



AGENDA

Ordinary meeting of the

Nelson City Council

Thursday 27 February 2014

**Commencing at the conclusion of the Council meeting to
deliberate on submissions to the draft Local Alcohol Policy
Council Chamber**

Civic House

110 Trafalgar Street, Nelson

Membership: Her Worship the Mayor Rachel Reese, Councillors Luke Acland, Ian Barker, Ruth Copeland, Eric Davy, Kate Fulton, Matt Lawrey, Brian McGurk, Paul Matheson (Deputy Mayor), Gaile Noonan, Pete Rainey, Tim Skinner, and Mike Ward

Opening Prayer

Apologies

1. Interests

- 1.1 Updates to the Interests Register
- 1.2 Identify any conflicts of interest in the agenda

2. Confirmation of Order of Business

3. Confirmation of Minutes

- 3.1 Council – 12 December 2013 12-28
Document number A1118689
Recommendation

THAT the minutes of the meeting of the Nelson City Council, held on 12 December 2013, be confirmed as a true and correct record.

- 3.2 Council – 19 December 2013 29-31
Document number A1123211
Recommendation

THAT the minutes of the meeting of the Nelson City Council, held on 19 December 2013, be confirmed as a true and correct record.

4. Mayor's Report 32-34

Document number A1145259

Recommendation

THAT the Mayor's Report (A1145259) be received;

AND THAT Her Worship the Mayor use the Mayor's discretionary fund to cover the cost of the resource consent fees for use of amplified sound at Relay for Life at Saxton Field in 2014, up to the value of \$1,300.

AND THAT \$12,330 from the Economic Development Fund be used to provide free WiFi to the city centre.

5. Annual Plan 2014/15 Workshop Discussion Summary and Proposed Changes 35-64

Document number A1143726

Recommendation 3.2

THAT the additional SUIP (Separately Used or Inhabited Parts of a rating unit) charges for commercial properties for both wastewater and the UAGC (Uniform Annual General Charge) be reduced by 50% in the draft Annual Plan 2014/15.

Recommendation 3.4

THAT the project to enhance pedestrian connections through improvements to Church Street not be included in the draft Annual Plan 2014/15.

Recommendation 3.6

THAT funding for the Waimea Road/Market Road intersection upgrade and the Waimea Road widening/Snows Hill projects be considered in the draft Long Term Plan 2015/25.

Recommendation 3.8

THAT the Halifax Street cycle lane be removed from the draft Annual Plan 2014/15 and from Council's project list.

Recommendation 3.10

THAT \$100,000 for the design of the replacement pipeline from the water treatment plant to Westbrook Terrace be included in the draft Annual Plan 2014/15.

Recommendation 3.12

THAT \$100,000 be allocated in the draft Annual Plan 2014/15 to complete flood protection works in the Orphanage Stream.

Recommendation 3.17

THAT an allocation of \$150,000 be made in the draft Annual Plan 2014/15 for investigation and design of concept plans for the School of Music earthquake strengthening and refurbishment project;

AND THAT the Canterbury Community Trust be requested to partner this work with Council and allow its grant to the School of Music to be drawn on for a contribution to the investigation and design of concept plans;

AND THAT additional operational funding of \$75,000 allocated to support a new joint entity between the Nelson School of Music and Theatre Royal be removed from the draft Annual Plan 2014/15 due to the entity not being established;

AND THAT the operational grant for the School of Music be set at \$40,000 for 2014/15 in light of the closure of the auditorium and the consequent reduction in community outcomes provided.

Recommendation 3.20

THAT \$10,000 be allocated in the draft Annual Plan 2014/15 for planning and design of arts projects.

Recommendation 3.22

THAT \$3million be allocated in the Annual Plan 2014/15 to address issues at the Trafalgar Centre, \$2.25million of which is carried forward from 2013/14.

Recommendation 3.24

THAT \$500,000 be allocated in the draft Annual Plan 2014/15 for implementation of a solution to the ongoing problems at the Tahunanui Modellers Pond;

AND THAT funding be provided for ongoing annual operational costs of \$93,000.

Recommendation 3.26

THAT \$50,000 be allocated in the draft Annual Plan 2014/15 to meet resource consent conditions at the marina.

Recommendation 3.30

THAT \$10,000 be included in the draft Annual Plan 2014/15 to support WWI commemorations, in addition to the existing financial and staff resource allocations.

Recommendation 3.33

THAT \$200,000 for investigation and design of a community and sports facility at Greenmeadows be included in the draft Annual Plan 2014/15.

Recommendation 3.36

THAT funding for the Stoke Youth Park be deferred for consideration in the Long Term Plan 2015/25 as part of a wider development in Stoke centre.

Recommendation 3.38

THAT the \$128,000 for Tahunanui Reserve Management Plan implementation deferred from 2014/15 should be included in the draft Long Term Plan for consideration.

Recommendation 3.40

THAT the annual grant to Uniquely Nelson be increased by \$6,000 to cover additional work needed to manage the free WiFi network in the City Centre.

Recommendation 3.42

THAT \$100,000 be allocated for a review of Council's property assets during the first part of the 2014/15 financial year.

Recommendation 3.44

THAT an allocation of \$120,000 be provided in the draft Annual Plan 2014/15 and \$240,000 annually thereafter, to provide increased resource for the purpose delivering an additional capital works programme each year.

Recommendation 3.46

THAT \$500,000 be allocated in the Annual Plan 2014/15 for the Disaster Recovery Fund.

Recommendation 3.48

THAT \$538,800 be allocated to earthquake prone buildings remediation in the Annual Plan 2014/15.

Recommendation 3.50

THAT the Total Costs for the Year 3 Capital Programme spreadsheet (A1137252), as amended, be accepted as a basis of changes to the capital programme, as set out in the Long Term Plan 2012-2022.

