

MACKENZIE DISTRICT COUNCIL

MINUTES OF A MEETING OF THE MACKENZIE DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON TUESDAY 24 MARCH 2011 AT 9.30 AM

PRESENT:

Claire Barlow (Mayor)
Crs John Bishop
Peter Maxwell
Annette Money
Graeme Page
Graham Smith
Evan Williams

IN ATTENDANCE:

Glen Innes (Chief Executive Officer)
Paul Morris (Manager – Finance and Administration)
Nathan Hole (Manager – Planning and Regulations)
Bernie Haar (Asset Manager) for parts of the meeting
Garth Nixon (Community Facilities Manager) for parts of the meeting
John O'Connor (Utilities Manager) for parts of the meeting
Carl McKay (Solid Waste Manager) for parts of the meeting
Rosemary Moran (Committee Clerk)

I OPENING:

The Mayor welcomed everyone to the meeting.

II APOLOGIES:

There were no apologies.

III DECLARATIONS OF INTEREST:

The Mayor declared she would refrain from participating in the discussion of the IT Budget because her husband was the Council's IT Manager.

IV DRAFT BUDGETS 2011– 2012:

The Chief Executive Officer introduced the proposed budgets. He thanked the Councillors for their forbearance with the format which differed from that which had been presented to previous Councils.

He said rates recommendations from the Community Boards and the Rural Water Supply Committees had yet to be added to the mix and he anticipated that a further meeting might be required to consider those recommendations.

The Chief Executive Officer referred to the production of the Annual Plan and the proposal that the Council use a new format based on that developed by another council in the region.

He said the draft Annual Plan would be completed by 14 April 2011 and submitted for adoption by the Council on 19 April 2011. The period for public submissions was to be from 29 April 2011 until 3 June 2011; submissions would be heard on 14 June 2011 and the final plan which would set the budgets, rates and work programme for the year would be adopted on 28 June 2011.

The Chief Executive Officer explained that the draft budgets for each activity would be considered individually with input from relevant staff members if required.

Cr Page stated his concern about the new format for the draft budgets. He considered that, because of the lack of detail which had been presented, in order for him to make informed decisions he would need to ask many questions.

The Mayor noted that Councillors were welcome to ask questions during the process.

The Manager – Finance and Administration explained the two fundamental changes to the treatment of the accounts in the budget to 30 June 2012, viz in the areas of the allocation of overheads and the treatment of motor vehicle charge-out rates.

Resolved that the following changes in accounting treatment for the budget to 30 June 2012 be adopted:

- allocation of overheads
- treatment of motor vehicle charge-out rates.

John Bishop /Annette Money

The Council then considered the draft budgets and made the following amendments:

1 GOVERNANCE:

Resolved that the budget for Councillors' training be \$15,000.

Graeme Page /Graham Smith

It was requested that **Local Government New Zealand** be made aware of the pressure caused by the high level of subscriptions on councils like the Mackenzie which had limited resources due their small ratepayer bases.

The meeting was adjourned at 10.55 am for morning tea and reconvened at 11.15 am.

2 CORPORATE SERVICES:

Resolved that the budget for Audit Fees be increased to \$70,000.

Graeme Page/John Bishop

V **ALPS TO OCEAN CYCLEWAY:**

The Mayor welcomed Waitaki District Council's Chief Executive Officer Michael Ross who attended to speak to the reports 'Alps2Ocean Cycle Trail Governance Structure' and 'Alps2 Ocean Joint Committee Terms of Reference'.

Mr Ross explained the background of the Alps to Ocean Cycleway project. He said the structure proposed for running the cycleway when it was completed was a company that would be a joint Council Controlled Organisation (CCO) with the shareholding divided

equally between the Waitaki and Mackenzie District Councils. The joint committee would oversee the operation and recommend a constitution for the CCO company, recommend the appointment of directors and review and approve Statements of Intent.

Mr Ross said the Waitaki District Council had already appointed Mike Neilson as the representative of the Waitaki Development Board on the committee and he suggested the Mackenzie District Council would recommend that Denis Callesen be appointed as the Mackenzie Tourism and Development Board's representative. Committee membership would also include representatives of stakeholders and landowners and have the task of getting the CCO company up and running.

Mr Ross said it had been proposed that the 35 private landowners affected be invited to appoint a representative on the joint committee.

Mr Ross said that it had been decided on legal advice that the necessary easements would be held in favour of each Council rather than the new entity of the joint committee. The Councils would appoint the Alps2Ocean Committee as its agent to maintain the track.

In response to Cr Page's question regarding funding for the committee, Mr Ross said it was unlikely to cost much to run; currently the members of the working group were volunteers. A decision to pay meeting fees to members would be for each of the two separate councils. Waitaki had not budgeted to pay meeting fees.

