

## **THE WEST COAST REGIONAL COUNCIL**

### **MINUTES OF THE MEETING OF THE COUNCIL HELD ON 9 JUNE 2015, AT THE OFFICES OF THE WEST COAST REGIONAL COUNCIL, 388 MAIN SOUTH ROAD, GREYMOOUTH, COMMENCING AT 10.57 A.M.**

#### **PRESENT:**

A. Robb (Chairman), P. Ewen, P. McDonnell, T. Archer, A. Birchfield, N. Clementson, 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:**

There were no apologies.

#### **2. PUBLIC FORUM**

There was no public forum.

#### **3. CONFIRMATION OF MINUTES**

**Moved** (McDonnell / Archer) *that the minutes of the Council Meeting dated 12 May 2015, be confirmed as correct.*

*Carried*

#### **Matters arising**

Cr Ewen asked if there has been any positive feedback regarding the purchase of the Glacier Gateway motel in Franz Josef. M. Meehan stated that he has received positive feedback on this.

Cr Clementson stated that it is pleasing to see that cell phone coverage in Karamea has improved recently.

#### **REPORTS:**

##### **4.1 ENGINEERING OPERATIONS REPORT**

M. Meehan spoke to this report and advised that a small amount of emergency work has been done at three sites in the Wanganui rating district.

M. Meehan reported that Granity, Ngakawau and Hector have had some erosion issues that have been brought to council's attention. He stated that Buller District Council's Mayor and staff and this council staff have met and visited the sites to discuss where to from here. M. Meehan advised that in 2006 NIWA and staff from this council spoke to the community about sea erosion and put some proposals to the community. M. Meehan advised that at this time the options were unaffordable but some of the recommendations in the NIWA report suggested doing some kind of sea erosion protection, which some people have done, including the school. M. Meehan advised that an assessment has been done on what protection work is currently in place and the next step is to have a public meeting with Buller District Council and the community to ascertain where to from here.

M. Meehan advised that the owner of the Glacier Gateway Motel has until the end of this month to vacate guests and the deed that Council has signed requires the owner to vacate by the end of July. M. Meehan stated that an extension of this date to mid August is likely in order to enable the owner to hold an auction to sell off items from the motels. M. Meehan advised that the financial contributions for the purchase of the motels are \$335,000 from NZTA, \$300,000 from central government (this was

held by Westland District Council) and \$100,000 from the Franz Josef Rating District. M. Meehan advised that an MOU is being together with the parties involved to specify that the area on the south side is set aside for road and river management purposes and nothing else.

M. Meehan advised that there is a lot more rock in the Whataroa quarry face that has not been included in the report as this is just rock on the floor. M. Meehan advised that he is in the process of redoing the quarry contract which should be out within the next 2 – 3 weeks.

Cr Birchfield congratulated M. Meehan on his work with the motels. Cr McDonnell asked if there is a timeframe for the demolition of the motels.

C. Ingle advised that the Local Government Act now requires councils to consider Service Reviews when they are about to go to a contract renewal. He advised that it would be helpful if an extra resolution was made to say that the council has considered the nature of the quarry service, and that Council do not consider the cost of doing a review would be justified given the likely benefits. C. Ingle advised that services are supposed to be reviewed at minimum once every six years and every time there is a contract renewal or a tender round or if there is significant change in the level of service. He stated that the reason for this legislation is so that councils are pushed into looking at regional collaboration, shared services, for major contracts such as roading, waste management and water. M. Meehan advised that as part of tendering the quarry contract, asset management plans, quarry management plans for the four quarries, have all been updated by council. It was agreed that Council's Quarry Manager would be invited to a future council meeting to discuss quarry operations in general.

Cr Ewen asked if there has been any progress with the money Grey District Council is to pay into the Red Jacks Rating District's account. M. Meehan advised that in the resolution made by Grey District Council there is a requirement for the rating district to be extended out to include the work done upstream and downstream. M. Meehan stated that he is dealing with his colleague at Grey District Council on this matter and he is hoping to arrange a meeting in a week or two.

**Moved** (Clementson / Birchfield)

- 1. That this report be received.*
- 2. That Council considers the cost of undertaking a Section 17A review of the quarry service outweigh the benefits.*

*Carried*

## **4.2 CORPORATE SERVICES MANAGER'S REPORT**

R. Mallinson spoke to this report and advised that this report covers the ten month results to the end of April. R. Mallinson stated that council's investment income is doing well and is better than budgeted. He stated that a substantial amount of money was capitalised for the Whataroa Quarry and quarries are trading in a deficit this year. R. Mallinson answered various questions from councillors. R. Mallinson advised that the deposit on the Glacier Gateway Motel has been paid and the settlement date is 30 June. Cr McDonnell asked why the \$100,000 comes out of the investment portfolio. R. Mallinson explained that rating district funds are not separately invested and the money that is in the main Westpac portfolio includes rating district funds. It was agreed that a motion would be added to clearly state that the \$100,000 for the purchase of the motels is coming out of the Franz Josef rating district account.

**Moved** (Ewen / Archer)

- 1. That this report be received.*
- 2. That Council agrees to the withdrawal of \$100,000 from the Westpac portfolio to fund the Franz Josef rating district share of the Glacier Gateway Motel land and building purchase.*
- 3. That Council notes that the \$100,000 withdrawal reduces the Franz Josef rating district balance (that sits within the Westpac Portfolio) to \$356,000 versus \$456,000.*

*Carried*

### **4.2.2 RISK MANAGEMENT REPORT**

R. Mallinson spoke to this report. He advised that in November 2014 Councillors resolved to develop a Risk Management Register and to ascertain what levels of risk Council faces. Cr McDonnell suggested

that the risk register is grouped into sections relating to each topic. Cr Archer asked R. Mallinson if he thought that the risk register would meet Audit NZ requirements instead of developing an Audit Risk Committee. Discussion ensued on risks and risk mitigation and the importance and minimising any risk in any area. It was agreed that the middle column of the report would be deleted. C. Ingle advised that he looked at the Significant Forecasting Assumptions in the LTP, as some of these are covered in the risk register and others are not but those are more to do with financial risk and to a high level of detail. C. Ingle suggested cross referencing, the significant forecasting assumptions on pages 49 – 51 of the LTP for more detail on financial risk.

**Moved** (Birchfield / Ewen)

1. *That this report be received.*
2. *That Council note and approve the initial Risk Register, as amended.*
3. *That Councillors note the intention of the Chief Executive and Management Team to:*
  - a. *Report new risks to as they are identified.*
  - b. *Report on developments as necessary with regard to existing risks.*
4. *That Councillors note the intention of the Chief Executive and Management team to report any updates to the Risk Register annually.*

*Carried*

## **5.0 CHAIRMANS REPORT**

The Chairman reported that he has had a fairly quiet month compared to the pas few busy months.

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

*Carried*

## **6.0 CHIEF EXECUTIVE'S REPORT**

C. Ingle spoke to his report. He noted that the hearing of submissions for the Long Term Plan was held yesterday and on 23 June the Special Council meeting will be held to formally adopt the Long Term Plan. C. Ingle advised that Audit NZ will supply an audit report prior to 23 June.

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

*Carried*

## **GENERAL BUSINESS**

Cr Clementson advised that he would be away for the July Council meeting.

The meeting closed at 11.52 a.m.

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Chairman

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Date