

**THE WEST COAST REGIONAL COUNCIL**  
**MINUTES OF THE ANNUAL MEETING OF THE**  
**FRANZ JOSEF RATING DISTRICT**  
**HELD AT THE ST JOHN'S ROOMS, FRANZ JOSEF**  
**ON 9 NOVEMBER 2016, COMMENCING AT 1.05 PM.**

**PRESENT**

G. Gibb, L. Skinner, P Cumming, G. Molloy, D. Ferguson, P. York, R. Bungeruth, I. Hartshorne, C. Roy, G. Berry, J. Reid, C. Brooks, W. Costello, P. Wilson, B. Taylor, A. Tschampel

**IN ATTENDANCE**

West Coast Regional Council  
P. McDonnell (Councillor), S. Challenger (Councillor)  
M. Meehan, R. Beal, B. Russ, T. Jellyman (Staff)

**APOLOGIES**

T. Skinner

**Moved:** *That the apologies be accepted*

*C. Brooks / I. Hartshorne*

**BUSINESS**

Cr McDonnell opened the meeting and welcomed those present.  
He introduced himself and the Council staff.

G. Molloy advised that he is no longer in the rating district as he has sold his property.

**Moved:** ***"That the minutes of the previous Annual Meeting held on 21 October 2015, be adopted as a true and correct record of that meeting, with the amendment made to the typographical error."***

*L. Skinner / D. Ferguson - Carried*

L. Skinner drew attention to the typographical error on page 2 of the minutes.

**MATTERS ARISING**

The action points were updated. B. Russ advised that the prudent reserve for this rating district is \$550,000, which is 20% of their asset values. M. Meehan explained the purpose and arrangements in place for prudent reserves in various rating districts. Cr McDonnell stated that once \$550,000 is reached then consideration can be given to cutting the rate back.

**FINANCIAL REPORT**

R. Beal presented the financial statements for the financial period ending 30 June 2016. He reported that the opening balance was \$414,674.36, total revenue was \$138,402.86, expenses were \$94,128.62 and the closing balance was \$458,948.60. R. Beal advised that the income of \$138,402.86 includes rates, interest and a contribution from NZTA. G. Gibb queried the cost for staff time. M. Meehan apologised for not providing a full breakdown of the costs but advised that he would provide this information. M. Meehan stated that quite a bit of staff time has gone into attending meetings associated with the rating district. He stated that the staff time is for the council engineer's time and not his own time. Consultant costs relate to Matt Gardner's time spent

on the design of the rock wall extension. M. Meehan advised that he would send this information to the rating district committee. M. Meehan answered questions relating to the costs of LiDAR and survey costs. L. Skinner expressed his surprise at the financial costs. M. Meehan acknowledged the high consultant costs due to the amount of work that has gone into building models, but these will aid the rating district in the future. M. Meehan stated that NZTA had provided in kind contributions to this work. M. Meehan confirmed that the consultant fees are for work related to this rating district but work has also been done for the Lower Waiho rating district. Cr McDonnell advised that the consultant's work would benefit the rating district in the years to come. M. Meehan stated that the LiDAR information and survey work allows for better information and planning and this is good value for money. M. Meehan advised that the models that have been built can be adjusted over time, and should there be another LiDAR survey done in years to come then the models can be adjusted to meet the new levels. M. Meehan confirmed that there have been two or three flights over the river during the year. M. Meehan confirmed that the resource consent fee is a one off consent fee and a \$50 administration fee each year. M. Meehan advised that a holistic consent is being applied for on behalf of the rating district with NZTA doing the consulting work on this consent, which will cover the upgrade of the stopbank and all of the works within the river done by Council and NZTA. NZTA are meeting all of the costs for the consent application. M. Meehan advised that there will be room for variation in the future to include increasing the height of the stopbank at the 50 km corner. M. Meehan advised that currently there are 130 consents in the river at the moment but by having just one consent this will be a lot simpler to manage. M. Meehan advised that the consent will be for 35 years. He stated that all emergency works previously done need to be covered by a resource consent.

