

WAIROA DISTRICT COUNCIL

ORDINARY MEETING OF COUNCIL

Minutes of an Ordinary Meeting of Council held in the Wairoa District Council Chambers, Coronation Square, Wairoa on Tuesday 07 March 2006 at 10.00 am.

PRESENT: His Worship the Mayor Mr L Probert (Chair)

COUNCILLORS

S Birrell, D Eaglesome, G McIntyre, B McKinnon, B Shortt, D Caves

IN ATTENDANCE: P J Freeman (Chief Executive Officer)
T Cook (Administration Manager)
R Snow (Finance Manager)
W Lewis (Operations Manager)

CIVIC PRAYER

Councillor Eaglesome gave the Civic Prayer.

APOLOGIES

Nil

CALLS FOR ITEMS OF URGENT GENERAL BUSINESS NOT INCLUDED IN THE AGENDA AND NOTICES

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|---------------------------------|---------------------------|
| 1. Rural Sector Meeting | (His Worship the Mayor) |
| 2. Land Purchase (Confidential) | (Chief Executive Officer) |
| 3. Waihinahina Site Visit | (Administration Manager) |

ORDINARY MEETING OF COUNCIL HELD TUESDAY 07 FEBRUARY 2006

The Minutes of an Ordinary Meeting of Council held on 07 February 2006 were presented.

<u>Resolved:</u> That the Minutes of the Ordinary Meeting of Council held on 07 February 2006 be confirmed as correct. <p style="text-align:right">McKinnon/Eaglesome</p>
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Discussion

Blue Bay Subdivision

Following the request of an update from Councillor Caves, Councillors were advised that the Engineering Manager was working with a Traffic Safety Engineer as per the instructions of Councillors following the previous meeting of Council and would come back to Council with a report and his recommendations. Councillors were also reminded that the matter before the Engineer was one of compliance with the conditions set by Council and Council's Code of Practice, not potential maintenance costs that may be imposed upon ratepayers by works undertaken within the development.

Norfolk Pines

No further action had been taken in relation to felling of Norfolk Pines that had been poisoned. The situation continues to be monitored.

Pinasta Pines

As Councillors had removed contribution funding from the draft budget for the removal of Pinasta Pines at Mahia and Tuai, alternative funding needed to be identified and secured prior to any action being undertaken.

Approaches to Wairoa

The Operations Manager informed Councillors that Contractors had sprayed the areas of the approaches that could not be mowed and that they would be cleared of vegetation in due course.

RECEIPT OF COMMITTEE MINUTES

MAORI COMMITTEE MEETING HELD ON 31 JANUARY 2006

His Worship the Mayor noted the recent passing of Canon Mita Ngatai. The Mayor had attended the tangi of Canon Ngatai on behalf of Council on Monday. The Mayor would also convey Council's condolences to the Ngatai family by letter to personally acknowledge his commitment to the Maori Community and more specifically his membership of, and contribution to, the Wairoa District Council Maori Committee.

The minutes of the Maori Committee Meeting held on 31 January 2006 were presented.

<u>Resolved:</u> <i>That the minutes of Maori Committee Meeting held on 31 January 2006 be received.</i>	<i>Birrell/Eaglesome</i>
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Councillor McIntyre asked that an acknowledgement of Mr Raey Paku's membership and contribution to the Maori Committee also be made by correspondence from the Mayor, as he had announced his resignation from the Committee at their February meeting. The Mayor and Councillors were in full support of Councillor McIntyre's suggestion.

GENERAL BUSINESS

DOCUMENTS SEALED FOR THE PERIOD 12 SEPTEMBER 2005 TO 22 FEBRUARY 2006

Presented for Council's information was the Schedule of Documents sealed for the period 12 September 2005 to 22 February 2006.

