Vendor's protection.

- a) Resolving by not later than forty (40) working days after the date of this Agreement that it approves the terms and conditions of this Agreement;
- b) Resolving by not later than forty (40) working days after the date of this agreement that it has satisfied all local government and other administrative requirements necessary to prepare the property for sale;
- c) Resolving by not later than sixty (60) working days after the date of this Agreement that it approves the draft survey plan of this property;
- d) Resolving by not later than forty (40) working days after being provided with the Purchaser's Concept Design, that it approves the Purchaser's Concept Design; and
- e) Obtaining within one hundred and eighty (180) working days of the date of this Agreement resource consent to carry out the subdivision of the property into Lot 1 and Lot 2 on conditions which are acceptable in all respects to the vendor.

Clauses 61(a) and (b) fell due on 10<sup>th</sup> October and an extension was requested to enable the matters to be included in this report.

Clause 61(c) is due on 7<sup>th</sup> November. Aurecon (and Hughes Development) are working with the purchasers to finalise an appropriate draft layout.

The Sale and Purchase Agreement has been formulated by Council's solicitors. There are no indications of deficiencies in the terms and conditions and there is no reason for them not being approved.

The question of compliance with all local government and other administrative requirements is addressed in the APL and Anthony Harper reports.

The APL report provides clearance on several matters but raises questions in relation to offer back requirements and suitable sale methods. The Anthony Harper report addresses the questions raised by APL. When read together the reports address the requirements of Clause 61(b).

**POLICY STATUS:**

Not applicable.

**SIGNIFICANCE OF DECISION:**

This decision is not significant in terms of Council's policy on significance.

**ISSUES & OPTIONS:**

The resolutions sought will enable the sale and purchase process to proceed as anticipated by Council when it authorised the sale.

There are no matters that would justify a departure from the intended process.

**RECOMMENDATION:**

It is recommended that Council provide approval of the conditions to enable the contract to proceed.

22 May 2014

Attention: Paul Morris  
Mackenzie District Council  
PO Box 52  
FAIRLIE 7949

Dear Paul

### **MACKENZIE DISTRICT COUNCIL LAND DISPOSAL – LAKESIDE DRIVE TEKAPU**

Following on from our letter dated 31 January 2014 regarding the general process for disposal of land, Mackenzie District Council (Council) engaged APL Property Limited (APL) to review the disposal of RS 40370 (the property) Lakeside Drive, Tekapo.

The property is 6.6230 hectares of Freehold land held by the Mackenzie District Council in title CB28F/939. The land is bound by Lakeside Drive and State Highway 60, and is in close proximity to Lake Tekapo. The property was acquired from Maori in 1848 and has been under Crown ownership thereafter. In 1962 it was declared as Tekapo Domain and the Mackenzie County Council was appointed to control and manage. Subsequently, in 1971 it became a Reserve for Recreation. The property then came to be held as a Freehold title by Council following a transfer of land with the Crown in 2000. The reservation status on the property and the Ngai Tahu Claims Settlement Act 1998 memorial were removed from the title following the land exchange with the Crown.

### **Long Term Plan & Strategic Assets**

Council previously advised that the property is a Strategic Asset that has been considered as part of Council's Long Term Council Community Plan, and therefore requires no further community consultation. It is clearly identified in Council's Long Term Plan 2012 – 2022 that the property is registered as a strategic asset under Council's real estate holdings investment portfolio, and that it is subject to future disposal by Council. The sale of strategic assets is subject to Council's investment policy which forms part of the Long Term Plan. An investment policy is one of a number of policies required under section 102 of the Local Government Act (LGA) 2002 and is required to provide predictability and certainty about sources and levels of funding. As per section 105 of the above LGA 2002s, the investment policy is required to set out



the local authority's objectives, acquisition and divestment strategy, management and reporting procedures, and investment risk assessment.

Council's Investment Policy (the policy) states that a core objective, in its management of investments, is to optimise long term returns. Under section 3 of the policy, it specifies that *"surplus land is either leased or held intending to be sold, at market valuation or at an agreed value satisfactory to Council"*. The policy does not detail the methods at which Council must adhere to in order to optimise the return on disposals, but what can be deduced, is that by not presenting this significant piece of land to the open market, it may not necessarily be optimising the disposal.

### **Public Works Act 1981**

As part of APL's review a Section 40 report, an investigation of the property under Section 40 of the Public Works Act 1981, was prepared by Ward Property Services (attached). Council is required to assess any landholding under this legislation in a timely manner following it being identified as surplus. It is important to note that any work a local authority is involved with is defined as a public work under the Public Works Act (PWA) 1981. Section 2 of the PWA 1981 states the following:

***"public work and work mean—***

- (a) *every Government work or local work that the Crown or any local authority is authorised to construct, undertake, establish, manage, operate, or maintain, and every use of land for any Government work or local work which the Crown or any local authority is authorised to construct, undertake, establish, manage, operate, or maintain by or under this or any other Act; and include anything required directly or indirectly for any such Government work or local work or use"*

The Section 40 report details the full history of the subject land and determines that pursuant to section 40(2)(a) of the PWA 1981, the property be exempt from an offer back as it is unreasonable and impractical to offer the land back to the Crown. Section 40(2) states:

*"Except as provided in subsection (4), the chief executive of the department within the meaning of section 2 of the Survey Act 1986 or local authority, unless—*

- (a) *he or it considers that it would be impracticable, unreasonable, or unfair to do so;"*



Council is required to adopt a resolution specifying that in relation to the disposal of the property to the former owner, of land that is no longer required for a public work, it considers that Section 40(2)(a) applies and that, accordingly, the Council does not intend to offer the property back. Council's resolution is required prior to the disposal of the land.

In regards to the disposal of land, under section 42(1) where:

*“(b) any land is no longer required for a public work and subsections (2) and (4) of section 40 do not apply, -*

*the chief executive of the department within the meaning of section 2 of the Survey Act 1986 or local authority may –*

- (c) cause the land to be offered for sale to the owner of any adjacent land at a fixed price by a registered valuer; or*
- (d) cause the land to be offered for sale by public auction, public tender, private treaty, or by public application at a specified price.*

Section 42(2) also goes on to state that:

*“.....the local authority shall ensure that public notice is given of every public auction or invitation for public tenders or applications under this section, and that written notice of it is served on the person from whom the land was acquired if he can be readily ascertained, and on every owner of land adjoining the land proposed to be sold, not later than 20 working days before the date fixed for the auction or for the closing of tenders or applications, as the case may be.”*

The above sets out valid methods of sale to be considered by Council in their assessment of disposing the subject land. Section 42(2) is of significant relevance as it states that all disposals under this section of the PWA 1981 must be publicly advertised, and that previous and adjoining owners must be notified of the sale. The current proposed disposal does not comply with the above provision and therefore the sale can not be undertake without first addressing said points.

### **Method of Sale**

As stated in our previous letter, local authorities are required to manage assets prudently and in the interests of their communities, and unless particular or special circumstances exist, sales should be transparent with full exposure to the market and be sold in a fair and open manner.



The method of sale currently being considered does not necessarily meet the objectives of Council's adopted Investment Policy, section 42 (1)(b) of the PWA 1981 or is it transparent and in an open manner. This is a significant land holding for Council given its location and there is potentially a high level of interest in the property. The potential level of public interest in the property is not considered under the current disposal method. Therefore, the true value of the property to the open market is unknown and the investment is potentially not being maximised.

As there does not appear to be any particular or special circumstance preventing the subject land from being presented on the open market, it is recommended that a sale by way of public tender, expressions of interest or public auction is considered.

### **Process from here**

In the first instance, Council is required to consider the recommendations of the section 40 report. The report is required to be executed by the Chief Executive Officer and a copy returned to the undersigned. If Council do not resolve to adopt an exemption under section 40(2)(a), then a formal offer back of the property to the previous owner may be required.

If Council resolves to adopt the exemption under section 40(2)(a), then, as mentioned above, the method of sale needs to consider the provisions set out under section 42(2). It is recommended that Council undertake the public open market methods of sale detailed above and as required under section 42 of the PWA 1981.

If you require any further information please do not hesitate to contact the undersigned. APL is available to assist Council in undertaking the above steps and preparing the property for sale in a manner the required manner.

Yours sincerely

A handwritten signature in black ink that reads 'Samantha Forrest'.

**SAMANTHA FORREST**  
**PROJECT & PROPERTY MANAGER**  
Email: [samantha.forrest@aplproperty.co.nz](mailto:samantha.forrest@aplproperty.co.nz)

Enclosed: Section 40 Report

*Anthony Harper*

16 July 2014

Mackenzie District Council  
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**FAIRLIE 7949**

Attention: Wayne Barnett

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## **LAND DISPOSAL - LAKESIDE DRIVE, TEKAPO**

- 1 We refer to recent discussions regarding the status of land owned by the Mackenzie District Council and contained within Certificate of Title CB28F/39 ("the Property"). The Property is the subject of a draft sale and purchase agreement between the Council and Tekapo Lake Resort Limited (TLRL).
- 2 The history behind the Council's acquisition of the Property is set out in separate, but related, reports prepared on behalf of the Council by Ward Property Services and APL Property Blenheim Limited (APL), dated 14 May and 22 May 2014 respectively. Both reports conclude that the Property is subject to the "offer-back" provisions in s 40 of the Public Works Act 1981 (PWA). You have asked that we confirm, as a matter of urgency, whether or not this is the case.

### **Summary of Advice**

- 3 For reasons to be outlined below, we are firmly of the view that the Property is not subject to the offer back requirements in s 40 of the PWA. Therefore, the Council is free to dispose of the Property in accordance with its obligations under the Local Government Act 2002, as amplified in the Council's Long Term Community Plan.
- 4 In our view, all steps taken by the Council to date with respect to the proposed sale of the land to TLRL have been consistent with its obligations under the Local Government Act 2002. Contrary to the advice given by APL, we do not consider it necessary to offer the land for sale by public auction; rather, the Council can continue with the sale by private treaty approach.

### **Does the Property fall within Section 40 PWA?**

Section 40 provides:

#### **40 Disposal to former owner of land not required for public work**

(1) *Where any land held under this or any other Act or in any other manner for any public work—*

(a) *Is no longer required for that public work; and*

(b) *Is not required for any other public work; and*

(c) *Is not required for any exchange under section 105 of this Act—*

*the chief executive of the department within the meaning of section 2 of the Survey Act 1986 or local authority, as the case may be, shall endeavour to sell the land in accordance with subsection (2) of this section, if that subsection is applicable to that land.*

(2) *Except as provided in subsection (4) of this section, the chief executive of the department within the meaning of section 2 of the Survey Act 1986 or local authority,*

unless—

- (a) He or it considers that it would be impracticable, unreasonable, or unfair to do so; or
- (b) There has been a significant change in the character of the land for the purposes of, or in connection with, the public work for which it was acquired or is held—

*shall offer to sell the land by private contract to the person from whom it was acquired or to the successor of that person—*

- (c) At the current market value of the land as determined by a valuation carried out by a registered valuer; or
- (d) If the chief executive of the department within the meaning of section 2 of the Survey Act 1986 or local authority considers it reasonable to do so, at any lesser price.

5 Applying s 40 to the present circumstances, we note the Property was originally acquired by the Crown in 1848 from Ngai Tahu and other Maori tribes as part of Kemp's Deed. It is doubtful therefore whether the land was originally acquired for a public work, however that is a moot point as there is no question that s 40 would apply to require the Council to offer the land back to its original owners. That particular issue has been resolved.

6 In the context of s 40, the critical question is whether or not the land is currently held for a public work? This is essentially a question of fact requiring consideration of:

*...all evidence bearing on the purpose for which the land was acquired; how this was documented and any relevant proclamations, memorials, resolutions, land titles and other written material; and the evidence of what has since occurred<sup>1</sup>*

7 With this requirement in mind, a review of the circumstances behind the transfer of land between the Crown and the Council by which the Property came to be under Council ownership is particularly informative.

8 Relevant documentation includes a Council resolution dated 07 May 1999. In summary, this resolution sets out the background to the proposed exchange of land between the Council and the Department of Conservation. The proposal involved the freeholding of a significant area of the then Lake Tekapo Domain adjacent to the present commercial area of Lake Tekapo township in exchange for two areas of Council owned freehold land in the Mailbox Inlet area of Lake Tekapo and the Cass River Delta.

9 The public notice for the 07 May 1999 Council meeting records:

*At its meeting on 7<sup>th</sup> May 1999 the Mackenzie District Council intends to resolve to seek the Minister of Conservation's consent to an exchange of reserve land in the Lake Tekapo township as shown in the First Schedule, for areas of Council freehold land on the western shores of Lake Tekapo, shown in the Second Schedule. The exchange is an integral part of the overall development plan for Lake Tekapo Township.*

*If approved, the outcome of the exchange will be that Council will gain freehold title to an area on the Tekapo Recreation Reserve adjacent to the present commercial centre....[Our emphasis]*

10 Subsequently, on 27 October 2000, the Council and the Crown entered into an agreement for the proposed exchange of land (the Agreement). Most notably, Paragraph D of the Introduction and Clause 3 of the Agreement provide:

*D. The parties have agreed that to enable the better utilisation of resources for conservation purposes the areas referred to in Schedule A, Schedule B and Schedule C shall be transferred to Her Majesty the Queen and to enable the better utilisation of land in*

<sup>1</sup> *Waitakere City Council v Bennett* [ 2008] NZCA 428 at [43]



*and around Tekapo township the area referred to in Schedule D shall be transferred to Mackenzie District Council free of any Reserve Designation.*<sup>2</sup> [Our emphasis]

### **TRANSFER OF LAND TO MDC**

*3.1 In consideration of the matters set out in this Agreement to be performed or undertaken by MDC, DOC<sup>3</sup> agrees to arrange for or undertake all matters incidental to the obtaining of the Minister's consent to the exchange of land between MDC and DOC, the publication of notice relating to such consent in the New Zealand Gazette and for the vesting of the land referred to in Schedule D in MDC free of any Reserve designation*

- 11 Having regard to these documents, we consider it beyond doubt that the Council did not acquire any of the land included within Schedule D to the Agreement, the Property included, for a public work. Rather, an unequivocal purpose demonstrated by the Agreement is that the existing reserve designation would be removed from all land contained within Schedule D and converted to freehold title vested in the Council. To the extent it could be argued that the prior reserve status of the Property meant that the land was held for a public work at the time of the exchange, the removal of this reserve designation would render such an argument irrelevant or outdated.
- 12 Further, it is explicit from both the 07 May 1999 Council resolution and the Agreement that the purpose for the acquisition of land within Schedule D to the Agreement was for the better utilisation of land at Lake Tekapo. Its acquisition was part of an overall development plan for the Township. Subsequent evidence of this purpose is demonstrated by the Council initiating a change to its District Plan (Plan Change 5) to amend the then zoning of the Property from Recreation A to Residential 2. The latter zone was made operative in 2007 and, in summary, enables a significantly wider range of uses than the former, restrictive provisions of the Recreation A Zone.
- 13 Finally, we note that there are no memorials on the title to the Property which would indicate that it is held for any public work.
- 14 Collectively therefore, the evidence demonstrates that the Property was not acquired for a public work and is not currently being held for such purpose.
- 15 As a further important aside, it is also arguable that s 40 of the PWA would not be invoked in the present circumstances given the absence of any element of compulsion associated with the acquisition of the Property by the Council. Rather, the 2000 Agreement to exchange land held by the Crown and the Council was entered into willingly and freely by both parties. The Agreement was made pursuant to powers available to the Crown and the Council under the Reserves Act 1977, not the PWA. The absence of compulsion is however likely to be more relevant to a decision under s 40 (2)(a) as to whether or not it is unreasonable or unfair to offer the land back to the Crown as opposed to an argument as to whether or not the duty to offer back applies.<sup>4</sup> We discuss s 40 (2)(a) in more detail below.
- 16 We recognise that our opinion conflicts with the conclusion reached in the Ward Property Services Report of 14 May 2014. We note that the Ward Property Services Report proceeded on the basis that the title to the Property had never transferred to the Council. However, it is clear from Land Information New Zealand documentation available that freehold title to the Property did indeed pass to the Council and that was achieved by the Council transferring the Property from The Mackenzie District Council for a reserve for local purpose (site for youth holiday and recreation buildings) subject to the Reserves Act 1977 to The Mackenzie District Council as the unqualified owner of the freehold interest in the land. This important fact in mind, we sought clarification from the author of this Report (Chris Ward), and have been advised by him that the Council is not required to offer the

<sup>2</sup> For the purposes of the Agreement, "Reserve Designation" means the legal designation pursuant to which an area of land is deemed to be a reserve as that term is defined in the Reserves Act 1977

<sup>3</sup> DOC = Department of Conservation

<sup>4</sup> On this point, see, for example, discussion at paras [92] – [102] of *Robertson v Auckland City Council* [2014] NZHC 765.

land back to the Crown under s 40 of the PWA. Mr Ward's revised opinion is now directly consistent with ours.

**Should Council Proceed with the Sale to TLRL? If so, should it proceed in the same manner?**

- 17 The other matter of major concern that arises from the APL report is the statement that the Council should not (in effect cannot) sell the land to TLRL by any means other than by public auction for the reason that "unless particular or special circumstances exist, sales should be transparent with full exposure to the market and be sold in a fair and open manner".
- 18 The report from APL further states that "the method of sale currently being considered does not necessarily meet the objectives of Council's adopted Investment Policy, section 42(1)(b) of the PWA 1981 or is it transparent and in an open manner".
- 19 The view expressed by APL proceeds on the understanding that the Property is subject to the terms of the PWA and should therefore comply with that legislation.
- 20 As explained above, we are very firmly of the view that the Property is not subject to the terms of the PWA and for that reason alone, the Council is not obliged to sell the land by means of public auction.
- 21 However, there is the additional factor that Council is intending to sell the Property on terms which reserve extensive rights to the Council and, for these reasons, we consider that the Council is entitled to sell the land by private treaty.
- 22 The sale by the Council to TLRL stipulates the following terms in favour of the Council:
- 22.1 the Property is subdivided into two lots so that Council is able to control the sale by not transferring title to lot 2 until it is satisfied that TLRL has complied with the terms of the agreement in respect of lot 1;
- 22.2 the agreement has the requirement that TLRL must prepare a concept design which must be approved by the Council prior to the agreement proceeding;
- 22.3 the agreement has the requirement that TLRL must complete the construction of buildings on lot 1 to a code compliance certificate standard in respect of 35% of all intended buildings on the site within two years of completion of the purchase of lot 1 or the Council has an option to purchase back lot 1 on very favourable terms;
- 22.4 the agreement has the requirement that TLRL must complete the construction of buildings on lot 2 to code compliance certificate standard in respect of 35% of all intended buildings on the site within two years of completion of the purchase of lot 2 or the Council has an option to purchase back lot 2 on very favourable terms;
- 22.5 the agreement has the requirement that TLRL must complete construction of 35% of all intended buildings on lot 1 within two years or, in default, the Council may cancel the right for TLRL to complete the purchase of lot 2. In that event, the Council is entitled to keep a pre-payment being equal to 20% of the value of lot 1 to cover any costs incurred by Council and to compensate Council for any loss.
- 23 The agreement between Council and TLRL is very favourable to Council and we do not think that there would be any possibility of undertaking a public auction on these terms. In fact, we consider that if Council was to attempt to auction the Property on the terms contained in the draft agreement for the sale to TLRL, the result would be to significantly drive down the price of the Property as potential bidders would ensure that the risk element is priced into the amount they would bid for the Property at public auction.
- 24 We are therefore satisfied that the basis on which Council intends to sell the Property is so strongly in favour of Council it is very much in Council's interest to enter into the sale by means of private treaty rather than by public auction.

25 Please contact us should you wish to discuss our advice in more detail.

Yours faithfully  
**ANTHONY HARPER**

A handwritten signature in black ink, appearing to read 'Murray Weakley/Gerard Cleary', with a large, sweeping flourish at the end.

**Murray Weakley/Gerard Cleary**  
Partner/Special Counsel

Contact: Murray Weakley 03 364 3801 [murray.weakley@ah.co.nz](mailto:murray.weakley@ah.co.nz)

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Our reference: GJC-028144-359-209-V1

## MACKENZIE DISTRICT COUNCIL

**REPORT TO:** MACKENZIE DISTRICT COUNCIL

**SUBJECT:** HIGH COUNTRY MEDICAL TRUST

**MEETING DATE:** 28 OCTOBER 2014

**REF:**

**FROM:** CHIEF EXECUTIVE OFFICER

### **PURPOSE OF REPORT:**

To seek approval of the deeds of lease and agreement with the High Country Medical Trust.

To seek Council direction in relation to costs associated with the proposed site for the new Twizel Medical Centre.

### **STAFF RECOMMENDATIONS:**

1. That the report be received.
2. That Council instruct the CEO to execute the deeds to confirm a lease and the Agreement relating to Twizel Medical Centre premises.
3. That Council instruct the CEO to commission a subdivision to enable the proposed lease to the High Country Medical Trust.
4. That the cost of subdivision be added to the value of the 'New Medical Centre Loan' within the Agreement relating to Twizel Medical Centre premises.
5. That the cost of subdivision be funded from Council's Real Estate Reserve.
6. That Council authorise the CEO to allow the High Country Medical Trust access to the proposal site for construction purposes pending completion of the subdivision.

**WAYNE BARNETT**  
**CHIEF EXECUTIVE OFFICER**

**ATTACHMENTS:**

- Agenda report for Council meeting on 5 August 2014.
- Agreement relating to Twizel Medical Centre.
- Deed of Lease – Bare Land, Mackenzie Drive, Twizel.
- Statement of Proposal – Twizel Medical Centre for Public Consultation.
- Cost estimate for subdivision.
- Submissions from special consultation process (to be tabled at the meeting).

**BACKGROUND:**

Council has considered the matter of support for the High Country Medical Trust on 19 February 2013, 5 August 2014 and 24 September 2014.

The important aspects of the proposal were set out in the agenda report for the 5<sup>th</sup> August 2014 meeting (see attached). At that meeting Council resolved “That Council supports the High Country Medical Trust and what they are trying to achieve and instruct staff to get engineering design and costings and also instruct staff to prepare a statement of proposal to go out for public consultation”.

It was noted that speed is of the essence as the Trust wants to get on with the job.

A statement of proposal was prepared and was approved by Council on 24 September. Public submissions on this proposal will be tabled at the meeting for consideration as part of deliberation of this item.

The expected cost for completing the boundary adjustments to create the proposal site is \$46,382.46 (for construction costs as per attached email from Jason Bolitho).

**POLICY STATUS:**

N/A

**SIGNIFICANCE OF DECISION:**

This decision is considered to be significant in terms of Councils Policy on Significance.

The procedural requirements associated with this are explained in the attached statement of proposal. Council is required to give proper consideration to submissions received during the consultative procedure however there is no obligation to follow submissions or recommendations made.

## **ISSUES & OPTIONS:**

Council has previously indicated that it is supportive of the High Country Medical Trust proposal. The objective of this report is to enable the Council to assess public submissions and finalise its position on the level of support to be offered. There are three areas where support could be provided to the High Country Medical Trust.

- The provision of land as a peppercorn lease basis.
- The provision of funds from the sale of the existing Twizel Medical Centre land and buildings.
- The provision of funding to cover the costs associated with creating the lease site.

## **CONSIDERATIONS:**

Council should consider the following:

- Its appetite to accept the funding cost and sale risk exposure associated with the proposed load and sale structure for the existing Medical Centre facility.
- The suitability of providing the High Country Medical Trust with a perpetual lease of a 2600m<sup>2</sup> site for the proposed new Medical Centre.
- Its appetite to fund the subdivision and engineering costs associated with the establishment of the proposed site.

There is some degree of risk associated with the first two points above but this is not considered significant and there is no expected cost to Council.

The funding of subdivision and engineering costs will have a direct financial impact. These have not been allowed for in current budgets and are not anticipated to be repaid. It would be most appropriate for the expense to be funded from the Real Estate Reserve.

## MACKENZIE DISTRICT COUNCIL

**REPORT TO:** MACKENZIE DISTRICT COUNCIL  
**SUBJECT:** HIGH COUNTRY MEDICAL TRUST  
**MEETING DATE:** 5 AUGUST 2014  
**REF:** FIN 9/3/7  
**FROM:** CHIEF EXECUTIVE OFFICER

### **PURPOSE OF REPORT:**

To update council and seek approval of the deeds of lease and agreement with the High Country Medical Trust.

To seek council direction in relation to costs associated with the proposed site for the High Country Medical Trust.

### **STAFF RECOMMENDATIONS:**

1. That the report be received.
2. That council instruct staff to initiate a special consultative procedure in relation to the proposal from the High Country Medical Trust.
3. That council endorse the loan and sale mechanism in the proposed agreement with the High Country Medical Trust.
4. That council endorse the proposal to allow a perpetual lease for a 3300m<sup>2</sup> site for the proposed new Medical Centre.
5. That council approve the proposal to undertake a boundary adjustment to accommodate the new Medical Centre with costs accruing to council.

**WAYNE BARNETT**  
**CHIEF EXECUTIVE OFFICER**

**ATTACHMENTS:**

- Agreement relating to Twizel Medical Centre.
- Deed of Lease – Bare land, Mackenzie Drive, Twizel.

**BACKGROUND:**

On 19 February, 2013, council resolved to accept in principal a proposal from the High Country Medical Trust. The proposal contemplated council transferring its interest in the existing Twizel Medical Centre into a proposed new centre. It was also requested that council allow the trust a perpetual lease of land for the proposed new centre.

Council instructed the CEO to negotiate suitable terms and conditions for these requests. The terms and conditions were to be approved by council before final acceptance.

An agreement has now been finalised with the following key provisions:

- The trust intends to develop a new medical centre on a 3300m<sup>2</sup> site which is at present part of the Twizel Golf Club lease.
- Council will negotiate a partial surrender of the Golf Club lease to accommodate the site.
- Council will undertake a subdivision (boundary adjustment) of one of the titles within the Golf Club lease.
- Council and the trust will enter into a perpetual ground lease for the new site.
- Council will lend the trust a sum equal to the current rating valuation of the existing Medical Centre property. It is contemplated that the existing Medical Centre will be sold to recover the value of the loan. This arrangement effectively gifts the existing Medical Centre to the Trust in a liquid state. Council would retain the risk associated with the sale process for the existing Medical Centre.

**POLICY STATUS:**

Not applicable.

**SIGNIFICANCE OF DECISION:**

The purpose of Council's Significance Policy is to guide council in its decision making on matters of varying importance to the community, and indicate to the community what degree of consultation it might expect on these matters.

Under the policy, any decision to sell, abandon or dispose of any of council's strategic assets will be regarded as significant.

Council's listed strategic assets include:

- Medical Centres at Fairlie and Twizel.
- All Council's parks, recreation reserves, sports fields and facilities held under the Reserves Act 1977 or otherwise.



Council's 2012-2022 Long Term Plan contemplated the sale of the existing Medical Centre at Twizel but this was linked to the expectation that council would attain ownership of a new centre.