6. Fees and Charges: Resource Consents and Resource Management Act Planning Documents

65-79

Document number A1139532

Recommendation

THAT the report Fees and Charges: Resource Consents and Resource Management Act Planning Documents (A1139532) and its attachment (A1139974) be received;

AND THAT the Fees and Charges Resource Consents and Resource Management Act Planning Documents be approved for public consultation and notification within the Nelson City Council Annual Plan 2014/15 Special Consultative Procedure (section 83 of the Local Government Act 2002).

7. Alteration to Resolution - Trafalgar Centre Follow-Up Report

80-81

Document number A1142944

Recommendation

THAT the report Alteration to Resolution – Trafalgar Centre Follow-Up Report (A1142944) be received;

AND THAT the Chief Executive brings a progress report on the action items raised at the meeting on 19 December 2013 to a meeting on 6 March 2014.

8. Theatre Royal - Funding and Other Issues

82-93

Document number A1145163

Recommendation

THAT the report Theatre Royal – Funding and Other Issues (A1145163) and its attachments (A1146152 and A1146160) be received;

AND THAT \$100,000 of funding set aside for the transition of a new entity proposed for the performing arts be re-allocated and provided to the Nelson Historic Theatre Trust for the operating costs of the Theatre Royal for the remainder of the 2013/14 financial year;

AND THAT the Nelson Historic Theatre Trust be advised that this funding must be applied to debt (overdraft) reduction;

AND THAT the Nelson Historic Theatre Trust further be advised that Council expects it to operate without the need for an overdraft facility;

AND THAT expenditure of \$6,000 be approved to complete the High Court application to allow the transfer of the asset from Nelson Historic Theatre Trust to Council;

AND THAT the response to the minute from the Court be firstly, that Council has already made significant investment in the Theatre Royal, and that whatever the value of the building may be, transferring ownership to Council would provide security to the building's future;

and secondly, it is appropriate to recognise that providing for transfer of ownership maintains the objects of the Trust, and requiring the building to be listed as a strategic asset of Council provides security for future community direction on the building;

AND THAT in recognition of the actual costs of operating the Nelson Historic Theatre Trust over the coming financial year, the annual grant to the Trust is increased in the Draft Annual Plan 2014/15 to \$220,000

REPORTS FROM COMMITTEES

9. Community Services Committee – 28 January 2014 94-98

Document number A1135727

Recommendation

THAT the unconfirmed minutes of a meeting of the Nelson City Council Community Services Committee, held on 28 January 2014, be received.

PUBLIC EXCLUDED BUSINESS

10. Exclusion of the Public

Recommendation

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under

section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	<p>Council- Public Excluded Minutes – 12 December</p> <p>These minutes contain information regarding:</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p>
	<p>Concluding Negotiations for the Suter Redevelopment Programme</p>		<ul style="list-style-type: none"> • Section 7(2)(h) To carry out commercial activities • Section 7(2)(i) To carry out negotiations
	<p>Works and Infrastructure Committee – Public Excluded Minutes – 28 November 2013</p>		<ul style="list-style-type: none"> • Section 7(2)(h) To carry out commercial activities • Section 7(2)(i) To carry out negotiations
	<p>Appointment of Sister Cities Coordinator 2013</p>		<ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons
	<p>Reappointment of Trustees to the City of Nelson Civic Trust</p>		<ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons
	<p>Funding for Nelson Tasman Tourism</p>		<ul style="list-style-type: none"> • Section 7(2)(b) To protect information that may disclose a trade secret or the commercial position of a person
	<p>Reappointment of Independent Member to the Nelson Regional Sewerage Business Unit</p>		<ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons
	<p>Farmers Trading Company – Redevelopment</p>		<ul style="list-style-type: none"> • Section 7(2)(c) To protect information that is

			subject to an obligation of confidence
2	<p>Council – Public Excluded minutes – 19 December</p> <p>These minutes contain information regarding Trafalgar Centre - Follow Up Report.</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> • Section 7(2)(g) To maintain legal professional privilege • Section 7(2)(h) To carry out commercial activities • Section 7(2)(i) To carry out negotiations
3	<p>Community Services Committee - Public Excluded Minutes – 28 January 2013</p> <p>These minutes contain information regarding:</p> <p>Future Arrangements – City Camping Grounds</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> • Section 7(2)(h) To carry out commercial activities • Section 7(2)(i) To carry out negotiations
4	<p>Future Arrangements – City Camping Grounds – Additional Information</p> <p>This report contains information regarding future arrangements for Council-owned camping grounds.</p>		<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> • Section 7(2)(h) To carry out commercial activities • Section 7(2)(i) To carry out negotiations
5	<p>Regional Landfill Proposal</p> <p>This report contains information regarding a joint regional landfill proposal and associated potential negotiations.</p>		<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> • Section 7(2)(c) To protect information that is subject to an obligation of confidence • Section 7(2)(h) To carry out commercial activities • Section 7(2)(i) To carry out negotiations

11. Re-admittance of the public

Recommendation

THAT the public be re-admitted to the meeting.

Note:

- **This meeting is expected to continue beyond lunchtime.**
- **Lunch will be provided at 12.30pm.**

Minutes of a meeting of the Nelson City Council

**Held in the Council Chamber, Civic House, Trafalgar Street,
Nelson**

On Thursday 12 December 2013, commencing at 9.03am

Present: Her Worship the Mayor (R Reese), Councillors L Acland, I Barker, R Copeland, E Davy, K Fulton, M Lawrey, B McGurk, P Matheson, G Noonan, P Rainey, T Skinner and M Ward

In Attendance: Chief Executive (C Hadley), Group Manager Infrastructure (A Louverdis), Group Manager Support Services/Acting Group Manager Community Services (H Kettlewell), Acting Group Manager Strategy and Environment (N McDonald), Manager Communications (A Rickers), Manager Administration (P Langley), and Administration Adviser (E-J Ruthven)

Opening Prayer

Councillor Skinner gave the opening prayer.

1. Apologies

There were no apologies.

2. Interests

There were no updates to the Interests Register.

Councillor Noonan declared an interest in relation to item 11.2 (Council Hearing – Plan Change 16 Inner City Noise).

