



Otorohanga District Council

# MINUTES

4 October 2011

# OTOROHANGA DISTRICT COUNCIL

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Minutes of an ordinary meeting of the Otorohanga District Council held in the Council Chambers, Maniapoto St, Otorohanga on Tuesday 4 October 2011 commencing at 9.00am.

## MINUTES

Minutes are unconfirmed and subject to amendment at the next meeting of Council.

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## **PRESENT**

Mr DF Williams (Mayor), Crs MM Baxter, S Blackler, RM Johnson, AG Ormsby (attended 9.50am), KM Phillips, DM Pilkington and RJ Prescott.

## **IN ATTENDANCE**

Messrs DC Clibbery (Chief Executive), R Chadwick (Engineering Manager), GD Bunn (Finance & Administration Manager) and CA Tutty (Governance Supervisor).

## **OPENING PRAYER**

Cr Phillips read the Opening Prayer.

## **APOLOGY**

**Resolved** that the apology received from Cr A Ormsby for lateness be sustained.

**Cr Prescott / Cr Pilkington**

## **ITEMS TO BE CONSIDERED IN GENERAL BUSINESS**

The Chief Executive reported correspondence had been received from the Hamilton City Council requesting Council to consider agreeing to the establishment of a Shareholder Relationship Group (SRG) to monitor and oversee the Company and Board of the Waikato Regional Airport Ltd. Following consideration this will require a resolution.

## **CONFIRMATION OF MINUTES - 13 SEPTEMBER 2011**

**Resolved** that the minutes of the meeting of the Otorohanga District Council held on 13 September 2011 as previously circulated, be approved as a true and correct record of that meeting.

**Cr Blackler / Cr Pilkington**

## **REPORTS**

### **Item-150 OTOROHANGA COMMUNITY BOARD MINUTES 8 SEPTEMBER 2011**

#### **Resolved**

That the minutes of the meeting of the Otorohanga Community Board held on 13 September 2011 be received.

**Cr Prescott / Cr Johnson**

### **Item-151 SWIMMING POOL 'AFFORDABILITY LIMITS' AND CONTRACT EXTENSION**

#### **Discussion**

The Chief Executive summarised his report on a request by Total Leisure Concepts for an extension of their Contract to operate the Otorohanga Swimming Pool complex. He said that concerns in relation to the increasing cost of owning and operating a pool have resulted in a proposal to set an 'affordability

limit' for this activity, which will have potential implications for the Contract and the future level of service.

The Chief Executive advised that there has been a strong upward trend in the operating costs of the facility, these originally being relatively minor to now being considerable, with the potential to increase further.

The Chief Executive reported, following discussion with the Contractor, that the Contractor could see there is a need for his Company to contain their costs and if it was agreed that the Contract be renewed for a further three years plus a two year option, he would remove the annual cost escalation adjustments from the Contract.

Cr Pilkington queried whether a schedule of maintenance required has been prepared. The Chief Executive replied it was at the discretion of Council staff as to where money will be spent however, this will not be on any improvements, only on maintenance. The Engineering Manager reported it would be proposed to renew the existing Contract for three years from 1 July 2012. His Worship said the proposal will place real restraints on the Contractor and Council and that a series of conversations will need to be held with the users. He said it would be desirable to signal the current situation to the general public for their information.

The Chief Executive advised that the complete closure of the indoor pool would provide the most substantial savings. He said the Contractor had raised the matter of the changing rooms requiring tidying up. The Engineering Manager reported there are concerns as to why the operating costs keep going up. The Chief Executive reported that the Contractors costs are made up of approximately 60-65 percent for labour. He said the Contractor is not responsible for major maintenance items, this is the responsibility of Council. He further advised that, at this stage Council has not identified any major items requiring maintenance. His Worship said Councillors wish to know details of projected maintenance. The Finance & Administration Manager advised these would be identified in the 10 year forecast. The Engineering Manager reported that maintenance totals only \$12-15,000 per annum, the remaining balance related to operating costs. His Worship said there is a need for all involved to focus on not exceeding 3.75 percent of the total District rates in any one year. Cr Phillips referred to the \$400,000 debt on the Pool Complex and said it would be very desirable if this could be cleared. The Finance & Administration Manager advised that any increase in depreciation up to the level of the loan repayments will not have any effect on the overall rate requirement.

## **Resolved**

That

1. 'Affordability Limits' in respect of the cost of the Otorohanga Swimming Pool activity be established as follows:  

The total annual cost of the Swimming Pool Activity shall not exceed 3.75% of total District Rates.

This limit will be incorporated into Council's Long Term Financial Strategy.
2. If it is indicated that in any year the 'Affordability Limits' will be exceeded, then the level of service of the Pool activity will be reduced to the extent that is necessary to prevent this occurring.
3. The existing contract for the operation of the Otorohanga Memorial Pool Complex with Total Leisure Concepts Ltd (ODC Contract 552) is extended for an initial term of three years (with an option for a further two years subject to mutual agreement by both parties) subject to the revised conditions proposed by the contractor, which include their making financial contributions totalling \$50,000 towards maintenance works required at the complex, and the removal of annual cost escalation adjustments from the contract.