The Long Term Plan did not anticipate a perpetual lease being entered into for a portion of the Twizel Golf Club land.

The above factors are significant to trigger a requirement for a special consultative procedure in relation to the proposed agreement with the High Country Medical Trust.

### **ISSUES & OPTIONS:**

In February, 2013, council agreed in principal to a proposal from the High Country Medical Trust. That proposal contemplated the value of the existing Medical Centre at Twizel being provided to the Trust. The mechanism contemplated at that time was not the same as that which is now proposed. It was originally contemplated that the Medical Trust would raise mortgage funding against the security of the existing facility.

It is recognised that this would be a somewhat inefficient mechanism. It is now proposed that council provides funding directly to the trust by way of a loan, as soon as a construction contract is finalised for the new Medical Centre. This arrangement aids cash flow for the trust and is quite simple. It does place some transitional costs on council and places the sale realisation risk on council. The amount proposed to be loaned to the trust is the rating value of the existing facility.

Council now has the option of endorsing the current proposal or instructing staff to revisit this aspect.

The proposed location of the new medical centre on Mackenzie Drive is the same as was contemplated when council considered the trust proposal in February, 2013. Negotiations are well advanced between the Medical Trust and the Twizel Golf Club, with council staff involved in an administrative capacity.

As noted above, council's 2012-2022 Long Term Plan did not contemplate the provision of a perpetual lease for part of the Golf Club land. As such it is necessary for this proposal to be the subject of a special consultative procedure.

It is a requirement of the Resource Management Act that any land that is subject to a lease longer than 33 years be defined as a separate title. The proposed site is part of a larger title and it is proposed to undertake a boundary adjustment to align the title with the required area. The balance land would be included in the larger title within the Golf Club lease.

The expected cost of completing the boundary alteration and serving the new medical centre site is \$32,250 plus the cost of physical works and engineering approval fees, but this includes \$9,407.19 in contributions. The proposed agreement allocates these costs to council. The costs are of a capital nature and are not included in council's Annual Plan.

If council supports the proposed agreement, it would not be appropriate to fund these costs from the equivalent amount of funded depreciation currently being collected on the existing building (\$2,190 per annum) or alternately, fund these costs from the sale of the existing medical facilities and pass the surplus onto the Medical Trust.

Land sales need to occur for this reserve to be available to support worthwhile community projects like the new medical centre. This, and other projects, could be made possible from the sale of land to Meridian Energy in Twizel, if that sale goes ahead.

### **CONSIDERATIONS:**

Council should consider the following:

- Its appetite to accept the funding cost and sale risk exposure associated with the proposed loan and sale structure for the existing medical centre facility.
- The suitability of providing the High Country Medical Trust with a perpetual lease of a 3300m<sup>2</sup> site at a peppercorn rental.
- Its appetite to fund the subdivision and engineering costs associated with the establishment of the proposed site.

### **RECOMMENDATIONS:**

1. That Council endorse the loan of sale mechanism in the proposed agreement with the High Country medical trust.
2. That Council endorse the proposal to allow a perpetual lease for a 3,300m<sup>2</sup> site for the proposed new Medical Centre.
3. That Council approve the proposal to undertake a boundary adjustment to accommodate the new Medical Centre with costs accruing to Council.
4. That Council instruct staff to initiate a special consultative procedure in relation to the proposal from the High Country Medical Trust.

**HIGH COUNTRY MEDICAL TRUST**

("the Trust")

A N D

**MACKENZIE DISTRICT COUNCIL**

("Council")

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AGREEMENT RELATING TO  
TWIZEL MEDICAL CENTRE PREMISES

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GRESSON DORMAN & CO  
SOLICITORS  
TIMARU  
KSG-124603-1-12-V2:KSG

**AGREEMENT** made the \_\_\_\_\_ day of \_\_\_\_\_ 2014

**PARTIES:**

1. **HIGH COUNTRY MEDICAL TRUST** (“the Trust” or “Trust Board”)
2. **MACKENZIE DISTRICT COUNCIL** (“Council”)

**BACKGROUND:**

- A. The Trust is a charitable trust established by deed dated the 17<sup>th</sup> of June 2011 (“Trust Deed”) and incorporated under the Charitable Trusts Act 1957 (registered number 2557559) and registered pursuant to the Charities Act 2005 (registered number CC49308).
- B. The current Trustees of the Trust are **SIMON MCPHERSON WILLIAMSON**, **ROBERTA JOY PATERSON**, **PRISCILLA CAMERON** and **BRUCE DALKEITH WHITE** (“current Trustees”).
- C. The Trust has been formed to act together with local health professionals, caregivers and the community to provide quality health care to the public in the Mackenzie Basin and Omarama Districts (Mackenzie/Omarama Community).
- D. At present the Trust leases the existing Twizel Medical Centre premises and ancillary buildings at 37 Tasman Road, Twizel (“Existing Property”) from the Council.
- E. The future health care needs of the Mackenzie/Omarama Community necessitate a larger, purpose-built facility (“New Medical Centre”) which will also cater for an anticipated expansion of future health care services.

- F.** The Trust is in the process of raising sufficient funds to enable construction of the New Medical Centre. The Council is supportive of the Trust's aims and objectives.
- G.** The Trust and the Council have identified a suitable site for the New Medical Centre on land which the Council leases to the Twizel Golf Club.
- H.** The Council and the Golf Club are in negotiations concerning a partial surrender of the Golf Club's lease of that part of the golf course ("partial surrender of lease to the Twizel Golf Club") where the Trust would like to build the New Medical Centre.
- I.** The proposed site for the New Medical Centre comprises approximately 2100m<sup>2</sup> on Mackenzie Drive, Twizel which is at present part of Lot 7 Deposited Plan 52250 contained in Computer Freehold Register CB31F/180 as shown on the attached aerial photograph shown in Schedule B ("New Property").
- J.** The Trust and the Council wish to enter into this Agreement ("Agreement") to record their agreement concerning both the Existing Property and the New Property.

## **AGREEMENT**

- 1. The Council will:

  - 1.1 use all reasonable endeavours to obtain a partial surrender of lease to the Twizel Golf Club on terms and conditions which allow the Council to enter into a lease of the New Property to the Trust; and
  - 1.2 undertake a subdivision to obtain a separate new certificate of title for the New Property and provide for the balance of the land in title CB31F/180 to be amalgamated with Lot 5 DP 52250.

2. The Council and the Trust will promptly thereafter enter into a perpetual ground lease of the New Property ("Lease") on the terms set out in the draft deed of lease for bare land set out in Schedule A.
3. The Trust will construct the New Medical Centre premises and ancillary buildings on the New Property at its cost and in accordance with all statutory requirements including the Resource Management Act, the Building Act, the Building Code and the Council's District Plan. The Trust shall own all of the improvements on the New Property.
4. The Council agrees to lend the Trust ("New Medical Centre Loan") a sum equal to the current rating valuation of the Existing Property as at the date of this Agreement on the following terms and conditions:
  - 4.1 the New Medical Centre Loan shall be advanced by the Council to the Trust upon:
    - (a) the Trust entering into a term loan agreement recording the loan by the Council to the Trust on such terms and conditions as the Council may reasonably approve;
    - (b) the Trust entering into a lease of the New Property from the Council; and
    - (c) the Trust entering into a contract for the construction of the New Medical Centre on such terms and conditions as the Council may reasonably approve for the construction of the New Medical Centre.
  - 4.2 the New Medical Centre Loan shall only be repayable by the Trust to the Council in the event that:
    - (a) a certificate of practical completion and a code compliance certificate have not issued in respect of the construction of the New Medical

Centre at the New Property within five years of the date of this Agreement;

- (b) the Council has given notice to the Trust terminating the Lease for any of the reasons set out in the lease of the New Property; or
- (c) the Trust is in breach of the terms of the term loan agreement for the New Medical Centre Loan and the Council has served notice on the Trust requiring repayment of that Loan.

4.3 The New Medical Centre Loan shall be interest free except in any of the circumstances where the loan shall be repayable by the Trust to the Council as specified in clause 4.2. In those circumstances, the Trust shall pay interest to the Council at the higher interest rate which shall be the interest rate charged at that date by Westpac New Zealand Limited for loans on commercial properties secured by way of first mortgage plus a margin of 5%.

4.4 The Council shall not require any security for the New Medical Centre Loan.

5. In the event that the Lease is terminated, all assets situated at the New Property will vest in the Council as the registered proprietor of the New Property.

6. In the event that the Trust has been unable to obtain a certificate of practical completion and a code compliance certificate for the New Medical Centre within four years of the commencement of the ground lease of the New Property, the parties shall in good faith review the terms of this Agreement, with the intention of determining how to best meet the long term health care needs of the community.

7. This Agreement is conditional upon:

7.1 the Council passing a resolution to approve all the terms of this agreement within two (2) months of the date of this Agreement;

- 7.2 the Council being able to obtain a partial surrender of lease to the Twizel Golf Club on such terms and conditions as the Council may reasonably approve within three (3) months of the date of this Agreement; and
- 7.3 the Council receiving approval from the Council (acting in its regulatory capacity) and Land Information New Zealand to the Council obtaining a new title for the New Property within four (4) months of the date of this Agreement;
8. The parties acknowledge that:
- 8.1 satisfaction of the conditions in this clause shall be at the sole and absolute discretion of the Council; and
- 8.2 in relation to each of the conditions in this Agreement the following shall apply unless otherwise expressly provided:
- (a) the condition shall be a condition subsequent;
  - (b) the Council shall do all things which may reasonably be necessary to enable the condition to be fulfilled;
  - (c) time for fulfilment of any condition and any extended time for fulfilment to a fixed date shall be of the essence;
  - (d) the condition shall be deemed to be not fulfilled, until notice of fulfilment has been served by the Council on the Trust; and
  - (e) the Council may waive any condition. Any such waiver shall be by notice.



## 9. **Miscellaneous**

- 9.1 Each party must execute and deliver all documents and do all other things reasonably necessary for the proper and complete performance of its obligations under this Agreement.
- 9.2 This Agreement may be executed in any number of counterpart copies which taken together will be deemed to form the same Agreement. The parties acknowledge that this Agreement may be executed by an exchange of facsimile and/or scanned and emailed PDF copies and execution of this Agreement by that means is valid and sufficient execution.
- 9.3 The law of New Zealand applies to this Agreement and the transactions contemplated by it. The courts of New Zealand have jurisdiction in respect of this Agreement and the transactions contemplated by it.
- 9.4 Each party shall be responsible for its own costs in relation to this Agreement and the implementation of its terms.
10. Nothing in this Agreement will require the Council to process or deal with any application to Mackenzie District Council for consents or approvals except in accordance with its normal procedures and timeframes or to determine any application (where a determination by Mackenzie District Council is required) except in accordance with normal principles and standard criteria for such applications. The Trust acknowledges that:
- 10.1 Mackenzie District Council, in its capacity as a territorial authority, is required to carry out its statutory consent functions under the Resource Management Act 1991 and the Building Act 2004 in accordance with the provisions of those statutes;
- 10.2 the granting by Mackenzie District Council of any consent or approval by Mackenzie District Council as territorial authority under either the Resource Management Act 1991 or the Building Act 2004 will not of itself be deemed to be a consent or approval by the Council under this Agreement or any agreement

or covenant which may result from this Agreement or be referred to in this Agreement and in any such circumstances the Trust shall be required to obtain consent from Mackenzie District Council acting in its capacity as a party to this Agreement; and

10.3 Mackenzie District Council is bound by statutory obligations to exercise its powers, including discretionary powers and duties under both the Resource Management Act 1991 and the Building Act 2004 without regard to any relationship which it may have with the Trust under this agreement.

11 The Council and the Trust acknowledge that:

- (a) circumstances may arise whereby the Trust considers it necessary or appropriate to contemplate changes to the service delivery model for health care services provided at the New Medical Centre and that such changes if agreed by the parties will result in a termination of the Lease;
- (b) It is impractical to make provision for every contingency that may arise in the performance of the parties obligations under this Agreement or the Lease; and
- (c) If the Lease should be terminated by mutual agreement on the basis that such termination is in the best interests of the Mackenzie/Omarama Community and the provision or promotion of health care service delivery within that community then, notwithstanding the provisions of clause 5.4 of the Lease, the parties shall use all reasonable endeavours to negotiate in good faith with a view to reaching a mutually acceptable agreement as to the ongoing ownership and use of the New Medical Centre and the fittings and fixtures incorporated in the New Medical Centre.

**SIGNED** as an agreement

**SIGNED** for and on behalf of  
**HIGH COUNTRY MEDICAL TRUST**

by

)  
)  
) \_\_\_\_\_  
Trustee Trustee

**SIGNED** for and on behalf of  
**MACKENZIE DISTRICT COUNCIL**

by its duly authorised officer

)  
)  
) \_\_\_\_\_

**SCHEDULE A**

# SCHEDULE B



PARKER WARBURTON TEAM ARCHITECTS LIMITED  
 REPRODUCTION BY GRAPHIC CONSENT ONLY  
 Date: 31.08.2013  
 Date: 31.08.12

GRAPHIC SCALE: 1:5000  
 10m  
 0m 10m 20m 30m 40m 50m 60m 70m 80m 90m 100m 110m 120m 130m 140m 150m 160m 170m 180m 190m 200m

**parker warburton  
 teamarchitects**

**Comments:**  
 30 London Street PO Box 5133 Dunedin 9058  
 5 Frederick Street PO Box 880 Wanaka 9343  
 www.twizel.co.nz  
 T +64 3 474 1825 (DUN) L +64 3 443 1825 (WNK)

**Twizel Medical Centre**  
 Site Plan

Revision Schedule		
Ref.	Description	Date
1		

Job No: 1311  
 Street: 1/5000  
 Date: 30.07.2013

**Preliminary Design**  
 Sheet: DD.02  
 Revision:

**DEED OF LEASE - BARE LAND  
MACKENZIE DRIVE, TWIZEL**

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**MACKENZIE DISTRICT COUNCIL  
HIGH COUNTRY MEDICAL TRUST**

---

MAW-028144-363-16-V2



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Facsimile +64 9 920 9599

[www.anthonyharper.co.nz](http://www.anthonyharper.co.nz)

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**DATED**

2014

**PARTIES**

- 1 **MACKENZIE DISTRICT COUNCIL** at Fairlie ("**Lessor**")
- 2 **HIGH COUNTRY MEDICAL TRUST** at Twizel ("**Lessee**")

**BACKGROUND**

- A The Lessee has been a tenant of the Lessor at premises at 37 Tasman Road, Twizel. The parties agree that those premises are no longer suitable for the Lessee's operations and that the Lessee should relocate to another site within Twizel.
- B The Lessor has agreed to lease new premises to the Lessee in order to provide a larger, purpose built facility which will more readily provide for the future health care needs of Twizel and the surrounding district and will also cater for an anticipated expansion in the required future health care services in the district.
- C The Lessor has agreed to enter into this lease for premises in Mackenzie Drive, Twizel in recognition of the public interest in and the increasing need for efficient well-funded health care services in Twizel and the surrounding district.

**TERMS OF THIS DEED - GRANT OF LEASE**

The Lessor leases to the Lessee and the Lessee takes on lease the Premises for the term and subject to the terms and conditions set out in the Schedules to this Lease.

**EXECUTION**

**THE COMMON SEAL OF MACKENZIE** )  
**DISTRICT COUNCIL** was hereto affixed )  
as Lessor in the presence of )

---

 Mayor/CEO

---

 CEO/Councillor



**THE COMMON SEAL OF HIGH** )  
**COUNTRY MEDICAL TRUST** was )  
hereto affixed )  
as Lessee in the presence of )

---

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**FIRST SCHEDULE (Reference Schedule)****Item 1: Name and Address of Lessor**

Mackenzie District Council  
 Main Street  
 Fairlie 7949  
 Postal Address: PO Box 52, Fairlie 7949

**Item 2: Name and Address of Lessee**

High Country Medical Trust  
 37 Tasman Road  
 Twizel 7901  
 Postal Address: PO Box 5299, Dunedin 9058

**Item 3: The Premises**

The land having an area of approximately 2100 square metres being Lot [ ] on DP [ ] and being all the land in computer freehold register [ ] and shown on the aerial photograph annexed to this Lease as the Third Schedule

**Item 4: Term of Lease**

10 years

**Item 5: Commencement Date**

[Upon issue of a separate title for the Premises and the execution of this lease by both the Lessor and the Lessee]

**Item 6: Expiry Date**

Upon termination of this lease for any reason.

**Item 7: Annual Rent**

Ten cents plus GST per annum

**Item 8: Rights of Renewal**

Recurring rights of renewal of ten (10) years each

**Item 9: Permitted Use of Premises**

- medical centre uses

- the following uses when reasonably incidental to the above use:
  - administration offices
  - health information and education rooms
  - community activities

**Item 10: Schedules Forming Part of this Lease**

**First Schedule:** Reference Schedule

**Second Schedule:** General Terms and Conditions

**Third Schedule:** Photograph of Premises

## SECOND SCHEDULE (GENERAL TERMS AND CONDITIONS)

### 1 DEFINITIONS, INTERPRETATIONS AND EXCLUSIONS

---

#### 1.1 In this Lease unless a contrary intention appears:

- (a) "**Commencement Date**" means the date specified in Item 5 of the First Schedule;
- (b) "**GST**" means Goods and Services Tax or any tax in the nature of a Goods and Services Tax;
- (c) "**the Lessee**" and "**the Lessor**" include their respective successors and permitted assigns and extends in the case of the Lessee to include the Lessee's employees, agents, contractors, invitees and any other person under the Lessee's control;
- (d) "**Premises**" means the premises described in Item 3 of the First Schedule;
- (e) "**Working Day**" has the meaning given in the Property Law Act 2007. Notices served after 5pm on a Working Day, or on a day which is not a Working Day, shall be deemed to have been served on the next succeeding Working Day;
- (f) "**Year**" means any year or part of the year ending on 30 June or on the expiration or sooner determination of this Lease as the case may require.

#### 1.2 Interpretations

- (a) Words importing the singular will include the plural. Words importing the masculine gender will include the feminine or neuter and vice versa. Words importing persons will include companies.
- (b) Any covenant or agreement on the part of two or more persons will be deemed to bind them jointly and severally.
- (c) The table of contents and any headings and marginal notations in this Lease have been inserted for convenience only and will not limit or govern the construction of the terms of this Lease.
- (d) Any reference in this Lease to any statute or regulation is deemed to include all amendments and revisions made from time to time to that statute or regulation and any re-enactments thereof.
- (e) Where the Lessor's consent or approval is required pursuant to any provision of this Lease such consent or approval will be required for each separate occasion notwithstanding any prior consent or approval obtained for the like purpose on a prior occasion.

#### 1.3 Entire Agreement

This Lease embodies the entire understanding and the whole agreement between the parties. Any previous representations, warranties, arrangements and statements whether expressed or implied with reference to the subject matter of this Lease are merged herein.

## **2 TERM**

---

- 2.1 This Lease is for the term fixed in Item 4 of the First Schedule commencing on the Commencement Date and subject to compliance with the terms of this Lease, shall continue in effect on a perpetual basis.

## **3 OUTGOINGS AND OTHER CHARGES**

---

### **3.1 Direct Outgoings**

- (a) The Lessee will pay all charges and expenses in respect of all services, utilities and amenities supplied to or used by the Lessee in the Premises including all charges for cleaning (including garbage disposal and sewage disposal), water supply, electrical power supply and telephone systems and any other services supplied to the Premises ("the Direct Outgoings"). The Lessee will pay the Direct Outgoings directly to the provider of that service and shall indemnify the Lessor against any liability in respect of the Direct Outgoings.
- (b) If required to do so by the Lessor or any authority having jurisdiction, the Lessee shall at its own cost install and maintain any meter or other measuring device necessary for the proper charging of any the Direct Outgoings or any other services, utilities or amenities supplied to or used by the Lessee.

### **3.2 Indirect Outgoings**

The Lessee will pay the Lessor for all amounts incurred by the Lessor ("the Indirect Outgoings") for all rates, taxes (including land tax but excluding income tax on the Lessor's income), charges and all impositions by any local government or other competent authority, in respect of the Premises.

### **3.3 Proportion of Indirect Outgoings**

In any case where the Indirect Outgoings are not separately assessed to the Premises the Lessee will pay a fair and reasonable proportion of those charges and expenses.

### **3.4 Payment of Indirect Outgoings**

The Indirect Outgoings will be payable on demand without deduction or set-off and if required by the Lessor the Lessor may estimate in advance the annual amount of the Indirect Outgoings and require payment of such amount by monthly instalments together with rent in advance. The Lessor's estimate may be revised by the Lessor from time to time and the Lessee's monthly instalments adjusted accordingly. When the actual annual amount of outgoings payable is known any deficiency will be paid by the Lessee promptly on demand and any excess will be promptly refunded by the Lessor or credited towards future outgoings or rent at the Lessor's discretion. Where any outgoing has not been taken into account in determining the monthly instalments it will be payable by the Lessee on demand from the Lessor.

### **3.5 No Liability**

The Lessee will not be liable for any proportion of the amounts payable under clause 3.1 and 3.2 which relate to any period falling outside the term of this Lease.

## **4 GOODS AND SERVICES TAX**

---

### **4.1 Payment**

The Lessee will pay to the Lessor or as the Lessor will direct the GST payable by the Lessor in respect of the rent and other payments payable by the Lessee hereunder. The GST in respect of the rent will be payable on each occasion when any rent payment falls due for payment and in respect of any other payment will be payable upon demand.

#### 4.2 **Default**

If the Lessee makes default in payment of the rent or other moneys payable hereunder and the Lessor becomes liable to pay additional GST then the Lessee will on demand pay to the Lessor the additional GST.

### **5 MAINTENANCE REPAIRS ALTERATIONS AND ADDITIONS**

---

#### 5.1 **Lessee Maintenance**

The Lessee will at the Lessee's expense keep, and at the expiry or sooner determination of the lease will leave the Premises in a neat and tidy condition. The Lessee will also at the Lessee's expense:

- (a) Keep any improvements on the Premises (including all windows) clean and ensure that all waste and rubbish is placed in suitable receptacles and is removed from the Premises at least daily;
- (b) Without limiting the generality of (a), the Lessee will enter into an arrangement for programmed maintenance of its improvements including wash-down and guttering cleaning at least once per annum;
- (c) Immediately make good any defects or damage to any part of the Premises or the Lessee's improvements on the Premises;
- (d) Maintain all landscaping (if any) on the Premises to a reasonable standard; and
- (e) Maintain the seal of the yard on the Premises to a reasonable standard.

#### 5.2 **Signage**

- (a) The Lessee will not paint erect or exhibit any sign or advertising device in upon or about the Premises without the prior written consent of the Lessor. The Lessor will not unreasonably or arbitrarily withhold its consent in respect of signage describing the Lessee's use of the Premises. The Lessor may give its consent subject to such conditions as to the size and design of any sign or advertising device as are reasonable in all the circumstances.
- (b) For the avoidance of doubt the Lessee shall not paint erect or exhibit any sign or advertising device on behalf or for the benefit of or relating to a third party.

#### 5.3 **Alterations and Additions**

The Lessee will neither construct any improvements nor make nor permit any alteration or addition to existing improvements on the Premises without the prior written consent of the Lessor which may be given or withheld subject to such conditions as are reasonable in all the circumstances.

#### 5.4 **Alterations and Additions on Termination**

On termination of this Lease for any reason, the Lessor shall have the right to:

- (a) Require the Lessee to leave its improvements (whether in the nature of a trade fixture or not) on the Premises with ownership of such improvements vesting in the Lessor without payment of compensation to the Lessee; or
- (b) Require the Lessee at the Lessee's sole cost to remove its improvements from the Premises and make good damage to the Premises caused by such removal immediately after such termination. In the event the Lessee fails to undertake such removal and make good in a timely fashion then in addition to any other of its rights and remedies the Lessor shall be entitled to undertake such work and recover the cost of the same on an indemnity basis from the Lessee.

### 5.5 **Damage or Defects to Premises**

The Lessee will immediately forthwith give notice to the Lessor of any circumstances likely to occasion any damage or injury within the Premises.

### 5.6 **Fencing**

The Lessee will not call upon the Lessor to contribute towards the cost of the erection, maintenance or repair of any fences to the boundaries of the Premises.

## **6 ASSIGNMENT/SUB-LETTING**

---

### 6.1 **Control of Assignment and Subletting**

- (a) The Lessee will not:
- (i) mortgage its interest in the Premises or any part of the Premises;
  - (ii) transfer or assign its interest in the Premises or any part of the Premises;
  - (iii) sublet or part with possession of its interest in part only of the Premises;
  - (iv) change the use of the premises from the use that is permitted under this lease.
- (b) The Lessee will not sublet or otherwise part with possession of all of the Premises without first obtaining the written consent of the Lessor which the Lessor will not unreasonably withhold or delay if the following conditions are fulfilled:
- (i) the Lessee proves to the satisfaction of the Lessor that the proposed sublessee is (and in the case of a company that the shareholders of the proposed sublessee are) respectable, responsible and has the financial resources to meet the Lessee's commitments under this Lease and the sublessee's commitments under the sublease;
  - (ii) the Lessee proves to the satisfaction of the Lessor that the sublessee has the skills and resources required to perform the use specified in this Lease; and
  - (iii) there is no subsisting breach of any of the Lessee's covenants.

## **7 INSURANCE**

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### 7.1 **No Insurance by Lessor**

The Lessee acknowledges that as this is a lease of bare land, the Premises are not insured by the Lessor.

### 7.2 **Lessee to Insure**

- (a) During the term of this Lease, the Lessee shall at its own cost keep current at all times insurance policies in the name of the Lessee, with the Lessor noted as an additional insured, for:
- (i) Public risk insurance applicable to the Premises and the business carried on by the Lessee for an amount not less than \$5,000,000.00 (being the amount which may be paid out arising out of any one event) or such higher amount as the Lessor may require from time to time;
  - (ii) The replacement cost of all additions and improvements to the Premises owned by the Lessee and all the Lessee's fixtures, fittings and stock; and
  - (iii) Business interruption insurance in a sum approved by the Lessor.

- (b) Such policies shall be effected with an insurance company approved by the Lessor (such approval not to be unreasonably or arbitrarily withheld). The Lessee shall on each anniversary of the Commencement Date or whenever requested by the Lessor provide to the Lessor a copy of a Certificate of Currency of the insurance policies incorporating a cross liability clause in relation to the public risk insurance and with such Certificate to be issued recording the Lessor as an additional insured. The Lessee shall ensure that each such policy includes a provision that the policy will not be cancelled other than for non-payment of premiums and that if the policy is to be cancelled, then the insurer or the Lessee will give the Lessor notice of the proposed cancellation.

## **8 LESSEE'S RISK AND INDEMNITY**

---

### **8.1 Lessee to Occupy Premises at its risk**

The Lessee agrees to occupy and use the Premises at the Lessee's risk and releases to the fullest extent permitted by law the Lessor its servants and agents from all claims and demands of any kind and from all liability which may arise in respect of any accident, damage or injury occurring to any person or property in or about the Premises.

