



Otorohanga District Council

AGENDA

1 June 2010

Members of the Otorohanga District Council

Mr DF Williams (Mayor)
Mrs S Blackler
Mr WH Earwaker (Deputy Mayor)
Mr AL Gower
Mr A Ormsby
Mrs DM Pilkington
Mr R Prescott

Meeting Secretary: Mr CA Tutty (Governance Supervisor)

OTOROHANGA DISTRICT COUNCIL

1 June 2010

Notice is hereby given that an ordinary meeting of the Otorohanga District Council will be held in the Council Chambers, Maniapoto St, Otorohanga on Tuesday 1 June 2010 commencing at 10.00am.

25 May 2010

DC Clibbery
CHIEF EXECUTIVE

AGENDA

VISITORS ATTENDING THE MEETING -

Various Annual Plan Submitters as will be advised by Friday 28 May

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PRESENT

OPENING PRAYER

IN ATTENDANCE

APOLOGIES

ITEMS TO BE CONSIDERED IN GENERAL BUSINESS

CONFIRMATION OF MINUTES - 11MAY 2010

REPORTS

Item-345 OTOROHANGA COMMUNITY BOARD MINUTES - 13 MAY 2010

**To: His Worship the Mayor and Councillors
 Otorohanga District Council**

From: Governance Supervisor

Date: 1 June 2010

Executive Summary

Minutes of the meeting of the Otorohanga Community Board meeting held on 13 May 2010 as circulated.

Staff Recommendation

It is recommended that:

The minutes of the meeting of the Otorohanga Community Board meeting held on 13 May 2010 be received.

CA Tutty
GOVERNANCE SUPERVISOR

Item-346 SUMMARY OF THE LAW COMMISSION REPORT ON THE REVIEW OF THE REGULATORY FRAMEWORK FOR THE SALE & SUPPLY OF LIQUOR

**To: His Worship the Mayor and Councillors
 Otorohanga District Council**

From: Environmental Services Manager

Date: 1 June 2010

Executive Summary

A review of the Law Commission report on the Sale of Liquor Act.

Staff Recommendation

It is recommended that:

The Environmental Services Manager's report on the Summary of the Law Commission report on the review of the regulatory framework for the Sale & Supply of Liquor be received.

Report Discussion

Council has received a copy of the Law Commission Report on the Sale and Supply of Liquor which was tabled in Parliament on 27 April 2010. The report runs to 510 pages, contains 153 recommendations and proposes a number of major changes to the control of the sale and supply of liquor in New Zealand. As these recommendations total 15 pages, I have limited this report to those matters that will impact on Council's role in regulating the Sale of Liquor.

Near the top of the recommendations is a requirement for all Councils to adopt a local alcohol policy. The content of that policy is detailed in the recommendations and the report. The intent is to provide Councils the powers to restrict or ban licensed premises from certain areas of their districts and place more restrictive controls on existing licensed premises.

The report proposes that liquor can no longer be sold from dairies and that stricter controls be placed on the sale of liquor in supermarkets where at present retailers use aisle enhancement strategies to promote the sale of wine and beer.

The Commission recommends that the District Licensing Agencies should be replaced by new District Licensing Committees (DLC) (ref R39). These Committees will be comprised of a Councillor and two members of the community appointed by Council. As with the proposed Liquor Policy, there will be provision for coordinating the functions and roles of the DLC across Council boundaries. Far more decision making power is to be devolved to the DLC whose members will be required to have a sound knowledge of licensing law and procedure in much the same manner as commissioners receive training to hear planning applications.

With these changes it is also proposed to alter the role of the Liquor Licensing Authority to that of an appeal body which will hear appeals from the DLCs. This new Alcohol Regulatory Authority will have two permanent Judges and an authority equivalent to the District Court.

I have also included those recommendations that deal with the term of a liquor licence, the minimum age of purchase, the mandatory cancellation of Managers' Certificates and licences for adverse behaviour, and more powers for Police to deal with unruly behaviour. There will also be

additional requirements for Council's to consider when drawing up a Liquor Ban Bylaw (ref R139).

The **Sale and Supply of Liquor and Liquor Enforcement Bill** has had its first reading before Parliament and has been referred to the Justice and Electoral Select Committee. It will be interesting to watch the progress of this legislation and to see how many of the Law Commissions recommendations are adopted into the final Act. There will be opportunities for Local Government to make submissions as the new legislation is developed.

AR Loe
ENVIRONMENTAL SERVICES MANAGER

Attachments

- a. Recommendations from the Law Commission Report

RECOMMENDATION FROM THE LAW COMMISSION REPORT

R1 The Sale of Liquor Act 1989 should be repealed and replaced by a new Act Called the Alcohol Harm Reduction Act.

R2 The new alcohol legislation should include the following object provision: The object of this Act is to establish a reasonable system for the sale, supply and consumption of alcohol for the benefit of the community as a whole, and in particular to:

- a. Encourage responsible attitudes to the promotion, sale, supply and consumption of alcohol.
- b. Contribute to the minimisation of crime, disorder and other social harms;
- c. Delay the onset of young people drinking alcohol;
- d. Protect and improve public health;
- e. Promote public safety and reduce public nuisance; and
- f. Reduce the impact of the harmful use of alcohol on the Police and public health resources.

R4 Every local authority should be required to adopt a local alcohol policy.

R5 In preparing the proposed policy, councils should consult with local iwi and hapū, Police, licensing inspectors, medical officers of health, and any other persons they consider appropriate.

R6 Public consultation on the proposed policy should be undertaken pursuant to the special consultative procedure under section 83 of the Local Government Act 2002.

R7 Policies should be required to include:

- .. a stocktake of the number, type and hours of licensed premises in the district;
- .. the demographic and socio-economic make-up of the local population, and overall health indicators;
- .. a broad assessment of the range and level of alcohol-related problems occurring within the district;
- .. permitted areas for licensed premises;
- .. areas, if any, subject to liquor ban bylaws; and
- .. a local process for managing intoxicated people in public places through collaboration of police, ambulance and health services.

R8 Local alcohol policies may include:

- .. a strategy for reducing alcohol-related harm in the district;
- .. local restrictions on the national hours prescribed in the statute for the opening and closing of licensed premises; and/or
- .. areas in the district that may reasonably be identified as having reached or being close to reaching saturation levels in terms of the cumulative impact of licensed premises (there being a rebuttable presumption that further licences will not be granted in those areas).

R9 Local alcohol policies should be renewed at least every six years, in conjunction with every second long-term council community plan in the relevant area.

R10 Two or more territorial authorities should be able to develop a joint proposed policy for their combined districts.