Councillor Copeland declared an interest in relation to item 8.1 of the public excluded agenda (Trafalgar Centre – Follow Up Report).

Councillor Matheson declared an interest in relation to item 7 of the public excluded agenda (Reappointment of Trustees to the City of Nelson Civic Trust).

3. Confirmation of Order of Business

Her Worship the Mayor explained that the order of the public excluded agenda would be altered to allow for Mr Ian McLennan to attend for item 5 (Concluding Negotiations for the Suter Redevelopment Project),

and for Mr Julian Ironside to attend for item 8.1 (Trafalgar Centre – Follow Up report).

Her Worship the Mayor also explained that there were two public excluded late items, and that Council needed to resolve in public to consider these items.

3.1 Late Item - Funding for Nelson Tasman Tourism

Resolved

THAT the public excluded item regarding Funding for Nelson Tasman Tourism 2014/15 be considered at this meeting as a major item not on the agenda, pursuant to Section 46A(7)(a) of the Local Government Official Information and Meetings Act 1987, to enable Council to provide Nelson Tasman Tourism with directions for proceeding with drafting its Statement of Intent for 2014/15 in light of the Tasman District Council decision to reduce funding for Nelson Tasman Tourism, noting that the draft Statement of Intent must be received by Council by 1 February 2014.

Matheson/Copeland

Carried

3.2 Late Item – Reappointment of Independent Member to the Nelson Regional Sewerage Business Unit

Resolved

THAT the public excluded item regarding Reappointment of Independent Member to the Nelson Regional Sewerage Business Unit considered at this meeting as a major item not on the agenda, pursuant to Section 46A(7)(a) of the Local Government Official Information and Meetings Act 1987, to enable the Nelson Regional Sewerage Business Unit to conduct timely business relating to its work programme.

Matheson/Copeland

Carried

4. Public Forum

4.1 York Stream

Students of Ngā Mana Kākano o te Wairepo, the Whanau Unit of Victory Primary School, addressed the meeting regarding York Stream.

They sang waiata, presented a petition (A1120922 and A1115752) and photos (A1120994), and described their vision for York Stream.

The students encouraged Council to install more rubbish bins along the Railway Reserve to reduce litter in and around York Stream.

Her Worship the Mayor thanked the students for their presentation, and invited them to make a presentation to the Biodiversity Forum in 2014.

4.2 Gigatown Competition

Her Worship the Mayor explained that Mr Matthew Dodd had withdrawn his public forum, but that his ideas regarding the Gigatown competition had been circulated to councillors by email.

5. Confirmation of Minutes

5.1 12 November 2013

Document number A754447, agenda pages 11-20 refer.

In response to a question, the Chief Executive advised that, by agreement of the councillors concerned, the motorcycle parking issues relating to the Buxton toilet upgrade had been deferred to the first Works and Infrastructure Committee meeting of 2014.

Resolved

THAT the minutes of a meeting of the Nelson City Council, held on 12 November 2013, be confirmed as a true and correct record.

Barker/Davy

Carried

5.2 21 November 2013

Document number A1106591, agenda pages 21-22 refer.

Resolved

THAT the minutes of a meeting of the Nelson City Council, held on 21 November 2013, be confirmed as a true and correct record.

Davy/McGurk

Carried

6. Consideration of Business from Adjourned Meetings

6.1 Draft Local Alcohol Policy – Adjourned Business

Document number A1113118, agenda pages 23-62 refer.

Her Worship the Mayor cautioned councillors not to seek any further information from, or engage in conversation with submitters.

In response to a question, the Chief Executive clarified that the submitter referred to in paragraph 3.5 had chosen not to speak to his submission, but that his written submission still stood.

Resolved

THAT the report Draft Local Alcohol Policy – Adjourned Business (A1113118) and its attachments (A1113149, A1113409, A1113414, A1113151, A1112902, A1113842 and A1113748) be received and considered to be the response to the resolution adjourning the 26 November 2013 Council meeting to hear submissions to the draft Local Alcohol Policy;

AND THAT the meeting to hear submissions to the draft Local Alcohol Policy be closed.

Davy/Fulton

Carried

7. Mayor's Report

Document number A1107799, agenda pages 63-71 refer.

7.1 Woodburners

Her Worship the Mayor explained that an update on woodburners was provided due to the community interest in this issue.

In response to a question, the Planning and Regulatory Committee Chair noted that it was timely to review improvements in woodburner technology to see whether a more flexible approach could be taken without undermining the improvements made in air quality.

7.2 Receipt of Report

Resolved

THAT the Mayor's Report (A1107799) and its attachments (A1113602; A1113742) be received.

Her Worship the Mayor/Noonan

Carried

7.3 Nelson Regional Sewerage Business Unit

It was noted that Derek Shaw had extensive experience and knowledge of the technical issues covered by this committee.

Resolved

THAT Derek Shaw and Councillor Copeland be appointed as Nelson City Council representatives on the Nelson Regional Sewerage Business Unit for the 2013-2016 triennium.

Davy/Skinner

Carried

7.4 Joint Shareholders Committee

Resolved

THAT the Mayor, the Deputy Mayor and the Chair of the Governance Committee be appointed as Nelson City Council representatives to the Joint Shareholders Committee.

Davy/Her Worship the Mayor

Carried

7.5 Committee Delegations

Resolved

THAT the delegations for the Nelson Regional Sewerage Business Unit and the Joint Shareholders Committee in Attachment 2 (A1113742) be adopted.

Matheson/Barker

Carried

7.6 Cricket World Cup 2015 Regional Coordination Group

In response to a question, Acting Group Manager Community Services, Hugh Kettlewell, explained that the Cricket World Cup 2015 Regional Coordination Group would regularly report back to the Community Services Committee or to Council.

Resolved

THAT the Council appoint the Deputy Mayor to the Cricket World Cup 2015 Regional Coordination Group.

Barker/Fulton

Carried

7.7 Rocks Road Shared Pathway Steering Group

Councillors discussed the proposed membership of the Rocks Road Shared Pathway Steering Group.