### **8.2 Lessee's Indemnity**

The Lessee will keep the Lessor indemnified against all claims, actions, losses and expenses of any nature which the Lessor may suffer or incur or for which the Lessor may become liable in respect of or arising out of:

- (a) The negligent or careless use or misuse by the Lessee of the Premises or any of the utilities or other services to the Premises or arising out of any faulty fixture or fitting of the Lessee;
- (b) Any accident or damage to property or persons arising from any occurrence in or near the Premises wholly or in part by reason of any act or omission by the Lessee;
- (c) Any breach by the Lessee of the provisions of Section 15 of, or any conditions of a discharge permit issued under, the Resource Management Act; and
- (d) Any liability incurred by the Lessor whatsoever in respect of a breach by the Lessee of any of the provisions of any legislation, including by way of example but not limited to, the Building Act 1991 and/or the Building Act 2004, or the Health & Safety in Employment Act 1992, in respect of the Premises.

### **8.3 Neglect of other tenant**

The Lessor accepts no responsibility to the Lessee for the acts or omissions of any other tenant or occupier of any land owned by the Lessor which adjoins the Premises.

### **8.4 Suitability**

No warranty or representation expressed or implied has been or is made by the Lessor that the Premises are now suitable or will remain suitable or adequate for use by the Lessee or that any use of the Premises will comply with the requirements of any Authority. The Lessee acknowledges that it has entered into this Lease in reliance upon its own judgement and not in reliance upon any representation or warranty by the Lessor.

## **9 USE OF THE PREMISES**

---

### **9.1 Permitted Use**

The Lessee will use the Premises only in accordance with the Permitted Use of Premises specified in Item 9 of the First Schedule. The Lessee covenants absolutely not to change the use of the Premises from such Permitted Use.

### **9.2 Essential Term**



The Lessee acknowledges that its obligations under clause 9.1 are essential terms of this Lease. Any breach will, in addition to any other rights and remedies available to the Lessor, give rise to a right of cancellation by the Lessor pursuant to clause 11.2.

### 9.3 **Compliance**

The Lessee will comply with all statutes, ordinances, regulations, by-laws or other lawful requirements so far as they relate to, and all notices or orders which may be given by any competent Authority in respect of, the Premises or their use by the Lessee and will keep the Lessor indemnified in respect of all such matters.

### 9.4 **Prohibitions**

The Lessee will not:

- (a) Permit any person to sleep on the Premises other than when such is necessary in order to provide primary and secondary health care services at the Premises;
- (b) Allow any animal to be kept in or about the Premises;
- (c) Bring or permit to be brought onto the Premises any goods or things of a flammable, volatile or explosive nature other than in conjunction with the Permitted Use and shall at all times ensure that, if required by legislation, a valid Dangerous Goods Licence is held in respect of any such items;
- (d) Use or permit the use of the toilets, sinks, drainage and other plumbing facilities in the Premises or the Common Areas for any purposes other than those for which they were designed, and will not deposit or allow any rubbish to be deposited in them. Any damage or blockage to the toilets, sinks, drainage or other plumbing facilities will immediately be repaired or cleared by the Lessee;
- (e) Do, allow, or carry on in or upon any part of the Premises any offensive, noxious, noisy, illegal or dangerous act or business occupation;
- (f) Do or fail to do any thing in or upon any part of the Premises which may cause damage to or allow damage to occur to the Premises or which may cause contamination to the Premises or become an annoyance, nuisance or disturbance to the Lessor or any other occupier of the Airport (including causing interference to any telecommunication system);
- (g) Bring into or install on the Premises any machinery, plant or equipment of such a weight or size as may be liable to cause structural or other damage to the Premises; or
- (h) Apply for any discharge permit under Section 15 of the Resource Management Act 1991 in respect of the Premises without the prior written consent of the Lessor, such consent not to be unreasonably or arbitrarily withheld. For the purposes of this subclause the Lessor's consent will not be unreasonably or arbitrarily withheld if as a condition of consent the Lessor requires that:
  - (i) The application be made in the Lessor's name, but at the Lessee's expense in all respects; or
  - (ii) The Lessee enter into a deed of covenant whereby the Lessee agrees unconditionally, and for no consideration, at the option of the Lessor to transfer the discharge permit to the Lessor immediately upon the expiration or termination of this Lease.

## **10 LESSOR'S COVENANTS**

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### 10.1 **Lessor's Obligations**

The Lessor will pay all rates and taxes charged levied or assessed on the Premises at any time during the term except those that the Lessee is obliged to pay.

## 10.2 Quiet Enjoyment

The Lessee upon paying all other moneys payable to the Lessor and upon performing the Lessee's obligations under this Lease will and may peaceably possess and enjoy the Premises during the term of this Lease without any undue interruption or disturbance from the Lessor, except as stated in this Lease.

## 11 RIGHTS RESERVED BY THE LESSOR

---

### 11.1 Lessor's Right of Inspection

The Lessor will have the right to enter upon the Premises with all necessary materials and equipment at all reasonable times and on reasonable notice (but at any time and without notice in the case of an emergency):

- (a) To view the state of repair of the Premises and/or to inspect the Premises to ascertain whether or not there has been any breach of the terms of this Lease;
- (b) To carry out repairs or other works to the Premises or services to the Premises;
- (c) To execute any work required to remedy a defect which is the Lessee's duty to repair if the Lessee has not, within a reasonable period after the date of receipt by the Lessee of written notice from the Lessor requiring such defect to be repaired, taken steps to remedy that defect; or
- (d) For the purpose of complying with the terms of any present or future legislation affecting the Premises or of any notice served on the Lessor or Lessee by any competent authority for which the Lessee is not responsible under this Lease,

PROVIDED ALWAYS in exercising such rights the Lessor will use its best endeavours to minimise any disturbance caused to the Lessee in its occupation and use of the Premises.

### 11.2 Cancellation

If at any time during the term of this Lease:

- (a) There is a default by the Lessee in respect of any obligation of the Lessee and such default is not remedied within a reasonable period after notice has been given to the Lessee or, in the case of repairs required to be effected by the Lessee, such repairs are not completed within a reasonable time;
- (b) Execution is levied against any of the assets of the Lessee and remains unsatisfied;
- (c) The Lessee (not being a company) is declared bankrupt or insolvent or assigns its estate or enters into a deed of arrangement for the benefit of creditors; or
- (d) The Lessee (being a company) either:
  - (i) Goes into liquidation (other than a voluntary liquidation for the purposes of reconstruction or amalgamation approved in writing by the Lessor);
  - (ii) Is wound up or dissolved;
  - (iii) Enters into a scheme of arrangement with any of its creditors; or
  - (iv) Has a receiver appointed

Subject to the Lessor having served, in accordance with Section 353 Property Law Act 2007, a valid notice pursuant to Section 245 or 246 (as the case may be) of the Property Law Act 2007, it shall be lawful for the Lessor to re-enter the Premises and determine the estate of the Lessee and remove or otherwise deal with any goods, fittings, fixtures and effects found on the Premises **WITHOUT** releasing the Lessee from any liability in respect of any antecedent breach.

### 11.3 **Meaning of "rent"**

For the purposes of this Lease, the word "rent" extends to and includes the share of outgoings payable by the Lessee under clause 3 together with GST on the same and all or any amounts paid by the Lessor upon default by the Lessee of its obligations under this Lease.

## 12 **RENEWAL OF LEASE**

---

12.1 If the Lessee has given to the Lessor written notice to renew the lease at least 3 calendar months before the end of the term and is not at the date of the giving of the notice in breach of this lease then the Lessor will grant a new lease for a further term of ten (10) years from the renewal date.

12.2 The new lease shall be upon and subject to the covenants and agreements expressed and implied in this lease including this right of renewal.

## 13 **MISCELLANEOUS**

---

### 13.1 **Holding Over**

If the Lessor permits the Lessee to occupy the Premises beyond the Final Expiry Date the Lessee will do so as a periodic tenant only at a rent calculated daily but payable monthly in advance, determinable at any time by either party by 20 Working Days' written notice but otherwise the tenancy will continue on the same terms and conditions (so far as applicable to a periodic tenancy) contained in the Lease.

### 13.2 **Costs**

- (a) The Lessor and the Lessee will each pay their own costs of the negotiation and preparation of this Lease and any variation or renewal of this Lease;
- (b) The Lessee will pay:
  - (i) The Lessor's legal costs of and incidental to the obtaining of any consents or approvals associated with this Lease; and
  - (ii) All costs and expenses for which the Lessor will become liable in consequence of or in connection with any breach or default by the Lessee in the performance or observance of any of the terms of this Lease, including costs and expenses incurred by the Lessor in the enforcement or attempted enforcement by the Lessor of its remedies under this Lease.

### 13.3 **Exclusion of Implied Covenants**

Any covenants and powers implied in leases by virtue of the provisions of any act to the maximum extent permitted by law are excluded from this Lease.

### 13.4 **No Caveat**

The Lessee will not register a caveat against the Certificate of Title on which the Premises are located.

### 13.5 **Lessor Not Required to Register**

The Lessor will not be obliged to do any act or thing or grant any consent or co-operate in any way with the Lessee to register this Lease under the Land Transfer Act 1952.

### 13.6 **Notices**

All notices must be in writing and must be served by one of the following means:

- (a) In the case of a notice under sections 245 or 246 of the Property Law Act 2007 in the manner prescribed by section 353 of that Act.

- (b) In all other cases and subject to clause 13.6(c), unless otherwise required by sections 352 to 361 of the Property Law Act 2007:
- (i) In the manner authorised by sections 354 to 361 of the Property Law Act 2007; or
  - (ii) By personal delivery; or
  - (iii) By pre-paid registered post; or
  - (iv) By facsimile,

and any notice or other document will when given or served by the method mentioned in sub-clause (iii) be deemed to have been given or served and received by the other party two (2) Working Days after the date of posting and any notice given or served by the method mentioned in sub-clause (iv) will be deemed to have been given or served and received by the other party twenty-four (24) hours after the time recorded in the transmission confirmation report.

- (c) Any notice referred to in clause 13.6(b) will be deemed to have been properly delivered, posted or transmitted (as the case may be):
- (i) In the case of the Lessor, if delivered, posted or transmitted to the Lessor's Property Manager or any other person authorised by the Lessor to accept service for the purposes of this Lease; or
  - (ii) In the case of the Lessee, if delivered, posted or transmitted to the Lessee's office or to the address listed in Item 2 of the First Schedule or such other place in New Zealand as the Lessee may notify the Lessor in writing.
- (d) In the case of any notice or document required to be served or given by the Lessor to the Lessee the same may be signed on behalf of the Lessor by any attorney, officer, employee, servant, agent or solicitor of or for the Lessor or any other person authorised by the Lessor from time to time.

### 13.7 **Dispute Resolution**

- (a) In the event of any dispute or difference between the parties in relation to or arising out of this Lease then, if the parties so agree, the dispute or difference may be referred to mediation, with such mediation to be conducted on such basis as the parties may agree.
- (b) In the event of the dispute or difference not being resolved by mediation, then it will be determined by a single arbitrator. That arbitrator will be agreed between the parties, or failing agreement will be appointed by the President for the time being of the Canterbury Branch of the New Zealand Law Society (Clause 1 of the Second Schedule to the Arbitration Act 1996 will not apply). The arbitration will otherwise be conducted in accordance with the Arbitration Act 1996 or any statute enacted in substitution for the time being in force.

### 13.8 **Delivery**

Without limiting any other mode of delivery, this Deed will be delivered by each of the parties to this Deed on the earlier of:

- (a) physical delivery of an original of this Deed, executed by that party, into the custody of the other party or its solicitors;
- (b) transmission by that party, its solicitors or any other person authorised in writing by that party of a facsimile, photocopied or scanned copy of an original of this Deed, executed by that party, to the other party or its solicitors.
- (c) Third SCHEDULE (AREA PHOTOGRAPH OF THE LAND)

# Statement of Proposal – Twizel Medical Centre For Public Consultation

## **INTRODUCTION:**

Council would like to make decisions related to the proposed new medical centre at Twizel at its next council meeting on October 28, 2014. Council would also like to provide the community with an opportunity to have input. This Statement of Proposal sets out the details of the special consultative process and seeks input.

If you would like to have a say on this matter, please use the attached submission form.

## **PURPOSE:**

Section 90 of the Local Government Act 2002 requires all local authorities to adopt a policy on significance. This policy sets out our approach to determining the significance of proposals and decisions.

If matters arise for council decisions that are beyond the scope anticipated by the Long-Term Plan, the council must follow the provisions of the Significance Policy in determining the decision-making process.

This Statement of Proposal relates to a decision currently before the council that is beyond the provisions of council's Long-Term Plan (2012-2022).

## **BACKGROUND:**

On February 19, 2013, council resolved to accept in principal a proposal from the High Country Medical Trust. The proposal contemplated council transferring its interest in the existing Twizel Medical Centre into a proposed new medical centre. Council was also asked to allow the medical trust a perpetual lease of land for the proposed new centre.

Council instructed staff to negotiate suitable terms and conditions for these requests. The terms and conditions need to be approved by council before final acceptance.

An agreement has now been finalised with the following key provisions:

- The trust intends to develop a new medical centre on a 2,700m<sup>2</sup> site which is at present part of the Twizel Golf Club lease.
- Council will negotiate a partial surrender of the Golf Club lease to accommodate the site.
- Council will undertake a subdivision (boundary adjustment) of one of the titles within the Golf Club lease.
- Council and the trust will enter into a perpetual ground lease for the new site.
- Council will lend the trust a sum equal to the current rating valuation of the existing medical centre property. It is contemplated that the existing medical centre will be sold to recover the value of this loan. This arrangement effectively gifts the existing medical centre to the Trust in a liquid state. Council would retain the risk associated with the sale process for the existing medical centre.

## **SIGNIFICANCE OF DECISION:**

Under the Council's Significance Policy, any decision to sell, abandon or dispose of any of council's strategic assets will be regarded as significant.

Council's listed strategic assets include:

- Medical Centres at Fairlie and Twizel.
- All Council's parks, recreation reserves, sports fields and facilities held under the Reserves Act 1977 or otherwise.

Council's 2012-2022 Long Term Plan contemplated the sale of the existing Medical Centre at Twizel but this was linked to the expectation that council would retain ownership of a new centre. The Long Term Plan did not anticipate a perpetual lease being entered into for a portion of the Twizel Golf Club land.

The above factors are sufficient to trigger a requirement for a special consultative procedure in relation to the proposed agreement with the High Country Medical Trust.

### **ISSUES & OPTIONS:**

In February, 2013, council agreed in principal to a proposal from the High Country Medical Trust. That proposal contemplated the value of the existing medical centre at Twizel being provided to the trust. The mechanism contemplated at that time was not the same as that which is now proposed. It was originally contemplated that the trust would raise mortgage funding against the security of the existing facility. It is recognised that this would be an inefficient mechanism.

It is now proposed that council provides funding directly to the trust by way of a loan as soon as a construction contract is finalised for the new medical centre. This arrangement aids cash flow for the trust and is quite simple. It does place some transitional costs on council, and places the sale realisation risk on council. The amount proposed to be loaned to the trust is the rating value of the existing facility (\$330,000).

The proposed location of the new medical centre on Mackenzie Drive is the same as was contemplated when council considered the trust proposal in February, 2013. Negotiations are well advanced between the Medical Trust and the Twizel Golf Club, with council staff involved in an administrative capacity.

As noted above, council's 2012-2022 Long Term Plan did not contemplate the provision of a perpetual lease for part of the Golf Club land. As such it is necessary for this proposal to be publically consulted.

It is a requirement of the Resource Management Act that any land that is subject to a lease longer than 33 years be defined as a separate title. The proposed site is part of a larger title and it is proposed to undertake a boundary adjustment to align the title with the required area. The balance land would be included in the larger title within the Golf Club lease.

The expected cost of completing the boundary alteration and serving the new medical centre site is \$32,250 plus the cost of physical works and engineering approval fees, but this includes \$9,407.19 in developer contributions (which are payable to council). The proposed agreement allocates these costs to council. The costs are of a capital nature and are not included in council's Long-Term Plan.

### **SCOPE OF DECISION:**

Council will consider the following aspects of the decision to support the High Country Medical Trust:

- To provide \$330,000 equity from the existing Twizel Medical Centre towards the new Twizel medical facility. These funds would be allocated by way of an interest free loan that only becomes repayable if the new facility is sold by the trust.

- To provide a site for the new facility on council owned land at a peppercorn rental in perpetuity. However, if the facility is sold to a commercial provider the rent will be amended to market value.
- To undertake a subdivision (boundary adjustment) to create a site for the proposed medical centre. The estimated cost for the subdivision is \$32,250 plus the cost of physical works and engineering approval fees.

### **ALTERNATIVE PROPOSALS:**

Council's primary objective in considering the request from the High Country Medical Trust is to encourage the continued provision of medical services at Twizel. Council's 2012-2022 Long-Term Plan contemplates the construction of a new medical centre being financed largely through community fund raising, but with council ownership of the assets.

The High Country Medical Trust initiative is well organised and has strong community support. It is expected that this initiative will be successful and as such, unlikely that the business model contemplated in the Long-Term Plan will be able to be implemented. The only theoretical alternative option for council would be to withhold support for the project.

The existing medical centre facility was obtained from the government as a medical centre and has been used continuously as a medical centre. There is an understanding within the community that the equity within the centre will be used to support medical services in the future. This understanding is supported by council's approach to the sale of the medical centre house at Fairlie. When discussing the Fairlie Medical Centre house council resolved:

1. That Council agrees to amend the Long Term Council Community Plan to remove medical houses from the list of Strategic Assets.
2. That Council establishes a capital reserve for medical facilities in the District and that the proceeds of the sale of doctors' residences be credited to this account.
3. That the principal amount within the capital reserve be protected for possible future requirements and that interest be accumulated and directed as appropriate to the needs of the district.

The second part of this consultative process relates to the provision of a lease site to the High Country Medical Trust at a peppercorn rental. Alternative options would be to:

- a) Not provide a site; or
- b) To purchase or use an alternate site.

Not providing a site would severely inhibit the trust's proposal and be detrimental to the provision of medical services at Twizel.

The site selected is optimal because of its location. It is available because the Twizel Golf Club is willing to allow its removal from their lease. Any alternative site would be less satisfactory and most likely more expensive.

The final part of the consultative process relates to council funding of the subdivision process for the establishment of the site. This cost was not contemplated in the Long-Term Plan. Council could seek to recover this cost from the trust. The impact of this would be to reduce the viability of the project.

Council may consider including the costs of the subdivision and physical works in the loan value which would be repayable fortnightly if the medical centre is sold in the future.

# Mackenzie District Council High Country Medical Trust SUBMISSION FORM

**We welcome your submission.**

**You can post, fax, email or hand deliver it by 3pm on Friday, October 24, 2014.**

## Please use this form for your submission

- I wish to be heard in support of my submission  
 I **do not** wish to be heard in support of my submission

Full name of submitter: \_\_\_\_\_

Postal address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Submissions to the Twizel Medical Centre Proposal will be heard at the council chambers in Fairlie on **Tuesday, 28 October, 2014**. If you wish to be heard, you will need to keep your presentation to 10 minutes maximum. Councillors will have read your written submission prior to the meeting.

**Please return to the Mackenzie District Council  
53 Main Street or P O Box 52, Fairlie 7949, by email at  
[submissions@mackenzie.govt.nz](mailto:submissions@mackenzie.govt.nz) or Fax: (03) 685-8533  
Enquiries: (03) 685-9010 or 0800 685-8514**

### SCOPE OF DECISION:

Council will consider the following aspects of the decision to support the High Country Medical Trust:

- To provide \$330,000 equity from the existing Twizel Medical Centre towards the new Twizel Medical Centre. These funds would be allocated by way of an interest free loan that only becomes repayable if the new facility is sold by the medical trust.
- To provide a site for the new facility on council-owned land at a peppercorn rental in perpetuity.
- To undertake a subdivision (boundary adjustment) to create a site for the proposed medical centre. The estimated cost for the subdivision is \$32,250 plus the cost of physical works and engineering approval fees. Council is proposing to pay this cost.

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**From:** "Jason Bolitho" <[Jason@mflnz.co.nz](mailto:Jason@mflnz.co.nz)>  
**To:** "Wayne Barnett" <[wayne@mackenzie.govt.nz](mailto:wayne@mackenzie.govt.nz)>  
**Subject:** Twizel Medical Centre - Cost Estimate Subdivison Works

Hi Wayne,

Please see attached our outline design for sewer and water service, together with AEL's quote and reticulation layout.

Unfortunately we haven't managed to obtain input from Chorus yet, so we have estimated their fees. The construction costs for sewer and water are our estimates based on recent tender rates. We would recommend backing this up with a Contractor quote to confirm the figures.

#### POWER

· AEL Quote (attached)	\$11,322.46
· Establishment fee	\$300.00

#### CHORUS

· Estimate	\$3,000.00
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CONTRACTOR ESTABLISHMENT (Est.) \$2,500.00

SETOUT (EST.) \$500.00

#### SEWER – all metal backfill (Est.)

· Locate and connect at existing pipe	\$400.00
· 1050dia. manholes x2	\$10,000.00
· DN150 PVC-U SN16 x35m x \$150/m	\$5,250.00
· DN100 PVC-U SN10 x3m x \$140/m	\$420.00
· Manhole connections x4 x \$350	\$1,400.00
· Testing and CCTV	\$2,500.00
· Fence Repairs	\$1,500.00

#### WATER RETICULATION – all metal backfill (Est.)

· DN25 Tapping band connection	\$400.00
· DN25 PE100 Lateral x20m x \$50/m	\$1,000.00
· DN25 Service fitting	\$450.00

## TRENCHING FOR SERVICES (Est.)

- Trenching in road x20m x \$90/m \$1,800.00

## ROAD REINSTATEMENTS (Est.)

- Chorus/power trench x20m x \$65/m \$1,300.00
- Sewer/water/Chorus x36m x \$65/m \$2,340.00

(All exclusive of GST)

Please also note that the water supply we have allowed for is DN25mm and for 'potable water' only (subdividers responsibility). The Medical Centre is likely to require a dedicated sprinkler connection also. This will not be possible off the 25mm supply, and a separate connection is anticipated off the watermain on the eastern side of Mackenzie Drive by the building developer (not the subdivider). Obviously there will be benefit in installing both connection at the same time, so some coordination on this will be necessary. The other option is to upsize the connection being installed by the subdivider to provide sufficient service to the site for both uses.

Also Bernie Haar has advised that the water connection will require metering due to the intended site use. The standard GM900S water manifolds are fitted with a capped metering point, but we see it as the building developers responsibility to install the meter, not the subdivider. It has therefore not been included for in the costings.

Some coordination work has been undertaken to have the water, sewer, power and Chorus installed in a single road crossing trench. However without Chorus input to date we are unable to confirm it this will be possible, and hence our costings allow for a second 20m road crossings for Chorus and/or power.

On the power, it is important to note that AEL's quote is based on supplying a 3 phase 100amp service to the site boundary. This is the level of service that the Medical Centre's electrical engineers have determined is required for the intended site development. The cost to supply this level of service will be higher than if only a single phase 60amp domestic supply were being installed.

No provision has been made for a stormwater connection to the site, as no formal stormwater network exists. It is presumed that stormwater generated from roofs and hardstand on the new site will be discharged to ground as part of the building development works.

Also we have made no allowance for any vehicle entrance to the site, as the verge is sealed to the road boundary.

We trust the above information is of assistance.

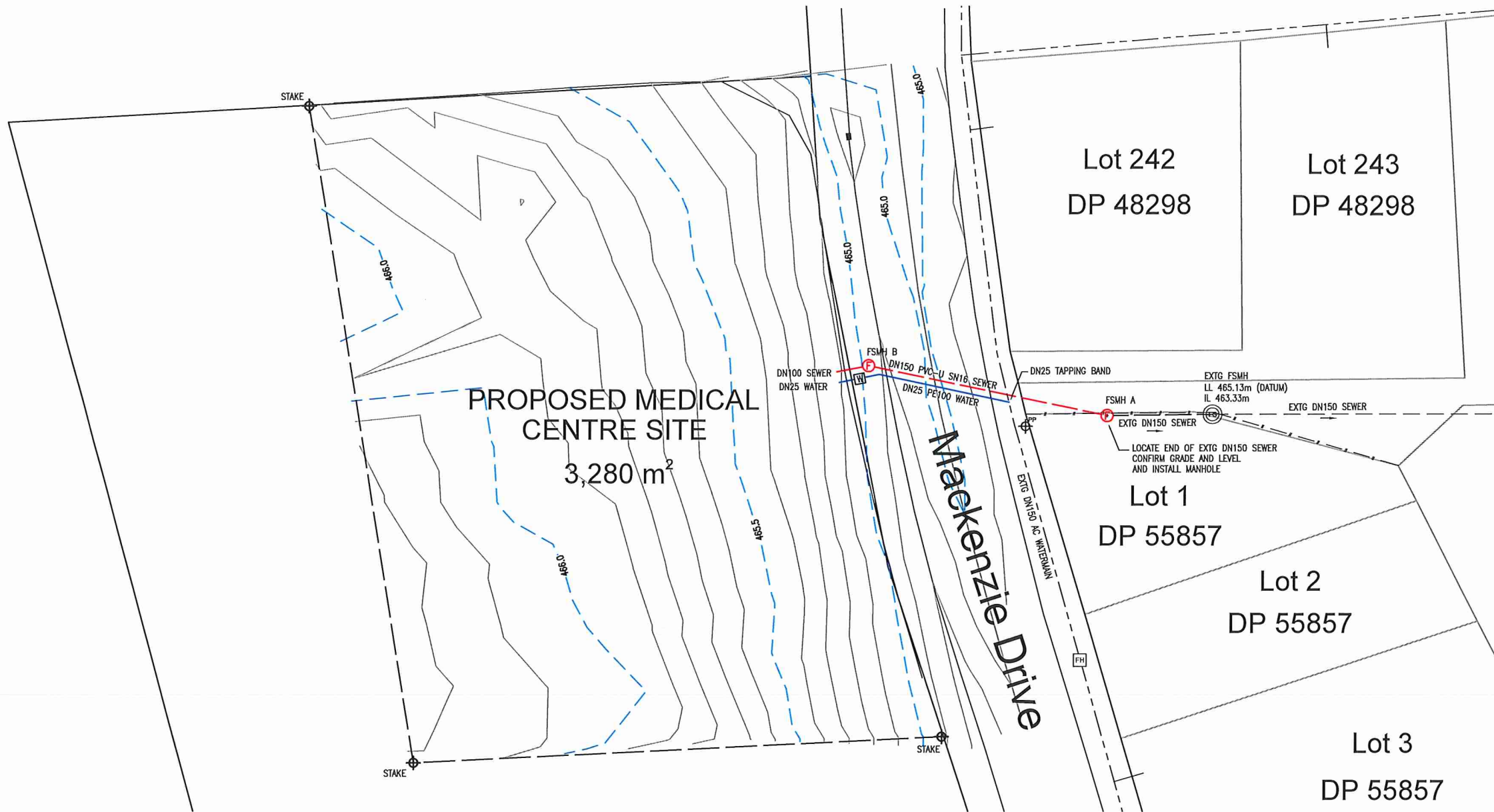
Please don't hesitate to call if you have any queries.

