

THE WEST COAST REGIONAL COUNCIL

MINUTES OF THE MEETING OF THE COUNCIL HELD ON 11 DECEMBER 2012, 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), J. Adams (Consents & Compliance Manager), M. Meehan (Planning & Environmental Manager), T. Jellyman (Minutes Clerk)

1. APOLOGIES:

There were no apologies.

2. PUBLIC FORUM

There was no public forum.

3. CONFIRMATION OF MINUTES

Moved (Archer / Birchfield) *that the minutes of the Council Meeting dated 12 November 2012, be confirmed as correct with the correction made as below.*

Carried

Cr Chinn asked that a correction be made to the minutes. He had asked the question "is the rock for the Wanganui job coming off the gold claim", not if the rock in the Wanganui quarry is coming off the gold claim.

Matters arising

There were no matters arising.

REPORTS:

4.1 ENGINEERING OPERATIONS REPORT

M. Meehan spoke to this report and advised that work has been completed in the Taramakau, Wanganui, Whataroa and Punakaiki rating districts. M. Meehan drew attention to the quarry report and advised that a contractor has partially used the emergency stockpile of rock in the Whataroa quarry. M. Meehan advised that internal changes have been put in place to avoid a repeat of this.

Moved (Davidson / Robb) *that this report be received.*

Carried

4.1.2 RATING DISTRICT LIAISON MEETINGS REPORT

M. Meehan spoke to this report and advised that all the annual meetings for council's rating districts have been completed. He advised that the minutes from these meetings are attached to the report. There are two recommendations made by the liaison committees to council that management would like council to reconsider and to go with the staff recommendations. M. Meehan advised that the Southside rating district had recommended that there is a nil rate strike for the 2013 / 14 financial year. He advised that traditionally this rating district alternates between a zero and \$2500 rate each year. M. Meehan advised

that by setting the rate at \$1250 each year would allow the rating district to rate consistently and not fluctuate between the zero and \$2500 rate. M. Meehan advised that at its meeting the Coal Creek Rating District recommended at \$10,000 rate strike for the 2013 / 14 year. M. Meehan advised that the rating district has recently upgraded its stopbank at a cost of \$135,000 and there will be maintenance required on the stopbank and the \$10,000 rate strike is too low and needs to be increased to \$15,000 to cover maintenance costs. Cr Scarlett asked Crs Chinn and Davidson for their opinions on the Southside rating district rate strike. Cr Chinn feels that sometimes people new to the rating district do not understand why some years there is a zero rate strike and other years it is quite high. Cr Chinn feels that by having a consistent rate strike this will allow for a more even playing field for everyone. Cr Davidson stated that the rate strike for Southside has always been contentious as the residents never wanted a rating district. He stated that NZTA pay 50% of the maintenance and the core people that attend the meeting do not want to have their money sitting in someone else's bank account. C. Ingle said he is happy to respect this but suggested that it would be good not have the big ups and downs with the rate strike. He suggested a target balance for the rate district account of \$2000 and a system that does not allow the account to get below zero. Cr Scarlett asked Crs Chinn and Davidson if they are happy with this decision. Both Councillors agreed that a target balance is a good and fair idea.

Cr Scarlett asked Crs Birchfield, Robb and Cummings how they felt about the rate strike for the Coal Creek Rating District. Cr Birchfield stated that he chaired this meeting and advised that he is happy with the recommendation to increase the rate strike. He stated that he was not happy after the meeting with the attitude of members of this rating district. Cr Birchfield stated that the stopbank has a lot of pressure on it and council needs to make sure that it is maintained properly and that there is money in the rating district account for the maintenance. Cr Cummings agrees with the \$15,000 rate strike. Cr Robb stated that this rating district's rate strike fluctuates as well. Cr Robb stated that one of the problems is that new people come in and they don't realise that there is a rate on their property. He feels that the rating district needs to get into the habit of rating a regular rate strike.

Cr Archer stated that he feels a review of the rating district liaison meetings is very timely in view of the changes that are needed following some of the decisions made at these meetings. Cr Scarlett stated that the need for council to reset a rate is not a common occurrence. C. Ingle advised that the way forward will be to break the meeting agendas into two sections with one being the maintenance of existing structures, with the default position being that it must be properly funded using an average of the last ten years rate and it is just maintenance and is non-negotiable. The second section of the agenda would be any proposed new works, which could require the ratepayer's views on affordability and whether or not that level of protection is required. C. Ingle advised if it is new work or new capital investment is required then this is where the discussion should be. C. Ingle stated that maintenance is the council's job and if maintenance needs to be done then council decides on the correct level of rating required to maintain its structures. Cr Davidson agreed with this and stated that rating districts should be informed of council's intention as it is not always about money. Cr Robb stated that one of the issues is that when a lot of the original rating districts were set up there has since been a huge change in people who are now involved in these rating districts. Cr Robb stated that some of the newcomers don't really understand the purpose of rating districts. Cr Robb feels that people need to realise that council is here to protect the asset that is in place. C. Ingle advised that he and M. Meehan are looking at how other councils in other regions manage rating districts. Discussion ensued and it was agreed that this matter would be looked at carefully.

Moved (Robb / Chinn)

1. *That the report is received.*
2. *The Southside Hokitika Rating District rate for 2013/14 year is set at \$1,250.*
3. *The Coal Creek Rating District rate for 2013/14 year is set at \$15,000.*

Carried

4.2 CORPORATE SERVICES MANAGER'S REPORT

R. Mallinson spoke to this report and advised that a huge amount of his time over the past month has been spent on getting the new financial software platform up and running. He advised that this went live on the 12th of November. R. Mallinson apologised for his normal monthly financial routine being disrupted.

