

MACKENZIE DISTRICT COUNCIL

MINUTES OF AN EXTRAORDINARY MEETING OF THE MACKENZIE DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON THURSDAY 3 MAY 2012 AT 9.30 AM

PRESENT:

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

IN ATTENDANCE:

Paul Morris (Acting Chief Executive Officer)
Garth Nixon (Community Facilities Manager)
Rosemary Moran Committee Clerk)

I OPENING:

The Mayor welcomed everyone to the meeting.

II APOLOGY:

Resolved that an apology be received from Cr Williams.

Graham Page/Annette Money

An apology was noted from Chief Executive Officer Glen Innes.

III DECLARATIONS OF INTEREST:

There were no Declarations of Interest.

VII VISITORS:

The Mayor welcomed Ethan Anderson to the meeting and invited him to tell the Council about the circumstances around his dog's attack on a pedestrian.

Mr Anderson explained that his dog had jumped a fence. It had done the same thing earlier; however Mr Anderson thought he had solved that problem and there had been no further issues until recently. He said the yard was now been better secured. He circulated photographs of the new fencing.

Mr Anderson said he had not spoken with the victim; however he had asked the local police officer to speak to her. He understood that she did not want the dog put down.

Cr Smith asked why the yard had not been made secure following the earlier incident.

Mr Anderson said he had tied the dog up for a long time and there had been no problems for more than a year. He said the dog had been neutered and chipped. He was of the understanding it was a huntaway/lab/staffy cross; he did not think there was bull terrier in its background. He had obtained the dog from his sister in Christchurch. He said it was coming up to two years old.

Laine Hellmrich said he had known the dog since Mr Anderson had got it. He thought the attack was out of character. He suggested that the incident could have been avoided if earlier complaints about the dog's behaviour, which were referred to in the Manager- Planning and Regulations' report, had been taken further at the time.

Mr Hellmrich agreed that in hindsight it would have been good for the higher fence to have been erected earlier. He considered that the attack wasn't serious. The compound was now fully secure. He said neither the victim nor the police officer believed the dog needed to be put down. He suggested that Mr Anderson had learned from the past and had been patient with the system in trying to resolve the issue. He noted that Mr Anderson was his employee and he had taken a lot of time off work to take the actions necessary to rectify the problem, at his own and Mr Anderson's cost. He considered the dog didn't need to be put down. He thought that the process had taken longer than it should have and suggested it could have been resolved informally over a cup of tea.

In response to a question from Cr Page, Mr Hellmrich said he was comfortable for the dog to be around his children and his uncle's grandchild. The dog was sociable around other dogs.

Cr Smith said the dog's attack on a person was a major infringement of strict conditions around the ownership of dogs which was why it warranted more than settlement over a 'cup of tea'. That was why the Council was considering all the issues before making a decision on the future of the dog.

Jon Hellmrich said he had known the dog for about 12 months and considered the attack was out of character. He said Mr Anderson, his nephew, was a responsible ratepayer and had made a bad call in leaving the dog alone in an insecure yard. He said he would like to think everyone had learnt from what had happened. He stated that the police officer, a neighbour of Mr Anderson's, had said that he didn't want the dog to be put down and that neither did the victim. He considered the issue had been dragged on. He had visited the dog in the pound and it was not happy. The pound was designed for 24 hour care - the dog had been there for 13 days. He said he would like to think the Councillors could now decide whether the dog was dangerous or not and then move on to more pressing issues.

The Mayor thanked Mr Anderson, Mr Laine Hellmrich and Mr Jon Hellmrich who left the meeting.

IV PUBLIC EXCLUDED:

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

1. Township Maintenance Alternative Options
2. Dog Control

<u>General subject of each matter to be considered</u>	<u>Reason for passing this resolution in relation to each matter</u>	<u>Ground(s) under Section 48(1) for the passing of this resolution</u>
Township Maintenance Alternative Options	To enable the Local Authority to carry on without prejudice or disadvantage negotiations	48(1)(a)(i)
Dog Control	To Protect the Privacy of Persons	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: *Township Maintenance Alternative Options* – Section 7(2)(i), *Dog Control* section 7(2)(a)

Graham Smith/John Bishop

The Council continued in Open Meeting.

