

**THE WEST COAST REGIONAL COUNCIL**

**MINUTES OF THE MEETING OF THE COUNCIL HELD ON 14 JULY 2011,  
AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL, 388 MAIN SOUTH ROAD, GREYMOUTH,  
COMMENCING AT 11.28 A.M.**

**PRESENT:**

R. Scarlett (Chairman), B. Chinn, A. Robb, T. Archer, D. Davidson, A. Birchfield, I. Cummings

**IN ATTENDANCE:**

C. Ingle (Chief Executive Officer), R. Mallinson (Corporate Services Manager), M. Meehan (Planning and Environmental Manager), C. Dall (Consents & Compliance Manager), A. Mahuika (Minutes Clerk)

**1. APOLOGIES:**

There were no apologies.

**2. PUBLIC FORUM**

There was no public forum.

**3. CONFIRMATION OF MINUTES**

**Moved** (Robb / Davidson) *that the minutes of the Council Meeting dated 14 June 2011, be confirmed as correct.*

*Carried*

**Matters arising**

There were no matters arising.

**REPORTS:**

**4.1 ENGINEERING OPERATIONS REPORT**

M. Meehan spoke to his report advising that maintenance works in the Nelson Creek rating district have been completed. M. Meehan reported that work to raise the two north side stop banks at Franz Josef has been tendered out with the successful tenderer being Westland Contractors Ltd.

M. Meehan reported that there has been a request from ratepayers in the Punakaiki River to gauge interest from residents regarding forming a rating district in this area. M. Meehan advised that Council's River Engineer has sent out a letter to these residents explaining the concept of a potential rating district. He noted that a copy of this letter is attached to his report. M. Meehan advised that a report would be submitted to the next council meeting regarding this potential rating district. M. Meehan reported that renewed interest has been expressed by some Whataroa ratepayers to form a new rating district to maintain existing flood protection works downstream of the State Highway Bridge at Whataroa. He advised that some residents raised this matter last year and he will report back to council on this matter in the near future.

M. Meehan drew attention to the quarry report with new additions to the report providing council with a more updated figure as to how much rock is in each quarry. He stated that if councilors are happy with this format then this is how the quarry report will look from now on.

Cr Archer stated that he felt that the letter sent to Punakaiki residents regarding the formation of a potential rating district was well balanced and very informative. M. Meehan advised that a response has been received from the Punakaiki residents with seven residents in favour, five not in favour and three not returned. C. Ingle advised that there needs to be 70% of ratepayers in favour to set up a rating

district. Cr Archer requested that a summarised report be brought to the next council meeting regarding this matter.

Cr Davidson feels that a minimum quantity of available rock should be set for each quarry to ensure that there is always rock available. M. Meehan advised that staff have done work on this are they are about to finalise the levels required in quarries and he is able to supply the figures of available rock to council for the next meeting.

**Moved** (Chinn / Archer) *that this report be received.*

*Carried*

## 5.1 CORPORATE SERVICES MANAGER'S REPORT

R. Mallinson spoke to this report advising that the surplus for the 12 months is slightly under \$1.7M and he is expecting the surplus of the full 12 months to be close to \$1.7M. Cr Scarlett stated that the investment portfolio is looking good and this is a very good outcome.

**Moved** (Archer / Birchfield) *that this report be received.*

*Carried*

R. Mallinson advised that the roof above the Chief Executive's office almost lifted off during the recent storm with the fire service being called to stabilise the roof. R. Mallinson stated that the roofing material in the southern and central areas of the building is starting to corrode and there have been minor leaks in various parts of roof over the past few months. R. Mallinson advised that builders have now recommended that the southern and central areas of the roof be replaced. R. Mallinson advised that he would be putting this out for tender and he is expecting a six figure sum for this job. C. Ingle stated that it might be that long run Colour Steel is a better option than tiles and it may be necessary to consider doing the whole building including the northern section at the same time. C. Ingle said that the building would not look right if part of the roof was colour steel and part of it is tiled. Cr Archer suggested that it might look artistic. C. Ingle advised that the tenderers would be asked to submit two prices, one for the whole roof and one for the two thirds of the roof that urgently needs replacing.

### 5.2.1 SETTING OF RATES FOR 2011 / 12

R. Mallinson spoke to this report and took it as read.

**Moved** (Birchfield / Archer)

1. *That Council set rates for the period 1 July 2011 to 30 June 2012 as per the Funding Impact statement contained in pages 36 – 44 of the 2011/12 Annual plan.*
2. *As per the 2011/12 Annual plan, there will be two instalments:*
  - *The first instalment will be due on 1 September 2011, with a 10% penalty if not paid by 20 October 2011 as per sections 57 and 58 of the LGRA 2002.*
  - *The second instalment will be due on 1 March 2012, with a 10% penalty if not paid by 20 April 2011 as per sections 57 and 58 of the LGRA 2002.*
  - *A further 10% penalty will be charged on all accumulated rate arrears as at 1 July 2012.*

