



Otorohanga District Council

MINUTES

25 October 2011

OTOROHANGA DISTRICT COUNCIL

25 October 2011

Minutes of an ordinary meeting of the Otorohanga District Council held in the Council Chambers, Maniapoto St, Otorohanga on Tuesday 25 October 2011 commencing at 10.06am.

MINUTES

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

ORDER OF BUSINESS:

ITEM	PRECIS	PAGE
PRESENT		1
IN ATTENDANCE		1
OPENING PRAYER		1
ITEMS TO BE CONSIDERED IN GENERAL BUSINESS		1
CONFIRMATION OF MINUTES		1
REPORTS		1
Item-155	KAWHIA COMMUNITY BOARD MINUTES 30 SEPTEMBER 2011	1
Item-156	DISTRICT LIBRARIANS QUARTERLY REPORT FOR JULY TO SEPTEMBER 2011	1
Item-157	DISTRICT PLANNERS REPORT	2
Item-158	DISTRICT BUILDING CONTROL OFFICER'S REPORT FOR JULY TO SEPTEMBER 2011	2
Item-159	AMENDMENT TO TRADE WASTE BYLAW 2000	3
Item-162	ALL OF GOVERNMENT PROCUREMENT AND ASSOCIATED ISSUES	3
Item-160	ANNUAL REPORT 2010/2011	4
Item-161	LOAN RAISING 2011/12	4
Item-163	LAPP SCHEME DISASTER INSURANCE	5
Item-164	ODC MATTERS REFERRED FROM 4 OCTOBER 2011	6

GENERAL		6
Item-165	EXPENDITURE FOR UPGRADING WORKS – WASTEWATER TREATMENT	7
Item-166	POTENTIAL REVIEW OF ELECTORAL SYSTEM	8
MEETING CLOSED		9

PRESENT

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

IN ATTENDANCE

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

OPENING PRAYER

The Chief Executive read the Opening Prayer.

ITEMS TO BE CONSIDERED IN GENERAL BUSINESS

The following items were raised for consideration in General Business which may require a resolution.

1. Potential review of electoral system
2. Expenditure for upgrading works – Wastewater Treatment
3. Rewa Rewa Reserve issues.

CONFIRMATION OF MINUTES

Resolved that the minutes of the meeting of the Otorohanga District Council held on 4 October 2011 as previously circulated, be approved as a true and correct record of that meeting.

Cr Pilkington / Cr Phillips

REPORTS

Item-155 KAWHIA COMMUNITY BOARD MINUTES 30 SEPTEMBER 2011

Resolved

That the minutes of the meeting of the Kawhia Community Board held on 30 September 2011 be received.

Mrs Pilkington / Cr Baxter

Item-156 DISTRICT LIBRARIANS QUARTERLY REPORT FOR JULY TO SEPTEMBER 2011

Discussion

The District Librarian attended the meeting and presented a quarterly report for the period July – September 2011.

In reply to Cr Blackler who queried whether there was a record available of the split between fiction and non-fiction eBooks, the District Librarian replied that these are mainly fiction. The Finance & Administration Manager confirmed that the cost to offer eBooks and downloadable books would be met from the existing book budget.

Cr Pilkington commended the District Librarian and her staff for their work in conjunction with the local schools. Cr Pilkington referred to school classes visiting the Kawhia Library and queried how these were accommodated within the building. The District Librarian replied that the school groups did fit in the Library building however, there was some tidying up required when they left. In reply to Cr Phillips regarding the use of overdrive, the District Librarian replied that this platform allows Library customers to borrow audiobooks and eBooks for limited use and that these can be downloaded onto a computer and uploaded to their own devices.

His Worship extended thanks to the District Librarian for the quarterly report and for the work carried out by the Library staff.

Resolved

That the District Librarian's quarterly report for the period July to September 2011 be received.

Cr Pilkington / Cr Prescott

Item-157 DISTRICT PLANNERS REPORT

Discussion

The Environmental Services Manager summarised the former District Planner's report on Resource Consents granted under delegated authority for the period 1 July to 30 September 2011.