G. Gibb asked for an update on the rock stockpiles. B. Russ advised that he would check up on this and report back to the spokesperson.

L. Skinner asked what controls are in place to ensure that there are no surprises with the costs for work. M. Meehan advised that he would ensure that there is better communication between Council staff, the spokesperson and the committee going forward. L. Skinner asked if there is a process for the committee to approve spending. M. Meehan advised that the key is better liaison and discussion with the committee and spokesperson. M. Meehan explained the function of Council's Procurement Policy, he explained the tender process, and how larger work is planned for and on how consultants are engaged. L. Skinner suggested that approval from the committee is sought prior to spending a larger amount of money. M. Meehan answered questions relating to the costs of survey work and who pays and benefits for work.

## **WORKS REPORT**

B. Russ spoke to this report and advised that no work was carried out during the financial year to the end of June 2016 but work has been done since the start of this current financial year. B. Russ advised that during September work was done to raise and link the church and helipad stopbanks. The cost of this work was \$114,156. B. Russ used that rock from the Whataroa quarry along with rock that was salvaged from the existing river channel. B. Russ spoke in detail about rock sources, day work rates, and the costs associated with the salvaging, cartage and placing of rock. G. Molloy disputed the time spent on this job. Discussion also took place on the supervision of contractors when carrying out work. It was agreed that it is a good move to salvage rock from the river.

B. Russ advised that as a result of discussions with the committee a further \$114,156 worth of work identified and \$20,000 has been allowed for unforeseen works. B. Russ advised that the committee has requested that approximately 200 metres of the existing channel is straightened.

B. Russ advised that by recovering rock from the bridge down, the area where gravel was extracted from has straightened the channel up and this has worked well. B. Russ suggested that while the contractors are on site it would be timely to carry on with the extra 200 metres of channel straightening and recover any rock that is found in this area. G. Gibb stated that this work needs to be done in the next 2 – 3 weeks for it to be effective. B. Russ advised that he would speak to the contractor and set a date for this work.

It was agreed that more time is sometimes needed to make decisions on bigger contracts.

## **RATES 2017 / 2018**

Cr McDonnell advised the meeting that the rate strike has been set at \$100,000. L. Skinner stated the rating district is not far off the prudent reserve and there is a reasonable amount of money in the account, there are no further large works proposed and with this in mind he feels that consideration could be given to lowering the rate strike. L. Skinner said a few years ago the rate strike was \$25,000 to \$30,000 and it quickly went to \$100,000. M. Meehan agreed with L. Skinner's comments but advised that the risk in lowering the rate strike is that the rating district could get caught out with a large job and if that happened then a loan might need to be raised. M. Meehan stated that it would be good to reach a figure that is sustainable long term. L. Skinner stated that a large proportion of the rates are paid by businesses in the town. Extensive discussion ensued and each person present was asked for their opinion on the rate strike. M. Meehan advised that if the rate strike for 2017 / 2018 financial year was \$50,000 then the balance in the account at the beginning of the financial year would be \$390,000, this does not include the value of the rock in the stockpile. It was noted that \$20,000 in interest is usually accrued each year. M. Meehan advised that costs can be saved with LiDAR work as this can now be done every three years rather than every year. M. Meehan confirmed that NZTA have contributed to the LiDAR work and but not the cross section work, as the cross section work is subsidised by the general rate. M. Meehan stated that costs for LiDAR work has come down significantly. D. Ferguson stated that agreement needs to be reached on what the prudent reserve should be. Further discussion on the rate strike took place. Cr McDonnell asked for a show of hands for the rate strike to stay at \$100,000 and a further show of hands for \$50,000. It was agreed that the rate strike for the 2017 / 2018 financial year would be reduced to \$50,000, and this figure would be taken to Council. Cr McDonnell advised that long term, the rate strike might need to go back up to \$100,000.