R. Mallinson reported that the investment portfolio returned \$617,000 for the four month period which is far in excess of what was budgeted. R. Mallinson reported that the surplus for the four month period was \$635,000 compared to a budgeted figure of just under \$300,000. R. Mallinson advised that quarries are operating profitably and the VCS Business Unit is returning good solid profits. He advised that there are

minor negative budget variances in the general rate funded area. R. Mallinson stated that this is a very good financial result for the four months to the end of October. R. Mallinson reported that up until the end of October 26 loans for the Warm West Coast Scheme involving total council funding of \$111,000. He stated that this scheme is slowly gathering pace.

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

Carried

4.2.1 AUDIT NZ REPORT FOR THE YEAR TO 30 JUNE 2012

The Chairman welcomed Mr Mackey to the meeting and advised that last time he visited Council he spoke about most of the issues that were going to be in the Management Report. Mr Mackey highlighted a few matters and answered various questions from Councillors.

Moved (Robb / Birchfield) *that the Report from Audit NZ be received.*

Carried

4.2.2 FOUR MONTH REVIEW – 1 JULY 2012 – 31 OCTOBER 2012

R. Mallinson spoke to this report. He drew attention to a mistake relating to Councillor meeting attendance and advised that Cr Archer attended four out of four meetings (100% attendance) and not three out of four, which was incorrectly reported. Cr Robb attended three out of four meetings and not four out of four meetings.

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

Carried

4.2.3 SCHEDULE OF MEETING DATES FOR 2013

R. Mallinson spoke to this report. It was agreed that the dates up until September would be accepted but the November and December meeting dates would be set following the triennial meeting. There will be no October meeting as this is the month that the election is due to be held.

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

Carried

5.0 CHIEF EXECUTIVE'S REPORT

C. Ingle reported that he attended the IRIS Governance Board meeting in Wellington on the 29th of November. C. Ingle advised that he has been appointed as a Director on this Board. C. Ingle reported that the IRIS software is scheduled to be rolled out early in the New Year. He stated that the software is looking like a very good product and other councils are now looking at buying into this which would keep our costs down even further.

C. Ingle reported that he attended the Regional Sector Group meeting on the 30th of November in Wellington. He advised that there is quite a lot happening with regard to the RMA changes. C. Ingle advised that the Mayors and Chairs Forum was held yesterday. He stated that the way Civil Defence is managed was discussed at this meeting and consideration is being given to changing the structure for Civil Defence but this is in the conceptual stages at the moment.

C. Ingle read out the new part B purpose statement for local government. It reads:

"To meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses". He stated that all of Council's decision making from now on needs to be framed in terms of this new purpose. Cr Scarlett feels that this statement goes without saying. C. Ingle drew attention to Appendix 1 which outlines key new provisions in the new Local Government Act and advised that our submission relating to reorganisation may have had some impact with the time being increased to collect petitions to three months and 10% of electors from any one of the districts rather than across the whole area. He advised that our concern was that this could turn out to be an undemocratic process. Cr Archer asked what this means should a regional council decide to go through the process to become an unitary authority. C. Ingle advised that all is required is to do is to convince the Local Government Commission that there is demonstrable community support exists in each district for your proposal. If people are opposed to

your proposal all that is required is to collect 10% of ratepayers signatures, within that district, to force a referendum. Cr Scarlett advised that he canvassed this matter yesterday at the Mayors and Chairs Forum and there was no live proposal for a unitary council in this region at this time from any of the Mayors. C. Ingle reported that the rules around Ministerial Intervention have also been changed. C. Ingle advised that this is only phase 1 and phase 2 is currently being worked through with the Efficiency Taskforce, the Productivity Commission and the Infrastructure Efficiency Expert Advisory Group all providing advice to government in the first half of next year. C. Ingle reported that the Regional Council Sector has good people involved in all three of these areas.

C. Ingle reported that he has formed a new staff group focusing on Lake Brunner. He stated that now that the Land and Water Plan is beyond appeal, for Lake Brunner changes, this staff group will now be able to start transitioning the farmers in this catchment to the new regime. C. Ingle advised that he has written to these farmers to explain the timing of the changes and to get agreements on transition times for stock crossings. He advised that during winter 2013 work will be done with some farmers who need consents for their bridges and culverts for stock crossings. C. Ingle advised that farm plans these will be done first. C. Ingle advised that staff from all departments are involved with this group to ensure consistency.

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

Carried

6.0 CHAIRMANS REPORT (VERBAL)

Cr Scarlett reported that on the 6th of November he attended a meeting with Minister Heatley to discuss the Government's policy on petroleum blocks and how the Government is going to manage this. Cr Scarlett stated that it is believed that New Zealand has quite a potential for petroleum and the petroleum blocks will be tendered on a yearly basis. Cr Scarlett stated that there are quite a lot of blocks and there is work being done in the Great South Basin and these are also some blocks around the Murchison area.

Cr Scarlett stated that he also attended the Mayors and Chairs forum yesterday. He stated that the possible changes to Civil Defence would be discussed at the next forum in three months time.

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

Carried

7.0 GENERAL BUSINESS

R. Mallinson asked Councillors to consider the matter regarding the survey from the Remuneration Authority. He stated this survey relates to how much time councilors spend on council business throughout the year. R. Mallinson advised that he has received a response from Cr Robb and Cr Archer only, and the response is due on the 14th of December. Cr Chinn stated that he has his response with him. Cr Scarlett stated that this is a pretty good response rate. R. Mallinson advised that he would factor in Cr Chinn's response and send this off to the Remuneration Authority.

The meeting closed at 12.35 p.m.

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Chairman

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Date