

THE WEST COAST REGIONAL COUNCIL

MINUTES OF THE MEETING OF THE COUNCIL HELD ON 12 AUGUST 2014, AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL, 388 MAIN SOUTH ROAD, GREYMOUTH, COMMENCING AT 10.52 A.M.

PRESENT:

A. Robb (Chairman), P. Ewen, A. Birchfield, P. McDonnell, T. Archer, S. Challenger

IN ATTENDANCE:

C. Ingle (Chief Executive Officer), R. Mallinson (Corporate Services Manager), M. Meehan (Planning & Environmental Manager), J. Adams (Consents and Compliance Manager), T. Jellyman (Minutes Clerk)

1. APOLOGIES:

Moved (Robb / Ewen) *that the apology from Cr Clementson, be accepted.*

Carried

2. PUBLIC FORUM

There was no public forum.

3. CONFIRMATION OF MINUTES

Moved (Challenger / Archer) *that the minutes of the Council Meeting dated 15 July 2014, be confirmed as correct.*

Carried

Matters arising

There were no matters arising.

REPORTS:

4.1 ENGINEERING OPERATIONS REPORT

M. Meehan spoke to this report and advised that maintenance work has been completed on the Punakaiki seawall.

M. Meehan reported that staff are in the process of completing a draft Flood Protection Management Bylaw. He advised that this bylaw would cover off things like planting within certain distances of stop banks and planting and grazing on stop banks. M. Meehan stated that a workshop will be held following the September Council meeting to progress this new bylaw.

M. Meehan reported that emergency stockpiles of rock in the Camelback and Kiwi Quarries are currently being increased.

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

Carried

5.1 CORPORATE SERVICES MANAGER'S REPORT

R. Mallinson spoke to his report and advised that after writing his report he realised there are errors in revenue in the VCS Business Unit area. R. Mallinson tabled replacement pages to his report. He advised that the adjusted surplus is \$431,000 for the full year. R. Mallinson stated that the one of the most significant matters that affected Council's surplus was the

development work carried out at Camelback Quarry. He stated that although this was capitalised there was still a substantial trading deficit in the quarry area. R. Mallinson reported that he has allowed for \$30,000 worth of bad debt in the compliance monitoring area and \$17,000 worth of potential bad debts in the VCS Business Unit revenue. R. Mallinson reported that the Investment Portfolio has performed to expectations and has brought in just under \$935,000 with the performance for the whole year being just under 8%. He stated that the VCS Business Unit has also performed very credibly over the 12 month period.

R. Mallinson stated that as at the end of June, Council was still carrying short term bank advances totalling \$1.3M. He said that a large part of this related to the unexpected and unbudgeted development spent at Camelback Quarry. R. Mallinson stated that a large chunk of this was repaid in July but Council is still carrying \$700,000 of Westpac short term advances. R. Mallinson is recommending that \$0.5M is withdrawn from the investment portfolio to repay the short term bank borrowing. Cr Archer stated that this would still leave \$200,000 owing in the Westpac short term bank advances. R. Mallinson stated that this \$200,000 would be paid by using the VCS profits from the 2014 / 15 year. R. Mallinson answered questions from councillors. Cr Robb asked R. Mallinson what is the difference in interest rates. R. Mallinson stated that council is paying in excess of 5% for the short term money. Cr Birchfield asked where is council losing money. C. Ingle stated that council invested in rock in the Camelback quarry during the Hokitika Seawall job. He stated we don't have this money in cash but we do have it in rock but the rock has to sell before it can be realised. Cr Birchfield agreed with this and stated that the rock is an asset. Cr Archer stated that it does not make sense to take money that is earning almost 8% to pay off a loan that council is only paying 5% interest on. R. Mallinson stated that council has been very fortunate to make an 8% return on its investment portfolio for the year to June but there is no guarantee that this will continue in the year ahead. Cr Ewen agreed with R. Mallinson and stated that he is in favour of retiring debt but he feels this situation is as a result of the work done at Camelback quarry and that this situation is a "oncer".