Several councillors expressed concern at the Deputy Mayor's workload, and suggested the importance of having more than one councillor on this steering group. Other councillors noted that the tender process for the project had been completed, that the work of the steering group was largely technical, and that the reason for having a councillor representative was to feedback issues at a political level.

Councillor Davy, seconded by Councillor Noonan, moved the motion

THAT the Council appoint the Deputy Mayor and Councillor Rainey as the lead alternate to the Rocks Road Shared Pathway Steering Group.

Following further discussion, and with the agreement of the meeting, the words "as the lead alternate" were removed from the motion.

Resolved

THAT the Council appoint the Deputy Mayor and Councillor Rainey to the Rocks Road Shared Pathway Steering Group.

Davy/Noonan

Carried

- 7.8 Payment for Nelson Regional Sewerage Business Unit meetings

THAT until Council resolves an updated policy and schedule of payments for meetings, Derek Shaw shall be remunerated at a rate of \$250 per meeting of the Regional Sewerage Business Unit.

Ward/Fulton

Carried

8. Schedule of Council Meetings 2014

Document number A1103869, agenda pages 72-86 refer.

The Chief Executive explained that an updated calendar for January and February 2014 had been tabled (A1115653).

There was a discussion during which a general preference for morning meetings was expressed, and the importance of entering apologies for, and where appropriate providing views in advance to workshops, was noted.

Resolved

THAT the report Schedule of Council Meetings 2014 (A1103869) and its attachment (A1113468) be received, noting the amendments to the meetings in January and February as in document (A1115653).

Her Worship the Mayor/McGurk

Carried

9. Appointment of Trustee to the Nelson Municipal Band Trust

Document number A1110293, agenda page 87 refers.

Resolved

THAT the report Appointment of Trustee to the Nelson Municipal Band Trust (A110293) be received;

AND THAT Her Worship the Mayor of Nelson, Rachel Reese, be appointed as a trustee to the Nelson Municipal Band Trust.

Davy/Barker

Carried

10. Farmers Trading Company - Redevelopment

Document number A1113508, agenda pages 88-90 refer.

Resolved

THAT the report Farmers Trading Company - Redevelopment (A1113508) be received;

AND THAT discussion on this item be moved into public excluded session as a major late item not on the agenda, pursuant to Section 46A(7)(a) of the Local Government Official Information and Meetings Act 1987, to enable Council to attend to matters no later than 20 December 2013, as per the previous resolution of Council.

Matheson/Barker

Carried

REPORTS FROM COMMITTEES

11. Community Services Committee – 21 November 2013

Document number A1107870, agenda pages 91-93 refer.

Resolved

THAT the unconfirmed minutes of a meeting of the Nelson City Council Community Services Committee, held on 21 November 2013, be received.

Rainey/Noonan

Carried

12. Planning and Regulatory Committee – 21 November 2013

Document number A1107833, agenda pages 94-99 refer.

The Planning and Regulatory Committee Chair noted the Committee's desire to hold a workshop regarding significant resource management issues with the whole of Council early in 2014.

Resolved

THAT the unconfirmed minutes of a meeting of the Nelson City Council Planning and Regulatory Committee, held on 21 November 2013, be received.

McGurk/Davy

Carried

12.1 Review of Nelson's Resource Management Plans

Resolved

THAT the Council embarks on a full plan review, aiming to achieve notification within the term of the current Council, noting that where a specific resource management issue arises a targeted Plan Change may occur separately.

McGurk/Ward

Carried

12.2 Council Hearing – Plan Change 16 Inner City Noise

Attendance: Councillor Noonan declared an interest, and left the room for the duration of this item.

Attendance: Councillor Copeland declared an interest that would prevent her from sitting as commissioner on the Hearing Panel regarding Proposed Plan Change 16 Inner City Noise, and left the room for the duration of this item.

Resolved

THAT the Planning and Regulatory Committee recommends to Council that an independent Commissioner chaired Council assisted Hearing Panel hear and make decisions on submissions on Proposed Plan Change 16 Inner City Noise;

AND THAT the Planning and Regulatory Committee recommends to Council the membership of the Hearing Panel for Plan Change 16 Inner City Noise consists of an independent Commissioner as Chair and Councillor Ward and Councillor Barker as Council Commissioners.

McGurk/Her Worship the Mayor

Carried

13. Works and Infrastructure Committee – 28 November 2013

Document number A1111685, agenda pages 100-106 refer.

The Works and Infrastructure Committee Chair indicated that the issue of using public car parking spaces for place-making trials would come back to the Works and Infrastructure Committee early in 2014.

Resolved

THAT the unconfirmed minutes of a meeting of the Nelson City Council Works and Infrastructure Committee, held on 28 November 2013, be received.

Davy/Lawrey

Carried

Attendance: The meeting adjourned for morning tea from 10.54am to 11.07am.

13.1 Bata Building Way Forward

Councillor Davy, seconded by Councillor Acland moved the recommendation to Council as presented in the minutes.

Councillor Copeland, seconded by Councillor Lawrey moved an amendment to add an additional clause to the motion

AND THAT during the process of demolition, should the successful tenderer be able to easily and without further cost retrieve larger sections of the artwork, that they be requested to do so.

Councillors discussed the amendment, and a variety of views for and against were expressed.

The amendment was put and carried on a show of hands, and became the substantive motion.

Resolved

THAT Council re-confirms its decision to demolish the Bata building and develop (i.e. pavement seal) the land to car parking;

AND THAT Council notes that this decision does not limit future use of the site for other public works;

AND THAT demolition commences no earlier than late February 2014;

AND THAT during the process of demolition, should the successful tenderer be able to easily and without further cost retrieve larger sections of the artwork, that they be requested to do so.

