

# MACKENZIE DISTRICT COUNCIL

## MINUTES OF A MEETING OF THE FINANCE COMMITTEE HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON FRIDAY 11 JUNE 2010 AT 9.30 AM

### **PRESENT:**

Simon McDermott (Chairman)  
John O'Neill (Mayor)  
Graham Smith  
Leon O'Sullivan  
Graeme Page  
Dave Pullen  
Evan Williams

### **IN ATTENDANCE:**

Paul Morris (Manager – Finance and Administration)  
Nathan Hole (Manager – Planning and Regulations)  
Rosemary Moran (Committee Clerk)

### **II MINUTES:**

Resolved that the Minutes of the meeting of the Finance Committee held on 7 May 2010 be confirmed and adopted as the correct record of the meeting.

**Graham Smith/Evan Williams**

### **III REPORTS:**

#### 1. FINANCIAL REPORT – JANUARY 2010

This report from the Manager – Finance and Administration was accompanied by the financial reports for the period to March 2010.

Resolved that the reports be received.

**Graham Smith/The Mayor**

The meeting was adjourned at 10.40 am and reconvened at 12.16 pm.

#### 2. PLAN CHANGE 13 EXPENDITURE:

This report from the Manager – Planning and Regulations provided an update on expenditure for Plan Change 13 and sought approval for additional expenditure in the current financial year.

Resolved that the report be received.

Cr Pullen asked if there was a ceiling on the expenditure for the Plan Change. He suggested that a new Council might reconsider continuing with the project.

The Mayor said that when he took office he had not favoured undertaking a plan change for the Mackenzie Basin. He said it had quickly become evident that if the Council did not promote one, Environment Canterbury (in terms of its regional policy statement), and other interested parties making enquiries regarding inappropriate development in the Basin, might. This had prompted the Council to start down the rocky track of Plan Change 13, knowing it was always going to be an expensive exercise. He explained that when the Council embarked on a project such as a road reseal, costs were obvious; plan changes were not like that. He noted that previous plan changes had been funded from the real estate account.

Cr Pullen commented that there had been no income from the clearing of the tenanted sites in Lake Tekapo to augment the real estate account. He asked what Plan Change 13 was expected to cost.

Cr McDermott suggested the question should be what it would cost *not* to complete it. He noted that there were only ten objectors to Plan Change 13 out all the people who had the right to object. He said the Council had the responsibility of looking after everyone's rights. He considered it would be ludicrous to halt the Plan Change 13 process. He suggested ratepayers should be made aware of the costs of defending it.

In response to a question from Cr Page, the Manager – Planning and Regulations explained that plan changes could not be funded from resource consent fees.

The Mayor clarified that the clearing the tenanted sites at Lake Tekapo had not been associated with the Lake Tekapo plan changes. Rather, the Council had reacted positively to a proposal put forward by the then Manager – Finance and Administration to realise the potential at the time to market land at Lake Tekapo.

The Manager – Planning and Regulations said the Council had had a very enabling District Plan; however changes in mood and environment had put Council in the position of having to amend it.

Cr Pullen asked if a Mackenzie Basin farmer who wanted to develop a dairy operation which did not fit with Plan Change 13, could challenge it.

The Manager – Planning and Regulations said that Plan Change 13 had only changed some rules in the Plan. Any proposals would have to be assessed against the District Plan to see if they were permitted or needed resource consent. They would then be processed in accordance with the rules in the Plan. Plan Change 13 had made significant changes to some land uses, viz subdivisions, but farming activities had not been affected. He said there the District Plan had always included rules relating to farming intensification and factory farming. Had a farmer applied to undertake an activity such as cubicle farming prior to Plan Change 13, it would have been caught by the rules in the Plan.

He noted that it was possible some appellants might not realise the risk that, given the outstanding nature of landscapes in the Mackenzie Basin, the Environment Court Judge could decide the rules should be more stringent rather than less stringent.

Cr Pullen suggested that when the Plan Change 13 process had been completed there was a possibility that someone with deep pockets could apply to undertake a subdivision, which could be a long drawn out process.

The Manager – Planning and Regulations said such an application for resource consent would be no different from any other. It would be assessed against the Plan and may or may not be the subject of a hearing. The applicant would retain the right to appeal the decision to the Environment Court. He suggested that deep pockets would be better directed towards the preparation of a robust application.

The Mayor agreed that the success of an application should be related to its logic rather than how much it cost.

Cr O’Sullivan said that Council had followed a robust process for Plan Change 13 and to date everyone was satisfied apart from the ten objectors. He noted that there always had been the likelihood of appeals to the Environment Court; Council could find itself in a similar position with proposed Plan Change 15.

The Manager – Planning and Regulations explained that the Court had set down a time frame. The parties had had to exchange evidence for the Court hearing and Council had done that first which had resulted in the chunk of high costs and need for Council to approve the additional expenditure. The appellants now had to prepare their evidence and submit it to the Council.

Cr Smith asked if some appellants could be expected to drop out of the process. The Manager – Planning and Regulations said that was a possibility since they were all now in the position of having to incur the expense of preparing evidence.

Resolved that the Council approves additional expenditure of \$99,000 for Plan Change 13 for the 2009/10 financial year.

**Graham Smith/Leon O’Sullivan**

The meeting was adjourned at 12.45 pm for lunch and reconvened at 1.15 pm

3. SUBMISSION TO ANNUAL PLAN BY TWIZEL RATEPAYERS AFFECTED BY ROLL NUMBERING ERROR:

This report from the Manager – Finance and Administration briefed Council on its options when hearing submissions relating to roll corrections for the 111 Twizel ratepayers at the Annual Plan submissions hearing on 25 June 2010.

Resolved that the report be received.

**Leon O’Sullivan/Graeme Page**

Cr McDermott referred to the expense incurred by Council in addressing the error and suggested compensation be sought from Quotable Value. The Manager – Finance and Administration undertook to approach Quotable Value and also to check that the Tekapo Community Rating boundary was correct.

**IV PUBLIC EXCLUDED:**

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

1. Unbudgeted Expenditure Twizel Subdivision

<b><u>General subject of each matter to be considered</u></b>	<b><u>Reason for passing this resolution in relation to each matter</u></b>	<b><u>Ground(s) under Section 48(1) for the passing of this resolution</u></b>
Unbudgeted Expenditure Twizel Subdivision	To enable the local authority to carry on without prejudice or disadvantage, 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: *Unbudgeted Expenditure – Twizel Subdivision* - section 7(2)( i) - To enable the local authority to carry on without prejudice or disadvantage, negotiations.

**The Mayor/Evan Williams**

**THERE BEING NO FURTHER BUSINESS THE  
CHAIRMAN DECLARED THE MEETING CLOSED AT 2.10 PM**

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

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