<u>Resolved:</u> <i>That the schedule as listed be received.</i>	<i>Birrell/Caves</i>
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12.09.05
Registered Bond
Wairoa District Council & First NZ Capital Securities Ltd
Certificate for NZ\$230,000 Registered Bond

12.09.05
Deed of Charge
Wairoa District Council & First NZ Capital Securities Ltd
Deed of Charge

12.09.05
Subscription Agreement
Wairoa District Council & First NZ Capital Securities Ltd
Issue & Purchase of a NZ\$230,000 Registered Bond.

14.10.05
Tenancy Agreement
Wairoa District Council & Cecil Forysth
11 Lucknow Street, Wairoa

20.10.05
Tenancy Agreement
Wairoa District Council & Sylvia Harris
2 Outram Street, Wairoa

Resolution: (Cont'd)

16.11.05

Contract

Wairoa District Council & Wairoa Information Centre
Provision of an Information Service for the Wairoa Visitor Centre

12.12.05

Memorandum of Transfer Instrument

Wairoa District Council & Kent Leon Karangarua, Kirsty Jane Karangarua and Napier Independent Trustees
HBY2/572 Sale Fortescue & Domett Street, Mahia Section

12.12.05

Deed of Lease

Wairoa District Council & Wong & Company Supermarket Ltd
Write Price

13.12.05

Contract

Wairoa District Council & Transfield Services E & T NZ Ltd
Contract No. 05/04 - Contract for Street Lighting Maintenance and Operations

15.12.05

Bylaw

Wairoa District Council
Speed Limits Bylaw 2005 – Amended

19.01.06

Encumbrance Instrument

Wairoa District Council & Mahanga Beach Ltd
Fee Simple

24.01.06

Tenancy Agreement

Wairoa District Council & Frank William George Hamill
Flat 2, Livingston Flats, Bridge Street, Wairoa

22.02.06

Contract

Wairoa District Council & Fulton Hogan
Contract No. 05/05 Area Wide Pavement Treatment 2005/06

2006/07 INDICATIVE POOL SALARIES & ALLOWANCES

A.06.06.01

Resolved: That the report be received.

Birrell/Eaglesome

The Administration Manager spoke to the report, advising Councillors that it was merely a matter of their determining how they wished the increase in remuneration to be applied so that the Remuneration Authority could be advised of their recommendation by 1 April 2006. Councillors had the option of applying the increase to salaries in line with their resolution of 19th October 2004, whereby the Deputy Mayor was to receive 1.5 the payment of Councillors, or they could choose to apply the increase equally.

Resolved: That the increase of remuneration be applied as per Council's resolution of 19th October 2004, where the Deputy Mayor is to receive 1.5 times the payment of a Councillor. (Deputy Mayor to receive \$31,911 and Councillors to receive \$21,272.)

McIntyre/Birrell

HAWKE'S BAY MEDICAL RESEARCH FOUNDATION INC – NOMINATION

A.06.03

Resolved: *That the report be received.*

McKinnon/Eaglesome

His Worship the Mayor spoke to the report explaining the role and responsibility of members of the Foundation. While it was written within the Charter of the Foundation that representation was required from the Council, there was no legal requirement for Council to nominate a representative. Continued membership however was perceived to be beneficial as it allowed Council to have a voice and be involved in projects being considered by the Foundation, and how funds should be applied.

Resolved: *That Councillor McIntyre be nominated as Council's representative on the Hawke's Bay Medical Research Foundation Inc.*

Eaglesome/Birrell

LGNZ 2006 REMIT PROCESS

A.13.02

Resolved: *That the report be received.*

McIntyre/McKinnon

The Administration Manager spoke briefly to the report explaining the remit process and the need to have the support of zone and sector members prior to submitting remits for consideration. The next Zone meeting was scheduled for 2 May 2006 in New Plymouth.

Items raised for further consideration included, but were not limited to:

- Indiscriminate use of 1080
- Removal of GST from Rates
- The impact of increasing legislative requirements upon ratepayers
- Depreciation and implications upon ratepayers

After some discussion, Councillors agreed that there was too little time to research, present and gain sector support prior to submitting any remits for consideration at the 2006 Local Government New Zealand Annual General Meeting.