Davy/Acland

Carried

13.2 Backflow Prevention Programme

Resolved

THAT in line with the Long Term Plan 2012-2022 the proposed commencement be noted of the next stage of the Backflow Prevention Programme for existing commercial and industrial properties;

AND THAT in line with current practice owners of new or altered commercial/industrial activities be required to fit boundary backflow protection at their cost;

AND THAT Funding Option A be adopted (reflecting Council's current practice with all other water network upgrades) with the costs of retrofitting backflow preventers to existing activities recovered from all customers through the normal water charges, with the programme budget in 2013/14 being deferred to 2014/15 to allow for annual plan submissions;

AND THAT the costs of inspection, maintenance and replacement in future years be included in the appropriate Long Term Plan or Annual Plan and be recovered through Operation and Maintenance charges.

Davy/Rainey

Carried

**14. Governance Committee –
28 November 2013**

Document number A1110925, agenda pages 107-113 refer.

Resolved

THAT the unconfirmed minutes of a meeting of the Nelson City Council Governance Committee, held on 28 November 2013, be received.

Barker/Acland

Carried

14.1 Participation in Gigatown Competition

In response to a question, Group Manager Support Services, Hugh Kettlewell explained that leading the Gigatown competition was not considered a good spend of Council funds, but that Council could participate in the competition by other means.

Councillor Barker, seconded by Councillor Matheson, moved the recommendation in the minutes.

Councillors discussed the recommendation, and general support for some Council participation in the competition was noted. Councillor Copeland foreshadowed an amendment, and Her Worship the Mayor adjourned the item in order to move to the next item on the agenda.

14.2 Finance Report for the Period Ending 30 September 2013

In response to a question, the Chief Executive clarified that the recommendation relating to the Events Contestable Fund was a procedural motion and related to tax implications faced by the Economic Development Agency (EDA) should the Events Contestable Fund be held by the EDA.

Resolved

THAT Council approves the Events Contestable Funding being accrued and held in a Council reserve until such time as the Economic Development Agency require the funding for events.

Barker/Davy

Carried

14.3 Gigatown Competition (continued)

Councillor Copeland, seconded by Councillor Ward, moved an amendment to add an additional clause to the motion

AND THAT Council applauds the initiative and agrees to support the Gigatown competition through other low cost engagement such as use of Council communications channels and mayoral presence.

The amendment was carried and became the substantive motion.

Resolved

THAT Council does not agree to lead an effort to participate in the Gigatown competition;

AND THAT Council applauds the initiative and agrees to support the Gigatown competition through other low cost engagement such as use of Council communications channels and mayoral presence.

Barker/Matheson

Carried

15. Exclusion of the Public

Members of the Public to Remain after the Public has been Excluded

Her Worship the Mayor explained that Mr Ian McLennan, of the Bishop Suter Trust Board, would be in attendance for item 5 of the Public Excluded agenda (Concluding Negotiations for the Suter Redevelopment Project); and Mr Julian Ironside, of Fletcher Vautier Moore Lawyers, would be in attendance for Item 8.1 of the Public Excluded Agenda (Works and Infrastructure - 28 November 2013). She said that procedural resolutions were required to be passed.

Resolved

THAT, in accordance with section 48(5) of the Local Government Official Information and Meetings Act 1987, Mr Ian McLennan remains after the public has been excluded, for Item 5 of the Public Excluded agenda (Concluding Negotiations for the Suter Redevelopment Project), as he had knowledge that will assist the Council;

AND THAT, in accordance with section 48(6) of the Local Government Official Information and Meetings Act 1987, the knowledge that Mr Ian McLennan possesses relates to negotiations concerning the Suter Redevelopment Project.

Ward/Davy

Carried

Resolved

THAT, in accordance with section 48(5) of the Local Government Official Information and Meetings Act 1987, Mr Julian Ironside remains after the public has been excluded, for Item 8.1 of the Public Excluded agenda (Works and Infrastructure Committee – 28 November 2013), as he had knowledge that will assist the Council;

AND THAT, in accordance with section 48(6) of the Local Government Official Information and Meetings Act 1987, the knowledge that Mr Julian Ironside possesses relates to legal advice to Council regarding the Trafalgar Centre – Follow Up Report section of this item.

Ward/Davy

Carried

Public Excluded Business

Resolved

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	<p>Nelson City Council – Public Excluded Minutes – 12 November 2013</p> <p>These minutes contain information relating to:</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p>
	<p>Appointment of District Licensing Committee</p>		<ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons
	<p>Release of Information from Public Excluded – Strategic Land Purchases</p>		<ul style="list-style-type: none"> • Section 7(2)(h) To carry out commercial activities • Section 7(2)(i) To carry out negotiations
	<p>Chief Executive’s Report – Lewis Stanton</p>		<ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons
2	<p>Farmers Trading Company – Redevelopment</p> <p>Following the distribution of this agenda, Council may receive information from third parties about proposals for a central city site for Farmers Trading Company.</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> • Section 7(2)(c) To protect information that is subject to an obligation of confidence

	Should this information be subject to an obligation of confidence, it will require consideration by Council in public excluded session, in which case the provisions of s 46(7) or (7A) of the Local Government Act, and Standing Orders 3.7.5 or 3.7.6, will apply.		
3	<p>Concluding Negotiations for the Suter Redevelopment Programme</p> <p>This report contains information relating to Council's negotiating position with respect to the draft Heads of Agreement with the Bishop Suter Trust.</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> • Section 7(2)(h) To carry out commercial activities • Section 7(2)(i) To carry out negotiations
4	<p>Appointment of Sister Cities Coordinator 2013</p> <p>This report contains information regarding the proposed appointment of a Sister Cities Coordinator, and contains a recommendation to release the appointment to the public.</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons
5	<p>Reappointment of Trustees to the City of Nelson Civic Trust</p> <p>This report contains information regarding the proposed reappointment of trustees to the City of Nelson Civic Trust, and contains a</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons

	recommendation to release the appointments to the public.		
6	Works and Infrastructure Committee – Public Excluded Minutes – 28 November 2013 These minutes contain information relating to:	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary:
	Trafalgar centre – Follow Up Report		<ul style="list-style-type: none"> • Section 7(2)(h) To carry out commercial activities • Section 7(2)(i) To carry out negotiations
7	Governance Committee – Public Excluded Minutes – 28 November 2013 These minutes contain information relating to:	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary:
	Nelmac Appointment of Director November 2013		<ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons
8	Funding for Nelson Tasman Tourism 2014/15 This report contains information relating to the effect of recent Tasman District Council decisions on Nelson Tasman Tourism, and how this should be addressed through its draft Statement of Intent 2014/15.	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> • Section 7(2)(b) To protect information that may unreasonably prejudice the commercial position of the person who is the subject of the information.
9	Reappointment of Independent Member to the Nelson Regional Sewerage Business	Section 48(1)(a) The public conduct of this matter	The withholding of the information is necessary: <ul style="list-style-type: none"> • Section 7(2)(a)