R11 Once a policy has been consulted on and agreed by the local authority, those who submitted on the policy should be able to appeal aspects of it to the Alcohol Regulatory Authority.

R12 Resource Management Act and Building Code approvals for proposed licensed premises should continue to be required as a prerequisite to the consideration of a licence application.

R13 When considering any licence application, licensing decision-makers should be required to take into account:

- .. whether the applicant is a suitable person;
- .. the object of the Act;
- .. the provisions of the relevant local alcohol policy;
- .. whether the amenity or good order of the locality would be lessened by the granting of the licence; and
- .. whether the applicant has the appropriate systems, staff and training to comply with the law and manage the risks.

R14 Where existing licensed premises are inconsistent with a new local alcohol policy, conditions should be imposed to reduce the inconsistency as much as possible.

R15 The types of premises that are eligible for an off-licence should be reduced to the following:

- .. a specialist alcohol retailer or manufacturer;
- .. a food retailer where food, excluding confectionery, ice cream, soft drinks or ready-to-eat or takeaway food, comprises at least 50% of the annual sales turnover; and
- .. premises for which an on-licence is held (but not a restaurant, nightclub, entertainment venue or club, including sports clubs).

R16 Any other type of retailer should be able to be granted an off-licence if no other off-licence alcohol retailer is reasonably available to the public, and the grant of the licence would not encourage alcohol-related harm.

R17 The legislation should expressly prohibit the following types of premises from being eligible for an off-licence:

- .. a service station; and
- .. a takeaway-food outlet.

R18 Only specialist alcohol retailers or manufacturers and premises R18 for which an on-licence is held should be able to sell spirits or RTDs under an off-licence. To be a specialist alcohol retailer, a store should be required to have the sale of alcohol as its “principal business”. The legislation should allow specialist alcohol retailers also to sell some food and other products. However, if the amount of food products in a specialist alcohol retailer is more than minimal, it will not be permitted to sell spirits and RTDs. Also, the stocking of non-food product lines needs to be consistent with and supplementary to a store’s status as a specialist alcohol retailer.

R19 A specialist alcohol retailer within a supermarket or grocery store should only be able to sell wine, beer and mead.

R31 Off-licences should be required to close no later than 10pm at night and not reopen until 9am.

R32 On-licences and licensed clubs should be required to close no later than 4am, with a mandatory one-way door from 2am, and not reopen until 9am. The one-way door requirement means people cannot enter after 2am but do not have to leave until 4am or the premises’ closing time, whichever is earlier.

R35 Territorial authorities should have the discretion to restrict hours further than the national maximum hours under local alcohol policies.

R39 District Licensing Agencies should be replaced by new District Licensing Committees.

R40 The membership of each District Licensing Committee should consist of a councillor selected for the task by the relevant council, and two members of the community appointed by the council.

R41 If there are insufficient councillors, councils should be able to appoint a commissioner in place of the councillor representative on the District Licensing Committee.

R42 The process for appointment of community members to the District Licensing Committee should be publicly advertised, and the selection of community members should be undertaken in consultation with the New Zealand Police, licensing inspectors and medical officers of health.

R43 There should be a requirement for community members to have particular knowledge and experience in areas specified in the statute, such as:

- .. public health;
- .. the social issues of the particular community in which the District Licensing Committee is situated;
- .. the liquor industry (but not be currently participating in this);
- .. law enforcement (but not be currently participating in this); or
- .. legal or regulatory matters.

R44 The functions of District Licensing Committees should be to:

- .. consider and determine all applications for licences;
- .. hold hearings on all opposed applications;
- .. impose conditions on successful licence applications, in accordance with the statute and any national guidelines developed by the Alcohol Regulatory Authority;
- .. determine applications for managers' certificates;
- .. process or determine licence renewals under a new streamlined process;
- .. consider and determine amendments to licence conditions upon application by an inspector or the Police;
- .. gather information, monitor and keep records on licences within the district; and
- .. report regularly to the Alcohol Regulatory Authority.

R45 Two districts should have the power to form a combined District Licensing Committee if the workload would warrant this.

R46 The statute should permit a District Licensing Committee to delegate unopposed applications for managers' certificates and licence renewals to the Secretary of the District Licensing Committee, which should be a full-time position.

R47 All District Licensing Committee members should receive training to enable them to undertake their functions properly.

R48 The statute should enable councils to have a pool of District Licensing Committee members and to establish more than one committee for its area, as needed.

R49 On receipt of an application for a licence, the District Licensing Committee should notify the application on a designated website, notify residents within 200 metres of the proposed premises and require the applicant to affix a notice in the prescribed form to the proposed site.

R50 All licence applications should be forwarded to a licensing inspector, a medical officer of health, and the New Zealand Police. Licensing inspectors should report on all applications. The Police and medical officers of health should report only if they have any concerns relating to the proposed licence.

R51 Inspectors should be employed by the local authority.

R52 Licensing inspectors should have independent statutory powers.

R57 Decisions made by a District Licensing Committee should be appealable by anyone appearing before the committee to the Alcohol Regulatory Authority, although inspectors should be required to first obtain leave to appeal from the Alcohol Regulatory Authority.

R58 The appeal fee should also be waived for enforcement officers.

R59 The Liquor Licensing Authority should be replaced by a new Alcohol Regulatory Authority.

R60 The main function of the Alcohol Regulatory Authority should be to hear appeals from decisions of the District Licensing Committees and applications for suspension or cancellation of licences.

R61 The expanded functions of the Alcohol Regulatory Authority should include:

- .. monitoring and reporting to Parliament on annual trends in its case load, alcohol consumption, marketing, and alcohol-related harm in New Zealand;
- .. making rulings on promotions of alcohol by both on- and off-licensees;
- .. issuing Practice Notes and guidelines on matters within the Authority's jurisdiction;
- .. monitoring and auditing the performance of District Licensing Committees and local alcohol policies;
- .. enhancing the flow of data and information concerning licensing matters.

R62 The Alcohol Regulatory Authority should comprise two District Court judges. One judge should sit in Auckland, and the other should cover the rest of New Zealand.

R63 An Executive Officer should be created to administer the Alcohol Regulatory Authority and carry out the policy work related to its expanded functions.

R64 Guidelines should be consulted on by the Executive Officer, and signed off by the two judges.

R65 The legislation should set out in full the duties and powers of the Alcohol Regulatory Authority and District Licensing Committees, which should mirror those contained in the Inquiries Bill presently before the Parliament. This includes the power to award costs.

R66 There should also be a requirement that the Alcohol Regulatory Authority and District Licensing Committees conduct hearings with as little formality as is consistent with a fair and efficient process.

R67 There should be a general appeal on the merits against a decision of the Alcohol Regulatory Authority to the High Court.