## **Cr Baxter / Cr Prescott**

## **Item-152      SPARC ASSESSMENT COMMITTEE MINUTES 11 SEPTEMBER 2011**

### **Discussion**

The Governance Supervisor presented a report informing Members that the SPARC Assessment Committee met on 21 September 2011 to assess the applications received for the first round of funding for the 2011/12 year.

Cr Pilkington expressed her appreciation to the Governance Supervisor and Members of the Assessment Committee for their efforts in assessing the applications in particular those from Kawhia and Hauturu. She reported that the Coastal Junior Rugby grant to provide transport to Pirongia is also utilised by the Kawhia Netball girls. His Worship reported that the Assessment Committee looked at the ability of organisations to pay for their own travel costs and decided to allocate funding into areas that have difficulties in funding their own transport. Cr Pilkington agreed that the funding was directed towards those organisations that have to travel to participate in team sports.

### **Resolved**

That

1. The minutes of the meeting of the SPARC Assessment Committee held on 21 September 2011 be received
2. The grants detailed below be approved for payment -

Maui Dolphins Basketball Team	\$1,000
Otorohanga Football Club	\$250
Otorohanga Sports Club	\$1,000
KioKio United Sports Club	\$750
Otorohanga College Hockey	\$500
King Country Boxing Club	\$300
Coastal Junior Rugby	\$2,000
Total	\$5800

### **Cr Pilkington / Cr Baxter**

## **Item-153      ODC MATTERS REFERRED FROM 13 SEPTEMBER 2011**

### **Discussion**

The Governance Supervisor took Members through Matters Referred.

### **DISTRICT LOGO**

The Chief Executive advised that he had been in contact with designer David Walmsley approximately two weeks ago and said proposed changes to the existing District logo should be received in the very near future.

### **PLANTING OF TREES**

The Engineering Manager reported that the issues regarding property owners planting trees along property boundaries, etc will be considered in a workshop following the next meeting of Council. Cr Blackler reported on the pruning of trees on private property along Happy Valley Road which hung over onto Road Reserve. She questioned as to why Council is meeting this cost.

## **GENERAL**

### **KAWHIA ACTIVITIES**

Cr Pilkington informed Members that the 'Spring Fling' and a Weaving Conference are being held in Kawhia over Labour Weekend.

### **TRANSPORT COMMITTEE MEETING**

Cr Blackler extended her apologies for not being able to attend a recent Transport Committee meeting.

### **RURAL SECTOR**

His Worship extended an invitation to Members to attend a Rural Sector meeting in Wellington on 17/18 November 2011. Members wishing to attend are requested to advise their intentions to Council's Executive Assistant.

### **WAIWERA STREET, KAWHIA SUBDIVISION**

Members were advised that the Commission has granted approval to the Waiwera Street, Kawhia subdivision. Members were informed that this is a joint venture between Council and the Kawhia Community Board.

## **Item-154      WAIKATO REGIONAL AIRPORT LTD**

### **Discussion**

The Chief Executive summarised a report received from the Hamilton City Council on the strategic review of the Waikato Regional Airport Ltd (WRAL) and to give consideration to establishing a Shareholder Relationship Group (SRG) to manage the Shareholders relationship with this Company.

The Chief Executive reported that the Strategic Review of WRAL by Cranleigh Consultants did not identify any major matters that need to be addressed by the Shareholders, with the exception to the change to the monitoring of the performance of the Company and Board. He said the proposed SRG would report to each Shareholding Council on a quarterly basis. The Mayor of each Council will be appointed to the SRG with delegation to act on all matters within the power of the SRG.

His Worship informed Members that the AGM meeting of the WRAL is to be held on Monday 17 October 2011 at 11.30am.

### **Resolved**

That Council agrees in principle to the establishment of a Shareholder Relationship Group (SRG) to monitor and oversee the Company and Board of the Waikato Regional Airport Ltd.

### **Cr Blackler / Cr Pilkington**

### **CR A ORMSBY**

Cr Ormsby attended the meeting at 9.50am.

### **REMUNERATION AUTHORITY**

The Chief Executive referred to the review of Members remuneration by the Remuneration Authority and advised that a series of questions will be asked. He said these need to be considered by Council. The Chief Executive advised that Local Government NZ have put out their response to the review.

## **RURAL BROADBAND**

The Finance & Administration Manager advised that Telecom has established a Company named Chorus and that they wish to make a presentation to Council. This will involve working with Council in order that the needs of Ratepayers are addressed. He suggested that representatives attend the next meeting of Council in a workshop situation.

## **MEETING CLOSED**

The meeting concluded at 10.00am.

**MAYOR:**

**DATE:** 25 October 2011