	<p>Unit</p> <p>This report contains information relating to the reappointment of the Nelson Regional Sewerage Business Unit.</p>	<p>would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>To protect the privacy of natural persons</p>
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Rainey/Skinner

Carried

The meeting went into public excluded session at 11.42am and resumed in public session at 2.01pm.

16. Re-admittance of the Public

Resolved

THAT the public be re-admitted to the meeting.

Barker/Copeland

Carried

There being no further business the meeting ended at 2.02pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

Minutes of an extraordinary meeting of the Nelson City Council

**Held in the Council Chamber, Civic House, Trafalgar Street,
Nelson**

On Thursday 19 December 2013, commencing at 9.01am

Present: Her Worship the Mayor R Reese, Councillors L Acland, I Barker, E Davy, M Lawrey, B McGurk, Paul Matheson, G Noonan, P Rainey, T Skinner, and M Ward

In Attendance: Chief Executive (C Hadley), Group Manager Support Services/Acting Group Manager Community Services (H Kettlewell), Group Manager Infrastructure (A Louverdis), Acting Group Manager Strategy and Environment (N McDonald), Chief Financial Officer (N Harrison), Kaihautū (G Mullen), Senior Accountant (T Hughes), Manager Administration (P Langley), Administration Adviser (L Canton)

Apologies: Councillors R Copeland and K Fulton

Opening Prayer

Councillor Skinner gave the opening prayer.

1. Apologies

Resolved

***THAT apologies be received and accepted from
Councillors Copeland and Fulton.***

Davy/Noonan

Carried

2. Interests

There were no updates to the Interests Register and no conflicts of interests with items on the agenda were noted.

3. Confirmation of Order of Business

Her Worship the Mayor advised that three public forums had been confirmed since the agenda was issued.

4. Public Forum

4.1 Trafalgar Centre

Mr Brian Mills tabled information (A1120003 and A1120006), and a copy of the original sketch plan for the Trafalgar Centre (A1120459), which he spoke to.

In response to questions, Mr Mills said that at the time of construction, Council chose the current site over the number 2 grounds at Trafalgar Park due to convenience and existing lease considerations. Mr Mills said he would like to see the building strengthened and reopened, as it was an important multi-function centre and a priority over a more defined-use performing arts centre.

4.2 Trafalgar Centre

Mr Kerry Neal said liquefaction was a recognised factor at the time the reclamation was underway in 1954. He suggested a number of solutions to strengthen the Trafalgar Centre, but added that he had not seen any engineering advice as to the structural safety of the building.

In response to questions, Mr Neal said that the landfill portion of the land was a shallow basin and therefore he believed the piles should withstand liquefaction. He added that there was a lot of sympathy in the community for the issue Council was trying to address.

Her Worship the Mayor advised that the latest engineering reports on the Trafalgar Centre would be made available to the public on request.

4.3 Trafalgar Centre

Gaire Thompson tabled information (A1120272) which he spoke to. He reiterated the suggestions made by Mr Mills and Mr Neal about the importance of the Trafalgar Centre as a multi-function facility for Nelson and the potential for the piles to withstand liquefaction.

5. Exclusion of the Public

Resolved

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	<p>Trafalgar Centre – Follow up report</p> <p>This report contains information relating to the earthquake prone issues of the building and its long-term future.</p> <p>This item will include discussions about legal advice received at the 12 December 2013 Council meeting.</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> • Section 7(2)(g) To maintain legal professional privilege • Section 7(2)(h) To carry out commercial activities • Section 7(2)(i) To carry out negotiations

Matheson/Barker

Carried

The meeting went into public excluded session at 9.35am and resumed in public session at 12.14pm.

6. Re-admittance of the Public

Resolved

THAT the public be re-admitted to the meeting.

Her Worship the Mayor/McGurk

Carried

There being no further business the meeting ended at 12.15pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

Mayor's Report

1. Purpose of Report

- 1.1 To consider paying the resource consent fees associated with amplified sound at Relay for Life.
- 1.2 To approve spend from the Economic Development Fund to provide WiFi in the city centre.

2. Recommendation

THAT the Mayor's Report (A1145259) be received;

AND THAT Her Worship the Mayor use the Mayor's discretionary fund to cover the cost of the resource consent fees for use of amplified sound at Relay for Life at Saxton Field in 2014, up to the value of \$1,300.

AND THAT \$12,330 from the Economic Development Fund be used to provide free WiFi to the city centre.

3. Resource Consent Fees – Relay for Life

- 3.1 The Cancer Society is holding Relay for Life on 1 March 2014 at Saxton Field.
- 3.2 Relay for Life is an inspiring community event that gives everyone a chance to celebrate cancer survivors and caregivers; remember loved ones lost to cancer; and fight back by raising awareness and funds to support the work of the Cancer Society.
- 3.3 Many organisations arranging events in Nelson are not familiar with the rules on amplified sound in the Nelson Resource Management Plan.
- 3.4 The Cancer Society were unaware of the need for consent for amplified sound at Relay for Life. Therefore, the consent process has not been budgeted for by the Cancer Society. The costs could be in the order of \$1200 - \$1500.