R68 A risk-based licence application fee and annual renewal fee scheme should be consulted on and established by regulation.

R69 Premises categorised as low risk and that have had no compliance issues in the preceding year should be granted a yearly licence renewal on the basis of payment of an annual fee.

R70 If there are compliance issues for any low-risk premises, a licensing inspector should be able to require the licensee to formally apply for a licence renewal within three years of the date on which the licence was last renewed. An annual fee should still be payable.

R71 Three-yearly applications for licence renewals should continue to be a requirement for premises not categorised as low risk, but these premises should also pay an annual fee, rather than a three-yearly licence renewal fee.

R72 Licence renewal applications should be advertised by way of notification on the applicable District Licensing Committee website, and a physical notice in a prescribed form affixed to the premises.

R96 Increasing the minimum purchase age to 20 years for all licensed premises including:

- a. making it an offence to sell or supply alcohol on licensed premises to anyone under the age of 20, even if accompanied by a parent or guardian;
- b. making it an infringement offence for anyone under the age of 20 to purchase or consume alcohol on licensed premises.

R97 Making it an offence for anyone under the age of 20 to drink or possess alcohol in a public place, even if accompanied by a parent or guardian.

R98 Introducing an offence for any person to supply alcohol to a minor under the age of 18 unless that person is the minor's parent or guardian or a responsible adult authorised by the parent or guardian and unless the alcohol is supplied in a responsible manner. This means that any person legally entitled to supply a minor who then fails to supply in a responsible manner, including providing appropriate supervision, also commits an offence.

R99 Increasing the minimum age for people employed to sell alcohol at an on-licence to 20 years.

R121 A manager's certificate should be automatically cancelled for five years where three adverse findings (either convictions or findings by the new Alcohol Regulatory Authority) are made against the manager for the following offences (whether or not of the same type) within a three-year period:

- sale and supply of alcohol to a minor;
- sale and/or supply of alcohol to an intoxicated person;
- unauthorised sale or supply of alcohol;
- irresponsible promotions of alcohol.

R122 A licensee's licence should be automatically cancelled for five years where three adverse findings (either convictions or findings by the new Alcohol Regulatory Authority) are made against the licensee for the following offences (whether or not of the same type) within a three-year period:

- sale and supply of alcohol to a minor;
- sale and/or supply of alcohol to an intoxicated person;
- unauthorised sale or supply of alcohol;
- irresponsible promotions of alcohol.

R123 There should be no bar on the new District Licensing Committees or Alcohol Regulatory Authority in considering the adverse findings, when determining future suitability to obtain a manager's certificate or licence after the five-year cancellation period.

R124 The New Zealand Police should have the power to close all or a specified part of a licensed premises immediately where:

- a riot takes place within the licensed premises, or where there is reasonable ground for believing a riot could occur;
- there is fighting or serious disorder, or there is reasonable ground for believing that fighting or serious disorder will break out within licensed premises;
- there is a significant threat to public health or safety;
- the conduct in the premises amounts to a substantial public nuisance;
- offences have been committed that carry a maximum penalty of five years or more and there is a significant risk of further offences being committed by patrons if the premises remain open.

R133 We recommend the adoption of a civil cost-recovery regime that provides police with the power to serve a notice of debt on anyone who, because of intoxication, is either driven home, placed in temporary shelter or put in a police cell under the powers of detention that police have

under section 36 of the Policing Act 2008, with a prescribed amount of \$250 or such extra amount as will make it economic to collect. The proceeds should go to the consolidated fund and any disputes should be dealt with by the Disputes Tribunals of the District Courts.

R135 We recommend an amendment be made to the definition of “public place” in the Summary Offences Act 1981 to codify case law and clarify that the definition of a public place includes within it a vehicle in a public place.

R137 We recommend liquor ban bylaws have additional requirements before being created; these being that:

- .. the proposed area and timing can be justified as a reasonable limitation on the rights of freedoms of individuals;
- .. there is a high volume of offending or disorder in the proposed area that can be linked to alcohol;
- .. the evidence demonstrates that the density of offending and disorder, and the location of the offending, is such that the boundaries of the liquor ban are appropriate and proportionate.

Item-347 REPORT TO HEARINGS COMMITTEE

To: **His Worship the Mayor and Councillors
Otorohanga District Council**

From: **Environmental Services Manager**

Date: **1 June 2010**

Executive Summary

To inform the Hearings Committee of the progress of notified resource consent applications.

Staff Recommendation

It is recommended that:

The report from the Environmental Services Manager be received.

Report Discussion

Applications to be heard by the Hearings Committee

There are currently three notified applications at various stages in the consent process. In addition the Hearing Committee will be hearing an objection from Happy Valley Developments against conditions placed on Resource Consent RM100015

RM090081 CB Transporters

The applicants have requested a further extension of time to undertake further noise testing after a review of their initial report found it to be unsatisfactory. The delays associated with this application have proved very frustrating and it is now unlikely that a hearing will be held before August 2010.

RM090047 Geryha Ltd

Submissions for this application closed on 17 May. Six submissions opposing the proposal were received. It is planned to hold the hearing during the first week of July. I anticipate the hearing will need a full day.

RM090050 A Collins

The closing date for submission on this consent is 21 June. The application has been limited notified to Ngati Patupo only. A tentative hearing date is planned for 20 or 27 July.

AR Loe

ENVIRONMENTAL SERVICES MANAGER

Item-348 SUBMISSIONS TO THE ODC DRAFT ANNUAL PLAN 2010/11

To: **His Worship the Mayor and Councillors
Otorohanga District Council**

From: **Finance and Administration Manager**

Date: **1 June 2010**

Executive Summary

Council to consider submissions to the ODC Annual Plan - forwarded under separate cover.

Staff Recommendation

It is recommended that:

1. The submissions be received, and
2. Subject to amendments resulting from the submissions, Council adopt the 2010/11 Annual Plan.

Report Discussion

The Draft Annual Plan was approved by Council at their meeting held 20 April 2010.

The Draft Annual Plan has been subject to the Special Consultative process and a summary will be included in the newsletter sent to all ratepayers.

Six submissions have been received at the time of report preparation and have been forwarded under separate cover.

As submissions don't close until 28 May 12.noon, the remainder of the submissions will be emailed to Councillors with a submission timetable for those wishing to be heard.

Staff will also be preparing a submission with the impact of the rise in GST to 15 percent as from 1 October 2010.

Staff views on the matters raised in the submissions will be advised as they are considered by Council.

GD Bunn
FINANCE AND ADMINISTRATION MANAGER

Item-349 RATES RESOLUTION 2010/11

**To: His Worship the Mayor and Councillors
 Otorohanga District Council**

From: Finance & Administration Manager

Date: 1 June 2010

Executive Summary

2010/11 Rates Resolution.