Councillor's acknowledged the need to become involved in the remit process sooner, rather than later, and agreed to advise the Administration Manager of matters they wished to raise at future sector and zone meetings. This would allow time to research and prepare thorough reports for consideration by sector members prior to submitting remits for 2007 Local Government New Zealand Annual General Meeting.

HAWKE'S BAY REGIONAL COUNCIL FIELD TRIP

A.26.04

Resolved: *That the report be received.*

Birrell/Eaglesome

The Administration Manager advised that the report was one of information only, asking that Councillors advise of their acceptance or otherwise of the invitation to join Hawke's Bay Regional Councillors on their field trip of the Wairoa District.

SALE OF SURPLUS PROPERTY

H.01.03

Resolved: *That the report be received.*

Shortt/McKinnon

The Finance Manager spoke to the report. In responding to a question from Councillor Caves, the Finance Manager advised that there were other stock holding facilities available for use by Council if they proceeded with the disposal of this particular property. The Livestock Control Officer had confirmed that the land was surplus to requirements, as it had not been utilised for the impounding of stock for a number of years.

Resolved: That:

1. Council declares the 2.0234 hectare property on SH38, with legal description Sec 7 BLK XVII OPOITI SD, surplus to requirements and to be put on the market for sale.
2. The Finance Manager disposes of the property by tender.

Birrell/Shortt

FORMING OF TE KUMI ROAD

B.03.02.13

The Operations Manager spoke to the report. Councillors were informed that Council's current policy was that landowners were to meet all costs associated in road formation, and that Council would take over any future maintenance of property access roads as long as they had been formed to Council's standard.

Resolved: That the report be received.

McIntyre/McKinnon

While Councillors appreciated the position of the landowners, they were also concerned that a change in current policy may result in further applications of the same nature, placing increased burdens upon the general ratepayer.

Resolved: That the Operations Manager advise the land owners that Te Kumi Road would need to be formed to Council's standards, the cost to do so met by all owners, and that Council would take responsibility for all future maintenance costs once the road was formed.

Caves/McIntyre

RURAL SECTOR MEETING

A13.03

His Worship the Mayor informed Councillor's that there would be no Rural Sector Meeting, at the 2006 Local Body Conference. The Mayor was concerned that as a result the rural sectors avenue for redress had been effectively 'cut off'. There was the general belief by sector members that those advocating for Local Government in Wellington, have no real understanding of the implications of recently introduced legislation on rural communities, such as, drinking water standards, and the increased cost to audit the Long Tern Council Community Plan. It was the intent of the Mayor and other sector members to actively relay their concerns to Government.

LONG TERM COUNCIL COMMUNITY PLAN

A06.11.08

The Finance Manager spoke to the report explaining that Councillor's needed to confirm the proposed funding increase for the 2006 – 2016 Long Term Council Community Plan, and to consider the implementation of a targeted forestry rate, and a new differential for roading. The Finance Manager went on to explain that the increase in rates included inflationary rates imposed upon Council by Audit, as well as the rising cost of depreciation.

The following Scenarios were presented for Councillor's consideration:

Scenario A

Existing differentials

Scenario B

Targeted Forestry Roading Rate of 1.18
Roading rate of 0.9 for Rural 1 LV 50K – 500K
Roading Rate of 0.8 for Rural 1 LV > 500 K
Increase Mahia Differential to 0.8

Scenario C

Targeted Forestry Roading Rate of 1.18
Roading rate of 0.9 for Rural 1 LV 50K – 500K
Roading Rate of 0.8 for Rural 1 LV > 500 K
Increase Mahia Differential to 1.0

Scenario D

Targeted Forestry Roothing Rate of 1.18
Roothing rate of 0.8 for Rural 1 LV 50K – 500K
Roothing Rate of 0.7 for Rural 1 LV > 500 K
Increase Mahia Differential to 0.8

Scenario E

Targeted Forestry Roothing Rate of 1.18
Roothing rate of 0.9 for Rural 1 LV 50K – 500K
Roothing Rate of 0.8 for Rural 1 LV > 500 K
Retain Mahia Differential to 0.65

Councillors had signalled their interest in pursuing the application of a targeted forestry rate in the previous 2004 – 2014 Long Term Council Community Plan. Following consultation with forestry owners, and subsequent analysis by the Engineering Manager, the conclusion was that forestry rooding resulted in an additional \$60,000 per annum in maintenance costs. As a result the differential had been determined to be 1.18.