Regards,

Jason Bolitho | Director | Registered Professional Surveyor

[Description: cid:973CD487-7861-42F8-BFF6-BA5B21495FC3@Internal.local]

[www.mflnz.co.nz](http://www.mflnz.co.nz) <<http://www.mflnz.co.nz>> | mob: 021 061 0256 | p: (03) 684 7688 | e:



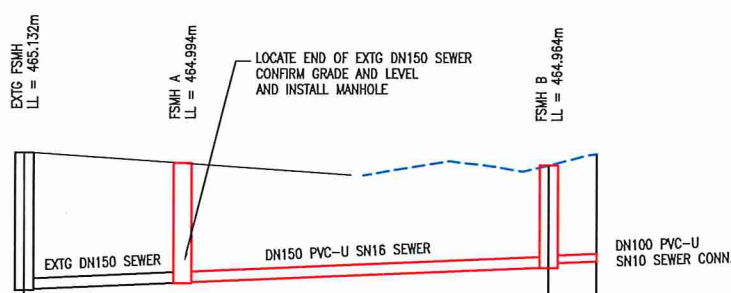
**General Notes**  
 1. LEVELS IN TERMS OF FALSE DATUM, Ex FSMH COVER, RL 465.13m

B	Sewer & Water Altered	21.10.14
A	First Issue	13.10.14
No.	Revision/Issue	Date

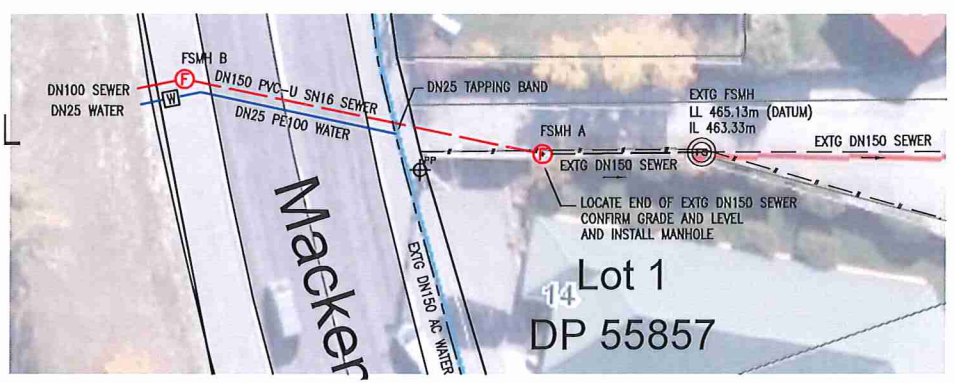
**milward finlay lobb**  
 PLANNERS | SURVEYORS | ENGINEERS  
 6 The Terrace, Timaru 7910 P 03 684 7688  
 PO BOX 434, Timaru 7940 E admin@mflnz.co.nz  
 www.mflnz.co.nz

**Project Name and Address**  
 MACKENZIE DIST. COUNCIL  
 MEDICAL CENTRE SITE  
 MACKENZIE DR, TWIZEL  
 GENERAL ARRANGEMENT

Project 298874/89	Sheet C1
Date 07.08.2014	
Scale 1:250	



Datum R.L. 462.00		CONTRACTOR TO VERIFY ALL LID LEVELS			
DEPTH TO INVERT	1.81	1.59	1.36	1.43	
INVERT LEVEL	463.33	463.42	463.67	463.70	
GROUND LEVEL	465.13	464.99	464.96	465.12	
DISTANCE (Metres)	0.0	10.5	34.7	37.9	
PIPE SIZE AND GRADIENT	DN150 0.85%	DN150 PVC-U SN16 0.83%	DN100 PVC-U SN10 0.82%		



Sewer Line 1  
 Longsection Between Ch: 0.00 & 37.86  
 Horizontal Scale 1:250 & Vertical Scale 1:50

## **MACKENZIE DISTRICT COUNCIL**

**REPORT TO:** MACKENZIE DISTRICT COUNCIL

**SUBJECT:** MID-SOUTH CANTERBURY ROADING COLLABORATION

**MEETING DATE:** 28 OCTOBER 2014

**REF:**

**FROM:** WAYNE BARNETT, CHIEF EXECUTIVE OFFICER

### **PURPOSE OF REPORT:**

To update the Council on the status of the South Canterbury Roding Collaboration initiative, and seek approval to enter into an updated Memorandum of Understanding including Ashburton District Council (should they confirm their interest) on the same terms as the original MOU.

### **STAFF RECOMMENDATIONS:**

1. That this report be received and noted
2. That the signed revised Memorandum of Understanding as appended, be approved for execution by the Chief Executive Officer.

**WAYNE BARNETT**  
**CHIEF EXECUTIVE OFFICER**

**ATTACHMENTS:**

- Memorandum of Understanding – Collaboration on Roothing Matters

**BACKGROUND:**

On 12 June 2014 the Assets and Services Committee endorsed the South Canterbury Roothing Collaboration initiative which involved the Mackenzie, Timaru and Waimate District Councils.

The leadership group, comprising the three Chief Executives, has met monthly and engaged an independent project manager, Peter Hall of Opus International Consultants, to project manage the technical team which comprises up to two technical staff of each of the Mackenzie, Timaru and Waimate District Councils. In this role Peter receives guidance from and regularly reports to the leadership group.

At the end of August the Ashburton District Council agreed in principle to join the collaboration and their CE joined the Leadership Group at the next meeting on 3 September. Ashburton DC had already been represented at the Technical Team meetings for some time before that.

Since the last report in June, the technical team has met regularly and has:

- Considered the contractual situation with the road resealing contracts
- Commenced work and prioritised the asset related tasks including undertaking a stock take of the current status of Activity Management Planning.
- Made good progress on a new maintenance contract template for use by all four Councils (whether there are 1, 2, 3 or 4 contracts) to be in final draft form by December.

**SIGNIFICANCE OF DECISION:**

In terms of Council's Significance Policy, on its own this matter is not deemed to be significant. Should the Mid-South Canterbury Roothing Collaboration project as currently proposed escalate into a project with greater formality, scope and scale, then it is possible for it to become significant for each District Council.

**CONSIDERATIONS:*****Financial***

There are no funding implications of another local authority being involved.

**ASSESSMENT OF OPTIONS:****CONCLUSION:**

In the last few months there has been significant progress in advancing the Roothing Collaboration project. The Technical Team with Ashburton DC included have been making good progress on the standard road maintenance specification. The decision by Ashburton to join the collaboration brings new challenges because of the scale of their road network but offers new opportunities for collaboration.

## Memorandum of Understanding

### Collaboration on Rooding Matters

between

**Ashburton District Council**

**Mackenzie District Council**

**Timaru District Council**

**Waimate District Council**

*“Working together to share opportunities and solve issues”*



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## 1 Introduction

This is an agreement between the parties to work together in specific aspects of roading asset management and network operations.

## 2 Participation

The original parties to this agreement were the Mackenzie District Council (MDC), the Timaru District Council (TDC) and the Waimate District Council (WDC). It has now been agreed by the parties that Ashburton District Council will participate in the agreement on the same terms and understanding as existed between MDC, TDC and WDC.

The parties are now the Ashburton District Council (ADC), the Mackenzie District Council (MDC), the Timaru District Council (TDC) and the Waimate District Council (WDC).

The roading networks are the local roads within the Ashburton, Mackenzie, Timaru and Waimate districts.

Due to the differing natures of the parties and their respective networks, the level of participation by each party will vary across the numerous asset management and network operations aspects covered by this agreement.

## 3 Objectives

The parties will improve management and operation of their road networks by working together. In doing this they want to:

- a) Improve asset management processes, outcomes and consistency in respect of their respective road networks.
- b) Improve investment decision-making, while recognising and accepting appropriate risk.
- c) Attract, develop, and retain good internal human resources.
- d) Enhance governance through shared policy and strategy.
- e) Provide a sustainable market for affordable specialist resources.
- f) Become “smarter buyers”.
- g) Enhance customer satisfaction.
- h) To further embed safety in the cultures of the respective organisations.

## 4 Agreement

The parties agree to collaborate on the following elements:

1. Develop shared delivery of aspects of asset management and network operations as listed below and further detailed in Clause 10:
  - a) Inventory Management.
  - b) Specialists – Geotechnical investigations, bridges and structures, design.
  - c) Corridor access requests (CAR’s), overweight permits, etc.



- d) Development of 30 year infrastructure strategies and asset management plans.
  - e) RAPT (Review and Prioritisation Team) reviews.
2. Investigate opportunities for the joint procurement of physical works contracts, e.g. sharing procurement of re-seals contracts and road maintenance contracts.

## 5 The way forward

The parties will

1. Appoint a project team and project manager to develop the collaboration, including identifying roles, responsibilities and reporting mechanisms.
2. Identify the personnel and other resourcing requirements.

## 6 Agreements

The parties agree to:

1. Operate in a good faith environment for the purpose of achieving the objectives and outcomes listed above.
2. Communicate with each other in an open and transparent manner.
3. Ensure that personnel and resources are made available for the project(s) as agreed.
4. Meet the agreed costs where they fall.
5. Jointly discuss and agree all fee quotes and estimates for any shared services.

## 7 Term

This agreement takes effect on 1 October 2014 and shall continue for two years with any extension being via further agreement.

This agreement may be terminated by any or all parties by giving a minimum of one months notice in writing to the other parties.

## 8 Timeline for the first 6 months

The following draft timeline applies:

Key Date	
May – December 2014	Collaboration in the preparation of Asset Management Plans, 30 Year Infrastructure Strategies, and business case bids for 2015 – 2018 NLTP
July 2014	Strategy in place for implementation of joint road reseal contract for a minimum term of 2 years for MDC, TDC and WDC
Early 2015	Adoption of joint strategy for the procurement of roading maintenance services beyond mid-2015.

**Prioritisation and timeline for the Specific Collaboration Objectives appended. Implementation or significant progress towards the objectives**

A = 0 – 6 months. By Dec 2014

B = 6 -12 months. By June 2015

C = 12 + months. By June 2016

<b>B</b>	10.1 Inventory Management (RAMM and dTIMS) 10.2 Professional Services – Bridges and Structures, Design 10.3 Corridor Access Requests, Traffic Management Plans, Overweight permits, HPMVs etc
<b>A</b>	10.4 Development of 30 Year Infrastructure Strategies (IS), Asset Management Plans, Business Cases for NLTP
<b>B – C</b>	10.5 Programming and Performance Review Team
<b>A – C</b>	10.6 Sharing Resources and Skills
<b>A</b>	10.7 Joint procurement of physical works contracts
<b>C</b>	10.8 Develop detailed collaboration business case

## 9 Acceptance

This agreement is entered in to on the expectation that the parties will work collaboratively together to achieve the agreed vision.

The undersigned accept this agreement on behalf of their respective party.

<b>Ashburton District Council</b>	<b>Mackenzie District Council</b>	<b>Timaru District Council</b>	<b>Waimate District Council</b>
Andrew Dalziel Chief Executive	Wayne Barnett Chief Executive	Peter Nixon Chief Executive	Bede Carran Chief Executive
Signature:	Signature:	Signature:	Signature:
Date:	Date:	Date:	Date:

## 10 Appendix - Specific Collaboration Aspects

### 10.1 Inventory Management (RAMM and dTIMS)

#### 1. Objectives

- Improve cost effectiveness and quality of data collection.
- Build regional consistency.
- Minimise data collection costs.
- Enable benchmarking.
- Enhance decision-making.
- Share ideas and innovations.
- Utilise dTIMS as a tool to move towards data driven decisions

#### 2. Roles, responsibilities and deliverables

1. Determine the 4 Districts' relative status in regards the integrity of databases and extent of use of RAMM and dTIMS and establish a common standard and usage level as appropriate
2. Review what data is currently collected– frequency, quality, cost, relevance etc.
3. Review how current data is being used and opportunities for improving analysis.
4. Identify current providers being used and any ongoing supply contracts.
5. Identify what data could be collected collaboratively, along with timetable, likely budgets etc.
6. Review existing data in RAMM database
7. Validate existing field data
8. Deliver Annual programme tasks
9. Prepare Annual programme of Inventory Management improvements and projects
10. Determine impact on budgets and resource requirements.

### 10.2 Professional Services, Bridges and Structures, Design

#### 1. Objectives

- Joint procurement to save on costs and reduce duplication.
- Collective influence to improve standards of specialist services.
- Regional consistency and benchmarking.
- Share ideas and innovations.
- Investigate options for collaborative insourcing or outsourcing.

## **2. Roles, responsibilities and deliverables**

1. Review existing specialist services workload, providers, costs etc. (across regular bridge inspections, detailed bridge inspections, retaining walls and other structures. Identify existing supply contracts and any internal expertise.
2. Identify pros and cons of joint procurement and develop strategy.
3. Is a regional style front end contract document a preferred idea?

### **10.3 Corridor Access Requests, Traffic Management Plans, Overweight permits, HPMVs etc.**

#### **1. Objectives**

- Streamline processing workload.
- Build regional consistency.
- Provide 'One Network' experience for common road users.

#### **2. Roles, responsibilities and deliverables**

1. Review current processes – workload, frequency, nature of requests etc.
2. Identify opportunities to provide shared service, and evaluate pros and cons.
3. Develop implementation strategy.

### **10.4 Development of 30 Year Infrastructure Strategies (IS), Asset Management Plans, Business Cases for NLTP**

#### **1. Objectives**

- Build regional consistency and 'One Network' approach.
- Reduce IS and AMP preparation workload and costs.
- Share ideas and innovations
- Build awareness of each other cultures and operating models.

#### **2. Roles, responsibilities and deliverables**

1. Develop common IS template
2. Review existing AMPs.
3. Determine the existing AMP preparation process.
4. Identify opportunities, pros and cons of shared AMP preparation, formatting, content etc.
5. Develop implementation strategy.

## 10.5 Programming and Performance Review Team

### 1. Objectives

- Enhance decision-making – ‘right treatment, time, place and risk’.
- Share ideas and innovations.
- Build regional consistency.
- Build understanding of each other’s issues, objectives, cultures, strengths and weaknesses.

### 2. Roles, responsibilities and deliverables

- Review existing forward works programmes.
- Form review team, and prepare programme & undertake review exercise.
- To provide technical peer support on an ongoing basis

## 10.6 Sharing Resources and Skills

### 1. Objectives

- Take advantage of each other’s strengths, skills and/or resources.
- Overcome skill and resource deficits.
- Build regional consistency.
- Build understanding of each other’s issues, objectives, cultures, strengths and weaknesses.
- Potential future shared specialist staff.

### 2. Roles, responsibilities and deliverables

1. Create an inventory of each other’s skill base and skill gaps.
2. Create an inventory of each other’s resource base and resource gaps.
3. Identify opportunities for sharing.
4. Determine policy and procedures for sharing (management system, cross charging, performance requirements etc.).
5. Develop implementation strategy.

## 10.7 Joint procurement of physical works contracts

### 1. Objectives

- Investigate opportunities for joint procurement of short-term physical works contracts, e.g. sharing procurement of Forward Works Programme.

- Create greater economies of scale.
- Minimise procurement costs.

## **2. Roles, responsibilities and deliverables**

1. Review each other's existing forward works programme and identify comparable projects.
2. Determine that individual procurement strategies allow for joint procurement.
3. Determine parameters for joint procurement and decision path (e.g. what happens if tenders are higher than expected for one party and lower for another).
4. Develop implementation strategy.

## **10.8 Develop detailed collaboration business case**

### **1. Objectives**

Build on the proposed MOU elements to take advantage of the potential scale and skills of working together.

## **MACKENZIE DISTRICT COUNCIL**

**REPORT TO:** MACKENZIE DISTRICT COUNCIL

**SUBJECT:** VEHICLE REPLACEMENT 2014/15

**DATE:** 28<sup>th</sup> OCTOBER 2014

**REF:** PAD 9/1

### **REASON FOR REPORT**

To confirm the replacement programme for the vehicles as allowed for in this year's budget and in line with council policy.

### **RECOMMENDATIONS:**

1. That the report be received.
2. The vehicle replacement programme for 2014/15 be confirmed.

**BERNIE HAAR**  
**FLEET MANAGER**

**WAYNE BARNETT**  
**CHIEF EXECUTIVE OFFICER**

## BACKGROUND

The Council adopted a policy in July 2010 to replace its vehicles at a six year life or 180,000km.

This current financial year two vehicles have registered 180,000km and their replacement has been allowed for in the Annual Plan along with the purchase of an extra pool vehicle, primarily to be available for the use of elected members.

## CONSIDERATIONS

The propose programme is:

Vehicle	Month when Replacement Programmed
Nissan Ute (plant No 12)	Dispose
Move Plant Number 13 to replace the Solid Waste Vehicle	
New vehicle to replace Plant Number 13	Purchase
Replace Plant Number 15 Pool Vehicle	Dispose of I 30 and purchase replacement
New pool Vehicle suitable for five adults. Used by Mayor and Councillors and staff when available	Purchase

## CURRENT COUNCIL POLICY

### *Fleet Vehicles*

*These are cars of up to 2.0 litres or utility vehicles to suit their intended purposes. Replacement of these will be at the earlier of six years or 180,000 kms; however earlier replacement may be considered by Council where a financially advantageous case can be made. Any such variation will require formal Council endorsement.*

- *Vehicle replacement will be governed both by the age, mileage and reliability of the vehicle and the adequacy of funds in the replacement account.*
- *Vehicles purchased will be appropriate for the duties they are tasked for.*
- *Vehicles may be purchased new or second hand taking into account the total cost of ownership. Total cost of ownership will be influenced by dealer discounts, service warranties, running costs, anticipated resale values etc.*
- *The procurement of vehicles will be on the basis of the most suitable and cost effective vehicle for the task. The selection of the make and model of vehicle will also include consideration of extra safety features including airbags, side intrusion bars, air conditioning etc. The Regular Driver may have input into the make and model of fleet vehicles on condition that their preferences do not materially impact on the price of the vehicle.*

### **DISPOSAL OF VEHICLES:**

*The objective in disposing vehicles is to maximise the resale value. As a result, vehicles may be offered for sale in any of the following manners:*

- *Trade-in.*
- *Sale to registered motor vehicle dealers.*
- *Public to tender.*



- *Auction.*

Council has recently joined the “Collective Procurement of Passenger and Light Commercial Vehicles” Agreement. As a consequence there are significant savings with this procurement agreement. It does mean we have to purchase all our vehicles new and off the list of approved vehicles negotiated as part of this “All of Government” contract.

The budget allocated for the programme is \$87,000 and I can fit the proposed replacements within this.

Moving the current Building Inspectors vehicle to the Solid Waste Manager to replace the Nissan ute makes a lot of sense. A utility type is no longer required for this position and it also makes a more appropriate vehicle available for elected members to use to attend meetings etc.

The new pool vehicle will be outside the policy, as in order to get a vehicle that is able to carry 5 adults I will not be able to keep under the engine size cap of 2000cc.

The two vehicles to be disposed of will probably be listed on Trade-me as we have had good success with this method.

## **CONCLUSION**

The two vehicles up for disposal have exceeded the 180,000 kilometre requirement and should be replaced. As such I would recommend that the vehicle disposal and acquisition programme, as allowed for in the Annual Plan for 2014/15 be approved.

Also in light of Council’s participation in the All of Government contract it may be appropriate to revisit the “Vehicle Policy” as it is at odds with that contract.

## **MACKENZIE DISTRICT COUNCIL**

**REPORT TO:** MACKENZIE DISTRICT COUNCIL  
**SUBJECT:** Funding Support for Courtyard Upgrade  
**MEETING DATE:** 28 October 2014  
**REF:** WAS 3/3  
**FROM:** GARTH NIXON

### **PURPOSE OF REPORT:**

To request funding support from Council to undertake the upgrade of the community centre courtyard at Fairlie.

### **STAFF RECOMMENDATIONS:**

1. That the report be received.
2. That council approves a contribution of \$15,000 from the Land Subdivision Reserve as their contribution to this project.

**WAYNE BARNETT**  
**CHIEF EXECUTIVE OFFICER**

**ATTACHMENTS:**

Site plan for proposed work

Description of works offer and broken down price.

**BACKGROUND:**

This project has been on the books for two years and has not proceeded due to the Fairlie Community Board considering a range of designs and concepts.

The Board has approved the final design and are coming back to council to request funding assistance. The Community Board requested assistance from Council in April of this year, but at that stage did not have a developed design or costing.

Having received the price they resolved at their recent meeting that Council be requested to meet \$15,000 of this cost.

From the minutes of the council meeting in April:

Garth Nixon said the community board's position was that the upkeep of the courtyard was the partial responsibility of council as it was also the front entrance to the council building. The estimated cost for this work is about \$35,000, or about \$17,000 each from council and community board. There may be an opportunity to fund some of it in next year's budget. Council does not currently have a budget allocated for this area.

The Mayor said there might be a similar situation in Twizel, with the area outside the council service centre also needing an upgrade.

Resolved that council defer making a decision about funding 50% of the work on the Fairlie Community Centre courtyard until after the budget round and an appropriate plan and accurate figures are made available to council.

**Graham Smith/Evan Williams**

No budget was set aside in the annual plan other than the Fairlie Community Board carried over project money. No costing was received due to the re-design and consultation.

The Community Board now has a price for this work of \$33,972 and are requesting a \$15,000 contribution from Council

**POLICY STATUS:**

Unbudgeted expenditure requires council approval

**SIGNIFICANCE OF DECISION:**

Not considered to be a significant decision

### **ISSUES & OPTIONS:**

Options to contribute are limited as there is no council money allocated for this project.

- Option 1 Fairlie Community Board could fund the entire project and deficit fund the balance.
- Option 2 Council could agree to part fund the project. Funded from the land Subdivision Reserve.
- Option 3 Defer the project to next financial year and allocate council funding.

### **CONSIDERATIONS:**

#### ***Legal***

#### ***Financial***

The Fairlie Community Board has \$30,000 allocated for this work, however there will be additional costs associated with new planting.

Council has no specific budget to allocate for this work though it could be funded from the Land Subdivisions Reserve.

#### ***Other***

### **ASSESSMENT OF OPTIONS:**

There is funding available to fund the majority of the work within the township budget however that will not complete the entire project without an overspend and it would mean other community projects would need to be deferred.

It is appropriate for Council to contribute to this work as it is also the entrance way to the district council office.

Contributions from the Land Subdivision Reserve are appropriate for recreation and amenity areas.

This project has been on the books and the Community Board has consulted on the matter. Not funding could see this grind to a halt and the need to seek a further alternative.

### **CONCLUSION:**

Council should approve \$15,000 in part funding this work from the Land Subdivision Reserve.



The Lakes Construction Company Ltd  
Trading As

L & L CONSTRUCTION and  
L & L HARDWARE  
76 Main Street, Fairlie

Phone: 03 685 8262  
Mobile: 0274 598 341  
20/10/2014.

Fax: 03 685 8661  
Email: [lakesconstruction@xtra.co.nz](mailto:lakesconstruction@xtra.co.nz)

Garth Nixon,  
MDC.

21 OCT 2014

Hi Garth.

Please find enclosed a schedule of pricing for the upgrade of the Community Courtyard.

- 1 - North grass area - stone 3 sides 21 Lm, nib wall one side 4.2 Lm, remove tiles, back fill and place top soil; \$6342.00 + GST
- 2 - South grass area - stone 5 sides 19.9 Lm, nib wall 75 Lm, remove tiles and existing gardens, back fill and place top soil; \$6833.00 + GST
- 3 - Grass ramp - concrete retaining wall 8.5 Lm, nib wall 3.2 Lm, remove existing gardens, backfill and place top soil; \$4635.00 + GST
- 4 - Stone seating - 16 Lm 1.0m high of stone work, timber and metal seating, remove existing gardens and tiles; \$4228.00 + GST
- 5 - Stone wall corner - 12 Lm stone (stone both sides od wall), remove existing gardens; \$2825.00 + GST
- 6 - New nib wall edging - 150 x 150mm reinforced with 1 D12 reinforcing rod 80 Lm, remove existing garden timber edging and garden planters and tiles; \$3881.00 + GST
- 7 - Fit 150 x 50 rail to posts along boundary garden and place top soil; \$832.00 + GST
- 8 - Remove and tidy remaining planters that are to be removed; pc sum \$1000.00
- 9 - Relocate community sign and remove notice board; \$430.00 + GST
- 10 - Place salvaged concrete tiles to all od garden areas and surrounding areas of new landscaping; \$2566.00 + GST
- 11 - Gate hire and tidying to church area where worksite and access was provided; \$400.00 + GST

Yours faithfully,  
Richard Herlund.



The Lakes Construction Company Ltd  
Trading As

L & L CONSTRUCTION and  
L & L HARDWARE  
76 Main Street, Fairlie

Phone: 03 685 8262  
Mobile: 0274 598 341

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Email: [lakesconstruction@xtra.co.nz](mailto:lakesconstruction@xtra.co.nz)

9/10/2014

Garth Nixon,  
Property Facilities Manager,  
Mackenzie District Council.

Hi Garth.