Staff Recommendation

It is recommended that:

Pursuant to the Local Government (Rating) Act 2002 the rates as outlined in the separate schedule for the year 1 July 2010 to 30 June 2011 be set in accordance with the relevant provisions of the Long Term Council Community Plan and Funding Impact Statement.

All rates and amounts are plus GST at the prevailing rate (The prevailing rate is currently 12.5% increasing to 15% as from 1 October 2010).

1. Otorohanga District

a. General Rate

A General Rate of 0.05361 cents in the dollar on the Capital Value of all rateable land within the District of Otorohanga.

b. Uniform Annual General Charge

A Uniform Annual General Charge of \$295.30 on every separate rating unit within the District of Otorohanga.

(The total general rate and Uniform Annual General Charge are estimated to produce \$3,145,552 and this revenue will be used for the following purposes: Network Services, Community Services, Regulatory Services, Governance and Leadership and Community Development).

2. Otorohanga Rural

a. **Rural Targeted Rate**

A Targeted Rate of 0.00175 cents in the dollar on the Capital Value of all rateable land within the District of Otorohanga with the exception of the Otorohanga Community and Kawhia Community areas.

b. **Separate Uniform Targeted Rate**

A Uniform Targeted Rate of \$94.33 on every separate rating unit within the District of Otorohanga with the exception of the Otorohanga and Kawhia Community areas.

(These rates are estimated to produce \$2577,930 and this revenue will be used for the following purposes: Network Services, Community Services and Regulatory Services).

3. Otorohanga Community

a. **Otorohanga Community Targeted Rate**

A Targeted Rate levied on the Capital Value of all rateable land within the Community of Otorohanga on a differential basis as follows:

- i. Differential Rating Area No. 1 – 0.07619 cents in the dollar – estimated to produce revenue of \$62,876.
- ii. Differential Rating Area No. 2 – 0.03047 cents in the dollar – estimated to produce revenue of \$84,233.

b. Otorohanga Community Uniform Targeted Rate

A Separate Uniform Targeted Rate of \$186.73 on each separate rating unit within the Community of Otorohanga.

(These rates are estimated to produce \$390,985 and this revenue will be used for the following purposes: Network Services, Governance and Leadership and Community Services).

4. Kawhia Community

a. Kawhia Community Targeted Rate

A Targeted Rate of 0.02985 cents in the dollar levied on the Capital Value of all rateable land within the Community of Kawhia.

b. Kawhia Community Uniform Targeted Rate

A Uniform Targeted Rate of \$67.39 on each separate rating unit within the Community of Kawhia.

(These rates are estimated to produce \$96,990 and this revenue will be used for the following purposes: Network Services, Community Services and Governance and Leadership).

5. Targeted Loan Rates

a. Otorohanga Sewage Treatment

A Targeted Loan Rate levied on the Capital Value of all rateable land within the Community of Otorohanga on a differential basis as follows:

- i. Differential Rating Area No.1 – 0.03003 cents in the dollar – estimated to produce revenue of \$21,335.
- ii. Differential Rating Area No.2 – 0.01201 cents in the dollar – estimated to produce revenue of \$31,749.

(This rate is estimated to produce \$53,084 for the purpose of paying Sewage Treatment and Reticulation Loan Charges).

b. Otorohanga Water Supply

A Targeted Loan Rate levied on the Capital Value of all rateable land within the Community of Otorohanga on a differential basis as follows:

- i. Differential Rating Area No.1 – 0.02859 cents in the dollar – estimated to produce revenue of \$20,492.
- ii. Differential Rating Area No.2 – 0.01144 cents in the dollar – estimated to produce revenue of \$31,715.

(This rate is estimated to produce \$52,208 for the purpose of paying Water Supply Loan Charges).

c. Kawhia Water Supply

A Targeted Loan Rate of 0.00989 cents in the dollar on the Capital Value of all rateable land within the Community of Kawhia.

(This rate is estimated to produce \$13,594 for the purpose of paying Water Supply Loan Charges).

d. Arohena Rural Water Supply

A Targeted Loan Rate of 0.01238 cents in the dollar on the Capital Value of all rateable land within the Arohena Water Supply Area.

(This rate is estimated to produce \$14,502 for the purpose of paying Water Supply Loan Charges).

e. Aotea Erosion Protection

A Uniform Targeted Loan Rate of \$567.30 on each separate rating unit within the Aotea Community.

(This rate is estimated to produce \$15,317 for the purpose of paying Loan Charges).

6. Targeted Rates

a. Roothing

- i. A Targeted Rate of 0.09403 cents in the dollar levied on the Capital Value of all rateable land within the District of Otorohanga.
- ii. A Uniform Targeted Rate of \$207.02 on each separate rating unit within the District of Otorohanga.

(These rates are estimated to produce \$4,242,858 and this revenue will be used for Roothing).

b. Security Patrol

- i. A Targeted Rate of 0.06969 cents in the dollar on the Capital Value of all rateable land within the “Security Patrol Area” (formerly Differential Rating Area No 1) in the Community of Otorohanga.

A Uniform Targeted Rate of \$283.33 on each separate rating unit within the “Security Patrol Area” (formerly Differential Rating Area No 1) in the Community of Otorohanga.

(This rate is estimated to produce \$68,000 for the purpose of funding a Security Patrol Service in a defined area of the Otorohanga Community).

c. Otorohanga CBD Development Rate

- i. A Targeted Rate of 0.00991 cents in the dollar on the Capital Value of all rateable properties within the Otorohanga Commercial Area (differential Rating Area No 1).

- ii. A Uniform Targeted Rate of \$132.93 on each separate rating unit within the Otorohanga Commercial Area (Differential Rating Area No 1).

(This rate is estimated to produce \$28,114 for the purpose of funding services specific to the Otorohanga Commercial area)

d. Aotea Erosion Targeted Rate

- i. A Uniform Targeted Rate of \$92.02 on each separate rating unit within the Aotea Community.

(This rate is estimated to produce \$15,000 and this revenue will be used for the following purposes: maintenance costs relating to the Aotea Seawall).

e. District Halls

Targeted Hall rates as follows:

HALL SEPARATE RATING DISTRICT	RATE IN \$	RATING SYSTEM	UNIFORM ANNUAL CHARGE	EST. RATE LEVY \$
Arohena	0.0004	Capital Value	\$40.00	3,174
Kio Kio	0.0008	Capital Value	\$17.78	5,561
Tokanui Crossroads	-	Capital Value	\$13.33	2,213
Puketotara/ Ngutunui	0.0003	Capital Value	\$8.00	2,729
Maihihi	0.0015	Capital Value	-	1,866
Otewa	-	Capital Value	\$16.00	2,048
Whawharua	-	Capital Value	\$8.89	667
Honikiwi	0.0012	Capital Value	-	1,481

(These rates are estimated to produce \$19,739 for the purpose of maintenance, operation, renovation and extension of the respective Halls).