Moved (Ewen / Birchfield)

1. *That this report is received.*
2. *That the withdrawal of \$500,000 from Council's Westpac Investment Portfolio to repay short term bank advances be approved.*

*Carried
Cr Archer against*

5.1.1 SETTING OF RATES FOR 2014 / 15

R. Mallinson spoke to this report and advised that this is the formal setting of the rates for the 2014 / 15 year. R. Mallinson advised that rate setting by councils has been subjected to detailed scrutiny over the last 12 months from the Office of the Auditor General. He stated that he commissioned a review of Council's rate setting process by Simpson Grierson Lawyers to ensure that council is meeting all legal requirements and using best practice. He stated that this has not been done for a number of years. R. Mallinson stated that Simpson Grierson found no significant issues with how council is setting the rates but did recommend a number of improvements to council's resolutions. Cr Archer stated that he would like some additional words added to each recommendation as per below.

Moved (Archer / Challenger)

That Council adopt the attached proposed rates strike and penalty setting resolutions numbered

1 (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), (r), (s), (t), (u), (v), (w), (x), (y), (z), (aa), (bb), (cc), (dd), (ee), (ff), being the actual rate struck.

2 being the dates for payment.

3 (a), (b), being the penalties.

Carried

5.1.2 TWELVE MONTH REVIEW 1 JULY 2013 – 30 JUNE 2014

C. Ingle spoke to this report advising that this report shows whether or not council has achieved the performance targets in the 2013 / 14 annual plan. C. Ingle advised that two of the resource management water quality targets were not achieved, same as was previously reported in the eight month report, for Lake Brunner trophic level index target and the bathing beach monitoring sites at Marrs Beach and Hokitika Beach. C. Ingle advised that the consenting timeframes for five resource consents were also not achieved. J. Adams stated that three of these were reported in the eight month report. C. Ingle stated that he is very pleased with what council has achieved this year especially given the Hokitika seawall was an additional task for staff to work into their time budgets. He stated that this was a major project and that it was achieved before Christmas and within budget.

Cr Archer drew attention to the non-achievement for water quality in Lake Brunner. Cr Archer noted that the plan changes in Lake Brunner are going to take some time to implement. C. Ingle advised that trophic levels are very slow to turn around and it will take a couple of years of data for the numbers to change significantly. He stated that this is a long term target, of perhaps 10 years, but he is hoping for some change in the next two to three years. Cr Archer asked if Marrs Beach and Hokitika Beach are the only two areas in the region that are not up to the contact recreation water quality level and is this achievable. M. Meehan advised that both sites comply with the Freshwater NPS National Objective Framework as this is based on medians. C. Ingle stated that the Freshwater NPS talks about improving freshwater quality, which council is achieving. C. Ingle stated that a separate test is done at swimming sites to see if there is a health risk associated with using these sites. He stated that sometimes there is a health risk but this is a different test than those tests for the national framework.

Cr Birchfield stated that council may never achieve what it wants to achieve for Lake Brunner as this may be its natural background. He stated that the Lake Brunner catchment is huge. Cr Birchfield stated that farmers may be being blamed for a problem that is not there and is not of their making.

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

Carried

6.0 CHAIRMANS REPORT

Cr Robb spoke to his report and advised that he met with Hon Paula Bennett on the 16th of July. The three district mayors also attended this meeting along with the Chairman of Development West Coast.

Cr Robb reported that he and C. Ingle met with the Chairman and CEO of WestPower. He stated that this was a very good meeting and is the start of getting the economic development plan out to business leaders.

Cr Robb stated that the LGNZ conference started with the Regional Sector Group tour in Westport which was hosted by Mayor Howard and Cr Robb. Cr Robb advised that he spoke about the region's economic development plan and received good feedback from the other regions in attendance. Cr Robb stated that the tour of the Stockton Plateau was well received and gave people a better understanding of the West Coast. The LGNZ conference was held in Nelson.