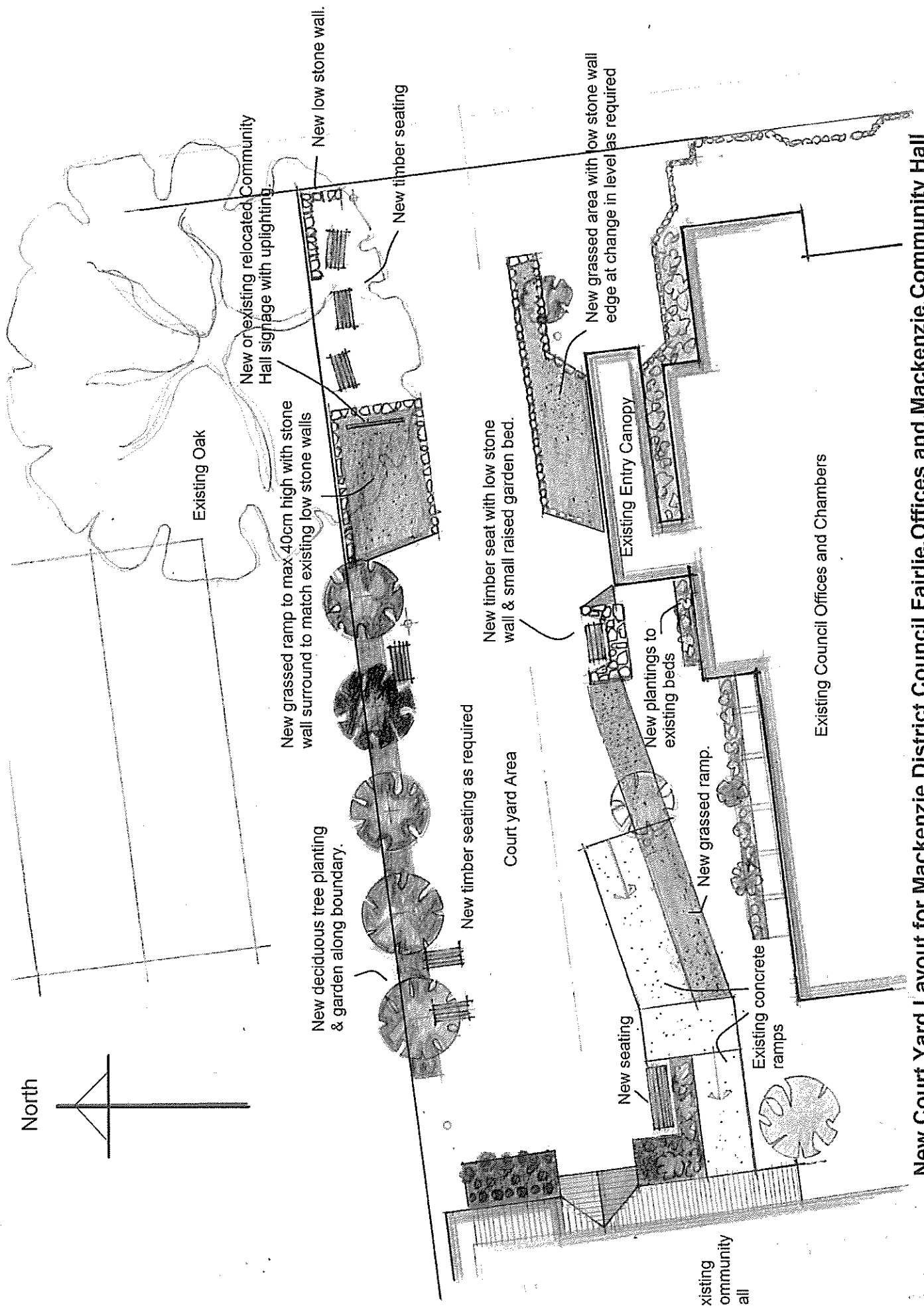
We are pleased to provide you with a quote for labour and materials to upgrade the Courtyard in front of MDC and the Community Centre.

Our quote allows to;

- 1 - Remove all existing raised garden beds where needed.
- 2 - Build low stone walls around 2 new grass areas.
- 3 - Build a stone seating area.
- 4 - Relocate the community sign.
- 5 - Remove community notice board.
- 6 - Concrete new wall beside ramp.
- 7 - Remove timber edging on cobbles and concrete new nib walls x 90m.
- 8 - Build a new stone wall around front corner.
- 9 - Fix a 150 x 50 H3 timber retaining board along boundary garden fixed to existing posts.
- 10 - Back fill new garden/lawn areas with material from existing raised beds then place 150mm of top soil.
- 11 - Re cobble areas where old raised beds have been removed.
- 12 - Straighten cobble areas up to 500mm wide where needed along nib and stone areas.
- 13 - Use 1.8m gates to section off work areas leaving access to ramp/steps to Community Centre and MDC.
- 14 - No allowance for waste dumping fees.
- 15 - Take care to keep heavy vehicles of cobble area where possible. No allowance to repair sunken cobble stones.
- 16 - Quote allows for a work site along the back of the church and we would hope that access would be between church and hall.

Our quote is;               \$33972.00 + GST

Yours faithfully,  
Richard Herlund.



**New Court Yard Layout for Mackenzie District Council Fairlie Offices and Mackenzie Community Hall**  
Plan View: not to scale

## **MACKENZIE DISTRICT COUNCIL**

**REPORT TO:** MACKENZIE DISTRICT COUNCIL

**SUBJECT:** REPORT ON TWIZEL SOIL HEAP INCIDENT

**MEETING DATE:** OCTOBER 28, 2015

**REF:** WAS 3/6

**FROM:** GARTH NIXON, COMMUNITY FACILITIES MANAGER

**PURPOSE OF REPORT:**

To advise council of the initial investigation into an accident at Twizel on October 18.

**STAFF RECOMMENDATIONS:**

1. That the report be received.

**WAYNE BARNETT**  
**CHIEF EXECUTIVE OFFICER**



## REPORT ON TWIZEL SOIL HEAP INCIDENT

This relates to a non-work accident where a child was excavating a tunnel into a stock pile of topsoil when it collapsed on top of him. The twelve year old child, Deon Millar, was pulled out unconscious but resumed breathing once his airway was cleared. He was air lifted to hospital and spent 2 days in ICU before being released to general admission.

The stock pile was established approximately two years ago from screening on site. It is located on council reserve that is open to the public and has walking tracks crossing the reserve.

Up until this incident we were unaware of any other excavations on this site. Our contractor works in this area on a daily basis on other work and advised that no prior excavations were evident.

The stock pile had not been worked for approximately six months. We do not consider it to be a work site. Looking at the site today, our contractor has isolated the site with hazard tape. The excavation dug by the children remains unstable. The soil is very fine and powdery.

We propose to collapse and reshape the mound. Reducing the height on the mound will loosen the soil, make it difficult to dig and less attractive as a play area.

Warning sign may be useful in this situation. "Keep off loose soil"

Going forward with stock piles, contractors will be advised to leave worked stock piles in a safe condition, i.e. no vertical faces.

We believe the site was left in a safe condition and that the actions of the children in digging a tunnel contributed to the accident.

Garth Nixon  
Community Facilities Manager

## **MACKENZIE DISTRICT COUNCIL**

**REPORT TO:** MACKENZIE DISTRICT COUNCIL  
**SUBJECT:** TWIZEL PUBLIC TOILETS  
**MEETING DATE:** 28 October 2014  
**REF:** WAS12/6  
**FROM:** COMMUNITY FACILITIES MANAGER  
GARTH NIXON

### **PURPOSE OF REPORT:**

For council to endorse the Twizel Community Boards decision to demolish to old toilet block.

### **STAFF RECOMMENDATIONS:**

1. That the report be received.
2. That Council approves the demolishing of the old public toilet building as soon as possible.

**WAYNE BARNETT**  
**CHIEF EXECUTIVE OFFICER**

**BACKGROUND:**

The Twizel Community Board resolved at their meeting that the existing public toilet building be demolished, as opposed to being relocated.

This followed a recent round of advertising for expressions of interest in the building for disposal or for sale. No registration of interest were received within the specified time frame. As such the Community Board would like to see the building gone.

The Community Board do not have the delegated authority or budget to fund this work, making it a council decision.

**SIGNIFICANCE OF DECISION:**

The toilets are not on the significant assets lists therefore do not require public consultation. Further down the track the disposal of the land will.

**CONCLUSION:**

Council should support the Twizel Community Board and resolve that the building be demolished.

## **MACKENZIE DISTRICT COUNCIL**

**REPORT TO:** MACKENZIE DISTRICT COUNCIL

**SUBJECT:** ANNUAL REPORT 30 JUNE 2014

**MEETING DATE:** 28 OCTOBER, 2014

**REF:** ANNUAL REPORT/2014

**FROM:** MANAGER FINANCE & ADMINISTRATION

**ENDORSED BY:** CHIEF EXECUTIVE OFFICER

### **REASON FOR REPORT:**

For council to approve and adopt the Annual Report 2014.

### **RECOMMENDATIONS:**

1. That the report be received.
2. That the Annual Report 30 June, 2014, be approved.
3. That the Mayor and Chief Executive Officer be given approval to sign the Letter of Representation for the Annual Report for the Year Ended 30 June, 2014.
4. That the Annual Report for 30 June, 2014 be adopted.

**PAUL MORRIS**

**MANAGER FINANCE & ADMINISTRATION**

**WAYNE BARNETT**

**CHIEF EXECUTIVE OFFICER**

**ATTACHMENTS:**

Annual Report 30 June 2014 (to be circulated to councillors before the meeting).

**BACKGROUND:**

Council is required to produce an annual report each year that complies with the International Accounting Standards and the Local Government Act 2002. These accounts are required to be audited. The audit process provides a level of comfort that the council's assets both financial and non-financial are being prudently managed.

The accounts are required to be adopted by Council (including Audit Opinion) no later than 31st October, 2014.

## MACKENZIE DISTRICT COUNCIL

**REPORT TO:** MACKENZIE DISTRICT COUNCIL  
**SUBJECT:** MEETING SCHEDULE FOR 2015  
**MEETING DATE:** OCTOBER 28, 2015  
**REF:** PAD 4  
**FROM:** ARLENE GOSS, COMMITTEE CLERK

### **PURPOSE OF REPORT:**

To advise council of the schedule of meetings for the council and committees for 2014.

### **STAFF RECOMMENDATIONS:**

1. That the report be received.
2. That the attached schedule of meetings be noted.

**WAYNE BARNETT**  
**CHIEF EXECUTIVE OFFICER**

# Schedule of Council and Committee Meeting Dates for 2015

## Mackenzie District Council

Tuesday, February 17, at Fairlie

Tuesday, March 31, at Fairlie

Tuesday, May 12, at Twizel

Tuesday, June 23, at Fairlie

Tuesday, August 4, at Fairlie

Tuesday, September 15, at Twizel

Tuesday, October 27, at Fairlie

Tuesday, December 8, at Fairlie

## Council Committees

(Including the Finance, Asset and Services, Planning and Regulation, Strategy and Policy Committees, and the Mackenzie Forestry Board)

Tuesday, February 3

*Reserve Day, Thursday, February 5*

Tuesday, March 17

*Reserve Day, Thursday, March 19*

Tuesday, April 28

*Reserve Day, Thursday, April 30*

Tuesday, June 9

*Reserve Day, Thursday, June 11*

Tuesday, July 21

*Reserve Day, Thursday, July 23*

Tuesday, September 1

*Reserve Day, Thursday, September 3*

Tuesday, October 13

*Reserve Day, Thursday, October 15*

Tuesday, November 24

*Reserve Day, Thursday, November 26*

## Tekapo Property Group

Tuesday, January 20

Tuesday, March 3

Tuesday, April 14

Tuesday, May 26

Tuesday, July 7

Tuesday, August 18

Tuesday, September 29

Tuesday, November 10

## MACKENZIE DISTRICT COUNCIL

**REPORT TO:** MACKENZIE DISTRICT COUNCIL

**SUBJECT:** COMMON SEAL AND AUTHORISED SIGNATURES

**MEETING DATE:** OCTOBER 28, 2014

**REF:** PAD 15/7

**FROM:** COMMITTEE CLERK

**ENDORSED BY:** CHIEF EXECUTIVE OFFICER

**PURPOSE OF REPORT:**

To advise of the documents signed under the Common Seal from August 13, 2014, to October 21, 2014.

**STAFF RECOMMENDATIONS:**

1. That the report be received.
2. That the affixing of the Common Seal to document 787 be endorsed.

Number	Detail of Document	Date Signed & Sealed
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787	Deed of Lease between Mackenzie District Council and Wainono Dairy Ltd for parts of Lot 2 DP 404365, RS 30852, RS 35416, RS 35946, RS 40155, Blk VII Tengawai SD being 20.339ha or thereabouts.	1 October 2014
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**ARLENE GOSS**  
**COMMITTEE CLERK**

**WAYNE BARNETT**  
**CHIEF EXECUTIVE OFFICER**



## MACKENZIE DISTRICT COUNCIL

**REPORT TO:** MACKENZIE DISTRICT COUNCIL  
**FROM:** CHIEF EXECUTIVE OFFICER  
**SUBJECT:** COMMUNITY BOARD RECOMMENDATIONS  
**MEETING DATE:** OCTOBER 28, 2014  
**REF:** PAD 5

### PURPOSE OF REPORT:

To consider the recommendations made by community boards.

### RECOMMENDATIONS:

1. That the report be received.

### TWIZEL COMMUNITY BOARD:

2. That council **notes** the following resolution regarding the request for land from the Twizel Early Learning Centre:

Resolved that the Twizel Community board supports the Twizel Early Learning Centre request for council land required for the construction of a new centre.

**Russell Armstrong / Pat Shuker**

3. That council **notes** the following resolution regarding the fate of the old public toilets in Market Place, Twizel:

Resolved: that the Twizel Community Board resolves the public toilet building is demolished as opposed to being relocated.

**Phil Rive /Russell Armstrong**

4. That council **notes** the following resolution regarding the installation of security cameras in Twizel:

Resolved: That the community board instructs Garth Nixon to go ahead with finalising the security camera system for the town and gym with the view to having these installed before Christmas.

**Phil Rive /Russell Armstrong**

5. That council **notes** the following resolution regarding the High Country Medical Trust:

Resolved: that the Twizel Community Board supports the Mackenzie District Council in the furthering of the High Country Medical Trust medical centre.

**Phil Rive /Russell Armstrong**

**TEKAPO COMMUNITY BOARD:**

6. That council **notes** the following resolution regarding Tekapo township projects:

Resolved: That the Tekapo Community Board prioritise the town projects as per the list above (see the minutes) with modifications, and pay the funding requests as suggested above.

**Lyn Martin/ Murray Cox**

7. That council **notes** the following resolution regarding the funding of water tanks in the national park:

Resolved: That the Community Board pay \$6,000 to the regional park to pay for the tanks and the installation of the tanks.

**Allan Hayman / Lyn Martin**

**FAIRLIE COMMUNITY BOARD:**

8. That council **notes and considers** the following resolution regarding the upgrade of the community centre courtyard:

Resolved that the community board request that council contribute \$15,000 towards the cost of upgrading the community centre courtyard.

**Les Blacklock/Owen Hunter**

9. That council **notes** the following resolution regarding the useage of the community centre:

Resolved that the community board initiate a survey of residents regarding the possible future use and opportunities for the community centre.

**Trish Willis/Owen Hunter**

**ATTACHMENTS:**

The minutes of the meetings of the Twizel, Tekapo and Fairlie Community Boards.

**BACKGROUND:**

The community boards have made a number of decisions for council to note and/or consider.

**POLICY STATUS:**

N/A

**SIGNIFICANCE OF DECISIONS REQUESTED:**

No significant decisions are required.

**CONSIDERATIONS:**

The Council delegated a range of authorities to staff and other organisations on 14 June 2005 when it also confirmed that it did not need to make any specific delegations to Community Boards to have them better perform their role.

This policy was amended on 29 January 2008 when the Council resolved to delegate to the Fairlie, Tekapo and Twizel Community Boards, the following responsibilities:

- The ability to consider requests from local organizations for financial assistance in the form of grants, where budget exists for such matters and subject to no one grant exceeding \$1,000.

- The ability to appoint local representatives to organizations within the community board area and other organizations where local representation is requested.
- The ability to authorize, within approved budgets, board members' attendance at relevant conferences and/or training courses.
- The ability to provide or withhold affected persons approval for planning applications on land adjoining Council owned land within the community board area.
- The ability to approve routine changes in policy affecting locally funded facilities within the community board area.

In the absence of delegated authority to the Community Boards on other matters, the Council has the opportunity to note and consider the issues raised and matters promoted on behalf of the Townships by their Boards and to endorse them where appropriate.

**WAYNE BARNETT**  
**CHIEF EXECUTIVE OFFICER**

## MACKENZIE DISTRICT COUNCIL

### MINUTES OF A MEETING OF THE TWIZEL COMMUNITY BOARD HELD IN THE COUNCIL SERVICE CENTRE, TWIZEL ON MONDAY, OCTOBER 6, 2014 AT 4.00PM

#### PRESENT:

Phil Rive (acting chairman)  
Bruce White  
Pat Shuker  
Phil Rive  
Cr Russell Armstrong

#### IN ATTENDANCE:

Claire Barlow (Mayor)  
Wayne Barnett (Chief Executive)  
Garth Nixon (Community Facilities Manager)  
Bernie Haar (Asset Manager)  
Keri-Ann Little (Committee Clerk)  
Liz Bloomfield (Twizel Youth Centre)  
Christine Lavery (Twizel Youth Centre)  
Lou Ochsner (Twizel Early Learning Centre)  
Graeme Bond (member of the public)

#### OPENING:

The acting chairperson welcomed everyone to the meeting.

#### APOLOGIES:

Resolved that an apology be received from chairman John Bishop.

**Phil Rive/Russell Armstrong**

#### DECLARATIONS OF INTEREST:

There were no declarations of interest.

#### MINUTES:

Resolved that the minutes of the meeting of the Twizel Community Board held on August 25, 2014, be confirmed and adopted as the correct record of the meeting.

**Russell Armstrong/Pat Shuker**

#### GENERAL BUSINESS - LETTER FROM LOU OCHSNER, TWIZEL EARLY LEARNING CENTRE:

This letter at page 14 of the agenda requests help to find a suitable piece of land to expand the early learning centre.

The chairman thanked Ms Ochsner for attending today's meeting and asked for any questions.

Cr Armstrong asked if there was enough room for expansion on the current site. Ms Ochsner replied stating it is the size of the building also that is restricting along with Council land and land owned by the Ministry of Education which the School are not prepared to sell, give or gift another building.

Ms Ochsner was asked would they prefer a new building or extension on the current building. She replied the current building is quite old and the up keep will be expensive so in some ways it would be better to start again with a purpose built centre.

The Chairman asked Ms Ochsner if you built new would you prefer to stay on that site or nearby or would you look at a different site. Response we are open to any options and need to do this within the next 5 years the size of the plot wouldn't give enough outside room as required per metre age per child etc.

The Mayor asked do you know what size site you require. Response the size would be 1000 square metres maybe.

The land it is currently on is zoned village centre and as council land. Spoke to Nathan on possibility and childcare centres could be deemed appropriate on Rec A land which we have between the basketball courts and the swimming pool and out past the events centre. I have looked there and the opportunities are a little bit limited because you have got a big viewing corridor that runs up from Mackenzie drive. You could get resource consent to build on there and would really depend on how the Twizel Community would feel about that. The other opportunity being in the vicinity of the skate park, I don't think the south side of the event centre is a very good place to be building with the frost. Final option that I have thought about is the basketball court when you look at the usage that gets could you replace that with a half court next to the skate park.

Cr Armstrong enquired about the old medical site when it becomes available.

Mr Nixon said it is Rec A site which Council cannot sell and the council is hoping for the funds of the medical centre sale to go back into refunding the new medical centre.

Mr Nixon rounded up the discussion by stating that he has a report going to the Council committee round on the 16<sup>th</sup> of October to discuss these same issues as this will ultimately be a Council decision, however he welcomed the community board views stating they will be useful to take to committees and to explore options further.

The community board asked Ms Ochsner to go back investigate the square meter age required and report back to the community board.

Resolved: That the Twizel Community board supports the TELC request for council land required for the construction of a new centre.

**Russell Armstrong/Pat Shuker**

*Ms Ochsner and two members of the public left the meeting at 4:30pm*

#### **VISITOR: THE TWIZEL YOUTH CENTRE:**

Liz Bloomfield and Christine Lavery provided an update to the community board on the situation of repairs to the Twizel Youth Centre.

The chairman pointed out that this was a late item and distributed the tabled letter to other members and staff.

Cr Armstrong spoke to the letter saying the Twizel Youth Centre would like to make a proposal for the demolition and removal of the old toilet block and radio station room. He said the centre will demolish and clean up the site for \$5,000. The dumping of the material will be at the Council's cost. The money raised will be used to purchase the Youth Centre from the Council and improvements to the building.

Mr Nixon said he has taken the time to speak to the Council Building Manager prior to the meeting and he informed him that there is asbestos in the building that will need to be packaged and removed from the site correctly and disposed of in Timaru.

Ms Bloomfield said that the centre is looking good with plumbing work being completed and an overall tidy up, they are hoping to receive a grant from Meridian but need "money in the bank" first to do so. Ms Bloomfield carried on to say that she had received three quotes from Builders for the upgrade.

Mr Nixon said the community board would like the plan, moving forward to the community board as the board would be happy to assist the Youth Centre.

Resolved: that the Twizel Community Board resolve the public toilet building is demolished as opposed to being relocated.

**Phil Rive /Russell Armstrong**

Mr Haar the Asset Manager will gain a price for the removal of the asbestos.

Cr Armstrong will liaise with Ms Bloomfield and Ms Lavery to discuss any problems that may arise and also liaise with Mr Nixon.

#### **FINANCIAL REPORT TO AUGUST, 2014:**

The purpose of this report was to update board members on the financial performance of the Twizel Community as a whole for the period to August, 2014.

Resolved that the report be received.

**Russell Armstrong/ Pat Shuker**

The chairman asked the CEO to please have the financial report ready and distributed before the meeting allowing community board members time to read and formulate the report.

Mr Haar provided the community board with an update on how the new water system implementation is progressing.

#### **TWIZEL COMMUNITY BOARD MATTERS UNDER ACTION:**

##### **1. Town Projects:**

###### **a. Walkways:**

Garth to follow up the rolling of Tekapo Drive from Mackenzie to Glen Lyon which was to take place in the Spring.

###### **b. Tekapo Drive:**

Levelling and re-sowing completed, rolled again in the spring. Tekapo Drive track has been sprayed. Improve irrigation. Mulch trees.

###### **c. Lake Ruataniwha:**

Bollard fencing – Garth Nixon said the posts are all in, the “tree guys” are coming back prior to the “mulches person” coming in to tidy up the area where the cable will go in and will clean out the road space and life remainder of the trees in the vicinity.

- d. **Greenway fencing** – On target at present, end fencing done in terms of upgrading greenway fencing.
- e. **Cemetery** – plan is to finish this at the same time as other work at Lake Ruataniwha.

2. **Twizel Public Toilets:**

Expressions of interest in the removal or development of the old toilets have been advertised for. New toilets to be finished in September.

3. **Bike Lockup:**

More bike space to be created when old toilets and building are removed from town centre.

4. **Twizel Youth Centre:**

No proposal has been received from the youth centre.

5. **Overnight Camping:**

There was a small workshop after the recent meeting current situation is that draft bylaw is going to the planning committee next week.

6. **Twizel Swimming Club Enquiry Regarding Pool Hire Costs:**

Garth Nixon has spoken to the Twizel Swimming Club and the issues are now resolved.

7. **Traffic Issues at Maitland Place and Irishman Drive:**

Bernie Haar design complete, have met with John on site and he has a copy of the plan and asked John to speak to the community board, this is a district wide roading project with Council sign off. A price has been obtained from Whitestone and the project will be underway shortly.

8. **Twizel Water Supply Upgrade:**

Pipe samples are being tested and results to come back to community board. Opus have also been asked to do a review of the cost of building a water scheme for Manuka Tce residents. This will go to full council.

9. **Rubbish outside Mackenzie Four Square and Events Centre:**

Garth Nixon has installed a refurbished bin set between the events centre and the supermarket and will now address the residence in regards to their own rubbish.

*Ms Shuker on behalf of Stuart and Olivia thanked the community board for erecting rubbish bins so quickly, adding it has made a huge difference.*

10. **Climbing wall in Twizel Events Centre:**

Shaun Norman to come up with a concept plan for a climbing wall and bring it back to the community board.

11. **Security cameras for Market Place:**

Garth Nixon and Phil Rive have meet with the camera installer, Jo Rush and also with gym operators with a timeframe of installation within the month.

Resolved: The community board instruct Garth Nixon to go ahead with finalising the security camera system for the town and gym with the view to have these installed before Christmas.

**Phil Rive /Russell Armstrong**

**12. Manhole on the corner of Mackenzie Drive and Ostler Road:**

Bernie Haar updated that the Roading Manager has spoken with Telecom and Chorus. Rob Whaley will be onsite to fix the road within the next couple of weeks. The community board ask that this is followed up.

**13. Christmas Decorations for Market Place:**

Cr Armstrong to touch base with TPDA on progress of decorations.

**WARD MEMBER'S REPORT:**

Cr Russell Armstrong said council has the approved the meridian land sale with the recommendation from community board the sale has been completed and now it is just due course.

**REPORTS FROM MEMBERS WHO REPRESENT THE COMMUNITY BOARD ON OTHER COMMITTEES:**

There was nothing to report.

**GENERAL BUSINESS - TPDA LEASE AGREEMENT:**

Garth Nixon has been asked by John Bishop to provide a verbal update to the community board on the current situation with the TPDA lease.

TPDA lease agreement was sent to Luke Paardekooper four weeks ago and Mr Nixon followed up last week in relation to this. Mr Paardekooper said he wasn't happy with the lease and Mr Nixon has hand delivered the amended lease to the TPDA this afternoon.

Mr Nixon said the change in the lease agreement was centred on the lease cost and the misunderstanding with GST cost.

**GENERAL BUSINESS - PUBLIC CONSULTATION TWIZEL MEDICAL CENTRE:**

The statement of proposal related to the provision of land to the Twizel Medical Centre was discussed by the community board and is attached to the agenda at page 16.

The chairman opened up to discussion with members and resolved the following.

Resolved: That the Twizel Community Board supports the Mackenzie District Council in the furthering of the High Country Medical Trust medical centre.

**Phil Rive /Russell Armstrong**

**THERE BEING NO FURTHER BUSINESS  
THE CHAIRMAN DECLARED THE MEETING CLOSED AT 5:37pm**

**CHAIRMAN:** \_\_\_\_\_

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



## MACKENZIE DISTRICT COUNCIL

### MINUTES OF A MEETING OF THE TEKAPO COMMUNITY BOARD HELD IN THE LAKE TEKAPO COMMUNITY HALL, TEKAPO, ON MONDAY, OCTOBER 6, 2014, AT 7.30PM

#### PRESENT:

Stella Sweney (acting chairperson)  
Alan Hayman  
Cr Murray Cox  
Lyn Martin

#### IN ATTENDANCE:

Claire Barlow (Mayor)  
Wayne Barnett (Chief Executive)  
Garth Nixon (Community Facilities Manager)  
Keri-Ann Little (Committee Clerk)  
Kathy Hemsworth (member of the public)  
Member of the public

#### OPENING:

The acting chairperson welcomed everyone to the meeting. Stephanie Hagan from the Lake Tekapo Promotion Association cannot attend this meeting, therefore the agenda item will be rescheduled to a later date.

It was noted that there had been some discussion with Eleanor from Genesis Energy and their thoughts regarding future use of grant money. They would like to see something substantial for their contributions.

Ms Sweeney said the Community Board is open for further discussion with Genesis Energy and the Promotions Committee.

#### APOLOGIES:

Resolved that an apology be received from chairman Peter Munro.

**Murray Cox/ Alan Hayman**

#### DECLARATIONS OF INTEREST:

Cr Cox said when discussing the allocations of town projects in regards to regional parks he will abstain from discussion.

#### MINUTES:

Resolved that the minutes of the meeting of the Tekapo Community Board held on August 25, 2014, be confirmed and adopted as the correct record of the meeting.