3.5 The Cancer Society have approached Her Worship the Mayor seeking financial assistance to cover this unbudgeted cost.

4. WiFi for the City Centre

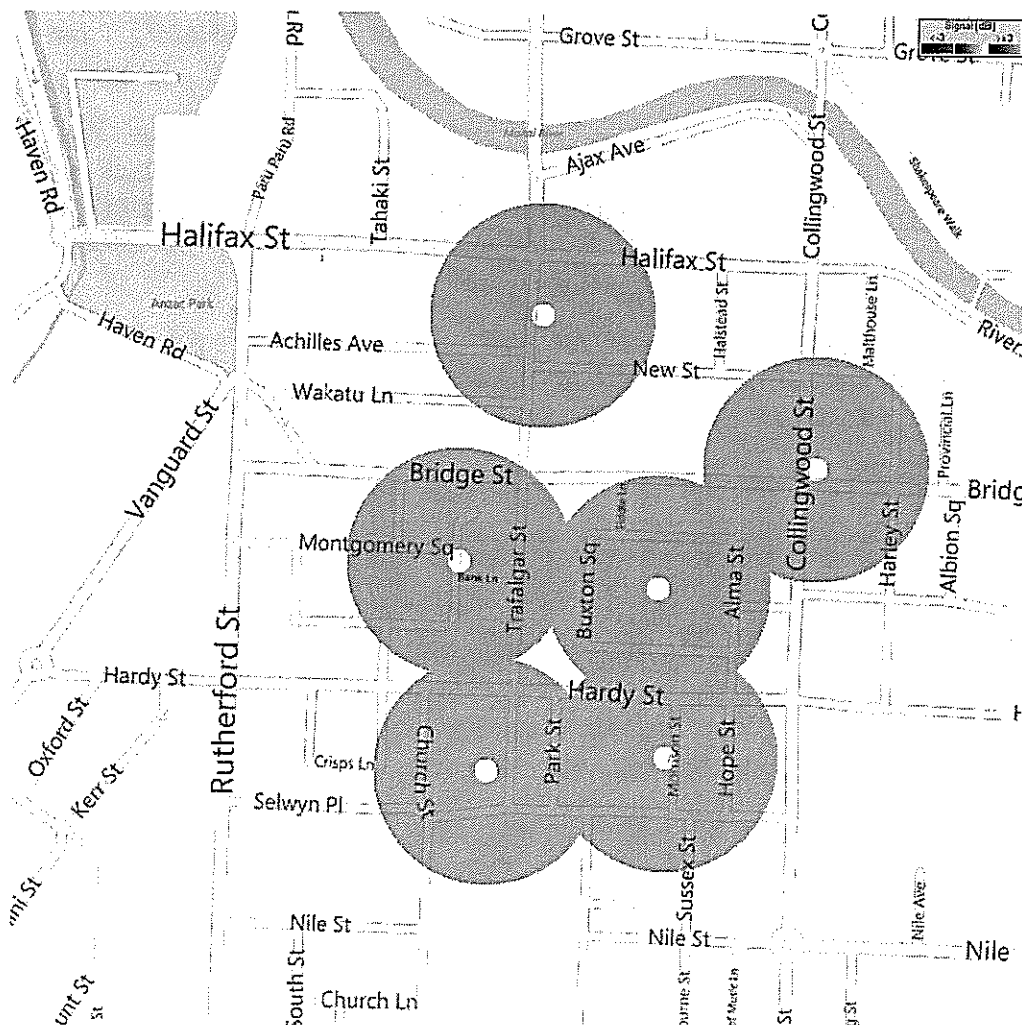
4.1 Free WiFi is not currently provided in the city centre.

4.2 Over time, officers have been approached by providers offering proposals for the provision of free WiFi.

4.3 Uniquely Nelson have been involved in this initiative and have offered to oversee any ongoing management and maintenance should free WiFi be provided.

4.4 In order to establish free WiFi in the city centre Council needs to approve the spend of \$12,330 to be funded from Council's Economic Development Fund in the 2013/14 financial year.

4.5 This would enable free WiFi coverage to be made available in the following locations:



4.6 It is considered that this initiative would add to the vibrancy of the city centre of Nelson.

5. Conclusion

- 5.1 That Her Worship the Mayor use the Mayor's discretionary fund to cover the cost of the resource consent fees for use of amplified sound at Relay for Life at Saxton Field in 2014, up to the value of \$1,300.
- 5.2 That \$12,330 from the Economic Development Fund be used to provide free WiFi to the city centre.

Rachel Reese
Mayor of Nelson

Attachments

None.

No supporting information follows.

Annual Plan 2014/15 Workshop Discussion Summary and Proposed Changes

1. Purpose of Report

- 1.1 This report provides a record of discussions during the workshops on the Annual Plan 2014/15 and sets out proposals for how projects discussed in the workshops might be handled in the Annual Plan.
- 1.2 The financial spreadsheet tabled during the workshop discussions, Total Costs for Year 3 Capital Programme (see Attachment 1), covered the capital projects included in the draft Annual Plan. It showed what capital works were in the Long Term Plan 2012-22, what changes had been mandated by Council decisions since adoption of the Long Term Plan and what further changes officers recommended. A draft of the Annual Plan document was also tabled during the workshop as a basis for discussions.
- 1.3 This report summarises all the changes that are proposed to be made to the documents outlined in 1.2 and therefore included in the draft Annual Plan 2014/15. Recommendations adopted from this report will confirm direction to officers in the preparation of the revised draft Annual Plan 2014/15.
- 1.4 The proposed changes to the draft Annual Plan that are presented in this report have been revised and refined in close association with the Mayor.

2. Background

- 2.1 Draft Annual Plan workshops were held on 5 December 2013 and 11 to 13 February 2014.
- 2.2 Councillors worked in detail through all the activities in the draft Annual Plan and also looked at some key thematic groupings that highlighted areas of priority for Council:
 - Forward thinking for the Central Business District;
 - Strategy for venue provision;
 - Saxton Field governance;
 - Greenmeadows community and sports facility;
 - Property assets review;

- Next steps for natural hazard management, including the Maitai River.