*Carried*

### 5.2.2 INSURANCE RENEWALS FOR 2011 / 12 YEAR

R. Mallinson spoke to this report advising that council's building cover has increased by 85% but it is pleasing that council was able to obtain a renewal. Cr Scarlett noted that territorial councils have faced huge increases in insurance cover costs. R. Mallinson advised that the cost to cover all of council's risks amounted to \$64,582 compared to the budgeted cost of \$57,200, which is a very good outcome in the current insurance climate. R. Mallinson advised that council budgeted for the LAPP contribution of \$40,000 but this will be replaced by the annual contribution of \$50,000 to the Catastrophe Fund. R. Mallinson advised that the outcome of his investigations for commercial cover and the LAPP fund was \$120,000 to \$140,000 and this is not acceptable at this premium. R. Mallinson stated that as agreed at the June Council meeting \$500,000 has been withdrawn from council's investment portfolio to set a

catastrophe fund up. R. Mallinson drew attention to the graph in his report outlining the growth of this fund over ten years if there were no claims and a 7% annual investment return was achieved.

R. Mallinson stated that the setting up of the Catastrophe Fund has been the best possible option in the circumstances. Cr Davidson agrees with this but wondered if the \$500,000 would be better left in the investment fund in order to get a better return. R. Mallinson responded that council needs to show the government that it has a separate reserve set up as outlined in the letter from Willis New Zealand Ltd. Further discussion took place and it was agreed that a conservative approach would be taken in order to get the best possible interest bearing type of arrangement as possible. R. Mallinson stated that he would discuss this further with council's bankers later on today. Cr Archer agrees with this conservative approach but he asked R. Mallinson if he feels that the process council is following would meet the requirements. R. Mallinson responded that the 60% subsidy from central government for the central government disaster recovery plan sets out a number of situations including membership of a combined mutual scheme or commercial cover or council's own reserves. R. Mallinson stated that any of the three approaches would meet central government's requirements but this cannot be tested until the time for a claim comes around. Cr Davidson asked if the \$50,000 per annum would be coming out of rates. R. Mallinson confirmed this and noted that at present this premium is paid for by the general ratepayer and this decision was made by council several years ago. He added that council could modify this approach and look for contributions from individual rating district communities but currently the general ratepayer pays it for. R. Mallinson drew attention to the last part of his recommendation and stated that if central government doesn't assist then there is no access to the catastrophe fund by that community.

**Moved** (Archer / Birchfield)

1. *That Council receive the report.*
2. *That the policy for access to the Catastrophe Fund will be:*

*That access to funding from the catastrophe fund will only be allowed where central government has agreed to assist with 60% of the costs in accordance with the National Civil Defence Emergency Management Plan.*

*Carried*

## 6.0 CHIEF EXECUTIVES REPORT

C. Ingle spoke to his report and spoke of the various meetings he attended during the reporting period. He advised that he and Cr Scarlett were invited to visit Taranaki Regional Council. C. Ingle stated that the visit was useful and informative. C. Ingle advised that he admires Taranaki for the way in which they resolve their issues and the relationships that they have with their people and communities. C. Ingle stated that the way they do things is almost identical to the way we do things. C. Ingle stated that Long Term Plans and the relationship with Audit New Zealand were discussed along with pest management and compliance monitoring and enforcement. C. Ingle stated that Taranaki Regional Council is hard nosed when it comes to enforcement matters. Cr Scarlett agreed with these comments and stated that they are tough with enforcement matters. C. Ingle advised that the new Freshwater National Policy Statement was also discussed with Taranaki. C. Ingle stated that coal levies were discussed with questions asked as to how Taranaki has benefited from the oil and gas industries over the past two decades. C. Ingle advised that Long Term Plan preparation was also discussed during this visit. He advised that he has spent a lot of time recently revising the performance framework in our own Long Term Plan which is due to be completed by this time next year. C. Ingle advised that he has modelled our new Plan on what Taranaki does which involves grouping all of the resource management activities together including consents, compliance, planning and State of the Environment monitoring. He stated that this allows for more measurable levels of service and for some performance targets to be simplified. C. Ingle stated that Audit New Zealand would be a lot happier with this type of approach. Cr Scarlett stated that it was very good to be able to look at a council similar to us but bigger to see how they operate. Cr Scarlett stated that Dame Margaret Beazley has invited him and the Chief Executive to visit Environment Canterbury shortly.

C. Ingle advised that he met with MP Chris Auchinvole on the 27<sup>th</sup> of June.

**Moved** (Archer / Birchfield) *that this report be received.*

*Carried*

## 7.0 CHAIRMANS REPORT (VERBAL)

Cr Scarlett reported that he attended the Making Good Decisions seminar on the 15<sup>th</sup> of June. Cr Scarlett stated that he found this very worthwhile and gives the opportunity for attendees to brush up on matters relating to the RMA. Cr Scarlett reported that the he felt the trip to Taranaki Regional Council was very good value. Cr Scarlett stated that he also dealt with the usual constituency matters that arose during the month.

**Moved** (Scarlett / Birchfield) *that this report be received.*

*Carried*

### GENERAL BUSINESS

There was no general business.

The meeting closed at 11.50 p.m.

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Chairman

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Date