He said Waitaki would probably appoint Craig Dawson as its representative and Mackenzie would appoint a councillor to sit on the joint committee. He said it had been proposed that the joint committee be delegated responsibility for approving the new company's Statement of Intent and receive the six monthly and annual reports; this would allow the structure to be as effective as possible without creating too much bureaucracy.

Mr Ross said the major concern was for the commercial operators to be able to maximise revenue opportunities from the cycleway so there would be no burden on the councils. He noted that the Alps2Ocean Company would be responsible for maintaining the toilets. He explained the Company's revenue would be generated by a portion of the fees for helicopter lifts across the Tasman River and a levy on all sales through the Company's website by operators who were approved to operate on the trail.

Resolved:

1. That the report be received.
2. That a joint committee with Waitaki District Council be established to monitor the joint venture construction project and to look after the Council's interest in the joint venture company, on an on-going basis.
3. That, subject to the outcome of a special consultative procedure, Council, with Waitaki District Council, establishes a company to operate the Alps2Ocean Cycle Trail.
4. That the Statement of Proposal to establish a CCO jointly with Waitaki District Council be approved.
5. That the Statement of Proposal be released as a proposal for a one month special consultative procedure, concurrently with the Waitaki District Council.
6. That the Chief Executive prepares and distributes a Summary Statement of Proposal in accordance with the Local Government Act 2002 s89.

Annette Money/Evan Williams

Resolved that Cr Annette Money be appointed as the Mackenzie District Council's representative on the joint committee with the Waitaki District Council.

Annette Money Claire Barlow

It was agreed that the Terms of Reference for the Alps2Ocean Joint Committee be submitted for adoption at the next Council meeting.

The meeting was adjourned at 12.30 pm for lunch and reconvened at 1.10 pm.

IV DRAFT BUDGETS 2011– 2012 (Continued)

4. COUNCIL BUILDINGS:

The Chief Executive Officer noted that before expenditure was committed on Council buildings detailed advice about each project would be submitted to the Council.

Cr Smith took the chair for consideration of the budget for the IT Department.

The Mayor then resumed the chair for consideration of the remainder of the cost centres.

13 REGULATORY

Rural Fire

The Manager – Planning and Regulations undertook to invite the South Canterbury Rural Fire Officer to the next Planning Committee meeting to provide information on the proposed purchase of a new fire engine for Lake Tekapo.

Animal Control

It was noted that the Animal Control policy and bylaw were up for review.

14 COMMUNITY SERVICES

It was suggested that policy be developed for public toilets in the District including the user pays concept.

Resolved that the budget for the Twizel public toilets be reduced to \$4,000.00.

Graeme Page/Annette Money

15 SOLID WASTE

It was agreed that a report on proposed fee increases for disposing of solid waste be presented when the meeting was reconvened on 1 April 2011.

The meeting was adjourned at 4.25 pm.

The meeting was reconvened on Friday 1 April 2011 at 9.30 am

PRESENT:

Claire Barlow (Mayor)
 Crs Peter Maxwell
 Annette Money
 Graeme Page
 Graham Smith
 Evan Williams

IN ATTENDANCE:

Glen Innes (Chief Executive Officer)
 Paul Morris (Manager – Finance and Administration)
 Bernie Haar (Asset Manager) for parts of the meeting
 Frank Ledingham (Manager – Road) for part of the meeting
 Stephen Barlow (IT Officer) (for part of the meeting)
 Rosemary Moran (Committee Clerk)

II APOLOGY:

Resolved that an apology be received from John Bishop.

Evan Williams/Graeme Page

IV DRAFT BUDGETS 2011– 2012 (Continued)**RURAL WATER SUPPLIES' AND COMMUNITY BOARDS' BUDGETS:**

This report from the Chief Executive Officer was accompanied by:

- Minutes of the Annual General Meeting of the School Road Water Race Ratepayers held on 15 March 2011
- Minutes of the Annual General Meeting of the Ashwick/Opuha Water Race Ratepayers held on 15 March 2011
- Minutes of the Annual General Meeting of the Allandale Water Supply Consumers held on 30 March 2011
- Minutes of the meeting of the Twizel Community Board held on 28 March 2011
- Minutes of the meeting of the Tekapo Community Board held on 29 March 2011
- Minutes of the meeting of the Fairlie Community Board held on 20 March 2011

The Chief Executive Officer noted uncertainties in that the community boards wished to make bids for funding from the Lake Alexandrina Reserve. In the absence of policy he recommended that consideration of those bids be deferred until the Council had adopted a policy on the allocation of funds from the Reserve.

The Chief Executive Officer also noted that the Asset Manager would be speaking to the issue of the Fairlie Trunk Main Replacement contract later in the meeting.

