

THE WEST COAST REGIONAL COUNCIL

MINUTES OF THE MEETING OF THE COUNCIL HELD ON 13 DECEMBER 2016, AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL, 388 MAIN SOUTH ROAD, GREYMOUTH, COMMENCING AT 10. 54 A.M.

PRESENT:

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

IN ATTENDANCE:

M. Meehan (Chief Executive Officer) G. McCormack (Consents & Compliance Manager), R. Mallinson (Corporate Services Manager), N. Costley (Strategy & Communications Manager), T. Jellyman (Minutes Clerk)

1. APOLOGIES:

(Robb / Archer) *That the apology from Cr McDonnell be accepted.*

Carried

2. PUBLIC FORUM

There was no public forum.

3.1 CONFIRMATION OF MINUTES

Moved (Clementson / Birchfield) *that the minutes of the Council Meeting dated 14 November 2016, be confirmed as correct, with the tow typographical errors amended.*

Carried

Matters arising

Cr Birchfield drew attention to a typographical error on page 2 of the minutes. Cr Archer noted a further typographical error on the same page. Cr Clementson asked if the meeting with Westpac went ahead. R. Mallinson responded that this meeting has been deferred until the New Year, when the full financial quarter can be reviewed.

REPORTS:

4.1 ENGINEERING OPERATIONS REPORT

M. Meehan spoke to this report and advised that the community of Franz Josef is very happy with the de-armouring work that has been undertaken in the Waiho River. He stated that the removal of rock from the river has allowed the river to cut down and will provide temporary relief. M. Meehan advised that the rock taken from the river can now be put onto stopbanks.

M. Meehan reported that it is looking like a hearing will be required in order to gain affected party sign off for the resource consent application for the rock source for the Punakaiki rating district.

M. Meehan advised that the community meeting that was held for the Granity, Ngakawau and Hector communities to discuss coastal erosion went well. He stated that two experts from Niwa attended and they answered questions from the community and spoke of various options available. M. Meehan advised that community contacts were made at the meeting and Council will work closely with them to follow up on options.

M. Meehan advised that a consultation package is being finalised for the Buller community for the work relating to the Buller River Flood consultation project. He stated that drop in sessions are planned for late January early February at the NBS Theatre in Westport.

M. Meehan advised that R. Beal has been seeking further professional advice on the future management Kiwi Quarry so that this quarry can be used safely and efficiently. He stated that R. Beal will provide further information at the next council meeting.

Cr Archer asked when the report on Carters Beach could be expected. M. Meehan responded that he was hoping for a report this side of Christmas but feels this is unlikely and is expecting the report early in January.

M. Meehan stated that once the report is received, a public meeting will be arranged.

Cr Archer asked for an update on the Niwa visit to Karamea. M. Meehan advised that an aerial inspection via helicopter was done and it was decided to leave things alone for the moment, but a report is awaited. Cr

Archer stated that there is concern from the Karamea community as the mouth of the Karamea River has been migrating to the south for quite a long time.

Cr Birchfield asked M. Meehan what the general feel from the Buller community is regarding flood protection. M. Meehan responded that there are various options at different levels of pricing but he feels that the appetite for paying for flood protection is always less if there has not been a flood event. M. Meehan stated that there are some areas that are more vulnerable than others but costs will be a big issue. Cr Archer advised that there was a big flood in 1926 and again in 1970, he stated that luckily all of the large flood events have peaked at low tide.

Moved (Challenger / Birchfield) *that this report is received.*

Carried

4.1.2 RATING DISTRICT LIAISON MEETINGS REPORT

M. Meehan spoke to this report and took it as read. He stated that eleven meetings were held this year, and action points from these meetings are already being worked through. M. Meehan stated that the rate strike recommendations will go to through the Annual Plan process. He stated that in general most people are happy with the rating levels. At the Franz Josef meeting there was discussion around cutting the rate from \$100,000 per year to \$50,000 per year. M. Meehan stated that this rating district has approximately \$450,000 in their rating district account but they are also mindful of the threat of the Waiho River. Meehan advised that it is important that affordable rating decisions are made for all communities. He stated that this can be covered at the Annual Plan process.

Moved (Clementson / Archer)

1. *That this report is received.*
2. *That the rate strikes recommended be placed in the next Annual Plan.*

Carried

4.2 CORPORATE SERVICES MANAGER'S REPORT

R. Mallinson reported that this is the four month financial report to 31 October. He advised that Council's financial situation is continuing to improve with a surplus achieved of \$1.469M compared to the budget figure of \$243,000. R. Mallinson reported that the investment portfolio reduced in value by \$110,000 during October and there was a further small deterioration during November. R. Mallinson reported that he has been able to reduce the bank short term loan to \$0.5M.

Cr Birchfield stated that this is a very good financial report and he finds it difficult to understand the comments in the Audit Report saying that Council is not sustainable. R. Mallinson stated that this would be covered in the next agenda item.