The meeting was adjourned at 10.45 am for morning tea and reconvened at 11.00 am.

VI MACKENZIE TOURISM AND DEVELOPMENT TRUST:

The Mayor welcomed Jim Scott, Chairman of the Mackenzie Tourism and Development Trust and Trustees Ken Davidson and Cathy Hemsworth.

She noted that Paul Morris was not present because of the conflict of his roles as a trustee and Acting Chief Executive Officer. She said that she had asked the trustees to meet with Council as the two governing bodies.

The Mayor referred to the resolutions made by the Council on 17 April 2012 regarding conditions around the advance of funds to the Trust, the level of funding to be raised for tourism and development by a targeted rate, a recent press article and the Trust's meeting with industry representatives. She said there were a number of issues which needed to be clarified.

Mr Scott thanked the Mayor for the invitation to attend the meeting and referred to the proposed targeted rate. He said that the Trustees had never discussed reducing the level from \$450,000 to \$300,000, and were of the clear understanding that the higher level had been approved by the Council.

Mr Scott also noted his disappointment at being maligned in the media for not attending the Council meeting to speak to the Trust's draft Statement of Intent when

he had not been invited to do so. He said the draft had been sent to all Trustees before the meeting.

Cathy Hemsworth said she too did not enjoy being belittled. She wanted to know what was required from the Trustees whom Council had invited to support the region with their time, energy and professional expertise.

Mr Scott said he was happy with the process which was underway. The 80/20 split in funding for tourism and development generated by the industry and the general ratepayer had been agreed to by both Council and the Trust, information centres had been closed and he was in the process of addressing the Council's request to investigate the best structure for delivering its tourism and development objectives. Following the Council meeting on 17 April 2012, he had been advised of the four conditions associated with the advance of funds including the decision to appoint a new committee in place of the Trust.

Mr Scott noted that in October 2011 the Trust's funding requirements for the remainder of the year had been verbally acknowledged and subsequently agreed to by the Council. He emphasised that all policy matters needed to be discussed with the Trustees. He considered what had gone awry was a failure of the process.

The Mayor agreed that the on-going tension between the Trust and the Council was the result of inadequate communication between the governing bodies and said the purpose of the meeting was to talk about the way forward.

Comments and queries from the Trustees and the Councillors included the following:

- If the required \$450,000 was not forthcoming for tourism and economic development in the 2012/13 year, it would mean two years of negligible or no marketing of the District, which, combined with the effects of the Canterbury earthquakes, would give rise to major challenges. If visitor numbers remained low it was possible businesses with large investments in the Mackenzie could collapse.
- The District was competing with the rest of the country, eg the West Coast, to ensure its share of the visitor market and was no longer able to depend on traditional sources such as coach tours, 90% of which had been re-routed to exclude Christchurch, the gateway to the Mackenzie region.
- There had been a call for more farm stay accommodation and farm tourism operations in the District.
- Business from cruise ships was artificially inflating visitor numbers to New Zealand and not benefiting the District.
- The funding of marketing by a combination of targeted rates and industry contributions would require one person working solely on subscriptions. It was likely only the major businesses would contribute leaving the small operators missing out; a function of an RTO was to support smaller operators.
- It had been indicated by the industry that it would not support a \$300,000 budget because it would not cover current costs or provide for international marketing.
- There was a lack of clear strategic for the District in the Long Term Plan.
- Council needed to be able to tell all contributors what they would get for the rates they paid.