7. Targeted Refuse Rates

Otorohanga Community

A Uniform Targeted Rate for Refuse Collection and Disposal of \$109.81 in respect of each separately used or inhabited part of a rating unit in the Otorohanga Refuse Collection area.

(This rate is estimated to produce \$146,260 for the purpose of financing the Otorohanga Refuse Collection and Disposal costs).

Kawhia Community

- a. A Uniform Targeted Rate for Refuse Collection and Disposal of \$223.89 in respect of each separately used or inhabited part of a rating unit in the Community of Kawhia.

(This rate is estimated to produce \$118,664 for the purpose of financing the Kawhia Community Refuse Collection and Disposal costs).

8. Targeted Water Rates

Otorohanga Community

- a. A Uniform Targeted Rate of \$178.25 on every separately used or inhabited part of a rating unit within the Community of Otorohanga which receives an ordinary supply of water from the Otorohanga Community Water Supply.
- b. A Uniform Targeted Rate of \$242.42 on every separately used or inhabited part of a rating unit located outside the Community of Otorohanga which receives an ordinary supply of water from the Otorohanga Community Water Supply.

(These rates are estimated to produce \$240,000 for the purpose of contributing to the costs of operating the Otorohanga Community Water Supply).

Kawhia Community

- c. A Uniform Targeted Rate of \$274.44 on every separately used or inhabited part of a rating unit, which receives an ordinary supply of water within the Community of Kawhia.

(This rate is estimated to produce \$116,363 for the purpose of contributing to the costs of operating the Kawhia Community Water Supply).

9. Targeted Sewerage Rates

A Uniform Targeted Rate of \$266.77 for the first water closet or urinal and \$0 for the second to fourth, \$44.44 for subsequent closets or urinals, on every separately used or inhabited part of a rating unit connected, either directly or through a private drain to the Otorohanga Community Sewerage Scheme.

(This rate is estimated to produce \$350,000 for the purpose of financing the costs of operating the Otorohanga Community Sewerage Scheme).

10. Targeted Rates for Extraordinary Water Supply

i. Otorohanga Community

- a. Each rateable separate rating unit within the Otorohanga Community on a metered supply to receive a free allowance of 220 cubic metres per annum with excess consumption charged at 57 cents per cubic metre.
- b. Each non-rateable separate rating unit within the Otorohanga Community to pay a charge of \$178.25 per annum and those on a metered supply 77 cents per cubic metre with a minimum charge of \$178.25 per annum.
- c. Each separate rating unit whether rateable or non-rateable outside the Otorohanga Community on a metered supply 77 cents per cubic metre with a minimum charge of \$242.42 per annum.
- d. In addition to the above charges each separate rating unit whether rateable or non-rateable receiving an extraordinary supply from the Otorohanga Community Water Supply \$103 per meter.

ii. Kawhia Community

- a. Each separate rating unit whether rateable or non-rateable in the Kawhia Community on a metered supply to receive a free allowance of 220 cubic metres per annum with excess consumption charged at \$1.02 cents per cubic metre.
- b. Each separate rating unit whether rateable or non-rateable outside the Kawhia Community on a metered supply - \$1.18 cents per cubic metre with a minimum charge of \$274.44 per annum.
- c. In addition to the above charges each separate rating unit whether rateable or non-rateable receiving an extraordinary supply from the Kawhia Community Water Supply \$103 per meter.

- d. In addition to the above charges each separate rating unit meeting the criteria for Peak Season Metered Water Charges will be charged a rate of \$10.23 per cubic metre for water usage between the period of 20 December and 20 February each year.

iii. Rural Water Supplies

- a. Each separate rating unit whether rateable or non-rateable within the Arohena Rural Water Supply Area on a metered supply – 34 cents per cubic metre plus an availability charge of \$377.78 per meter per annum.
- b. Each separate rating unit whether rateable or non-rateable within the Ranginui Rural Water Supply Area on a metered supply – 30 cents per cubic metre, plus an availability charge of \$1,800 for the first meter, with no charge for additional meters per customer per annum.
- c. Each separate rating unit whether rateable or non-rateable within the Tihiroa Rural Water Supply area on a metered supply – 70 cents per cubic metre plus an availability charge of \$400 per meter per annum.
- d. Each separate rating unit whether rateable or non-rateable within the Waipa Rural Water Supply Area on a metered supply - 52 cents per cubic metre plus an availability charge of \$88.89 per meter per annum.

And that with the exception of water by meter charges, council charge the rates to the 2010/2011 year by way of two instalments. Each instalment to be paid on or before the due dates set out below. Any rates paid after the due date to become liable for the penalties as set out below.

11. Instalments

The above rates and charges will be payable in two equal instalments due on 6 August 2010 and 7 January 2011 at the Council Office, Maniapoto Street, Otorohanga.

And that pursuant to sections 57 and 58 of the act, council impose the following penalties.

12. Additional Charges

- a. An additional charge of 10% will be added to all rates levied and due for the 2010/11 year that remain unpaid after 27 August 2010 and 28 January 2011.
- b. A further additional charge of 10% will be added to all rates that have been levied in any financial year previous to 1 July 2010 and which remain unpaid on 1 July 2010.
- c. A further additional charge of 10% will be added to all rates to which an additional charge has been added under 12(b) and which remain unpaid on 1 January 2011.

And that water meters be read on a six-month cycle and the accounts become payable on the 20th of the month following the issue of the invoice;

GD Bunn
FINANCE & ADMINISTRATION MANAGER

Item-350 GRANTS TO COMMUNITY ORGANISATIONS 2009/10

To: His Worship the Mayor and Councillors
Otorohanga District Council

From: Finance & Administration Manager

Date: 1 June 2010

Executive Summary

Report on Rating Issues – Rate Remissions.

Staff Recommendation

It is recommended that:

1. The report be received.
2. The Grants to Community Organisations from previous applicants, as scheduled be approved.

Report Discussion

The Schedule of Organisations that have made application for a Grant for their 2009/10 Rates is attached.