Cr Archer commented that the financial report for the quarter is positive but it does highlight the difficulties encountered with setting budgets, unbilled work, returns on investments and returns on the unknown quantities of work for VCS. It was noted that VCS is a huge contributor to Council's finances. Cr Archer stated that he is disappointed with Westpac's performance and he questions their investment strategy and feels that it is high time that this matter was looked at. R. Mallinson stated that this is why he has commissioned a review of the performance of the Westpac's portfolio which will take place in the New Year when the full quarter results are to hand. R. Mallinson advised that because of Council's small size, Council will always be susceptible to aberrations in its investment returns and VCS returns. Extensive discussion took place on the current financial climate and historic financial matters.

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

Carried

4.2.1 FINAL AUDIT MANAGEMENT REPORT YEAR ENDED 30 JUNE 2016

R. Mallinson introduced S. Tobin from Audit NZ to the meeting.

Moved (Ewen / Challenger) *That S. Tobin be given speaking rights.*

Carried

The Chairman welcomed S. Tobin to the meeting. R. Mallinson advised that this is the final audit report to 30 June 2016. He drew attention to item 2.4 where Audit NZ recommended that Council formally considers the risk management framework that the VCS Business Unit operates under. He stated that management agreed with this, a report will be brought to the February Council meeting. R. Mallinson also raised the matter of

Audit NZ's recommendation that Council assess whether it is covering the functions of an Audit Committee. He advised that this is a decision for Councillors themselves and therefore no recommendation is included in this report.

S. Tobin spoke to the Audit Report and advised that this is an unqualified audit opinion. S. Tobin spoke extensively and offered to answer questions.

Moved (Archer / Birchfield)

1. *That the report be received.*
2. *That Councillors note management intends to bring a recommendation to the February 2017 meeting with regard to the risk management framework that the VCS Business Unit operates under.*

Carried

Moved (Archer / Ewen) *That the meeting is adjourned. (11.35 a.m)*

Carried

Moved (Ewen / Archer) *That the meeting reconvenes. (12.03 p.m)*

Carried

4.2.4 SCHEDULE OF MEETING DATES FOR 2017

R. Mallinson spoke to this report. Cr Challenger stated that he will be attending a course for both the February and March meeting dates. It was agreed that the February meeting would be brought forward to 7 February and the March meeting would be held on 15 March.

Moved (Birchfield / Clementson) *That Council adopts the 2017 Schedule of Meeting Dates.*

Carried

4.2.5 COUNCIL INVOLVEMENT IN THE BALLANCE ENVIRONMENT AWARDS

M. Meehan spoke to this report. He stated that this has been quite a popular award scheme around the country with the only places where it is not in place is the West Coast and the Top of the South. M. Meehan advised that currently there is no environmental award scheme here. He stated that this award is targeted at farmers, and all types of farming operations. M. Meehan advised that these awards show case award winners for the public to go out and see best practice. He advised that Tasman is interested in going into partnership with us, Nelson City are small, with few farms in their area but they are interested, and Marlborough run their own awards. M. Meehan advised that the benefits are working with the industry and recognising the high performers and giving them an opportunity to show what can be done when doing things the right way. M. Meehan advised that it would cost around \$30,000 to run the awards but in this case it would be likely that Tasman would join with us and Marlborough and Tasman at a later date, so our contribution would be \$15,000. M. Meehan stated this is an opportunity to promote best practice that Council promotes through our Plans. M. Meehan answered various questions about funding, and likely participants. Considerable discussion took place. M. Meehan answered questions and stated that he would give a thorough breakdown of costs through the annual plan process. The Chairman asked each Councillor for their opinions. It was agreed that requests for funding need to go through the annual plan process. It was agreed that the third recommendation would be changed to say "include" rather than approve. Cr Ewen suggested an amended motion, and that the third motion is deleted. Cr Archer agreed with this.

Moved (Ewen / Archer)

That Council:

1. *Receives this report.*
2. *Approves the Council to take part in negotiations to enter the Ballance Environment Awards in partnership with the Tasman District Council, Nelson City Council and Marlborough District Council.*

Carried

5.0 CHAIRMANS REPORT

The Chairman spoke to his report and took it as read.

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

Carried

6.0 CHIEF EXECUTIVE'S REPORT

M. Meehan spoke to his report. He stated that the Mayors and Chairs Forum in Westport was Mayor Smith's first meeting. M. Meehan advised that the Triennial Agreement was tabled at this meeting, this will then come to the February Council meeting for ratification. M. Meehan reported that the Local Government Commission attended this meeting. He advised that Councils are working on a joint proposal to the Local Government Commission on what could work for the region. M. Meehan advised that ongoing work in the planning and roading area is continuing with alignment being sought for all councils.

M. Meehan reported that through work that has been done on the Growth Study, significant funding has been secured to progress a master plan for Franz Josef and also to explore the south side relocation. He stated that Franz Josef has been recognised as an important part of NZ Inc. and an important part of our region.

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

Carried

GENERAL BUSINESS

There was no general business.

Moved (Clementson / Archer) *that the meeting is reconvened.*

Carried

LATE ITEM

Moved (Archer / Ewen) *that the late item for the Confidential meeting be accepted.*

Carried

The meeting closed at 12.24 a.m.

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Chairman

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Date