WAIWERA STREET SUBDIVISION

The Environmental Services Manager reported that the Waiwera Street Subdivision Consent is now active.

MINISTRY FOR THE ENVIRONMENT

The Environmental Services Manager informed Members of a survey of the Resource Management Act required by the Ministry for the Environment. He said the survey provides both information about Local Authority implementation of the Act and a measure of comparative performance. He said this Council has processed 99 percent of applications within the required timeframe.

Resolved

That the District Planner's report for July to September 2011 be received.

Cr Johnson / Cr Blackler

Item-158 DISTRICT BUILDING CONTROL OFFICER'S REPORT FOR JULY TO SEPTEMBER 2011

Discussion

The Environmental Services Manager summarised the District Building Control Officer's report for July – September 2011.

In reply to Cr Blackler regarding Licenced Building Practicioners, His Worship advised that this will name and assign the responsibility of any particular work to an individual.

Resolved

That the District Building Control Officer's report for July to September 2011 be received.

Cr Phillips / Cr Pilkington

Item-159 AMENDMENT TO TRADE WASTE BYLAW 2000

Discussion

The Environmental Services Manager presented a report advising that part of the Otorohanga District Tradewaste Bylaw, that deals with breaches and offences against the Bylaw, requires amendment.

Resolved

That Part 1.17 of the Trade Waste Bylaw be amended by the substitution of the following clauses in order for the bylaw to be consistent with the provisions of the Local Government Act 2002.

1.17 OFFENCES

1.17.1 Any breach of this Bylaw constitutes an offence pursuant to section 239 of the Act.

1.17.2 Any person or occupier not complying with any provisions of this Bylaw, commits an offence under section 239 of the Local Government Act 2002 and is liable on summary conviction to a fine under section 242(5) of the Act, not exceeding \$200,000.

Cr Blackler / Cr Phillips

Item-162 ALL OF GOVERNMENT PROCUREMENT AND ASSOCIATED ISSUES

Discussion

The Chief Executive presented a report informing Members that there is an opportunity for Council to participate in Central Government's 'All of Government' collective procurement scheme, which if pursued, could require changes to be made to Council's existing policy in respect of purchasing light vehicles.

His Worship reported that Ingham Mitsubishi are able to obtain most makes of vehicles and that many local events/sponsorships are underpinned by local franchise dealers. Accordingly he expressed the opinion that Council should support purchasing locally. Cr Blackler expressed the opinion that Council is obliged to its Ratepayers to obtain the best deal wherever possible, and that if it was agreed to only deal locally for the purchase of vehicles then there would only be two families obtaining the benefit. In reply to Cr Pilkington, the Chief Executive advised that the initial term of the Agreement is for three years. Cr Phillips reported that the servicing of a vehicle forms a large part of the overall deal. Cr Johnson felt that Council is in place to encourage business and progress the District therefore he would not like to see staff driving vehicles which have not been supplied locally. His Worship said there is not a large amount of money to the Dealer in the sale of a new vehicle however, he was of the opinion that most of the District Ratepayers should receive any benefit. Cr Ormsby said he could not support Council in moving away from purchasing vehicles locally. His Worship referred to the provision of vehicles and their servicing and said he would like reassurance from Staff that the local Dealers will be involved. Cr Phillips suggested that Staff contact local dealers Messrs Paul Prescott and John Ingham to obtain their views on the proposal. His Worship felt that an approach should be made to the local Motor Trade Association which represents these dealers. Members agreed that more information was required in particular as to where any new vehicles under the agreement, would be delivered from and to obtain the opinion of a local representative group.

Resolved

That

1. The report be received.
2. Council participates in 'All of Government' collective procurement arrangements in respect of office supplies, computer hardware and print devices.

3. Further consideration be given to Council's participation in an 'All of Government' Procurement arrangement for passenger vehicles.

Cr Pilkington / Cr Baxter

Item-160 ANNUAL REPORT 2010/2011

Discussion

The District Accountant attended the meeting and presented the report. He said the report is still subject to final Audit approval.