Discussion took place on the stockpile of rock that was by the helipad. A speaker stated that he thinks that the rating district has never used any of the stockpiled rock on its own banks. It was noted that the rating district has a stock pile of rock on the south side of the river and there could be 4300 tonne of rock on the right bank and 1000 tonne on the south bank. Cr McDonnell advised that council staff will look into this and report back to the committee.

## **ELECTION OF OFFICERS**

Cr McDonnell read out the names of the current members of the rating district committee. He asked if anyone had left the area. G. Molloy stated he would like his name removed from the committee as he is no longer a ratepayer in this rating district. P. Cumming agreed to go onto the committee,

**Moved:**        ***"That the present committee, namely:***

***Chris Brooks***

***Chris Roy***

***Grant Gibb***

***Tim Gibb***

***Ian Hartshorne***

***Peter York***

***Logan Skinner***

***Paul Cumming***

***be appointed as the committee for the 2016 / 2017 financial year."***

G. Gibb indicated that he would like to stand down from the spokesperson role. M. Meehan stated that G. Gibb has been involved with the Franz Josef working group. Discussion took place on a replacement for G. Gibb. M. Meehan stated that G. Gibb has done a great job for the rating district. M. Meehan stated that a lot of rating districts take turns with this role and they change around every few years. M. Meehan stated that it is important that the spokesperson is local. G. Gibb stated that he lives in Fox Glacier. L. Skinner asked if there is any health and safety liability for the spokesperson or the committee members. M. Meehan advised that all liability sits with council as they engage the contractors. M. Meehan explained the role of the spokesperson and

committee and stated that this is an advisory role and a committee that council consults with. L. Skinner declined nomination as he is not always in the area and he does not know enough about the river. Discussion took place and it was agreed that Ian Hartshorne and Logan Skinner would share the role.

**Moved:** ***"That I. Hartshorne and L. Skinner be elected as joint spokesmen for the 2016/ 2017 financial year."***

*G. Gibb / C. Roy - Carried*

## **GENERAL BUSINESS**

G. Molloy expressed his concern about the helipad stopbank, he feels this stopbank is inadequate. He stated that people are paying into the rating district to protect the town and he would like some kind of mechanism put in place to safeguard the community should the Helipad Company decide not to do any work. M. Meehan advised that the rating district may like to consider putting the helipad stopbank into the rating district, if the rating district wants to have control of this stopbank. M. Meehan advised G. Molloy that Council does not have control over this stopbank, and nor does the rating district unless they put money into this stopbank. M. Meehan advised that the Helipad Company pays into the rating district and they own the asset.

Discussion took place on the removal of the cottages associated with the Gateway Motels, which were to be relocated to Whataroa, last year. Cr Challenger advised that the purchaser now has a building consent from Westland District Council to remove the buildings. He had previously started work on the foundations prior to gaining a building consent, the District Council issued a Stop Work Notice and a Certificate of Acceptance was then applied for. Cr Challenger advised that the consent was granted about a month ago, but it was applied for at the end of last year. M. Meehan stated that he was not aware of the issues with the district council regarding this matter and he feels that it is fair to allow another month for this work to be completed. M. Meehan advised that once the cottages are removed Council would then ensure that the site is tidied up.

L. Skinner raised the matter of the confidential minutes from two years ago. It was agreed that the minutes would be sent out to the committee.

There being no further business, the meeting closed at 2.36 p.m.

### **Action Points:**

- M. Meehan to send a breakdown of staff time and expenses to the committee.
- B. Russ to confirm amount of rock in stockpile.
- B. Russ to set prudent reserve.
- B. Russ to investigate the volume of stockpiles of rock on each side of the river and report back to the committee.
- B. Russ to get costs for LiDAR work.
- T. Jellyman to circulate the confidential minutes to the committee.