

**WAIROA DISTRICT COUNCIL**

**ORDINARY MEETING OF COUNCIL**

Minutes of a an Ordinary Meeting of Council held in the Council Chambers, Coronation Square,  
Wairoa on Tuesday, 9 June 2009 at 10.00am.

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**PRESENT:** His Worship the Mayor Mr L Probert (Chairman)

**COUNCILLORS**

D Caves, D Eaglesome, J Heron, D Evans

**IN ATTENDANCE:** N Cook (Engineering Manager)  
R Snow (Finance Manager)  
J Baty (Administration Manager)

**CIVIC PRAYER**

The civic prayer was given by Councillor Eaglesome.

Council held a moment of silence for Gordon Tait who recently passed away.

**APOLOGIES**

Apologies were received from Councillors Cairns and McKinnon.

<b><u>Resolved:</u></b> <i>That the apologies from Councillors Cairns and McKinnon be received.</i> <i>Caves/Eaglesome</i>
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**CALLS FOR CONFLICT OF INTEREST - Nil**

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

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| 1. Pensioner Housing Heating Update                      | (Administration Manager) |
| 2. Review of the Local Government Act 2002               | (Administration Manager) |
| 3. LTCCP - Use of Reserve Funds to Offset Rates Increase | (Finance Manager)        |
| 4. East Coast Road Beyond Tuahuru Marae                  | (Councillor Caves)       |
| 5. Mayoral Update  | (His Worship the Mayor)  |

**PUBLIC FORUM – Nil**

**General Items**

**INVESTMENTS AS AT 31 MARCH 2009**

**F 02.10.01**

The Finance Manager presented his report. He reported on the Schedule of Investments as at 31 March 2009.

He reported that there have been some significant changes in the fixed interest market over the quarter ended 31 March 2009. A number of bonds have had their rates reset at interest rates considerably lower than previously, including Rabobank, Fonterra, Credit Agricole and ANZ perpetual bonds. This is primarily due to timing issues, rather than any inherent risk factors. Credit Agricole and ANZ will be repaid at 100%, while Rabobank and Fonterra will show lower returns over the next two years, but will show a gain on redemption.

Councillor Caves enquired as to whether the economy would stabilise. The Finance Manager advised that he believed the market would stabilise over the long-term.

<b><u>Resolved:</u></b> <i>That the report be received.</i> <i>Eaglesome/Heron</i>
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**REPORT TO 31 MARCH 2009**

**F 02.10.01**

The Finance Manager reported on the performance of Council against the annual budget of 2008-09 as at 31 March 2009. He also added that Council was in a strong financial position going forward. The Statement of Financial Performance discloses a deficit of \$292,807 against a budgeted surplus of \$5,782,928 projected for the year to 30 June 2009.

The Balance Sheet discloses total current assets of \$20.557 million and current liabilities of \$0.565 million, working capital of \$19.990 million, and net assets of \$187.163 million.

Councillor Heron gave an overview of the Statement of Financial Performance.

Councillor Caves asked a number of points of clarification in respect of the financial information provided in the report. The Finance Manager provided clarification on each of the questions raised.

<b>Resolved:</b>	<i>That the report be received.</i>	<b>Evans/Heron</b>
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**Receipt/Confirmation of Minutes of Previous Council Meetings**

**ORDINARY MEETING OF COUNCIL HELD 12 MAY 2009**

The Minutes of the Ordinary Meeting of Council held on 12 May 2009 were presented.

<b>Resolved:</b>	<i>That the Minutes of the Ordinary Meeting of Council held on 12 May 2009 be confirmed as correct.</i>	<b>Eaglesome/Evans</b>
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**General Business**

**PENSIONER HOUSING HEATING**

**H07.03**

At Council's request the Administration Manager provided a brief update on the heating solutions for Pensioner Housing.

**REVIEW OF THE LOCAL GOVERNMENT ACT 2002**

**A25**

The Administration Manager provided a number of handouts to Council by way of information including:

- A media statement from Hon Rodney Hide, Minister of Local Government, Minister of Regulatory Reform and Associate Minister of Commerce entitled "Local government faces serious spending issues";
- A media release from Local Government New Zealand in response to the abovementioned media statement, entitled "Funding, not spending, is the issue for councils";
- A Cabinet Paper, proactively release by the Minister of Local Government – Report of the Cabinet Economic Growth and Infrastructure Committee; and
- SOLGM memo, a commentary on the Cabinet Paper "Improving Local Government Transparency, Accountability and Fiscal Management".

Council discussed these documents briefly and His Worship the Mayor encouraged Councillors to take the time to review them as the issues covered would likely come before Council at some stage in the future.

**LTCCP - USE OF RESERVE FUNDS TO OFFSET RATES INCREASE**

**A06.11.08**

The Finance Manager, in referring to the 'use of reserve funds to offset rates increase' significant issue covered in the draft LTCCP, tabled three scenarios, two of which are contemplated in the draft plan, namely:

- The status quo (1.05% reduction in 2009-10, increases of 12.64% in 2010-11 and 9.74% in 2011-12);
- A balanced budgeting approach (e.g. equal increases of 7.11% in each of the three years 2009-10, 2010-11 and 2011-12); and
- A balanced adjust reserves only (e.g. increases of 2.4% in 2009-10, 8.01% in 2010-11 and 8.04% in 2011-12).

The Finance Manager supported by Councillor Heron outlined the various pros and cons relating to each of the scenarios.

This matter will be discussed in more depth during the LTCCP submissions hearing and deliberations.

**EAST COAST ROAD BEYOND TUAHURU MARAE**

**B19.01**

Councillor Caves enquired with the Engineering Manager as to the status of work relating to East Coast Road beyond Tuahuru Marae in respect of concerns relating to dropouts and speeding vehicles.

The Engineering Manager highlighted the general consent process and noted that any delays likely related to consents as opposed to design issues.

**MAYORAL UPDATE**

**A06.03**

His Worship the Mayor gave a brief overview of his activities since the last Council meeting;

- Land Transport meeting and the Matahorua Gorge project.
- Ngati Pahauwera Claim and co-management of the Mohaka River.

His Worship the Mayor noted the need for Council to send information to our Local Member of Parliament to support infrastructure development in our region. He also noted that tourism was one of the criteria.

The Engineering Manager made some brief comments on the Ngati Pahauwera Claims process and the co-management framework that is being developed in respect of the Mohaka River.

**ADJOURNED: 10:50 AM**

**RECONVENED: 11.35 PM**

**Exclusion of the Public**

**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;*

**Heron/Evans**

**RE-ADMITTED: 11.35pm**

**RELEASE OF CONFIDENTIAL ITEMS**

**A06.09**

NIL

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

**CLOSED:** The meeting closed at **11.37pm**

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Chair