OTOROHANGA DISTRICT COUNCIL 2009/2010 GRANT FOR RATES

GL 249-623-277

REF	Name	2009/2010 Relief %	2009/10 Rates \$	Total Rate Relief 2009/2010 \$
05540-02500	Scout Group	100%	1,639.80	1,639.80
05540-07800	Otorohanga Bowling Club (Inc)	50%	1,913.70	956.85
05540-28400	Lyceum Club	100%	1,688.00	1,688.00
05540-06104	St Johns Ambulance	100%	284.80	284.80
5540-32001E	Senior Citizens Assn	100%	831.15	831.15
05540-41300	Otorohanga Tennis Club	50%	2,110.90	1,055.45
05540-49300A	Otorohanga Zoological Society	100%	3,344.40	3,344.40
05540-49300C	Otorohanga Girl Guides Assn	100%	1,617.90	1,617.90
05540-49300G	Otorohanga Domain Sports	50%	1,804.15	902.08
0562070000	Royal Forest & Bird Protection Society of NZ	50%	720.30	360.15
05620-66600A	Hamilton Junior Naturalists Club	100%	224.50	224.50
05620-67402	Hamilton Junior Naturalists Club	100%	1,143.70	1,143.70
05640-20100	Kawhia Rowing Regatta	50%	1,499.65	749.83
5680-22600	Hamilton Anglers Club Inc	50%	999.85	499.93
05540-49300I	Otorohanga Maori Wardens Association	100%	1,447.00	1,447.00
05540-15200	Beattie Home	75%	4,104.70	3,078.53
05540-49300J	Otorohanga Parents Centre	100%	1,521.50	1,521.50
05540-49300F	Otorohanga Netball Club	50%	1,979.40	989.70
05640-03800C	Kawhia Sports Club Inc	50%	1,907.20	953.60
05650-46401	Kio Kio United Rugby & Sports Club	50%	1,365.95	682.98

05640-19700	Kawhia Boating & Angling Club Inc	50%	2,043.05	1,021.53
05540-25600	Plunket Society	100%	1,771.25	1,771.25
0554013700B	Otorohanga Arts Centre (08/09 & 9/10)	100%	3,685.50	3,685.50
05540-23200	Harvest Centre	75%	2,996.95	2,247.71
			42,645.30	32,697.81
	Less GST			4,087.23
	Net Cost to Council			\$ 28,610.59

GD Bunn
FINANCE & ADMINISTRATION MANAGER

Item-351 APPLICATION FOR TEMPORARY ROAD CLOSURE - 2010 DUNLOP TARGA

**To: His Worship the Mayor and Councillors
 Otorohanga District Council**

From: Engineering Support Officer

Date: 1 June 2010

Executive Summary

An application has been received from Club Targa Inc for the following road closures within the Otorohanga District, to enable the 2010 Dunlop Targa event and associated activities to proceed. To assist with the stage security, Club Targa Inc have also requested the closures to include 100 metres of each adjoining road, from where it intersects with the road being applied for.

Staff Recommendation

It is recommended that:

Approval be granted for the following road closures, including 100 metres of each adjoining road, from where it intersects with the road being applied for:

Purpose: 2010 Dunlop Targa

Date: Tuesday 26 October 2010

Details of Closure: **Stage – Rangiatea/Rangitoto**

SIRCOMBE ROAD – starting from its intersection with Rangiatea Road to its intersection with Lurman Road.

LURMAN ROAD – from its intersection with Sircombe Road to its intersection with Paewhenua Road.

PAEWHENUA ROAD – from its intersection with Lurman Road to its southern intersection with Maihihi Road.

MAIHIIHI ROAD – from its intersection with Paewhenua Road to its intersection with Tauraroa Valley Road.

TAURAROA VALLEY ROAD – from its intersection with Maihihi Road to its intersection with Otewa Roads.

Includes intersection with Waimahora Road (no exit) and Owawenga Road (no exit).

OTEWA ROAD – from its intersection with Tauraroa Valley Road to its intersection with Barber Road.

BARBER ROAD – from its intersection with Otewa Road to the district boundary.

Period of Closure: 8.30am to 1.30pm

Stage - Waitomo

WAITOMO VALLEY ROAD – from the district boundary to its intersection with Haurua Road.

HAURUA ROAD – from its intersection with Waitomo Valley Road to the district boundary.

Period of Closure: 10.15am to 2.15pm

Stage – Turitea

HONIKIWI ROAD – starting from outside house No. 30 at 300 metres from its intersection with State Highway 31 to its intersection with Turitea Road.

Includes intersections with Wooster Road (no exit), Mangamahoe Road, Te Raumauku Road (no exit) and Bromley Road (no exit).

TURITEA ROAD – from its intersection with Honikiwi Road to finish at its intersection with SH31 (Kawhia Road).

Period of Closure: 12.00pm to 4.00pm

Stage - Kawhia Harbour

HARBOUR ROAD – starting from its intersection with Hauturu Road to the district boundary.

Includes intersections with Rakaunui Road (no exit), Whenuaapo Road (no exit), Waipuna Road (no exit) and Owhiro Road (no exit). Effects Brown Road (no exit).

Period of Closure: 12.30pm to 5.00pm

With the following conditions imposed:

1. Persons will be allowed through in the event of an emergency.
2. Club Targa Inc is to pay an application fee of \$400.00 towards administration of the road closure to Otorohanga District Council.
3. Club Targa Inc is to pay for all advertising costs in appropriate newspapers. Public notice advertisements are to be published in the Waitomo News.
4. Club Targa Inc is responsible for obtaining public liability insurance (and paying the cost thereof) to a minimum value of \$2,000,000. This is required to indemnify Council against any damage to property or persons as a result of rally activities during the road closure period.
5. Club Targa Inc is to comply with the objection provisions contained in the Transport (Vehicular Traffic Road Closure) Regulations 1965.
6. Club Targa Inc is to liaise, and provide evidence of liaison with all operators and businesses that may be affected by the road closures.
7. Club Targa Inc is to consult with all residents of all properties on the roads intended to be closed and also residents on roads connecting with the roads intending to be closed, including any no exit roads. Mail drops to residents are also to be carried out. All mail drops to residents are to be approved by Council staff before distribution to residents commences and must include the date that objections close with Council. The subsequent mail drop is to be completed no later than ten full days before the proposed closures.
8. Club Targa Inc is solely responsible for signposting and policing of the roads to be closed, to ensure that only vehicles connected with the Rally have access to the road closure areas. This includes arranging the delivery, erection and staffing of all road closure barriers and the removal thereof after closures. All gates and entranceways are to be taped and tape is to be removed thereafter.

9. Signs advising of the road closures are to be erected at the start and end of the closed portions of roads and on each intersecting road two weeks prior to the road closure. All signs are to be removed immediately after the closure. A Club Targa representative is to meet with Council Engineering Staff regarding the required signs format, size, location and quantity of signs for approval before they are manufactured and erected.