Resolved:

1. That the report be received.
2. That the budget related recommendations from the 2011 Annual General Meetings of the School Road Water Race Ratepayers, the Ashwick/Opuha Water Races Ratepayers and the Allandale Water Supply Consumers be adopted.
3. That the budget related recommendations from the meetings of the Twizel Community Board held on 28 March 2011, the Tekapo Community Board held on 29 March 2011 and the Fairlie Community Board held on 30 March 2011 be adopted.

Evan Williams/Graham Smith

The meeting was adjourned at 10.50 am for morning tea and reconvened at 11.20 am.

Cr Williams left the meeting at 11.15 am.

Inflation:

In response to a question from Cr Page, the Chief Executive Officer clarified that the following Council resolution from December 2005:

That, with the exception of major projects, an acceptable increase in rates for individual properties be the agreed level of inflation for the year.

related to the assumptions adopted for the 2006 – 2009 Long Term Council Community Plan

The Manager – Finance and Administration undertook to provide a copy of the BERL index to the elected members.

Cr Williams re-joined the meeting at 11.25 am

Burkes Pass Water Supply

Resolved that Cr Graeme Page be appointed as the Council representative to liaise with Burkes Pass Water Supply ratepayers and attend meetings when required.

Claire Barlow /Annette Money

Cr Williams left the meeting at 12.07 pm.

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

Roading:

Resolved that the budget for Rural Works and Services – Roading, be increased by \$100,000; the local share of \$46,000 to be funded from operating reserves

Graeme Page /Graham Smith

Proposed Rates Increase

The Manager – Finance and Administration advised that with the amendments made thus far, the proposed rate increase would be 5.12%.

Motion:

That the General Rate increase be 0.62%.

Graeme Page

The motion lapsed for want of a seconder.

Budgets for 2011/2012:

Resolved that the budgets for 2011/2012 as amended be adopted.

Annette Money/Graham Smith

Cr Page voted against the motion because he disagreed with the level of the rises in the Fairlie Community and for the General Rates.

Interest and Dividends

The Manager – Finance and Administration explained the opportunity for the Council to apply all interest and dividends to the General Rate which would reduce the rate rise to 0.62%; it would also affect the community board rates/

He noted that the Fairlie Community Board had expressed a desire to apply for assistance for the Fairlie Water Main Trunk renewal project.

Resolved that all income from interest and dividends be applied to the General Rate for the 2011/2012 year.

Claire Barlow/Peter Maxwell

Resolved that the as a further amendment to the budgets, \$11,000 from reserves be applied to the reduce the rates increase for Rural Works and Services to 4.1%

Graham Smith /Claire Barlow

The meeting was adjourned at 3.00 pm and reconvened at 3.15 pm.

LATE ITEM:

Resolved that pursuant to the Local Government Official Information and Meetings Act 1987 the Asset Manager's report 'Contract 1194 – Fairlie Trunk Main Replacement' be considered.

Annette Money/Graham Smith

The report was not included on the Agenda because it was not available in time. Consideration of the issue at this meeting is required to enable the Council to confirm acceptance of the tender in a timely manner.

PUBLIC EXCLUDED:

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

Contract 1194 – Fairlie Trunk Main Replacement

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
Contract 1194 - Fairlie Trunk Main Replacement	Commercial Sensitivity	48(1)(a)(i)

This resolution was 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 were as follows: *Contract 1194 – Fairlie Trunk Main Replacement* Section 7(2)(b)(ii)

Graeme Page/Peter Maxwell

The Council continued in Open Meeting.

CONFIRMATION OF RESOLUTION TAKEN WITH THE PUBLIC EXCLUDED:

1. **CONTRACT 1194 – FAIRLIE TRUNK MAIN REPLACEMENT:**

Resolved:

1. That the flow rate for the replacement Fairlie Trunk Water Main be confirmed as 50 litres per second plus or minus 10%.
2. That the Mackenzie District Council accepts the tender from Meyer Construction Ltd for the replacement of the Fairlie Trunk Water Main at a tender price of \$401,580.41

Graeme Page/Graham Smith

APPRECIATION:

The Chief Executive Officer thanked the Councillors for completing a successful budget round. He noted again the timeframe for the adoption of the Annual Plan and the intention to use a new format for the Plan. He said he would welcome political guidance on the new format from the Councillors and noted the Mayor’s offer to provide input into the issues that should be highlighted in the report in recognition of the Council’s interest in how the message was to be presented to the public.

Cr Smith thanked the Chief Executive Officer and staff for the well-presented draft budgets, noting that in the past some councils had got bogged down in confusion, suspicion and general unease. He considered the process had gone very well.

**THERE BEING NO FURTHER BUSINESS THE
MAYOR DECLARED THE MEETING CLOSED
AT 3.20 PM**

MAYOR : _____

DATE: _____