After some discussion, Councillors agreed that the intent was to recovery the additional costs on rooding activities that were a direct result of forestry activities, and that the proposed differential appropriately reflected those costs.

Resolved: That the forestry rooding rate be set at 1.18	Caves/McIntyre
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Following consultation with Federated Farmers, a proposal had been received recommending that rural one be divided into three groups whereby the value between rural residential ratepayers and larger farming operations was more clearly defined.

Councillors were concerned at the impact of the proposal on landowners at Tuai, which under the scenarios presented would result in a rates increase of 68%. Councillors were informed that there were a number of matters that need to be addressed publicly with the Tuai community that directly impacted upon their rates. Of greatest priority was the need to discuss the impact of the recently imposed drinking water standards. A portion of the Tuai Fund could be applied to reduce the increase of rates to an acceptable level, however Councillors needed to be aware that utilisation of the fund would only delay the inevitable, particularly once the fund was exhausted.

Resolved: That the Federated Farmers proposal of a new differential for Rural One, under &50,000 (1), \$50,000 to \$500,00 (0.9), over \$500,000 (0.8) be adopted.	McKinnon/McIntyre
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ADJOURNED: 11:35 AM

RECONVENED: 11:47 AM

Whilst debating the differential to be applied to Mahia ratepayers, concern was expressed at the impact upon the rates of 'Utilities' as a result of imposing the targeted forestry rate and the new differentials for Rural One. It was assumed that the significant difference was the result of applying the subsidy to rates, as mentioned within the report, on capital value as against land value.

Councillors requested that the Finance Managers report be adjourned to allow time for him to present scenarios that took account of the targeted forestry rate and the new rating differential for Rural One and applied the subsidy of rates against land value.

The Finance Manager was to prepare the scenarios showing a Mahia differential of (0.65), (0.8), and (1.0) for Mahia. The meeting would be adjourned and reconvened at a later date to adopt the preferred scenario.

MICHAEL LAWS COMMENTS – GANG TOWN

A23.01.01

The Mayor read the following to Councillors from an article in which Wanganui's Mayor, Mr Michael Laws was referring to recent gang altercations. *'Home gang violence was not unique to Wanganui with many other towns throughout the North Island plagued by gangs, he said. Wairoa Hawke's Bay is effectively a gang town.'*

The Mayor advised Councillor's that he would be writing to Mr Laws, and the Dominion Post expressing his dismay at such statements being made in the public arena, particularly where there was no sound reasoning for doing so. Wairoa was not a 'Gang Town' and if Mr Laws had taken the time to acquire and read the document 'Reclaiming Wairoa' perhaps he may gain some useful insight as to how to deal with Wanganui's gang problem, rather than shift the interest to events of the past.

ADJOURNED: 12:00 PM

RECONVENED: 12:30 PM

QRS ANNUAL REPORT 30 JUNE 2006

F.02.13.02

His Worship the Mayor welcomed representatives of Quality Roading Services (Wairoa) Limited (QRS), Mr Leigh Aitken, Mr Mike Jarvis, and Mr Gary Mayo.

The Chief Executive Officer advised that while the Annual Report for QRS had been included in the Confidential Agenda, as it was an Annual Report it should be discussed as part of the ordinary meeting of Council.

Resolved: <i>That the confidential agenda item 'QRS Annual Report 30 June 2006' be released for discussion.</i>	Birrell/McIntyre
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Mr Jarvis thanked His Worship the Mayor and Councillors for the opportunity to present the Annual Report, and relayed apologies from Mr Dennis Munro and Mr Cliff King who were engaged in other commitments. Mr Jarvis then presented the Mayor with the interim dividend for the financial year. His Worship the Mayor congratulated QRS on their result and accepted the dividend on behalf of the people of the district.