- Council didn't rate farmers so they can market their products; why should the tourism industry rate to sell its products?
- Envisage the Mackenzie without tourism - the region can't produce more farms but it could grow tourism - without which there would be no growth.
- The ratio of spend in the community by tourists was ten times more per day than that of residents. Tourism NZ spent about \$84m a year promoting NZ off-shore; the regions in the country spend tens of millions promoting themselves against each other. If the District failed to compete for its 'share of the cake', or better, the ten to one ratio would reduce and businesses could collapse.
- There was a need to communicate to all the District's ratepayers the importance of the visitor industry to their lifestyle. Worries about the funding required for better water, roads, sewerage could be irrelevant unless there was a sound economic base.
- \$450,000 represented a 3% rate rise.
- The Council had not yet seen the figures illustrating the effect on individual ratepayers of the \$450,000 required for the activity.
- The Council needed to justify collecting \$450,000 from ratepayers.
- Would it be viable for the Trust to remain on its own as an RTO?
- There could be advantages in a 'Committee of Council' structure.
- Is the ratio of 20% funding from a UAGC and 80% from targeted rates acceptable to the industry?
- Council's job is to set policy and direction.
- The crux of the problem was Council's level of faith in the process.
- Marketing could be a shifting target and sometimes unanticipated opportunities arose which could mean that one budgeted item was no longer as important as a higher priority opportunity.
- Because it would be difficult for the Council to produce, the Trust was asked to prepare a statement explaining the value to ratepayers of the money being rated.
- If the Council supported the Trust and the Trust supported Council, and all promoted the same goals, there would be people who wouldn't like it but there would also be people who understand the strategic significance of the activity.

Mr Scott sought clarification of the Trust's current position in the light of its solvency as related to the Council's recent resolutions. He referred to the Long Term Plan process and the opportunity for the Council to listen to and support submissions from the industry. He noted that the Trust was not advocating the industry's approach but would support it.

The Mayor thanked the visitors who left the meeting at 12.25 pm.

The meeting was adjourned for lunch at 12.25 pm and reconvened at 1.00 pm

VI MACKENZIE TOURISM AND DEVELOPMENT TRUST (Continued):

The Councillors had a robust and wide ranging discussion.

It was noted that some of the Trustees' concerns were not without justification given the Council's support of targeted rating for \$450,000 plus GST, and the direction to the Trust to investigate alternative structures for the activity and report to the Council by 30 June 2012. The inclusion in the draft Long Term Plan of targeted rating for \$300,000, and the resolution that the functions currently undertaken by the Trust be assumed by a specialised Committee of Council, had pre-empted the process.

The Mayor acknowledged that the shortcomings of the District's strategic plan and her intention to develop a new one as a project for her Kellogg Rural Leaders Programme. She said the data collected as part of the project would clarify the economic drivers of the District which she anticipated would make it easier for the Council to make decisions to best effect.

She referred to the intolerable conflict of interest for Cr Bishop and Paul Morris in their roles as trustees, noting that it had also been her experience. All Councillors were agreed that it was too difficult for councillors/staff to be trustees.

It was agreed that the Mayor advise the Chairman of the Trust that:

1. The Council was willing to rescind the resolution of 17 April 2012 that a new committee would be appointed in place of the Trust, and that the requested advance of funds would be made to the Trust subject to the approval of the Mayor and Cr Page or Cr Smith.
2. While the draft Long Term Plan included the sum of \$300,000 to be raised for tourism and economic development, there was the opportunity for submissions to be made that the sum of \$450,000 plus GST be reinstated.
3. That the Council was willing to assist the Trust to liaise with operators to provide information about the impact on individual targeted ratepayers of the higher level of rates, ie \$450,000 plus GST.

The position of Trustees John Bishop and Paul Morris was discussed.

The Mayor, Cr Money and Cr Maxwell indicated that they were comfortable for the two Trustees to resign. Cr Page expressed his concern that the council could be left in the position of having no control until an agreed Statement of Intent had been adopted.

The Acting Chief Executive Officer said that the Trust was obliged to provide a Statement of Intent by 30 June 2012, otherwise it could not be funded.

The meeting was adjourned at 2.25 pm.

The meeting was reconvened on Tuesday 8 May 2012 at 9.30 am in Twizel.

PRESENT:

Claire Barlow (Mayor)
 Crs John Bishop
 Annette Money
 Graeme Page

IN ATTENDANCE:

Paul Morris (Acting Chief Executive Officer)
 Bernie Haar (Asset Manager)
 Rosemary Moran Committee Clerk)

I APOLOGIES:

Resolved that apologies be received from Crs Williams and Maxwell.