Report Discussion

These road closures are proposed pursuant to the Tenth Schedule of the Local Government Act 1974. Club Targa are prepared to comply with the objection provisions contained in the Transport (Vehicular Traffic Road Closure) Regulations 1965, to build on the good relations they have with residents from the affected areas.

Club Targa has planned a service stop in Otorohanga.

Robyn Hodges
ENGINEERING SUPPORT OFFICER

Item-352 REQUEST FOR EXTENSION TO CONTRACTS - REFUSE AND RECYCLING

To: **His Worship the Mayor and Councillors
Otorohanga District Council**

From: **Engineering Manager**

Date: **1 June 2010**

Executive Summary

A request has been received from EnviroWaste for Council to consider a proposal for an extension to their contracts (806, 807 and 808) for the refuse and recycling collections and operations of the recycle centres.

Staff Recommendation

It is recommended that:

Council agrees to an extension ofyears (does not agree to an extension) for contracts 806 – Refuse & Recycling Haulage, Processing and Disposal, 807 – Operation of the Otorohanga Recycle Centre, and 808 – Operation of the Kawhia Recycle Centre as proposed by EnviroWaste.

Report Discussion

During September 2009, a proposal was presented to Council staff by EnviroWaste for an extension of 6 years to the refuse and recycling contracts. The contracts covered by the proposal are:

Contract 806 – Refuse & Recycling Haulage, processing and Disposal which includes:

- The kerbside refuse and recycling services in Kawhia, Aotea and Otorohanga urban areas;
- Street litter bins in all areas, including reserves;
- Containment, haulage and disposal of refuse from the Kawhia and Otorohanga recycle centres;
- Collection, processing and marketing of recyclables from the Kawhia, Otorohanga and Ngutunui recycle centre.

Contract 807 – Operation of the Otorohanga Recycle Centre which includes:

- General operation of the centre;
- Collection, process and disposal of green waste.

Contract 808 – Operation of the Kawhia Recycle Centre which includes:

- General operation of the centre;
- Collection, process and disposal of green waste.

The contracts were originally let to Supa Bins (now EnviroWaste) and commenced in April 2005. They were initially for a 2 year period with a provision that the contracts may be extended for two

separate periods of two years. These two extensions have been agreed to giving a completion date for the contracts of 30 April 2011.

The total value of the contracts is dependent in part on volumes but over the past 12 months to end March 2010 has been \$285,727 excluding GST. Of this the Kawhia / Aotea collection and recycling portion of the contract 806 and all of contract 808 was \$98,196. Not all this amount is funded solely Kawhia rates as part of the Kawhia recycle centre is funded by district rates.

The proposal presented by EnviroWaste was for a further extension of six years (an initial 3 years plus the option of a further 3 years). In return, EnviroWaste would provide and deliver an initial batch of recycle crates for the weekly kerbside collections at no cost to Council. To provide some flexibility for Council over the extended life of the contract they would also introduce a transparent pricing mechanism to allow for any variation to the contract which Council may wish to negotiate during the remainder of the contract. Further discussions between Council staff and EnviroWaste has resulted in an agreement to extend the opening hours at the Otorohanga Recycle Centre in return for EnviroWaste being able to use the site as an operational base again at no cost to Council.

With changes to their operations EnviroWaste are now establishing a base at the Te Kuiti Landfill and wish to retain only a small depot in Otorohanga and as their lease on the Tait property had expired they were looking at other options. It has been agreed that EnviroWaste can locate a portacom office at the Otorohanga Recycle Centre and that the opening hours be extended. This agreement is only until 30 April 2011 and a formal agreement will be prepared if the contract is extended or EnviroWaste wins the contract if it is re-tendered.

In considering if the contract should be extended a number of matters need to be taken into account.

1. The performance of the contractor

In general the performance of EnviroWaste since taking over the contract has been good. There have been some issues to work through as we are now dealing with a larger company which is attempting to maximise its investment. The management have however been prepared to work through issues and look at ways to improve their service.

2. The existing levels of service provided

From previous discussions with Council and the Community Boards it has been agreed that the current level of service is about what is needed. The main areas where improvements are suggested are the opening hours of the two recycle centres and possible extension of the recycling facilities in the rural areas. There have also been discussions on the merits of refuse bags and wheely bins. The first two can easily be catered for in the proposed extension to the contract however the refuse bag / wheely bin issue is more significant in terms of philosophy, cost, payment etc. and outside the scope of the present contract.

3. The wishes of the two Community Boards

The proposal to extend the contract has been considered at the Otorohanga Community Board meeting on 11 March 2010 and the Kawhia Community Board workshop on 22 March 2010. The OCB did not reach a firm decision but were generally 3 members in favour of extending the contract for 3 years only and 2 members in favour of re-tendering.

At the workshop KCB agreed that they wished to decline any extension of the existing contract as they believe that there are other contractors who would like a chance to tender for the work and there could be changes to improve the service as provided at present.

A meeting has however been held between KCB and EnviroWaste management on 21 May to discuss issues with the existing contract. This covered the concerns of the Board and how they could be remedied by EnviroWaste. The final decision of the board is to be decided at their meeting on 28 May.

4. The value of the offer of EnviroWaste.

In return for an extension to the contract EnviroWaste have offered, at no cost to Council, recycle crates, extended hours at the Otorohanga Recycle Centre and a transparent pricing mechanism and technical assistance to allow flexibility to meet Council's waste and recycling objectives. The value of the recycle crates is estimated at \$11.00 + \$2.00 for supply and delivery x 1485 properties in Otorohanga and 666 properties in Kawhia / Aotea, a total of \$28,000. At this time the value of the extra hours at the recycle centre is neutral as EnviroWaste have the use as a depot in return. There is also no financial value for the transparent pricing but this does assist with contract relationship and can reduce contract supervision costs.

5. If the contracts are split and the KCB portion re-tendered and the OCB portion extended.

EnviroWaste have advised that they would be prepared to proceed with the contract extension for all the work outside the Kawhia area. This would exclude the waste and recycling collections and operations of the Kawhia Recycle Centre. At the present time the Kawhia street litter bins are emptied an average of four times per week, once in conjunction with the weekly kerbside collection and the remainder by the operators of the recycle centre. Therefore if the recycle centre contract and the collection are not extended it is probable that the street litter bins would also have to be excluded and re-tendered as this would become uneconomic for the contractor to service as at present. The value of this work for the last 12 months was \$21,754.

6. Are there likely to be other refuse contractors interested

It has been indicated that there are other refuse contractors who may be interested in tendering for one or all of the refuse contracts. There are only a small number of larger experienced refuse contractors and the number of suitable contractors who would tender will only be known if / when the contracts are re-tendered. This may vary depending on if the whole district is re-tendered or only part. If the contracts are re-tendered there is the possibility of significant increases in tender prices or a reduction in the standard of service with a new contractor.