Mr Jarvis gave a brief review of the years operations, as detailed within the report, and stated that QRS had met all of the performance targets set out in their corporate statement of intent, and that the increase in turnover for the financial year was attributed to conservative management.

Councillor Caves questioned the purchase of advisory services from Director's and whether this was considered as an unusual practice. Mr Aitken responded stating that while Mr Jarvis was a Director, he also had skills and knowledge that assisted in the management and advancement of QRS, and such services were purchased accordingly in the same manner that he would with any other contractor and/or provider.

The Chief Executive Officer thanked Messrs Aitken, Jarvis and Mayo for making themselves available to present their Annual Report and asked that they remain for the confidential part of the Agenda to allow Councillor's to raise any issues deemed to be of a 'sensitive nature.'

QRS representatives were also advised that Council were required to consult with the public on the future of QRS and as such, it would be included in the 2006-2016 Long Term Council Community Plan. This exercise should not be seen as a threat, but as an opportunity to gauge public interest in, and the future direction of QRS as a Council Controlled Trading Organisation.

Resolved: <i>That the report be received.</i>	Birrell/McIntyre
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Resolved: <i>That the Council accepts that the Annual Report has achieved the desired results, as set out in the statement of corporate intent.</i>	McKinnon/Caves
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Resolved: That pursuant to Section 48 (1) of the Local Government Information and Meetings Act 1987, the public be excluded on the following grounds:

That the exclusion of the public from the whole or relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in:

S7 (2)(b) Protect information where the making available of the information-

- (i) Would disclose a trade secret; or
- (ii) Would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information;

Caves/Birrell

EXCLUDED FROM: 12:50 PM

READMITTED FROM: 1:48 PM

RELEASE OF CONFIDENTIAL ITEMS

A06.09

NIL.

Resolved: That the meeting be adjourned and reconvened when the Finance Manager was in a position to present revised rating differential scenarios. **Birrell/McIntyre**

ADJOURNED: 1:50 PM TUESDAY 07th MARCH 2006

RECONVENED: 1:00 PM THURSDAY 09TH MARCH 2006

Resolved: That the meeting of 07th March 2006 be reconvened to determine the rating differentials for the 2006/2007 Financial Year. **McIntyre/Birrell**

The Finance Manager represented Scenarios B, C, D, and E, advising that he had applied the subsidy on rates against the land value of rateable properties, rather than capital value. This had resulted in a small increase for Utilities and more accurately reflected Council's overall intent based in the differentials they had adopted at Tuesdays meeting for forestry and rural one.

Councillor Caves expressed his concerns at the continued buffering of Tuai. While some ratepayers of Tuai may qualify for a rates rebate from Government, and others for accommodation costs rebates from the Ministry of Social Development and WINZ, it did not deal with the issue that rates at Tuai would continue to increase as a result of required services.

Councillors supported these concerns expressing the need for more consultation with Tuai residents. Councillors also believed that while there was the ability to subsidise Tuai rates from the Tuai Fund, ratepayers needed to be made aware of the true costs of services and the potential impact once the Tuai Fund was exhausted. As such, any subsidy should be a fraction of the actual costs allowing for a gradual increase each year, and less reliance on the Tuai Fund.

Resolved: That Council subsidise 50% of the increase in Tuai rates for the 2006/2007 Financial Year from the Tuai Reserve Fund. **Shortt/McIntyre**

Resolved: That 'revised' Scenario E, Targeted Forestry Roding Rate (1.18) Roding Rate of (0.9) for Rural 1 LV 50K – 500K, Roding Rate of (0.8) for Rural 1 LV > 500K, Mahia Differential (0.65) be the adopted differentials for the 2006/2007 financial year. **Caves/Shortt**

There being no further General Business, His Worship the Mayor declared the meeting closed:

MEETING CLOSED: 1:50 PM THURSDAY 9 MARCH 2006

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Chair