**Lyn Martin/ Murray Cox**

## TEKAPO COMMUNITY BOARD MATTERS UNDER ACTION:

1. **Civil Defence:**  
Murray Cox had a conversation with Nathan Hole earlier in the week in regards to producing a response plan. Cr Cox said we require a document for the community to sight and asked Mr Hole to progress this and get something out.
2. **Review of Freedom Camping Bylaw and its Alignment with the Freedom Camping Act:**  
Bylaw workshop has been held with the community board. Mr Nixon's said this has progressed and a draft bylaw will be tabled at the planning committee meeting next week for committee approval before being release for public consultation. A pre-consultation draft has been sighted by the NZMCA with a few suggestions but overall positive feedback.
3. **Community Hall:**  
Screens have been replaced. This can now come off matters under action.
4. **Lighting Ordinances:**  
Cr Cox will be discussing this with Boffa Miskell tomorrow.
5. **Council Owned Units for Worker Accommodation:**  
The chief executive said there has been no progress on this he said he has taken it as far and he can get with the avenues taken. Tony Tosswill's development will improve this, the next step is for us to look at what Council's involvement is.
6. **Walkways and Cycle ways:**  
This will be discussed in general business.
7. **Tekapo Plantation: Murray Place/Section A:**  
Mr Nixon said the contractor is engaged and work will take place over the next month with fencing and planting.
8. **Future of Moturiki Island:**  
Mr Nixon discussed this with Sally who is still trying to facilitate discussions with the appropriate Iwi.
9. **Request to YHA:**  
To be discussed by the Tekapo Property Group on October 7.
10. **Town Planter Boxes:**  
Garth Nixon said planting is underway the planter boxes are at Whitestone and ready for distribution.
11. **Litter at the Church of the Good Shepherd:**  
Garth Nixon has received email correspondence regarding their desire to see an improvement, Mr Nixon suggested they work together. The next step is to see what areas they want to fund and part fund with Council. Mr Nixon will provide to the next meeting what funding is available for rubbish collection.
12. **Tekapo Squash Club:**  
Cr Cox had discussions with squash club committee member's in regards to moving the courts up to the community centre. Further discussions of the implementation of this long-term with an agreement that the squash club should ultimately belong to the

community. The Squash Club and staff are in discussion with the squash club regarding a move.

Mr Nixon has initiated costings and plans and when they are received there will have to be discussion with council in regards to funding.

The Mayor asked if a sports trust could be formed to help provide funding and combine efforts would be an option.

Cr Cox said yes this would be an option.

### **13. Purchase of Screen from Alpine Recreation:**

This has been completed and can be removed from matters under action.

### **14. Street Names Commercial Lane:**

Now a matter of urgency, discussion with iwi and confirmation of streets/alleyways criteria. A list of approved names from iwi.

## **FINANCIAL REPORT TO JUNE, 2014:**

This report is the financial report for the community board for the period to August 2014, the purpose of which to update board members on the financial performance of the Tekapo Community as a whole for that period.

The CEO spoke to the report assisted by the Manager, Community Facilities.

Resolved that the report be received.

**Murray Cox/ Alan Hayman**

## **PRIORITISING AND ALLOCATING FUNDS TO TOWN PROJECTS:**

Posters tabled from Ray Tansey regarding to his concern with the landscape around his property at the rear of Roto Place.

Ms Sweeney said she will respond to Mr Tanseys concerns by stating that there is plans projected for carparking in that area and further discussion will be required in regards to trees being cut back, this is number one on the priority list.

Chairman Peter Munro has outlined a suggested list of town projects as follows:

1. Landscaping the Community Centre Car park (\$80,000)
2. Walkways
  - Top priority would be starting a link into A2O to canal road (\$20,000)
    - Options discussed as Tekapo springs being the start point and good signage for two starting point.
  - Wait for footbridge and lake front development for continuation of concrete walkway from Alpine Springs to the Regional Park and development of Domain
  - Feasibility / needs study for further development of walkways in the town
3. Rock wall extension along Main Road to Aorangi Crescent (\$30,000)

4. Upgrade of Hamilton Drive lookout (\$20,000)
5. Tidy up walkway (level and spread topsoil) and pruning /thinning trees on Lakeside Drive, plus the extension of footpath lighting (\$20,000)
6. Other projects – as well as assisting with completion of playground and solar system challenge

Cr Cox will check solar system challenge with Lions.

Resolved: That the Tekapo Community Board prioritise the town projects as per the list above with modifications and pay the funding requests as suggested above.

**Lyn Martin/ Murray Cox**

### **Funding Requests**

1. Regional park – consider either paying for the tanks or the installation of the tanks (\$6,000)

Resolved: That the Community Board pay \$6,000 to the regional park to pay for the tanks and the installation of the tanks.

**Allan Hayman / Lyn Martin**

2. Tekapo Springs information centre – Would like to hold discussions with the promotions association regarding a possible funding stream.  
Recommend the community pay some set up funding towards the development of Start Point of A2O in Lake Tekapo. Signage and set up for Alpine Springs information centre targeted at A2O (possibly up to \$10,000)

Ms Hemsworth asked why the Tekapo Springs application was considered along with the other information centre and why her application was treated individually on its own merits.

Cr Cox stated that Ms Hemsworth's comments were founded however there was discussion around the community board funding a business in the town not the town as a whole. Cr Cox said the community board cannot be seen to funding individual business and only specifically funding the promotion of the town.

Ms Hemsworth suggested going away and coming back at next meeting with some tangible services for the board's consideration.

Mr Nixon said the community grants are more for community projects and services etc. That is why we are "struggling" therefore leading to the confusion.

That a community board support the promotion of Tekapo by the way of information. Discussion will be held with the Chair on his return and Tekapo Springs will discuss with their board and meet back for further discussion.

### **WARD MEMBER'S REPORT:**

Cr Cox said the water zone committee is active and a public meeting on Wednesday here in Tekapo between 4pm and 8pm to discuss another scenario and meeting with local

Farmers and Ecan regarding significant natural areas and the regional statement on biodiversity meetings are ongoing.

The Property group is ongoing.

Twizel with the new meridian building is ongoing.

I have been contacted from Genesis today to inform that the lake is now within 400mls of the minimal lake levels.

Kathy Hemsworth stated that the pump received information that the lake had to be 74 metres as that October 1<sup>st</sup>. Ms Hemsworth said 71.4 being an exceptional circumstances. Ms Hemsworth expressed her concern to the lake level stating if it goes any lower there will be difficulty running the plant at Tekapo Springs resulting in possible closure.

Cr Cox will check with Genesis Energy. Notified of public meeting on Thursday.

Regional Park opening is only a couple of weeks away.

#### **REPORTS FROM MEMBERS WHO REPRESENT THE COMMUNITY BOARD ON OTHER COMMITTEES:**

Lyn Martin reported from the Tekapo Footbridge committee and Heartlands society will look at other projects.

#### **GENERAL BUSINESS – WALKWAYS AND PATHS:**

Lyn Martin requested that this item be included on the agenda regarding a path from Hamilton Street carpark to Alan Street.

Ms Martin asked for a map in regards to all pathways. Ms Martin said he will liaise with Jana the Council IS Consultant and also liaise with the Chairman.

Mr Nixon said it is definitely something that can be looked at and funding investigated and added to the list as a needed walkway

#### **GENERAL BUSINESS – PUBLIC CONSULTATION ON TEKAPO TRAFFIC AND LANDSCAPE STUDY:**

This will take place tomorrow (October 7) between 3pm and 7pm at the Tekapo Community Hall. Ms Sweeney tendered her apologies for this information session.

#### **GENERAL BUSINESS – MOUNT JOHN TRACK:**

Mt John is off limits for cyclist and dogs. Ms Martin asked if more signage can be provided. Mr Nixon said he will speak with DoC.

**THERE BEING NO FURTHER BUSINESS  
THE CHAIRMAN DECLARED THE MEETING CLOSED AT 9:26pm**

**CHAIRMAN:** \_\_\_\_\_

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

## MACKENZIE DISTRICT COUNCIL

### MINUTES OF A MEETING OF THE FAIRLIE COMMUNITY BOARD HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON MONDAY OCTOBER 13, 2014, AT 7:00PM

#### PRESENT:

Owen Hunter (Chairman)  
Les Blacklock  
Trish Willis

#### IN ATTENDANCE:

Garth Nixon (Community Facilities Manager)  
Wayne Barnett (Chief Executive)  
Arlene Goss (Committee Clerk)  
Blue Kerr (public)

#### PUBLIC FORUM:

The chairman invited Blue Kerr to speak to the community board. She said she wished to speak on two matters. The first was the ongoing maintenance of the defibrillator held in the community centre. She asked the community board if it was willing to buy replacement pads and batteries for this when they were due for replacement. She has been replacing the pads herself, but as a pensioner she cannot afford to do this.

The chairman asked who monitors the age and condition. She does a monthly check. Other defibrillators are held in Albury, Burkes Pass and Sherwood. These also need to be looked after. The pads are replaced every two years and batteries approximately every five years.

She said she is happy to continue to perform the monthly check. The community board agreed to take responsibility for replacing the pads and batteries as requested.

Blue Kerr also raised the issue of the community centre courtyard and wondered if this needed to be run past the public again. The chairman said the changes being planned were not extreme. We are still waiting on a price to do this work. The meeting discussed the trees in the courtyard. She said people like the trees. Community facilities manager Garth Nixon said some of the trees are past their use-by date and will come out. Others will be kept. He said the landscape needed to be replaced occasionally, especially in a confined area like the courtyard.

The chairman said there has been quite a lot of interest expressed in the trees and the community board would take this on board.

**APOLGIES:**

Resolved that apologies be received from board members Warren Barker and Cr Noel Jackson, and Finance and Administration Manager Paul Morris.

**Les Blacklock/Trish Willis**

**DECLARATIONS OF INTEREST:**

There were no declarations of interest.

**MINUTES:**

Resolved that the minutes of the meeting of the Fairlie Community Board held on September 1, 2014, be confirmed and adopted as the correct record.

**Trish Willis/Les Blacklock**

**FAIRLIE COMMUNITY BOARD MATTERS UNDER ACTION****Fairlie Western Catchments Project:**

The chairman said we are still waiting on Environment Canterbury.

**Missing Soldier's Names on War Memorial at Fairlie:**

Garth Nixon has spoken to Jenny Cordes about whether to include soldiers from Cannington on the memorial. He has asked her to go back to her committee and look at this further.

**Community Centre Courtyard Upgrade:**

Garth Nixon updated the community board on this matter. The price he has received is \$33,900 plus GST. The budget is \$30,000 so the community board needs to talk to council about making a contribution.

Trish Willis asked for this quote to be provided to the community board members in writing. The chairman also asked for a breakdown of costs. Garth Nixon agreed to supply this information.

The chairman would like to re-visit the plan on the courtyard before making a final decision. The chief executive said there is an opportunity to put a paper to council on October 28 to request money so when the community board comes back to their next meeting they will be in a position to make a decision.

The chairman asked for this request to go to council on October 28<sup>th</sup>.

Resolved that the community board request that council contribute \$15,000 towards the cost of upgrading the community centre courtyard.

**Les Blacklock/Owen Hunter**

**REPORTS:****FAIRLIE COMMUNITY BOARD FINANCIAL ACTIVITY REPORT TO AUGUST:**

The chairman asked about the financial contributions for the Fairlie water supply of approx \$41,000. The chief executive said this was income and there was a timing issue related to how it was recorded in the accounts.

The only other thing of note in the financials was sewerage expenditure. Year to date this has been \$6,000. This is contractor costs associated with the replacement of the sewer pump at the Fairlie motor camp.

Resolved that the report be received.

**Les Blacklock/Owen Hunter**

**WARD MEMBERS REPORT:**

Cr Jackson was not present to give this verbal report.

**REPORTS FROM MEMBERS WHO REPRESENT THE BOARD ON OTHER COMMITTEES:**

The chairman reported that the Lions Club has covered the stage on the village green. The statue of the soldier near the stage will be uncovered on Thursday, October 16.

**GENERAL BUSINESS:****SEATING OUTSIDE PHARMACY:**

The chairman said he has spoken to the pharmacy owner and we can do whatever we like to improve this seating. The community board discussed replacing the timber between the brackets rather than around the corners of the planter. The overhang on the corners was a danger. Garth Nixon agreed to organise this.

**TOWN PROJECTS:**

A list of town projects was tabled by Trish Willis and is attached to these minutes. She went through this list with the community board.

Discussion was held on the river-side walking track. The chairman said the Lions Club were planning to replace the small wooden bridges with culverts and gravel so they could take a four wheel drive along the track to spray weeds.



Other items on the list were discussed. Discussion was held on how the community centre could be used more often. The chairman said this had been looked into earlier and it was a small town problem. Garth Nixon said a good example of a successful community centre was at Tekapo, but this was a small intimate hall with a good catering kitchen. Trish Willis said why don't we ask the community for ideas. The chairman said the size of the centre was awkward due to it being a sports centre. We also have some big bills coming up like the refurbishment of the kitchen and the roof to fix.

Trish Willis suggested a brief notice be published inviting ideas from people in the community. The chairman said most letters in the past had come from people who wanted to use the community centre for nothing and did not believe they should pay to use it.

The chief executive said there is a policy that determines how much of the money to fund the community centre comes from rates and how much from user-pays. The community board could look at this policy.

Garth Nixon said the centre is being reasonably well booked and used. Trish Willis said a community facility needs a five-year plan or similar. She thinks we owe it to the residents to ask them how they want to use it.

Garth Nixon has received a suggestion that the hall be converted into a function centre rather than a sports hall. He asked if the community board wanted to explore that option.

Trish Willis suggested a resolution as follows. This was passed by the community board.

Resolved that the community board initiate a survey of residents regarding the possible future use and opportunities for the community centre.

**Trish Willis/Owen Hunter**

Discussion then moved to further items on the projects list. Trish Willis said the lanterns on the main street need cleaning and painting. Garth Nixon said the street furniture will be painted soon. Discussion was held on whether to keep the same colour. This will be considered outside the meeting.

Regarding Christmas decorations, the chairman said Fairlie Lions are considering doing something with lighting but this was not yet decided. Trish Willis asked if the community enhancement board could apply for funding for decorations. Yes they could.

Trish Willis said she would attend the Village Green Committee meeting this month to discuss future projects with this group.

*The chairman then requested that the community board move into public excluded session to discuss two items recorded on the public excluded minutes of the last meeting. Blue Kerr left the room.*

**PUBLIC EXCLUDED:**

Resolved that the public be excluded from the following parts of the proceedings of this meeting namely Previous Minutes, Fairlie Community Board, September 1, 2014.

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48(1) for the passing of this resolution</b>
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Previous minutes Fairlie Community Board September 1, 2014.	Commercial sensitivity	48(1)(a)(i)
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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: Previous minutes Fairlie Community Board, *under section 7(2)(b)(ii)*.

**Les Blacklock/Owen Hunter**

*The Fairlie Community Board continued in open meeting.*

**THERE BEING NO FURTHER BUSINESS  
THE CHAIRPERSON DECLARED THE MEETING CLOSED AT 8.05pm.**

**CHAIRMAN:** \_\_\_\_\_

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

## MACKENZIE DISTRICT COUNCIL

### MINUTES OF A MEETING OF THE FINANCE COMMITTEE HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON THURSDAY, OCTOBER 16, 2014, AT 10.18AM

#### PRESENT:

Cr Graham Smith (Chairman)  
Claire Barlow (Mayor)  
Cr Russell Armstrong  
Cr James Leslie  
Cr Noel Jackson  
Cr Evan Williams

#### IN ATTENDANCE:

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

#### APOLOGIES:

There were no apologies.

#### DECLARATIONS OF INTEREST:

There were no declarations of interest.

#### MINUTES:

Resolved that the minutes of the meeting of the Finance Committee held on September 2, 2014, including such parts as were taken with the public excluded, be confirmed and adopted as the correct record of the meeting.

**Claire Barlow/Russell Armstrong**

#### SUB-COMMITTEE MINUTES:

Resolved that the minutes of the meeting of the Tekapo Property Group meeting held on August 4, 2014, including such parts as were taken with the public excluded, be adopted.

**Graham Smith/Russell Armstrong**

Resolved that the minutes of the meeting of the Tekapo Property Group meeting held on October 7, 2014, including such parts as were taken with the public excluded, be adopted.

**Graham Smith/Russell Armstrong**

The chairman requested that the committee move into public excluded session to discuss matters recorded on the public excluded minutes of the Tekapo Property Group meetings.

**PUBLIC EXCLUDED:**

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

1. Public excluded minutes of the Tekapo Property Group meeting held on August 4, 2014.
2. Public excluded minutes of the Tekapo Property Group meeting held on October 7, 2014.

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48(1) for the passing of this resolution</b>
Previous minutes Tekapo Property Group, August 4	Enable commercial negotiations	48(1)(a)(i)
Previous minutes Tekapo Property Group October 7	Enable commercial negotiations	48(1)(a)(i)

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: *Previous minutes of the Finance Committee and Tekapo Property Group under section 7(2) (i).*

**Russell Armstrong/James Leslie**

*The Finance Committee continued in open meeting.*

**REPORTS:**

**FINANCIAL ACTIVITY REPORT TO AUGUST, 2014:**

This is the financial report for council for the financial year to August, 2014.

Resolved that the report be received.

**Claire Barlow/James Leslie**

Finance and Administration Manager Paul Morris said he would like to raise three points. On page 53, employment expenses are lower than budget due to going through an employment process. Recruitment expenses are included in this budget.

The financials do not include any internal calculations. No internal interest or mileage has been charged yet.

Regarding the insurance payment for damage to the Old Library Café in Fairlie, the insurance company is paying us the full amount.

Cr Leslie asked regarding and item on page 64 - employment expenses under commercial activities. This relates to Twizel information centre staff.

Cr Armstrong asked if the restoration of the Old Library Café was on budget. The chief executive said at the moment it is sitting at \$40,000 under spend. We are expecting to finish the project at budget.

Cr Jackson spoke regarding the finance report layout. He showed an example of a financial report that he felt was easier to understand. Paul Morris offered to make changes to the layout of the report. The Mayor requested that any changes be advised to the community boards to enable them to understand the reports.

#### LETTER FROM WENDY SMITH REQUESTING SPONSORSHIP FOR BUSINESS AWARDS:

Resolved that the letter from Wendy Smith requesting sponsorship for the business awards be received.

**Noel Jackson/Evan Williams**

This letter is attached to the agenda at page 65. It is asking for council sponsorship for the business excellence awards. We have previously contributed \$2,000. Fairlie Bakehouse and Earth and Sky have been good performers at these awards and this has promoted the district.

The Mayor said Mackenzie businesses were benefitting from participating in these awards. It inspired people to be excellent and was a good way to celebrate businesses in the district. The sponsorship comes from council's tourism funding.

Resolved that the council continue to sponsor the Business Excellence Awards.

**Russell Armstrong/Evan Williams**

#### THE CHAIRMAN DECLARED THE MEETING CLOSED AT 11.06am

**CHAIRMAN:** \_\_\_\_\_

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

## **MACKENZIE DISTRICT COUNCIL**

### **MINUTES OF A MEETING OF THE ASSET AND SERVICES COMMITTEE HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON THURSDAY, OCTOBER 16, 2014, AT 11.09AM**

**PRESENT:**

James Leslie (Chairman)  
 Claire Barlow (Mayor)  
 Cr Graham Smith  
 Cr Evan Williams  
 Cr Russell Armstrong  
 Cr Noel Jackson

**IN ATTENDANCE:**

Wayne Barnett (Chief Executive Officer)  
 Garth Nixon (Community Facilities Manager)  
 Bernie Haar (Asset Manager)  
 Geoff Horler (Utilities Manager)  
 Suzy Ratahi (Roading Manager)  
 Angie Taylor (Solid Waste Manager)  
 Arlene Goss (Committee Clerk)  
 Jack Montgomerie (Timaru Herald)  
 Three representatives from the Twizel Early Learning Centre

**APOLOGIES:**

There were no apologies.

**DECLARATIONS OF INTEREST:**

There were no declarations of interest.

**MINUTES:**

Resolved that the minutes of the meeting of the Asset and Services Committee held on September 2, 2014, including those parts taken in public excluded, be confirmed as an accurate record.

**Claire Barlow/Russell Armstrong**

**REPORTS:**

**ASSET MANAGERS MONTHLY REPORT – OCTOBER 2014:**

The purpose of this report was to update the Asset and Services Committee on the progress on various projects and also the normal operation of the department for the past month. The following matters were included in the discussion of this report:

Geoff Horler said progress was being made on the Twizel water upgrade. Cr Armstrong asked what size generator was required and Mr Horler said this was around 3000kva and would be quiet.

Cr Leslie asked regarding the Manuka Tce water supply. Mr Horler said he hoped to present a report on this at the next meeting of the Asset and Services

Committee. The Mayor asked if we could take this report to the residents of Manuka Tce to let them know what is going on. Bernie Haar said this would form part of the discussion held by the committee once the report was received.

Suzy Ratahi said some good work was done on Godley Peaks Road. Traffic is high on this road with people going to Mount John and Lake Alexandrina. This means the road is deteriorating faster than expected. Cr Smith asked if the road had been compacted properly. Bernie Haar provided a history of this road. We are getting more tourist traffic on the road than anticipated and the land use change at Godley Peaks also means more traffic.

Discussion was held on whether stations changing their land use should contribute to road maintenance when their heavy traffic was having an impact.

Regarding the Lake Tekapo Footbridge, this is on the national land transport plan and we are awaiting regional approval from NZTA. This is being followed up by the chief executive.

Cr Smith asked regarding environmental maintenance of \$55,000 spent. This is mainly due to ice gritting on the roads this year.

Suzy Ratahi said more work has happened to develop the roading collaboration with other councils. There is uncertainty around how many roading contracts there will be. The chief executive said these issues will be discussed at a meeting on Friday and a report will come back on this matter.

Cr Armstrong asked for a progress update on issues at Maitland Place, Twizel, and the Telecom box on Ostler Road. Suzy Ratahi updated these issues which are ongoing.

The Mayor asked Geoff Horler for an update regarding the clean-up of a storm water drain after a sewerage line was accidentally put into it. This was done accidentally over 10 years ago and we have paid for a portion of the repair and clean-up.

Angie Taylor reported on solid waste. Bin audits are being carried out. Contractors have checked about 100 bins in Twizel over two days. Generally they were good, but there were a few recurring issues to address through education. Further bin audits are planned for Tekapo and Fairlie.

The Mayor said she was concerned about allowing wilding pines to grow to screen rubbish at Twizel, and should other trees be used? Angie Taylor said there was cost involved in wilding removal. The Mayor said she would discuss this further with Angie Taylor.

Cr Jackson asked regarding waste metal drop off and if it included car bodies. We discourage this unless the body has been stripped of contaminants.

Resolved that the report be received.

**Evan Williams/Graham Smith**

#### LAKE ALEXANDRINA CONSERVATION TRUST:

A letter from the trust asking for a contribution towards conservation work at Lake Alexandrina is attached to the minutes at page 22.

Garth Nixon spoke regarding this matter. The trust has applied for money historically which council has granted. They have done some good work around Lake Alexandrina. Council has a policy related to the funds that come from the

lease of the huts. We have to retain about \$24,000 for emergency work and there is a balance in the reserve of approx. \$200,000. The community can do work on the reserves using this fund.

He thinks we should fully fund the request of \$16,400 to carry on with the work the trust are doing. This will be used for further work on Scott's Creek and other tasks outlined in the letter from the trust.

The chairman suggested that we ask the trust to invite councillors to view their activities at some stage.

Resolved:

1. That the report be received.

**Claire Barlow/Russell Armstrong**

2. That the Asset and Services Committee approve a \$16,400 grant to the lake Alexandrina Conservation Trust funded from the Lake Alexandrina Reserve.

**Claire Barlow/Russell Armstrong**

**TWIZEL EARLY LEARNING CENTRE:**

The purpose of this report was to consider a request from the Twizel Early Learning Centre for land. Three representatives from the Twizel Early Learning Centre were at the meeting.

Garth Nixon said the Twizel Early Learning Centre had approached council for assistance and options to expand. Following discussion with our planners he had discovered that childcare facilities were appropriate on land zoned Rec A. The community board were in favour of using Rec A land to assist.

He is asking the Asset and Services committee to approve further exploration of using Rec A land and said there were other examples of childcare facilities using council land in this manner.

Garth Nixon then tabled a map showing a building in the viewing corridor in Twizel which would require a resource consent, as an example of what he was considering.

The Mayor asked if that was the only Rec A land that makes practical sense in Twizel. Anything in the viewing corridor would require a resource consent.

Garth Nixon said another possibility was the existing basketball court. The chairman asked if the old medical centre had been considered. Garth Nixon has considered it but questioned the suitability of this site due to the value of the land.

Cr Jackson asked what would become of the old Twizel Early Learning Centre building, which stands on council land. If the land was sold they could have the value of the building. The land could be sold and this money would go back into the council's real estate account.

Cr Smith asked the representatives from the Twizel Early Learning Centre if they wanted to be in the middle of town. They said yes, this was best location for parents. What are the growth projections? The baby area at the current centre is at full capacity at the moment and there has been a baby boom in



Omarama and Twizel over the past six months. They are the only childcare facility available for this age, and only have seven spaces for babies under 2.

The new building would allow 50 children so is larger than the current building. They would also like to expand over time as needed.

Garth Nixon said the viewing corridor is up for review in the district plan, but expansion of a childcare centre on that site would currently require resource consent.

The Mayor said she sees this as part of the critical infrastructure for Twizel. Council should lend support to foster growth in the community. She thinks it's a good location.

Cr Jackson asked the representatives from the Twizel Early Learning Centre how they feel about their old building being put up for sale to help fund this. They agreed with this idea.

Cr Armstrong asked if they qualified for any assistance from the government. They replied that they cannot get funding from the Ministry but can apply for grants from places like Meridian, and do fundraising.

Resolved:

1. That the report be received.

**Evan Williams/Graham Smith**

2. That council agree in principle to offer a piece of the Rec A zoned land for child care facilities and explore the options alongside the Twizel Early Learning Centre and Twizel Community Board.

**Russell Armstrong/Evan Williams**

**PUBLIC EXCLUDED:**

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

1. Previous minutes of the Asset and Services Committee meeting on September 2, 2014.
2. Contract Bridge Replacements

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48(1) for the passing of this resolution</b>
Previous minutes September 2, 2014.	Enable Commercial Negotiations	48(1)(a)(i)
Contract Bridge Replacements	Commercial Sensitivity	7(2)(b)(ii)

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: *Previous minutes of the Asset and Services Committee under section 7(2)(i). Contract bridge replacements 7(2)(b)(ii).*

**Claire Barlow/Evan Williams**

*The Asset and Services Committee continued in open meeting.*

**THERE BEING NO FURTHER BUSINESS THE  
CHAIRMAN DECLARED THE MEETING CLOSED AT 12.08PM**

**CHAIRMAN:** \_\_\_\_\_

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

Unconfirmed

## MACKENZIE DISTRICT COUNCIL

### MINUTES OF A MEETING OF THE PLANNING AND REGULATION COMMITTEE HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON THURSDAY, OCTOBER 16, 2014, AT 1.40PM

#### PRESENT:

Cr Murray Cox (Chairman)  
Mayor Claire Barlow – until 1.45pm  
Cr Graham Smith  
Cr James Leslie  
Cr Russell Armstrong  
Cr Noel Jackson

#### IN ATTENDANCE:

Wayne Barnett (Chief Executive Officer)  
Nathan Taylor (Planning and Regulation Manager)  
Toni Morrison (Senior Policy Planner)  
Garth Nixon (Community Facilities Manager)  
Arlene Goss (Committee Clerk)  
Alistair Munro (Rural Fire)

#### APOLOGIES:

The Mayor apologised in advance because she needed to leave the meeting and attend another appointment at 1.45pm. She re-joined the meeting later.