Resolved

That the Draft Annual Report for the year ended 30 June 2011 be adopted, subject to final audit approval.

Cr Blackler / Cr Pilkington

Item-161 LOAN RAISING 2011/12

Discussion

The Finance & Administration Manager presented a report advising that Council is required to pass a resolution authorising Loan Raising for the current financial year. He referred to a report to be presented by Council's Engineering Manager regarding expenditure for upgrading works – Wastewater Treatment. The Finance & Administration Manager advised it may be desirable for Council to authorise a further \$1M making a total to borrow of up to \$4M instead of \$3M contained in his report. In reply to Cr Pilkington regarding how this would affect Council's bottom line of debt, the Finance & Administration Manager replied that the proposal would be setting a debt ceiling. He said the Engineering Manager's report proposal will have an affect on rates. Cr Phillips said he was concerned at the amount of interest paid by Council last year. He reported this was approximately \$100,000 over that budgeted. Cr Pilkington said she felt confident that the borrowing facility would not be abused. The Finance & Administration Manager advised that Council borrows on a 'cash flow' basis.

Resolved

That

1. Pursuant to the Local Government Act 2002, Council resolves to authorise the Chief Executive to borrow up to \$4,000,000 for a term not exceeding thirty years, secured against the rates revenue of the District, and targeted rates as provided for in any Deed of Charge or Debenture Trust Deed if this is in place at the time of loan raising.
2. The purpose of the loan shall be to refinance existing debt, and to allow the works contained in Council's Annual Plan for 2011/2012 and other works to be carried out.
3. Council delegates to the Chief Executive the authority to determine:
 - the coupon rate;
 - the period of interest payments;
 - the maturity date;
 - any other terms and conditions necessary for the issuing of security and for compliance with the Local Government Act, any other applicable Act, the security, and the Register and Paying Agency Agreement, and to issue such debenture stock with a face value sufficient to yield the sum \$4,000,000 and execute such; and

4. To give one or more certificates in respect thereof for the purposes of the Local Government Act.
5. And further that, in authorising this borrowing, Council has considered the risks and benefits associated with the proposal and is satisfied that the proposed borrowing complies with Council's Liability Management Policy.

Cr Prescott / Cr Pilkington

Item-163 LAPP SCHEME DISASTER INSURANCE

Discussion

The Chief Executive summarised his report advising that consideration is given to the potential withdrawal of Council from the LAPP infrastructural asset insurance Scheme, in response to the increased contributions to the scheme arising from the Christchurch earthquakes. He outlined two preferable alternative approaches to funding the 40 percent of damage cost that would not be covered by Central Government, these being –

1. Establishing a Piped Services Disaster Fund
2. Potential sale of Te Raumauku Road property

With regard to the Te Raumauku Road property, His Worship queried if the property was sold whether the proceeds could be included in the Piped Services Disaster Fund. Cr Prescott suggested that the monies received from the Lease of the Te Raumauku Road property be placed in the Piped Services Disaster Fund. His Worship agreed with the suggestion of the income generated from the property being placed in the Piped Services Disaster Fund. The Finance & Administration Manager advised that the revenue currently goes into the Community Property Account however, he undertook to look into the surplus created. He said this will be considered through the Annual Plan process.

Resolved

That

1. Council gives notice to withdraw from the Local Authority Protection Programme ('LAPP'), so that a final contribution is paid to LAPP in the 2012/13 financial year.
2. That a 'Piped Services Disaster Fund', to be used only for potential replacement of assets previously covered by the LAPP scheme, is established in Council's 2013/14 financial year.
3. That approximately half of the current increased LAPP contributions (this half being approximately \$32,000) is paid into the Piped Services Disaster Fund in 2013/14 and for each of the following two financial years.
4. That for every financial year from 2016/17 onwards an inflation adjusted payment equivalent in real terms to Council's contribution to LAPP prior to the Christchurch earthquake (\$16,000 per annum in 2010/11) is made to the Piped Services Disaster Fund.
5. That until such time as the balance of the Piped Services Disaster Fund is sufficient to meet 40% of the assessed damage to previously LAPP insured assets in comprehensive flood of the Otorohanga Community (currently assessed to be approximately \$1 million) the 201Ha farm property owned by Council on Te Raumauku Road shall be retained to ensure that such costs can if necessary be met by the sale of this property.
6. That improved contingency plans should be developed to manage a potential flooding of the Otorohanga Community, as this is clearly the most significant natural disaster risk in the District.