After the initial settling in period since the purchase of Supa Bins, EnviroWaste have generally performed satisfactorily and are now undertaking improvements to their operations and to the level of service that they are providing. It is considered that there are advantages in having a known contractor and that the contract price is known and is very cost effective. Therefore an extension to the existing contracts may be appropriate. It is requested that Council considers the proposal by EnviroWaste for an extension to the contracts taking into account the decisions of the Otorohanga and Kawhia Community Boards.

Roy Chadwick
ENGINEERING MANAGER

Item-353 WASTE MANAGEMENT AND MINIMISATION PLAN 2010

To: **His Worship the Mayor and Councillors
Otorohanga District Council**

From: **Engineering Manager**

Date: **1 June 2010**

Executive Summary

A review of Council's waste management strategy has been undertaken and the Waste Management and Minimisation Plan 2010 prepared. The plan is now presented to Council for formal adoption.

Staff Recommendation

It is recommended that:

The Waste Management and Minimisation Plan 2010 be adopted.

Report Discussion

A review of Council's waste management has been undertaken and a Waste Management and Minimisation Plan 2010 prepared. A copy of this plan is provided to Councillors as a separate document. As the last stage of this review it is now requested that the plan be formally adopted.

The Waste Minimisation Act 2008 came into effect on 25 September 2008 and represents Government's approach to managing and minimising waste. The Act requires that Territorial Authorities conduct a waste assessment and adopt a Waste Minimisation and Management Plan for their district by 1 July 2012.

Council adopted a Solid Waste Management Strategy in February 1998. This Strategy was reviewed in 2002 as there had been significant changes in the District's management of solid waste, including the closure of its two landfills at Otorohanga and Kawhia. In addition, the adoption by Council of a 'Zero Waste' Plan and the development of an implementation strategy made this an opportune time to review the Solid Waste Management Strategy.

Whilst Council remains committed to waste reduction it has become apparent that some of the objectives in the 'Zero Waste' Plan (and in particular the elimination of waste to landfill by 2010) were unrealistic, and with the introduction of the Waste Minimisation Act a revision of the Plan, in light of Council's subsequent experience, is now considered necessary.

This Waste Minimisation and Management plan is to act as a transition between Council's Solid Waste Management Strategy and Zero Waste Plan and the full Waste Minimisation and Management Plan. In terms of section 50 of the Waste Minimisation Act this 2010 plan will need to be reviewed and the final Waste Minimisation and Management Plan completed by no later than 1 July 2012. The Plan is then to be reviewed at no more than six years after the last review.

This plan sets out Council's present waste services, activity principles and philosophy, asset management, operational management and levels of service. It also sets out Council's future direction in waste reduction and minimisation for reaching the full Waste Minimisation and Management Plan by 1 July 2012.

A more detailed action plan, giving directions and priorities for the first two years of the Waste Minimisation and Management Plan is included in the plan as Appendix A. This provides some tentative timeframes which will be subject to availability of funding etc.

A draft of the plan has been considered by both the Kawhia and Otorohanga Community Boards and their comments have been incorporated into this final copy of the 2010 plan. In reviewing the plan a number of questions were put to the Boards to be considered.

Is Council still committed in principle to waste reduction and to the "Zero Waste" philosophy?

Should we introduce wheelie bins in place of refuse bags - by when?

Should we introduce recycle crates - by when?

Should we extend the range of recyclables?

Should the Recycle Centre in Otorohanga and/or Kawhia be open more often?

Should we extend recycling in the rural area?

Should we increase the number of recycling bins (RIPPI), e.g., in Otorohanga and Kawhia townships? Note: the RIPPI funding ceases on 30 June 2010.

Roy Chadwick
ENGINEERING MANAGER

Item-354 CLEANING OF COUNCIL'S OFFICES & LIBRARY

**To: His Worship the Mayor and Councillors
 Otorohanga District Council**

From: Governance Supervisor

Date: 1 June 2010

Executive Summary

ODC Contract No. 914 (Cleaning of Council's Administration Building and Library) expires as at 30 June 2010 with no right of renewal.

Staff Recommendation

It is recommended that:

1. The Report be received
2. Council enter into a new Contract with R & D Miller for the cleaning of the interior and exterior of the Council Administration Building and Library with effect from 1 July 2010 and terminating on 30 June 2012 at a Contract price of \$22,687 p.a. and with the exclusion of the Bond requirement of \$7,000.

Report Discussion

The current Contract is with Raymond and Dawn Miller who have carried out the duties under the Contract, with the assistance of staff, from 1992. The Contract has over this period been repeatedly offered for tender however Mr & Mrs Miller's tender price has always been very substantially less than any other Tenderer's.

The standard of work carried out is adequate and with the Millers' providing this service for the past eighteen years they are very familiar with what is required and the best way of undertaking the duties.

With the current Contract expiring, discussion was conducted with the Miller's regarding the possible awarding of a further Contract to them, without open tendering. The Miller's are local people and employ local residents.

After negotiation the Miller's indicated that they would be willing to continue to provide a similar service to that currently received for a further two years for a price increase of approximately 12 percent provided that Council did not go out to tender. It was indicated that if Council went to tender their price would increase.

The offered is considered to represent excellent value, which is very unlikely to be bettered in an open tender.

The Miller's have requested that the \$7,000 Contractors Bond be waived in view of their long involvement with the Contract and this appears reasonable.

Because such an award of this Contract without an open tender would be contrary to normal Council procedure (and would indeed be contrary to some aspects of the guidelines previously followed in relation to the circumstances where extensions of existing contracts are appropriate) this matter has been referred to Council, even though staff have delegated authority to make such an awarding decision.

CA Tutty
GOVERNANCE SUPERVISOR

Item-355 MATTERS REFERRED FROM 11 MAY 2010

To: **His Worship the Mayor and Councillors
Otorohanga District Council**

From: **Governance Supervisor**

Date: **1 June 2010**

1. ENGINEERING MANAGER

20 April 2010

- i. To check with the Roadside Spraying Contractor that they are using the correct non-hormone spray.

11 May 2010

- ii. Staff to clarify who maintains the Riparian Strip under the River Control Reserve Licences.

2. POLICY MANAGER

30 March 2010

- i. To provide Cr Pilkington with what figures he could find for Community Grants for Kawhia.

3. FINANCE & ADMINISTRATION MANAGER

11 May 2010

- i. Staff to present a report to Council on a proposed marketing process/s to make the Wintec building available for sale.

CA Tutty
GOVERNANCE SUPERVISOR

GENERAL