#### VISITOR:

Alistair Munro from the Rural Fire Service spoke to the meeting. He began by outlining the history of the rural fire district and the present situation regarding funding from territorial authorities and other sources. He said the number of fire districts in New Zealand had reduced over time. He outlined current discussions with other regions, such as Ashburton, regarding enlarging the fire district. He said they were having difficulty negotiating with the Department of Conservation but he hopes to have them on board soon.

*The Mayor left the meeting at 1.45pm.*

Mr Munro was asked for more information on the situation with the Department of Conservation. He said all the good staff were leaving DOC, making it difficult to deal with the organisation. Cr Cox asked if Mr Munro was happy with how things were working in this district. Mr Munro said yes. He believed the way things were done in this district was simple and transparent.

Nathan Hole said the way SC Rural Fire operates is that Mackenzie District Council contributes to the administration costs but also has its own budget for assets. Timaru and Waimate don't need to be concerned about Mackenzie spending their money or vice versa.

Cr Smith thanked Mr Munro for his time and congratulated him on the excellent job he does. Mr Munro asked councillors to be careful of flash points in the district.

*Mr Munro, Cr Jackson and Toni Morrison left the meeting at 1.54pm. The meeting was adjourned at 1.55pm so councillors could attend the unveiling of the trooper statue on the village green. The meeting reconvened at 3.33pm and the Mayor re-joined the meeting.*

#### **DECLARATIONS OF INTEREST:**

There were no declarations of interest.

#### **MINUTES:**

Resolved that the minutes of the meeting of the Planning and Regulation Committee held on September 2, 2014, including those parts taken in public excluded, be confirmed and adopted as the correct record of the meeting.

**Russell Armstrong/Graham Smith**

#### **REPORTS:**

##### **PLANNING AND REGULATION MANAGER'S ACTIVITY REPORT:**

The purpose of this report was to provide the committee with an activity report for planning and regulations for the period 23 August to 3 October, 2014.

Cr Smith asked if there was any reason for the decrease in the number of LIMS being provided. Nathan Hole said they are down a little on last year but there is plenty of activity in terms of interest in properties. He expects more interest in spring.

Building consent numbers are high. We are on a par with last year, which was higher than any other year. The council will see about 300 building consents applied for this year. Traditionally we have seen 240-250 each year.

Cr Cox asked regarding the tourism zone at Pukaki Downs. Nathan Hole provided background on this issue, related to Plan Change 13.

Resolved that the report be received.

**Claire Barlow/Evan Williams**

##### **DRAFT BYLAWS AND DOG CONTROL POLICY:**

The purpose of this report was for the committee to adopt the attached statements of proposal, draft bylaws and draft dog control policy, and resolve that they proceed through the special consultative procedure under the Local Government Act 2002.

Councillors were happy that these draft bylaws reflected previous discussions held in workshops and meetings, and that changes had been made as discussed previously.

Resolved:

1. That the report be received.

**Graham Smith/Russell Armstrong**

2. That the Committee adopt the following statements of proposal, draft bylaws and draft policy for consultation under the Special Consultative Procedure in accordance with section 83 of the Local Government Act 2002:

- Statement of Proposal - Draft Freedom Camping Bylaw 2014
- Draft Freedom Camping Bylaw 2014
- Statement of Proposal - Draft Dog Control Policy 2014 and Draft Dog Control Bylaw 2014
- Draft Dog Control Bylaw 2014
- Draft Dog Control Policy 2014
- Statement of Proposal - Draft Mobile Shops and Traders Bylaw 2014
- Draft Mobile Shops and Traders Bylaw 2014
- Statement of Proposal - Draft Market Place Liquor Ban Bylaw 2014
- Draft Market Place Liquor Ban Bylaw 2014
- Statement of Proposal - Draft Wastewater Network Bylaw 2014
- Draft Wastewater Network Bylaw 2014
- Statement of Proposal - Draft Water Supply Bylaw 2014
- Draft Water Supply Bylaw 2014
- Statement of Proposal - Draft Downlands Water Supply Bylaw 2014
- Draft Downlands Water Supply Bylaw 2014

**Claire Barlow/Graham Smith**

**DRAFT FREEDOM CAMPING STRATEGY:**

This report is for the committee to approve the draft Freedom Camping Strategy and put it out for public consultation.

Councillors noted that the views of the community boards had been included in this draft. This has also been run past the Caravan Association who have made comments which have been factored into the draft. Garth Nixon said he had also received feedback from a camp ground owner who would be making a submission.

Resolved:

1. That the report be received.

**Claire Barlow/Russell Armstrong**

2. That the committee approve the draft Mackenzie District Council Freedom Camping Strategy.

**Graham Smith/James Leslie**

3. That the committee agree to notify the draft strategy for public submission.

**Graham Smith/James Leslie**

**VERBAL REPORTS FROM THE WATER ZONE COMMITTEES:**

Cr Evan Williams said the last meeting of the Opihi Orari Pareora Water Zone Committee was held in Geraldine on Monday. There was some very lively public debate and nobody went home happy. Some members of the public refused to accept the findings of water scientists. Rivers and streams in the Geraldine area are having problems and catchment groups have been formed to clean this up.

Cr Murray Cox reported from the Upper Waitaki Water Zone committee. Last week they held public meetings on scenario 2, which highlighted the issues of what would happen with more irrigated land. It's the smaller streams and lakes that are affected so this is where a lot of the work needs to be done. Aquaculture will have a bigger effect than they thought previously. The salmon farms are featuring significantly in the equation. There is also talk of putting another big salmon farm closer to the Waitaki Dam. Concern was expressed there was no ability to dilute the effects of the farm before the water goes over the dam.

At the last meeting there was a discussion on the Mackenzie Agreement. The Mayor added that this meeting was interesting. The local iwi were not involved in the Mackenzie Agreement process and were testy. Since then she has spoken to iwi and will catch up with them this week to seek their views. There is no intention for our ratepayers to fund the Mackenzie Agreement.

Cr Cox said the zone committee process is picking up now that the public meetings have been held and technical information is available.

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

**CHAIRMAN:** \_\_\_\_\_

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

## MACKENZIE DISTRICT COUNCIL

### MINUTES OF A MEETING OF THE STRATEGY AND POLICY COMMITTEE HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON THURSDAY, OCTOBER 16, 2014, AT 1.00PM

#### PRESENT:

Claire Barlow (Mayor/Chair)  
Cr Murray Cox  
Cr Graham Smith  
Cr Noel Jackson  
Cr Evan Williams  
Cr James Leslie  
Cr Russell Armstrong

#### IN ATTENDANCE:

Wayne Barnett (Chief Executive Officer)  
Nathan Hole (Planning and Regulation Manager)  
Garth Nixon (Community Facilities Manager)  
Paul Morris (Finance and Administration Manager)  
Toni Morrison (Senior Planner)  
Arlene Goss (Committee Clerk)  
Alistair Munro (Public)

#### APOLOGIES:

There were no apologies.

#### DECLARATIONS OF INTEREST:

There were no declarations of interest.

#### MINUTES:

Resolved that the committee confirm and adopt as a correct record the minutes of the Strategy and Policy Committee meeting on February 4, 2014.

**Russell Armstrong/Graham Smith**

#### REPORTS:

##### DRAFT SIGNIFICANCE AND ENGAGEMENT POLICY:

The purpose of this report was for the committee to approve the draft Significance and Engagement Policy and publically notify it for public submissions.

Toni Morrison said the council is required to have this policy in place by December 1, 2014. She outlined the thresholds that determine significant decisions under the new policy.

Section 6 (Strategic Assets) is a list of assets. The managers have suggested some changes to this which are shown on pages 11 and 12 of the report.

Cr Smith asked why the halls had been removed from the list of strategic assets. Paul Morris said the Twizel Events Centre, Tekapo Community Centre and Fairlie Community Centre are still considered to be significant strategic assets. Other halls are being run by local groups.

The Mayor said the halls are self-governed and not viewed as strategic assets by the rest of the community, although they are significant to the communities who use them. Leaving them on the list would mean we need to consult with the whole district through a public consultative process every time we change something. Local communities should govern these halls rather than the whole district.

Cr Smith argued that the halls were strategic assets. Paul Morris said this document was still to go out for public consultation and a hearing of submissions. People may submit on this matter. There is no intention to sell or dispose of the halls. Removing them from the list recognises they are self-governing and decisions are best made by the local communities who use the halls.

The Mayor suggested we write specifically to the hall committees to let them know about the change to the list of strategic assets.

Spur Road water has been removed from the list because it's part of the Allandale supply. The Kimbell water supply has also been removed because they are small and self-managed. It would be good to engage with that committee about that.

Regarding forestry assets, Paul Morris said he suggests these be removed from the list because they are not core services like water or roads. Removing them from the list gives council the ability to move in and out of the forestry market as prices and the situation changes. Toni Morrison said before selling forestry land it would need to be included in the Long Term Plan and be part of the consultation process around this.

*The meeting adjourned at 1.40pm and reconvened at 3.30pm.*

Cr Leslie asked where the Pukaki Airport figures in this policy. Staff were asked to address this.

Resolved:

1. That the report be received.
2. That the committee approve the draft Significance and Engagement Policy.

**Evan Williams/Noel Jackson**

**Graham Smith/Russell Armstrong**



3. That the committee agree to notify the draft policy for public submissions.

**Graham Smith/Russell Armstrong**

**THERE BEING NO FURTHER BUSINESS THE  
CHAIRMAN DECLARED THE MEETING CLOSED AT 3.33PM**

**CHAIRMAN:** \_\_\_\_\_

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

Unconfirmed

## MACKENZIE DISTRICT COUNCIL

### MINUTES OF A MEETING OF THE MACKENZIE FORESTRY BOARD HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON THURSDAY, OCTOBER 16, 2014, AT 9.32 AM

#### PRESENT:

Cr Graham Smith (Chairman)  
Cr Murray Cox  
Cr Noel Jackson  
Cr Evan Williams

#### IN ATTENDANCE:

Claire Barlow (Mayor)  
Wayne Barnett (Chief Executive)  
Paul Morris (Manager – Finance and Administration)  
Kevin O’Neil (Forestry Manager)  
Terry O’Neill (Ashburton District Council)  
Arlene Goss (Committee Secretary)  
Jack Montgomerie (Reporter, Timaru Herald)

#### APOLOGIES:

There were no apologies.

#### DECLARATIONS OF INTEREST:

There were no declarations of interest.

#### MINUTES:

The chief executive noted some errors in the minutes where the name Terry O’Neill needs to be changed to Kevin O’Neil. Terry O’Neill was not present at the meeting on June 10.

Resolved that the minutes of the meeting of the Mackenzie Forestry Board held on June 10, 2014, including such parts as were taken with the public excluded, be confirmed and adopted as the correct record of the meeting subject to the corrections noted above.

**Murray Cox/Noel Jackson**

#### MATTERS ARISING:

Cr Smith has spoken to the IT manager requesting correct maps of Mackenzie forestry areas. Terry O’Neill offered to produce these maps for the chairman and will forward them to Paul Morris for distribution to Forestry Board members.

The lease for Wreford Block has not been completed and signed. The chief executive said he will action this. The chairman was disappointed this had not progressed since the last meeting.

The minutes also contained a resolution to consider the council's strategy regarding forestry operations. Paul Morris said a report will come to councillors as part of the Long Term Plan process.

The chairman asked if a response had been sent to Jackson and Steetskamp following the last meeting. Yes.

## **REPORTS:**

### **FORESTRY MANAGERS REPORT TO AUGUST 2014:**

The Forestry Manager's report is included with the agenda. Kevin O'Neil noted some of the work he has carried out recently in various blocks. He said he was concerned about motorbikes on tracks in the Tekapo plantation as they could damage the tracks and start fires. He wondered if notices or signs are needed. The chairman asked what responsibility council has if an accident happens. The chief executive said if a danger has been identified we need to take appropriate action. The Forestry Manager suggested signage at each end of the track. Cr Cox said this could be raised at the next community board meeting.

Resolved that the Forestry Board ask the Tekapo Community Board to look into erecting signage to prevent motorbikes entering the Tekapo plantation.

**Noel Jackson/Graham Smith**

Rules regarding the use of motorbikes in plantations will change soon to prevent bikes from entering these areas. The chairman also asked regarding rabbits in that area. Kevin O'Neil said they were becoming a problem.

## **VISITOR:**

Terry O'Neill, district forester, Ashburton District Council, said the council's thinning programme has identified an area that has not been budgeted for. This will cost \$32,000 to \$33,000. He has also identified possible areas for harvesting – none are of great value. There is a block at Cave that can be harvested but it is a small area with difficulties in terms of access. The only other area for harvest is the trees behind Whitestone.

The chairman said we have no income from logging coming in this year but did more logging last year than planned and picked up some good log prices. The Forestry Manager said there are some nice post trees, Corsican Pine, at Simon's Pass that can be harvested.

A lot of plantations that were due for harvest soon were affected by wind damage last year. There are going to be a few lean years for harvest as a result of this damage. There is potential to sell carbon credits.

Discussion was held on the thinning and pruning work planned in various blocks. The chairman asked regarding insurance, what does it cover? We have got fire cover only. There is other insurance cover available but it's very expensive. Terry O'Neill said with wind damage you get your money back with the salvage of damaged trees.

The chairman thanked Terry O'Neill for attending the meeting and for his verbal report.

#### FINANCE MANAGERS REPORT:

The Finance Manager said no internal interest had been included in the accounts due to the finance team being busy with auditors and the annual report. The financials were impacted by unanticipated milling and movements in log prices. Money is still due to be distributed from the Forestry Board to the community boards for the use of land in their areas. The budget for sylviculture will not be enough to cover expenses, however there was some unspent money expected in other parts of the budget which would be used to pay for the extra work in sylviculture. The board can also expect an impairment of the forestry carbon units due to the change in value of these units.

**THE CHAIRMAN DECLARED THE MEETING CLOSED AT 10.04am**

**CHAIRMAN:** \_\_\_\_\_

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

## MACKENZIE DISTRICT COUNCIL

### MINUTES OF A MEETING OF THE MACKENZIE DISTRICT COUNCIL HELD AT THE TWIZEL EVENTS CENTRE, TWIZEL, ON TUESDAY SEPTEMBER 16, 2014, AT 9.30AM

#### PRESENT:

Claire Barlow (Mayor)  
Cr Graham Smith  
Cr Murray Cox  
Cr James Leslie  
Cr Russell Armstrong  
Cr Evan Williams

#### IN ATTENDANCE:

Wayne Barnett (Chief Executive Officer)  
Paul Morris (Finance and Administration Manager)  
Garth Nixon (Community Facilities Manager)  
Geoff Horler (Utilities Manager)  
Arlene Goss (Committee Clerk)  
Jack Montgomerie from the Timaru Herald  
12 members of the public

#### OPENING:

The Mayor welcomed everyone to the meeting.

#### APOLOGIES:

An apology was received from Cr Noel Jackson.

**Graham Smith/Evan Williams**

#### DECLARATIONS OF INTEREST:

The Mayor said Cr Russell Armstrong has a conflict of interest on the item 'Land Sale Twizel' and asked the chief executive to explain the rules around conflicts of interest as outlined in the Local Authorities Members Interests Act 1968. The Act states that members are unable to take part in decision making when they have a pecuniary interest, or an interest above that of an ordinary ratepayer.

#### BEREAVEMENTS:

The Mayor noted the following bereavements:

- Cornelis Johannes Kruishoop, died August 3, husband of May, late of Twizel.
- Natalie Steel, died August 6, husband of Jack, late of Fairlie.

- Robyn Evelyn Anderson, died August 16, wife of Ian Anderson, sister of Cr Evan Williams and David Williams, late of Fairlie.
- Shirley Dawn Lane, died August 21, wife of Ralph Lane, late of Fairlie.
- Averil Mary Demetriades, died August 22, mother of Demeter and Andrew, late of Timaru.
- Evelyn Joan Neill, died September 2, mother of Jo and Bill Rowland, and John Neill, late of Fairlie.

A moment of silence was observed.

### **ORDER OF BUSINESS:**

The Mayor changed the order of items on the agenda so the item 'Land Sale Twizel' was brought forward for the convenience of members of the public who were present to listen to the debate.

### **LAND SALE TWIZEL:**

The purpose of this report was to enable Council to consider approval or rejectin of concept plans provided by Meridian Energy Ltd in relation to the proposed land sale at Twizel.

The Mayor asked the Chief Executive to speak to his report. The history is well known. The recommendations reflect the contract that has been agreed between the council and Meridian Energy. This is conditional on the sale and purchase agreement being confirmed by council. The council resolved to delegate the authority to sign off the statutory requirement to the Mayor. The administrative conditions are being checked by APL who specialise in property development. They will report back next week but this is an administrative matter and does not prevent a decision being made at the meeting.

The chief executive went through the recommendations in the report. The valuation has been obtained and is a non contentious matter. The ability of council to accept or reject the concept design is very wide and this gives councillors the option to instruct staff to go back to Meridian.

Cr Leslie raised a point of order. He asked if by proceeding with the recommendations the council was acting illegally or improperly. He tabled the document 'Twizel – The Future Starts Today' and said this report was contradicted by the proposal before council. He believed there were two reports in conflict and council needed to decide which one took precedence. This meant the current recommendations could not proceed.

The chief executive said the 'Twizel – The Future Starts Today' report was presented to council in 2004. A number of recommendations in the report were not picked up in Plan Change 15.

Cr Leslie said there had been no formal recognition that the 'Twizel – The Future Starts Today' report was no longer valid and he was concerned this was an illegal process.

The Mayor said her opinion was that reports were written to inform future planning decisions and were not statutory documents, but this needed to be checked by APL. She asked for this request to be recorded in the minutes.

Cr Cox said the 2004 report did not seem to have been picked up by the Twizel Community Board.

Cr Leslie said that if the community board had not considered the report they needed to go back and consider it now.

Cr Cox said if the report had been a living document the community board would have been using it.

Cr Smith said he was involved in the previous process. Twizel had 70km in roadways, greenways and walkways and the land under discussion was not talked about as been a green area in the strategy work he had undertaken with Peter Bell.

The Mayor said it was originally envisioned that people wanted an open view through to the carpark area to indicate the location of the town centre. Since then the community board had not picked this up as part of their greenway strategy and the land had gone through three long term plans and other processes. The issue had only come to the forefront with the offer from Meridian.

She asked if all the councillors were aware of the 2004 document 'Twizel – The Future Starts Today' and the views expressed in it. Councillors confirmed they were aware.

The chief executive said he had set out three options in his current report. One was to not allow any use of the bowling green at all, another was to use it as parking and the third was to go ahead with the proposed deal on the table.

The Mayor asked members of the public if they were aware of the content of the chief executives report. One person said no. The Mayor offered to go over the report to make the public aware of what was being discussed. She then read through the chief executive's report. She then asked each councillor to speak, starting with Cr Leslie.

Cr Leslie said he had undertaken a straw poll to gather the views of the community. This was in the form of a survey advertised on Facebook and published in the Twizel Update. To make it as fair as he could the responses were limited to two per computer. The paper forms were monitored by the Twizel office as to where they came from. He believed the survey was reasonably robust.

Cr Leslie received 415 responses from a population of 1,137. 83.6% were in favour of Meridian moving into town and 10.8% against.

In terms of location:

- 29.6% said they should be on the 'bowling green'.
- 67% said the 'bowling green' should be retained.
- 3.4% said the 'bowling green' should be used for other purposes.

95% of respondents were residents or ratepayers; non residents were 5%.

Cr Leslie said the only other recent example of this sort of activity was when council was proposing to amalgamate the rates. The response from the public on that issue were of the same order, and that resulted in overturning the decision at the time.

The Mayor thanked Cr Leslie. She said Cr Armstrong was not able to join the debate due to a conflict of interest but councillors were aware of his views.

Cr Smith spoke next. He said he remained firmly committed to bringing Meridian to town. It was a wonderful opportunity to bring employment and increased rates for Twizel. He thanked Cr Leslie for his effort on conducting the poll, however he viewed the situation as similar to when trees were removed against public opinion in Twizel and this had proven to be a good decision.

He said council had signed a contract in good faith with Meridian. He was involved with Peter Bell on the greenway strategy and at no point did this area come up as needing to be a passive area. He said the sale had the support of the community board and to oppose the sale at this stage would collapse the confidence of the community board, Meridian and ratepayers. The cost of compromise at \$400,000 to \$500,000 would not be acceptable to the council's finance committee or to ratepayers.

Cr Smith moved that council accept option one and proceed with the sale.

The Mayor called for a seconder for the motion to accept option one, which is recommendation number five in the report. Cr Williams seconded the motion.

Cr Williams said he supported what Cr Smith said. This land had been for sale for a long time and should be sold. It was in the best interests not only of the Twizel community but of the district. He did not want to procrastinate any longer.

Cr Cox said the council wouldn't be acting responsibly if it allowed the purchase of the land to fall over. It had been for sale and council accepted a sale and purchase agreement to maximise its investments. The cost of not going ahead would be significant to the community in the future. He said councillors had to look to the future and the future benefit to Twizel. He agreed that it would be a better option for the building to be moved to the left. He said he had gone through all the background and could not understand why this was not picked up and part of the earlier planning. Now



there was a significant cost and economic loss to the town if council required that the building be moved. If that money was lost it was a huge amount of money the community could use for other projects around the town. The council had a responsibility to ensure there was a strong economy in Twizel. If there was an easy solution then we would have found it and we haven't.

Cr Cox said he was hoping Meridian would resolve the issue for the community but they were sound on what they wanted. Council had to take a responsible attitude and proceed with the sale.

The Mayor said she had laboured long and hard over this decision. She cared about what the people of Twizel think. She has read every email, the survey results and the Twizel document. It was not an easy decision because either way you could not please everyone. She appreciated Cr Leslie's efforts in trying to bring a robust debate regarding the opposition of the community and she congratulated him for this.

The Mayor then read the following from her notes, which have been copied into these minutes:

“As I think upon this whole issue I am dismayed that Council find themselves in this position.

Meridian consulted directly with Twizel Community Board members before submitting plans along with the Sale & Purchase agreement to the Finance Committee. At any point in that process, the Twizel CB could have highlighted the fact that the bowling-green area was an important green space for the town. They did not.

When the decision came to Council, it ticked all the boxes in relation to zoning, availability and appropriate value of the land. From their perspective, the sale was reasonably straight forward.

The Community Board were given an opportunity to endorse the proposal which they did 3-2. Not a resounding majority but a democratic majority nonetheless.

When it came back to full Council for sign-off we were aware through our Twizel Councillors of some general dissatisfaction in the community but were unable to gauge the extent of this until the conditional S & P agreement was signed and the plans could be released for public feedback.

A public meeting was held with CB members, councillors and some Meridian staff and management in attendance. The overwhelming response from this was that Meridian were wanted in town but that the majority believe that the building should be sited in such a way as to protect the visual amenity that the bowling-green area provides.

The information from that public meeting went back to the Community Board the following Monday, where they endorsed their original decision. At no time did Council put pressure on the TCB members to stick with that decision and, had they voted differently, Council would be in a different position today.

Regardless of these outcomes, the strong message I was getting was to see if Council could negotiate a win/win situation that meant that Meridian came to town (as the CB desired), the bowling-green was preserved (as a majority had indicated they would like) and that the transaction would be cost-neutral to Meridian (as they had a fixed budget for the project).

Along with the Wayne Barnett, I met with Mat Bayliss from Meridian and indicated that there was a preference from the community that the bowling-green space be preserved. Meridian were asked to come back to Council with a figure of what a change to their plans might look like financially. The figure presented to us, taking into account a re-design of the building, extra tree removal and excavation works, subdivision plans, sun and shading design reports and other appropriate expenses, was in excess of \$200k so our CEO sought advice on the robustness of those figures and came back with a more conservative estimate of \$180k.

It is very easy when your only concern over a decision is how **YOU** may feel about it - but from Council's perspective, we have to take into consideration the long term effects of that decision and how major or minor they are when the emotion is removed from the equation. This includes the ongoing relationship with locally elected boards and whether we trust and believe that they represent their local community.

For the pragmatic around the table, it boils down to "Is this a good decision financially and is it legally sound"? For the more passionate it is about "How do I represent the views of my community and yet still get the substantially supported outcome of having Meridian in town"?

Unfortunately the informal survey that Cr. Leslie initiated never asked the question of the community: "If saying 'No' to this sale results in Meridian choosing to locate their building elsewhere, would you still be happy with that"?

In the absence of this information I am left to consider that the overwhelming majority of people said they wanted them in this location, albeit in a different position.

For me, hand on heart, I can say that I have listened to the community's voice, I believed in this so much that I went back to Meridian (after both the public and CB meetings) and indicated the desire of the community to build their offices somewhere else on that same site. The costs that fall out of that (including future loss of land sales for a piece of land that was zoned for commercial development and supported by current and previous TCB's for disposal) are far in excess of what I believe the wider community will find palatable to absorb.

In my view, Council has endeavoured to obtain the best outcome for the community by getting the concept into the public arena, inviting feedback, holding a public meeting, allowing the TCB another opportunity to consider their support and asking Meridian to consider shifting the location of their building on that site.

Neither Meridian nor the TCB support this option, therefore Council now finds itself in the unenviable position of being the final decision maker in a situation that the Twizel community appears quite divided over.

The Sale & Purchase agreement was conditional upon approval of the concept plans for the building. In this, the TCB remain resolute about their decision and Meridian remain resolute on their design.

The Twizel Community Board play a vital role in representing the Twizel Community's views to Council for decision making. There is a great deal of trust and confidence placed in the ability of locally elected members to do this.

In my view – these two organisations are an integral part of the Twizel community and if the protests of the local residents and the Twizel Ward councillors have not managed to persuade either of them to change their position then I believe that is a matter that Twizel people should engage with them about.

From this Council's perspective I believe that we have been through a good process in relation to taking time to allow the community to express their views.

I believe that the building design that Meridian have created is one that will add to the overall appeal of the town.

I believe that the price that has been agreed upon for the land is a fair price.

I believe that if there had been support from the TCB and Meridian, then Council would have negotiated a reasonable deal to re-site the building elsewhere.

I do not support making decisions based on their popularity but on the merits of the information before me and the future harm/benefit to present and future residents of Twizel and this district.