Cr Baxter / Cr Prescott

Item-164 ODC MATTERS REFERRED FROM 4 OCTOBER 2011

Discussion

It was agreed that the items on Matters Referred will be considered in a workshop situation following the meeting.

GENERAL

REWAREWA RESERVE

Cr Johnson referred to correspondence he had received regarding the RewaRewa Reserve. Members were advised that a meeting of the two parties involved is to be held next Monday 31 October 2011. His Worship said it is the intention for all parties to agree on a process to develop a Management Plan for the area. Cr Pilkington queried, should the letter of resignation be accepted, then is the writer intending to continue to graze the land. His Worship reported that should the two parties not come to an agreement then any costs incurred in maintaining the area will be placed on that particular Ward. He said the area is a Local Purpose Reserve. Cr Phillips reported that someone is actually mowing the grass. Cr Pilkington suggested that if agreement is not reached then Council just move on and leave the matter as it is.

CYCLE WAY

Cr Phillips reported he will be participating in the opening of the Cycleway at Whakamaru.

HAMILTON AIRPORT AGM

Cr Blackler reported on her attendance at the Hamilton Airport Ltd's AGM and advised that the Company had made a \$300,000 profit.

WAIKATO VALLEY EMERGENCY MANAGEMENT GROUP

Cr Blackler attended a recent meeting and advised that she had moved a motion that the Groups budget not be increased. She said this was not seconded and that a further meeting will be held.

MANAGEMENT ACCOUNTS

The District Accountant informed Members that the Management Accounts to 30 September 2011 will be put to Council in a workshop situation follow the next meeting.

OTOROHANGA BOWLING CLUB

The District Accountant presented an invitation to Councillors to form a team in a forthcoming Business House Bowling tournament.

DISTRICT PLANNER

The Environmental Services Manager advised that former District Planner, Ms Amiee Bishop, had now left Council, approximately two weeks ago. He said that a Planning Consultant, Mr Peter Skilton, will be coming into the Council office one day (Wednesday) per week to provide Planning services.

Item-165 EXPENDITURE FOR UPGRADING WORKS – WASTEWATER TREATMENT

Discussion

The Engineering Manager presented a report advising that the investigation and design work for the Resource Consent renewal and upgrading works for the Otorohanga Wastewater Treatment are in the final stages and tenders have been received for the upgrading works. He said acceptance of the tenders will result in a substantial over-expenditure of the budget allocation with approval for total expenditure of \$1.4M in the 2011/12 year being sought. It is therefore requested that Council consider the tender report and approve the necessary increased funding. His Worship said he was really disappointed that such a request has been made to Council following tenders being called for the upgrading works. The Engineering Manager apologised for the oversight. He said although consideration has been given to the required works, the approval of extra funding had slipped his mind. Cr Phillips expressed concern regarding the wetlands area, he said advice has been received that a wetlands would not now be established. He said there must be better systems available. Cr Baxter suggested that the proposed funding be used to increase the capacity of the existing ponds. His Worship said he required assurance from Staff on the information received from the Consultant. Cr Ormsby pointed out that the proposed funding figures had doubled since the matter was considered by the Otorohanga Community Board.

In reply to Cr Ormsby, the Engineering Manager produced information which confirmed that a cost of approximately \$1.1M had been previously indicated to the Board.