Annette Money/Graeme Page

II REVOCAION OF DECISIONS MADE AT THE COUNCIL MEETING ON 17 APRIL 2012:

This report from the Acting Chief Executive Officer recommended the revocation of some decisions made at the Council meeting on 17 April 2012.

The Acting Chief Executive Officer advised that the role of the new Committee of Council referred to in the resolutions could include dealing with loans to the Mackenzie Tourism and Development Trust and it could also be an appropriate structure if the role of the Trust was to be taken in-house. He said the Committee would need to be established prior to 1 July 2012.

Resolved that the report be received.

Graeme Page/Annette Money

Resolved:

1. That clauses b and c in bold of the following resolution adopted at the Council meeting on 17 April 2012, be revoked and that part of clause d in bold be altered:

“That the request from the Mackenzie Tourism and Development Trust for additional operating funding be agreed to and that a maximum of \$100,000 be advanced to the Trust prior to mid-May 2012 to cover operational costs through to 30 June 2012, subject to the following:

 - a. Amounts to be advanced subject to the approval of the Mayor and either Cr Smith or Cr Page.*
 - b. A requirement that the functions currently undertaken by the Trust be assumed by a specialised Committee of Council.***
 - c. Council will appoint the membership of the Committee and that the existing Trustees be invited to apply***
 - d. That, subject to receipt of tax advice, appropriate arrangements be made to transfer the existing loan liability of \$150,000 from the Trust to a new Committee.”*

2. That the Mackenzie Tourism and Development Trust be advised of the decisions.

Annette Money/Claire Barlow

II DRAFT LONG TERM PLAN:

This report from the Acting Chief Executive Officer sought approval and adoption of the Draft Long Term Plan for 2012 – 2013 and compliance with the Balanced Budget requirement of section 100 of the Local Government Act 2002.

Resolved:

1. That the report be received.
2. That:
 - a. the Council adopts the amended Financial Strategy which is included as part of the Statement of proposal, and
 - b. that those changes made to the Financial Strategy since the public meetings held at Lake Tekapo on 30 April 2012, at Twizel on 1 May 2012 and at Fairlie on 3 May 2012, be highlighted.

Claire Barlow/Graeme Page

Motion:

That the Council adopts the Draft Long Term Plan 2012 – 2022 including the report from Council's auditors which makes up the Statement of Proposal.

Annette Money/Claire Barlow

Crs Bishop and Page voted against the motion.

The motion was carried on the casting vote of the Mayor.

Motion:

That the Council approves the Statement of Proposal and Summary of the Statement of Proposal for public consultation.

Annette Money/Claire Barlow

Crs Bishop and Page voted against the motion.

The motion was carried on the casting vote of the Mayor.

Motion:

That the Council acknowledges the operating deficits of \$547,000 in the financial year ended 30 June 2013 and \$214,000 in the financial year ended 30 June 2014. Council also acknowledges these deficits are caused due to transitioning to a new rating structure.

Annette Money /Claire Barlow

Crs Bishop and Page voted against the motion.

The motion was carried on the casting vote of the Mayor.

Motion:

That it is financially prudent for the years ended 30 June 2013 and 30 June 2014 not to set projected operating revenues at a level to cover operating expenses as Council has sufficient cash reserves to cover those deficits.

Annette Money /Claire Barlow

Crs Bishop and Page voted against the motion.

The motion was carried on the casting vote of the Mayor.

The Acting Chief Executive Officer advised that the Long Term Plan and the Summary of the Long Term Plan would be public available on the Council's website later that day. He said the summary was expected to be circulated to ratepayers within the next five days and would also be available from Council offices.

The consultation period was for one month from the date of the Plan being made publicly available and the change of that date from what had been previously advertised would be highlighted. Submissions would be heard on 12 and 13 June 2012.

**THERE BEING NO FURTHER BUSINESS,
THE MAYOR DECLARED THE MEETING CLOSED AT 10.11 AM**

MAYOR: _____

DATE: _____