I believe that to undermine a local community board decision that has been through a democratic process sets a dangerous precedent and I would encourage the people of Twizel to engage more proactively with their CB members to ensure that the desires they have for their town are clearly understood.

This has not been an easy decision for me and I have laboured long and hard over it, but at the risk of losing what is a mostly positive benefit for Twizel and a strong and productive relationship with the Twizel Community Board, I vote in favour of the proposed Meridian building going ahead.”

Cr Leslie asked to speak in response. He said the question of what would happen if Meridian didn't come to town was not asked in his survey because Meridian aren't going anywhere. They are coming into town. They can't stay where they are any longer. He believed there would be no loss of a sale and no loss of money into the Mackenzie District.

He said the points raised in favour regarding the rates and money from the sale of the land was not for Twizel's benefit but for Mackenzie's benefit. There would be no growth, they were already here.

He did not know if there would be more jobs or not but more people meant more cars, parking and traffic problems. The fact the land had been for sale for years was an embarrassment to council. For plan change 15 to go ahead against the recommendations of the community meant there were conflicting documents. Somewhere the homework had not been done and we were stuck with the situation.

He estimated that \$4.6 million had been spent on town improvements. Going ahead would make a statement to visitors that this was a Meridian town. The building would obscure the market place. This area was originally planned to be an open entrance. The town was looking good and why spoil that.

He believed this would be a step back to the project days with the town controlled by a hydro generator. The gains were negligible. Talking about the costs to shift the building was a red herring. If Meridian had proceeded to draw plans on the assumption council was going to agree that was their problem, not our problem.

The concept plan had a large number of fish hooks in it. The village centre zone required an 8m setback from roads. How could Meridian put their building up against the road and car park? The traffic plan had not been approved, parking not sorted.

Going ahead would expose the council to further angst and issues. We needed to get Meridian on board and to achieve an amicable result. There was still two weeks left until the September 30 deadline.

Cr Leslie moved an amendment as follows:

That this council resolve to immediately set up a sub-committee (based on a similar sub-committee known as the Tekapo Property Group) to investigate all implications of the proposed land sale to Meridian Energy Ltd for the purpose of providing guidance to the council with respect to the terms and conditions of the Sale and Purchase Agreement with Meridian Energy as referenced in Clause 32.1(a) of that agreement.

The Mayor asked for a seconder. There was no seconder and the motion lapsed.

The chief executive asked to confirm the resolution on the table as previously moved by Cr Smith and seconded by Cr Williams. This resolution was confirmed as:

That Council resolve to accept the purchasers concept design as referred to in Clause 32.1(d)

The Mayor said she wanted to respond. She knows there is other land available to Meridian and this land did not sit in the town centre. The fish

hooks referred to by Cr Leslie she had concerns about. She would expect the building consent process and other processes to raise these and resolve them, and this would have an impact.

The chief executive said the agreement was conditional on Meridian Energy getting a resource consent and if they were not able to the deal would fall over. APL is currently providing advice to the council that all the administration to date was in order.

Resolved:

1. That the report be received.

**Graham Smith/Murray Cox**

2. That Council resolve to approve the terms and conditions of the Sale & Purchase Agreement with Meridian Energy as referenced in Clause 32.1(a) of that Agreement.

**Evan Williams/Graham Smith**

Cr Leslie asked for his name to be recorded as voting against this resolution.

3. That Council resolve to delegate approval of all Local Government and other administrative or statutory requirements necessary to prepare the property for sale as referred to in Clause 32.1(b) of the Agreement to the Mayor.

**Murray Cox/Graham Smith**

Cr Leslie asked for his name to be recorded as voting against this resolution.

4. That Council resolve that it has obtained valuation advice satisfactorily in all respects to support the sale of the property at the price specified in the Agreement as referred to in Clause 32.1(c) of the Agreement.

**Graham Smith/Evan Williams**

Cr Leslie asked for his name to be recorded as voting against this resolution.

5. That Council resolve to accept the purchasers concept design as referred to in Clause 32.1(d)

**Graham Smith/Evan Williams**

Cr Leslie asked for his name to be recorded as voting against this resolution.

*Eight members of the public left the meeting. Four remained.*

**MAYOR'S REPORT:**

This was the report of Mayoral activities from August 6 to September 15, 2014.

The Mayor noted that the wrong version of her report had been included on the agenda. She asked for the following corrections:

- On August 8 the meeting with the South Canterbury Labour Market Workforce Strategy and Implementation Group was cancelled due to snow.
- On August 13 she did not attend the Mackenzie College Art Auction.
- On August 21 the conference call regarding the Mackenzie Sustainable Futures Trust did not happen.
- On August 26 August the meeting with the chief executive and Neal Barclay was about plan change 3 and had no relation to the Meridian land sale issue.
- On September 9 Jody Payne was not in attendance at the meeting with Gordon Handy.

Cr Cox asked about the meeting with St John Ambulance in Timaru. The Mayor said the purpose was to get everyone together and discuss how we can address the volunteer shortage and get better support for St John. Cr Leslie asked if a paid team leader is going to be introduced in Fairlie. No, the Mayor understands it will be a volunteer.

Further discussion was held on the need to encourage people to stand as volunteers and encourage businesses to support volunteers who work for them. Cr Cox asked the Mayor to talk to volunteers about why they have left St Johns. He thinks St Johns has no idea what it's like to be a volunteer in a small community. Cr Leslie said there is an increase in risk adversity across the country and an unwillingness to allow for the difficulties posed in small communities.

The Mayor said she would appreciate councillors input into this issue so she can relay their thoughts when she goes back for further discussion.

Resolved that the report be received.

**Graham Smith/Evan Williams**

## **REPORTS:**

### **CHIEF EXECUTIVE'S ACTIVITIES:**

This was the report of chief executive activity from August 6 to September 15, 2014.

The chief executive was asked regarding progress on the storm water consent in Tekapo. He said we have received sign off from Arowhenua and this has been forwarded to Ecan to confirm the consent can go ahead un-notified. Within two weeks we should have a resource consent.

Cr Leslie asked regarding a meeting with John Lyons. The chief executive offered to talk to Cr Leslie after the meeting about this.

Cr Williams asked about the rural broadband initiative. The Mayor said a digital strategy has been created for the Canterbury region. She has also had a visit from a rural broadband supplier who is keen to work with our more

isolated communities on improving broadband and cell phone coverage. She will let councillors know more information when it becomes available.

Resolved that the report be received.

**Russell Armstrong/Evan Williams**

#### SPORT CANTERBURY ANNUAL REPORT TO COUNCIL:

This report was presented to Council for information.

Resolved that the report be received.

**Murray Cox/Russell Armstrong**

#### CHRISTCHURCH AND CANTERBURY TOURISM REPORT:

This report was presented to Council for information. Cr Cox said Christchurch and Canterbury Tourism were doing a good job. Cr Smith endorsed this.

Resolved that the report be received.

**Graham Smith/James Leslie**

*The meeting adjourned for morning tea at 10.49am and reconvened at 11.03am.*

#### RESERVE BALANCE ALLOCATION:

The purpose of this report was to recommend to council appropriate action for activities' operating surpluses/deficits for the year ended 30 June, 2014.

Finance and Administration manager Paul Morris said this was one of our end of year processes. When council goes through the budgeting processes it sets rates on the budget level and ideally spends everything rated for, but this does not usually happen. Some budgets are over spent or under spent.

He then explained each table and highlighted the reasons for the deficit or surplus.

Regarding the planning deficit of \$1.236million, Paul Morris said Plan Change 13 was the major contributor to this cost. When council undertook it's plan change several years ago it went through a process that included Environment Court hearings in Twizel and High Court appeals. 90% of the deficit relates to the costs associated with going through the legal processes. This is still not complete. Paul Morris expected another 2-3 hundred thousand dollars was still required, depending on who appeals what.

Cr Smith added that council is neither a defendant or appellant at the moment. The appeals to the High Court are not appeals against what council has done. But council was required to provide the court with briefs of evidence.

In the future council will look at this deficit as part of the long term plan process and will decide whether to recover part of the costs, all costs, or write off the costs.

The Mayor said this is one area where council spends a lot of money without any direct benefit to the community, and planners will need to come up with rules and regulations to enact the decisions of the court.

Paul Morris also spoke regarding other items in his report.

Cr Leslie asked regarding the item Twizel Medical Centre. Paul Morris said because the council is undertaking work with the new medical centre there are legal costs involved. These are one-off costs.

Resolved:

1. That the report be received.

**Russell Armstrong/Evan Williams**

2. To apply the balance of all surpluses/deficits detailed in Table 1 to the District General Operating Reserve increasing the outstanding surplus balance by \$155,656 to \$324,849 in funds.

**Russell Armstrong/Graham Smith**

**Table 1**

<b>Operating Surplus (Deficit) from:</b>	<b>\$</b>
Administration – District	(24,668)
Governance	(68,744)
Civil Defence	12,648
Animal Control	11,322
Inspectorate	144,292
Health and Liquor Licensing	(4,239)
Public Toilets	7,777
Council Building Fairlie	12,294
Council Building Twizel	629
CEO Department	(11,977)
IT Department	9,384
Asset Management	57,325
Facilities Management	(311)
Fairlie Medical Centre	4,051
Twizel Medical Centre	(2,267)
Cemeteries	(2,913)



Libraries	(168)
Fairlie Pensioner Housing	3,684
Twizel Pensioner Housing	5,537
<b>Current movement in reserve for year</b>	<b>155,656</b>
<b>Closing Balance General Operating Reserve</b>	<b>324,849</b>
	=====

3. To apply deficit detailed in Table 2 to the reserve Planning Operating reserve. This will result in a closing deficit of \$1,236,109.

**Evan Williams/Russell Armstrong**

**Table 2 – Resource Management**

<b>Operating Surplus (Deficit) from:</b>	<b>\$</b>
Resource Planning	(293,371)
Closing Balance Resource Management	(1,236,109)

***Rural Works and Services***

The Council agrees:

4. To apply the deficit balances of \$2,082 of the combined activity results to the Rural Works and Services Operating Reserve as detailed in Table 3 leaving the balance of the Reserve to \$66,382 in funds.

**Graham Smith/Evan Williams**

**Table 3**

<b>Rural Works and Services</b>	<b>\$</b>
Rural Works & Services Surplus	6,042
Burkes Pass Village	(1,811)
Albury Village	(4,306)
Rural Fires	(1,775)
Skipton Hall	(232)
<b>Current movement in reserve for year</b>	<b>(2,082)</b>
<b>Closing Balance Rural Works &amp; Services Reserve</b>	<b>66,382</b>

***Fairlie Works and Services***

The Council agrees:

5. To apply the balance of all surpluses/deficits as detailed in Table 4 to the Fairlie Works and Services Operating Reserve, thereby increasing the carried forward surplus to \$342.

**Claire Barlow/Graham Smith**

**Table 4**

<b>Fairlie Works and Services</b>	<b>\$</b>
Fairlie Works & Services	7,852
Fairlie Community Board	2,155
Fairlie Domain	10,423
Fairlie Strathconan Park	(5,616)
Mackenzie Community Centre	1,190
Strathconan Swimming Pool	(19,306)
<b>Current movement in reserve for year</b>	<b>(3,302)</b>
<b>Closing Balance Fairlie Works &amp; Services Reserve</b>	<b>342</b>

### ***Tekapo Works and Services***

The Council agrees:

- To apply the balance of surpluses totalling \$40,645 as detailed in Table 5 to the Tekapo Works and Services Operating Reserve increasing the Reserve balance to \$224,154.

**Murray Cox/Evan Williams**

**Table 5**

<b>Tekapo Works and Services</b>	<b>\$</b>
Tekapo Works & Services Surplus	49,235
Tekapo Community Board	3,524
Tekapo Domain	(12,114)
<b>Current movement in reserve for year</b>	<b>40,645</b>
<b>Closing Balance Tekapo Works &amp; Services Reserve</b>	<b>224,154</b>

### ***Twizel Works and Services***

The Council agrees:

- To apply the balances of surpluses/deficit totalling \$20,698 surplus as detailed in Table 6 below to the Twizel Works and Services Operating Reserve leaving a surplus balance to \$75,829.

**Graham Smith/Evan Williams**

**Table 6**

<b>Twizel Works and Services</b>	<b>\$</b>
Twizel Works & Services Surplus	23,752
Twizel Community Board	(268)
Twizel Reserves	(7,921)
Twizel Community Centre	3,930
Twizel Swimming Pool	1,205
<b>Current movement in reserve for year</b>	<b>20,698</b>
<b>Closing Balance Twizel Works &amp;</b>	<b>75,829</b>

<b>Services Reserve</b>	
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### **Water, Sewer And Stormwater**

The Council agrees:

8. To transfer surpluses/deficits in water, sewer and stormwater accounts to the appropriate capital reserves as detailed in Table 7 below.

**Murray Cox/Russell Armstrong**

**Table 7 – Water and Sewer**

<b>Scheme</b>	<b>Operating Surplus (Deficit)</b>	<b>Capital Reserve Balance After Allocation</b>
Fairlie Water	24,440	(967,925)
Fairlie Sewer	12,022	(127,962)
Tekapo Water	78,492	780,233
Tekapo Sewer	132,919	204,353
Twizel Water	98,652	1,528,115
Twizel Sewer	51,922	1,281,998
Burkes Pass Water	(161)	(9,343)
Burkes Pass Sewer	119	1,868
Allandale Water	(1,302)	(397,971)
Ashwick/Opuha	996	50,375
Kimbell Water	75	14,294
School Road Water	(542)	6,166
Spur Road Water	(14,738)	(13,207)
Manuka Terrace Water	7,701	17,675
Fairlie Stormwater	601	17,919
Tekapo Stormwater	(1,735)	146,383
Twizel Stormwater	(873)	232,906

### **Roading**

The Council agrees:

9. To transfer surpluses/deficits in roading accounts to the appropriate capital reserves as detailed in Table 8 below.

**Graham Smith/James Leslie**

**Table 8 – Roothing**

<b>Area</b>	<b>Operating</b>	<b>Capital Reserve</b>
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	<b>Surplus (Deficit)</b>	<b>Balance After Allocation</b>
District	73,131	46,592
Roading Business Unit	(112,181)	(141,398)

### **Solid Waste**

The Council agrees:

10. To leave the deficit of \$4,456 in Solid Waste in the Solid Waste Operating Reserve increasing the deficit balance at 30 June 2014 to \$425,060.

**Russell Armstrong/Evan Williams**

### APPROVAL OF CONTRACT:

The purpose of this report was to approve a recommendation of the Asset and Services Committee in relation to Contract 1214 – Township Maintenance.

#### Resolved:

1. That the report be received.

**Graham Smith/Evan Williams**

2. That Council accepts the Asset and Services Committee's recommendation to approve the renegotiated Township Maintenance Contract 1214 with Whitestone Contracting.

**Jame Leslie/Russell Armstrong**

### FAIRLIE CAMPGROUND SEWER PUMPS:

The purpose of this report was to approve the Fairlie campground sewer pump replacement.

Geoff Horler, Utilities Manager, provided background on this issue. These pumps were scheduled to be replaced next year but this needs to be brought forward due to problems. Therefore the request is for an unbudgeted item that needs council approval.

#### Resolved:

1. That the report be received.

**Russell Armstrong/Evan Williams**

2. That Council approves the replacement of the sewer pump station in the Fairlie Camp Ground as a non-budgeted item.

**Graham Smith/James Leslie**

## REQUEST FOR ADMINISTRATIVE SUPPORT TO INVOICE COST OF EXTENDED WATER QUALITY MONITORING:

The purpose of this report was to present options for Council to decide whether to support the Orari-Opihi-Pareora Zone Committee request for administrative support to invoice costs of extended water quality monitoring.

Cr Williams said under the Canterbury Water Management Strategy people have formed groups on waterways to help improved the water quality. To do this they have decided to do some water sampling. The council already do water monitoring tests to inform the public health system and Cr Williams has approached the asset manager to see whether council could take extra samples and monitor these streams. The water users are happy to pay for the extra testing but they need help to collect the money.

He views this as support for the rural community. He also thinks the cost might come under the tourism and development rate because a lot of farmers don't see any benefit from this rate at present.

The Mayor asked Paul Morris if it's possible to fund this from that rate. He said we could not switch to funding water testing unless there was a case to make for it promoting economic development. The issues from an administration view are not just collecting the money. Once you get council involved in invoicing there is GST to collect and pay. The administration system was not well suited to collecting money for small one-off things. If other water schemes also wanted to use the administrative system to collect money it would need to be done properly. If that's the case then the administrating department needed to have its time valued and charged for. Then the water groups could apply to council for grants to pay this cost.

Cr Leslie asked Cr Williams about the fact that Timaru District Council currently provide administrative support for this committee. The chief executive said the reason this request came to this council instead of to Timaru was because it related to water users in this district rather than Timaru district.

Cr Leslie asked if it was wise to have two different councils operating administrative processes independently.

Cr Cox added it was likely that a similar request would come from the Upper Waitaki zone.

The chief executive said Ecan has decided this current testing is outside the scope of what they are funded for. There was a high chance that Timaru District Council would also say no to funding this.

Paul Morris was asked for an estimation of the costs. He did not know.

Cr Williams said the administration costs could be loaded onto the testing charges. Paul Morris said this would happen if it became a regular thing.

Discussion was held on the lack of cost detail in the report. This made it difficult to make a decision.

The Mayor suggested that Council supports this but puts off making a decision until the costs were known. The Mayor put a recommendation and this was seconded by Cr Williams, as below.

Resolved:

1. That the report be received.

**Murray Cox/Evan Williams**

2. That council supports assisting the OOPS zone committee catchment groups with administrative support in principle, and requests that staff clarify the scope of costs and reports back to council.

**Claire Barlow/Evan Williams**

*The meeting adjourned for lunch at 12.00pm and reconvened at 12.41pm.*

**RATEPAYERS SURVEY RESULTS:**

This report was presented to council for information. The Mayor said a further workshop would be held regarding the results of the survey and what steps to take going forward.

Cr Leslie asked if the council had an ongoing commitment to continuing the survey. The chief executive said no - we need to look at what we are going to do to monitor performance in the future.

Cr Armstrong asked what the cost of the survey was. It was \$15,000. Paul Morris said the council made a commitment in the Long Term Plan to measure aspects of council performance. There will be one more survey conducted at the end of the current financial year.

Resolved that the report be received.

**Graham Smith/Russell Armstrong**

**COMMON SEAL AND AUTHORISED SIGNATURES:**

The purpose of this report was to advise of the documents signed under the Common Seal from June 17, 2014, to August 13, 2014.

Resolved:

1. That the report be received.

**Murray Cox/Graham Smith**

2. That the affixing of the common seal to documents numbered 784 to 786 be endorsed.

**Murray Cox/Graham Smith**

**COMMUNITY BOARD RECOMMENDATIONS AND MINUTES:**

This report from the chief executive was accompanied by the minutes of the meetings of the Twizel and Tekapo Community Boards on August 25, and the Fairlie Community Board on September 1, 2014.

Resolved that the report be received.

**Russell Armstrong/Evan Williams**

TWIZEL COMMUNITY BOARD:

Council **noted** the following resolution regarding the sale of land to Meridian Energy:

That the Twizel Community Board recommend to Council that the sale and purchase agreement with Meridian Energy Ltd go ahead as previously agreed.

Council **noted** the following resolution regarding a proposal for a climbing wall in the Twizel Events Centre:

- That the Twizel Community Board ask Shaun Norman to come up with a full concept plan for a climbing wall in the Twizel Events Centre and bring it back to the community board.

Council **noted** the following resolution regarding a road problem:

That the Twizel Community Board instructs council staff to work with Chorus and make right the problem with the manhole on the corner of Mackenzie Drive and Ostler Road as soon as possible.

Council **noted** the following resolution regarding Christmas decorations for Market Place:

That the Twizel Community Board gives \$500 towards the cost of town Christmas decorations.

TEKAPO COMMUNITY BOARD:

Council **noted** the following resolution regarding improvements to the Tekapo Community Centre with a total cost of \$1,760:

That the Tekapo Community Board approve this work and fund it from the township projects account.

Council **noted** the following resolution regarding the purchase of a screen for the Tekapo Community Centre from Alpine Recreation:

That the Tekapo Community Board delegates the chairman to negotiate a deal with Alpine Recreation.

#### FAIRLIE COMMUNITY BOARD:

Council **noted** the following resolution regarding the replacement of the sewer pump station in the Fairlie campground:

That the community board approves the replacement of the sewer pump station in the Fairlie campground as a non-budgeted item.

#### **COMMITTEE MINUTES:**

Resolved that the minutes of the meeting of the Finance Committee held on September 2, 2014, including such parts as were taken with the public excluded, be received.

**Russell Armstrong/Murray Cox**

Resolved that the minutes of the meeting of the Asset and Services Committee held on September 2, 2014, including such parts as were taken with the public excluded, be received.

**Russell Armstrong/Murray Cox**

Resolved that the minutes of the meeting of the Planning and Regulation Committee held on September 2, 2014, including such parts as were taken with the public excluded, be received.

**Russell Armstrong/Murray Cox**

#### **COUNCIL MINUTES:**

Resolved that the minutes of the meeting of the Mackenzie District Council held on August 5, 2014, be confirmed and adopted as the correct record of the meeting.

**Graham Smith/Russell Armstrong**

#### **PUBLIC EXCLUDED:**

Resolved that the public be excluded from the following part of the



proceedings of this meeting namely:

- A) PROPOSED LEGAL ACTION TO RECOVER FUNDS
- B) PREVIOUS MINUTES FAIRLIE COMMUNITY BOARD, SEPTEMBER 1.
- C) PREVIOUS MINUTES FINANCE, SEPTEMBER 2.
- D) PREVIOUS MINUTES ASSET AND SERVICES, SEPTEMBER 2.
- E) PREVIOUS MINUTES PLANNING AND REGULATION, SEPTEMBER 2.
- F) PREVIOUS MINUTES COUNCIL AUGUST 5.

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48(1) for the passing of this resolution</b>
Proposed legal action to recover outstanding amount	Maintain legal professional privilege	48(1)(a)(i)
Previous minutes Fairlie Community Board September 1	Commercial sensitivity	48(1)(a)(i)
Previous minutes Finance Committee September 2	Commercial sensitivity	48(1)(a)(i)
Previous minutes Asset and Services Committee September 2	Enable commercial negotiations	48(1)(a)(i)
Previous minutes Planning and Regulation Committee September 2	Maintain legal professional privilege	48(1)(a)(i)
Previous minutes Council August 5	Commercial sensitivity	48(1)(a)(i)

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: *Previous minutes Fairlie CB, Finance Committee, Council under section 7(2)(b)(ii). Previous minutes Asset and Services Committee under section 7(2)(i). Previous minutes Planning and Regulation Committee and Proposed legal action to recover outstanding amount under section 7(2)(g).*

**Russell Armstrong/Graham Smith**

*Council continued in open meeting.*

#### **CITIZENSHIP CEREMONY:**

At 1pm Tshering Sherpa from Eastern Nepal, and invited guests, attended for a citizenship ceremony. The Mayor welcomed Tshering Sherpa and her family and friends. MP for Waitaki Jacqui Dean was also present at the ceremony.

Tshering Sherpa then took the oath of citizenship and was welcomed as a new citizen.

**THE MAYOR DECLARED THE MEETING CLOSED AT 1.45PM**

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

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

Unconfirmed

## MACKENZIE DISTRICT COUNCIL

### MINUTES OF AN EXTRAORDINARY MEETING OF THE MACKENZIE DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON WEDNESDAY SEPTEMBER 24, 2014, AT 9.30AM

#### PRESENT:

Claire Barlow (Mayor)  
Cr Graham Smith  
Cr Murray Cox  
Cr Russell Armstrong  
Cr Evan Williams

#### IN ATTENDANCE:

Wayne Barnett (Chief Executive Officer)  
Arlene Goss (Committee Clerk)

#### OPENING:

The Mayor welcomed everyone to the meeting.

#### APOLOGIES:

Apologies were received from Cr Noel Jackson and Cr James Leslie, and an apology for lateness from Cr Graham Smith.

**Russell Armstrong/Evan Williams**

#### DECLARATIONS OF INTEREST:

There were no declarations of interest.

#### HIGH COUNTRY MEDICAL TRUST:

The purpose of this report was to seek council approval for a statement of proposal associated with council support for the High Country Medical Trust.

The chief executive requested some changes to the Draft Statement of Proposal. Under 'background', the land area of 3,100 square meters needs to be changed to 2,700 square meters.

On the next page under 'issues and options', at the end of the second paragraph he would like to insert a figure in brackets at '(\$330,000)'.

On the next page under 'scope of decision', the figure of '\$330,000' also needs to be inserted.

*Cr Smith joined the meeting at 9.35am.*

The chief executive said apart from those changes the draft proposal is complete. The reason he has asked for an extraordinary meeting is because the medical centre hopes to start construction in November, so the council needs to make a decision on October 28, with a prior 30 day period to go out to the public for consultation.

This report does not commit the council to making a decision today, apart from a decision to go out to a consultation process.

The Mayor asked regarding the last paragraph under 'issues and options'. Do we have a cost for engineering works. Not yet, the chief executive has enquired but has not yet received a response. This information will be available at the October 28 council meeting.

What is the 'contribution'? These are the reserve contribution costs from the person sub-dividing the land. People will ask about this so we need to make it clear.

Cr Smith asked for the total cost for the consent and physical works. The chief executive expects to have these costs available on October 28. They will be reasonably significant.

Discussion was held on possible ways to find the money and the financial risk. Cr Cox said as well as the financial risk there was a risk in that council would lose control over whether medical services were provided in Twizel. People may submit on this matter. With this proposal council was putting trust in the Medical Trust to ensure services continued to be provided.

Cr Smith asked if the new medical centre will be paying rates. Yes, unless they apply for rates assistance.

The Mayor requested a change under 'scope of decision bullet point 2'. She would like to include the statement that if the lease is sold it becomes a commercial lease. The chief executive noted this change.

Cr Smith asked if the golf club were asking for money to help them shift. The chief executive said they were seeking assistance with their legal costs. The council had not agreed to that. The Golf Club also want help with physical changes and the Medical Trust were paying those costs.

Cr Smith asked if the golf club were happy? The chief executive said there were a number of individuals in the golf club with different views.

Further discussion occurred on the impact this would have on the golf club.

The Mayor requested a change to the final paragraph of the statement of proposal to explain the loan and how it is structured. The chief executive suggested adding words to clarify this and drafted those words with the approval of councillors.

Cr Smith said council had not yet made a decision to offer an interest free loan and questioned why this was included in the proposal. A decision will need to be made on October 28 on this matter. Hopefully people will be aware this is a proposal, not a decision, and they need to provide feedback.

Resolved:

1. That the report be received.

**Evan Williams/Russell Armstrong**

2. That council approves the statement of proposal and instructs staff to proceed with the special consultative procedure as proposed, subject to the amendments noted.

**Claire Barlow/Murray Cox**

**THE MAYOR DECLARED THE MEETING CLOSED AT 9.54AM**

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

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

Unconfirmed