The Engineering Manager advised that, should a wastewater treatment system be constructed again Consultants would now advise that they would not recommend installing a wetlands area. He said however, because the wetlands are there, it is more economical to upgrade these. He reported that since the service has returned in-house, the ponds are working better, and better results are being obtained. The Engineering Manager reported that there are some very poor designs within the existing facility and therefore part of the upgrade is to correct these. The Engineering Manager confirmed that the Application and Assessment of the Environmental Effects (AEE) must be lodged by 28 October 2011. He reported that discussions have been held with the Waikato Regional Council (WRC) and Iwi, who are in favour of retaining the wetlands as they see this as part of ground disposal. He said, should Council place in the AEE that it does not wish to retain the wetlands, then WRC may reduce the period of the Resource Consent and/or place more conditions on the Application. The Engineering Manager advised that should a submission be received by WRC against the proposal, then the matter may have to go to a Hearing. His Worship referred to the wetlands area and said he needs reassurance that the \$300,000 proposed will bring about the required benefits. Cr Baxter advised that WRC does not really care about the wetlands, it is how the oxidation ponds are operating. His Worship requested Council's Chief Executive and Engineering Manager report back to the Board with reassurance on the proposal in particular, in regard to the wetlands area.

The Chief Executive said that he was comfortable with the works being proposed on the oxidation pond, but shared the concerns of Councillors in respect of the proposed works on the wetlands.

In regards to the removal of sludge, the Chief Executive advised that this had been previously paid for based on the cubic metres taken out. He said the cost would have been more should extra sludge have been removed. He said de-sludging needs to be carried out however, as to why there is so much there he did not know. Cr Baxter suggested that Staff need to obtain the WRC requirement on the lining of ponds. Cr Blackler felt this should be obtained in writing. The Engineering Manager advised that in previous discussion with WRC the lining of the ponds has never been mentioned. His Worship requested that the Otorohanga Community Board be advised that their concerns on the proposal are shared by Council, in particular whether Council is obtaining value for money. The Finance & Administration Manager reported that an extra \$1.5M of debt would represent a 2-3 percent rate increase for the Community.

Resolved

That

1. The tender for Contract 969 for the earthworks package of the wastewater treatment upgrade from Inframax Construction Ltd in the sum of \$279,319.99 be accepted.
2. The tender for Contract 970 for the pond package of the wastewater treatment upgrade from Spartan Construction Ltd in the sum of \$680,149.58 be accepted.
3. The budgeted allocation for the Otorohanga Community Treatment upgrade for 2011/12 be increased from \$720,000 to \$1.15M to allow for the proposed upgrade works for
4. Further investigation be conducted for in respect of potential improvements to the wetlands.

Cr Ormsby / Cr Phillips

FONTERRA

His Worship referred to correspondence received from Fonterra wherein they are requesting from NZTA an exemption to permit the weight of their tankers to increase from 44 to 45 tonnes. He said they are writing to Council as this will place extra pressure on some rural roads. Cr Baxter said this exemption would be in the best interests of this Council's roads as there will be fewer tankers using them.

ZONE 2

His Worship reminded Members of a Zone 2 meeting to be held in Tauranga on 11 November 2011.

RURAL SECTOR

His Worship reminded Members of a Rural Sector meeting to be held in Wellington on 17/18 November 2011.

He requested Members confirm their attendance at either meeting with Council's Executive Assistant.

Item-166 POTENTIAL REVIEW OF ELECTORAL SYSTEM

Discussion

The Chief Executive presented a report on details of the proposed Electoral System for the 2013 and 2016 Triennial Elections. He advised that an advertisement had been placed in last weeks local papers based on an informal response from Members.

Resolved

That Council retains its existing practice of employing a First Past the Post electoral system for elections to Council or its Community Boards, and that this system is used for the 2013 and 2016 Triennial Elections unless a poll on Electoral Systems is demanded by electors in accordance with Section 29 on the Electoral Act 2001, which selects an alternative system.

Cr Blackler / Cr Pilkington

CHANGES TO FUNDING REVIEW

The Finance & Administration Manager circulated a memo to Councillors on the changes of the Funding Review.

MEETING CLOSED

The meeting concluded at 12.22pm.

MAYOR:

DATE: 15 November 2011