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

Carried

6.0 CHIEF EXECUTIVE'S REPORT

C. Ingle spoke to his report and advised that the CEO of NZTA as well as the rest of the Board was present at the meeting on the 16th of July. C. Ingle stated that it was good to hear NZTA's policy direction at this meeting and for them to hear the West Coast's concerns and issues. He stated that NZTA will visit each year so that the regions feel more connected with NZTA.

C. Ingle reported that the pre-conference tour to Westport and the visit to the Stockton Plateau was excellent. He stated that the visitors were impressed with the fact that minerals extraction and restoration can take place side by side next to nature conservation. C. Ingle

advised that it was great to be able to demonstrate to visitors that mining is very good for the social and economic fabric of the region.

C. Ingle reported that the LGNZ conference in Nelson focused on both regional economic development and making sure that growth does not just happen in the cities. He stated that three economists attended the conference. Technology and especially ultrafast Broadband was discussed at the conference with the benefits of faster Broadband being important for new local businesses.

C. Ingle reported that he spoke at the West Coast Minerals conference on the 24th of July. He stated that he gave a presentation on our economic strategy and the Regional Policy Statement and how the two tie together. C. Ingle stated that this was well received.

C. Ingle reported that he also spoke at the South Island Civil Defence and Emergency Management Conference on the 30th and 31st of July. He advised that during this time a new Regional Civil Defence Manager was successfully recruited. The new shared service for civil defence will now commence with the district council Civil Defence Officers now reporting to this new manager. C. Ingle advised that the new manager has particular skills in community response and planning.

C. Ingle reported that there are a couple of items in the Local Government Act amendments that have now come into law that will make our Long Term Plan process more complicated. He stated that the 30 Year Infrastructure Strategy for rivers, drainage and flood protection will have its challenges as it is unknown what infrastructure we may need in 30 years' time. C. Ingle advised that council already has a financial strategy in place. He stated that the new Act is quite prescriptive about what a consultation document must and must not contain. The way council communicates with the community and its ratepayers needs to change to accommodate this change, with Audit NZ now focusing on auditing the consultation document and not the Long Term Plan itself.

Cr Archer asked when Council has to the 30 year Infrastructure Strategy in place. C. Ingle confirmed it is part of the LTP process. He advised that M. Meehan is looking into this and seeing what is happening in Canterbury and R. Mallinson is currently putting together a project plan for the LTP as a whole. C. Ingle advised that the new requirements will be built into the project plan and he and R. Mallinson will discuss whether or not more resourcing is required. R. Mallinson stated that the 30 year plan is for infrastructure only. C. Ingle stated that this applies mainly to stop banks and sea walls. C. Ingle advised that asset management plans will be a starting point.

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

Carried

7.0 GENERAL BUSINESS

Cr McDonnell asked management if they were happy with what was reported in the media regarding the recent court case in the Whataroa rating district. J. Adams stated that the Judge was critical that the resource consent had not been enforced. The resource consent was issued in 2003 but enforcement action was not taken until 2006. J. Adams advised that since this time council now has an Enforcement Policy and the way these matters are now dealt with has changed. J. Adams stated that at the time the consent was issued it was for a 150 metre stop bank but the farmer put in a 450 metre stopbank. He was then issued an Abatement Notice to remove the stop bank but before it could be removed a flood occurred and wiped out the stopbank. J. Adams advised that the argument was whether or not the consented structure was causing erosion on the other bank. Council had issued the consent based on there not being erosion caused to the other bank. The court found in Council's favour. C. Ingle advised that council looked into the adverse comments that were made, by the Court, regarding Council's procedures, and is satisfied that should if the same situation happened again, in any other river, none of the issues would happen. He stated that this is put down to lessons learned.

The meeting closed at 11.50 a.m.

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Chairman

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Date