2.3 Council reviewed the 2014/15 work programme and provided guidance to officers on projects and funding levels. Malcolm Thomas, a consultant engaged to assist with preparing information on a possible rating review, presented analysis¹ of Council's current system and comparisons with other councils' rating policies. This work will also inform discussions during development of the Long Term Plan 2015/25.

2.4 Policy priorities for 2014/15 were discussed and an updated programme is included as Attachment 2.

3. Discussion

Rating

3.1 During the discussions on the rating review it was agreed that the level of charges for SUIPs (Separately Used or Inhabited Parts of a rating unit) was causing hardship to building owners and tenants, particularly smaller commercial operations. It was agreed that some relief should be provided in the draft Annual Plan.

3.2 Recommendation:

THAT the additional SUIP (Separately Used or Inhabited Parts of a rating unit) charges for commercial properties for both wastewater and the UAGC (Uniform Annual General Charge) be reduced by 50% in the draft Annual Plan 2014/15.

Transport

Church St

3.3 Councillors discussed the Church Street project (\$50,000 of funding) to provide a better pedestrian connection between the upper end of the Central Business District into Montgomery Square. This project originated from the Heart of Nelson Strategy and was intended to improve links to the proposed Performing Arts Centre site next to the Rutherford Hotel. It was felt that with the change in context for the project it was no longer the highest priority and this concurred with the view of the Heart of Nelson Stakeholder meeting held in late 2013.

¹ Presentation available on Council's website, www.nelsoncitycouncil.co.nz

3.4 Recommendation:

THAT the project to enhance pedestrian connections through improvements to Church Street not be included in the draft Annual Plan 2014/15.

Waimea Road/Market Road Intersection Upgrade and Waimea Road Widening/Snows Hill

3.5 Councillors questioned whether projects deferred for consideration in the Long Term Plan, such as these two, would automatically have funding included in the draft Long Term Plan. The decision from the Annual Plan 2013/14 deliberations was to remove all funding for them from the Long Term Plan. There was a consensus that these projects should not be removed from the ten year work programme.

3.6 Recommendation:

THAT funding for the Waimea Road/Market Road intersection upgrade and the Waimea Road widening/Snows Hill projects be considered in the draft Long Term Plan 2015/25.

Halifax Street Cycle Lane

3.7 This project is to be removed from Council's project list based on advice from officers that there are other cycle projects that will better improve these connections and also attract a New Zealand Transport Agency subsidy. A project that will achieve a better link between St Vincent Street and the central business district is under development and will be progressed during 2014/15.

3.8 Recommendation:

THAT the Halifax Street cycle lane be removed from the draft Annual Plan 2014/15 and from Council's project list.

Water

Maitai Pipeline

3.9 A project to carry out a condition assessment of the pipeline from the water treatment plant to Westbrook Terrace in 2014/15 was proposed for withdrawal as officers considered the need for replacement was beyond doubt. Councillors felt the replacement of the pipeline was a priority and were concerned that the current Long Term Plan timing did not reflect the priority this project should be given. It was agreed to bring forward the design component into 2014/15 and review the timing of construction, currently 2020/21, during preparation of the Long Term Plan 2015/25 later this year.

3.10 Recommendation:

THAT \$100,000 for the design of the replacement pipeline from the water treatment plant to Westbrook Terrace be included in the draft Annual Plan 2014/15.

Flood Protection

Orphanage Stream

3.11 Officers noted that an extra \$100,000 was required to finish works in the Orphanage Stream from Suffolk Road to Main Road Stoke, including gravel removal, rock protection and rebuilding damaged banks. It was agreed that this was a priority project and funding should be provided.

3.12 Recommendation:

THAT \$100,000 be allocated in the draft Annual Plan 2014/15 to complete flood protection works in the Orphanage Stream.

Social

School of Music

3.13 The project to address earthquake prone issues and refurbishment/deferred maintenance issues at the School of Music has been in planning for some time. The closure of the auditorium in late 2013 due to earthquake prone issues has given the project a new urgency. Council is committed to providing support to the School of Music.

3.14 A project of this scale and complexity was recognised by Councillors as requiring particular skills and knowledge on the Board managing it, as has been the experience during the Suter Art Gallery redevelopment project. Discussions with the Board of the School of Music are progressing, including investigation of provisions in the Trust Deed which allow appointment of board members by Council when it is providing substantial financial support.

3.15 An additional point of consideration was that the closure of the auditorium reduces the outcomes that Council is able to purchase from the School of Music and that will affect the operational grant included in the draft Annual Plan 2014/15. The Local Government Act 2002 Amendment Act 2012 introduced provisions which mean that when grants are given to community groups Council must clearly specify the public service being purchased and demonstrate the cost-effectiveness of the provision. Given the closure and the reduction in services to the community it has forced upon the School of Music, it seems necessary to reduce the grant to between one third and one half of normal levels. A

preliminary figure has been inserted in the following recommendation pending more information from the School of Music.

- 3.16 In addition, as the Long Term Plan proposal for creation of a new entity with the Theatre Royal is not currently proceeding it is necessary to adjust the draft Annual Plan to remove funding intended for the new entity.

- 3.17 Recommendation:

THAT an allocation of \$150,000 be made in the draft Annual Plan 2014/15 for investigation and design of concept plans for the School of Music earthquake strengthening and refurbishment project;

AND THAT the Canterbury Community Trust be requested to partner this work with Council and allow its grant to the School of Music to be drawn on for a contribution to the investigation and design of concept plans;

AND THAT additional operational funding of \$75,000 allocated to support a new joint entity between the Nelson School of Music and Theatre Royal be removed from the draft Annual Plan 2014/15 due to the entity not being established;

AND THAT the operational grant for the School of Music be set at \$40,000 for 2014/15 in light of the closure of the auditorium and the consequent reduction in community outcomes provided.

Theatre Royal

- 3.18 This matter and impacts on funding for the Annual Plan 2014/15, were dealt with in another report (A1145163) on this agenda.

Arts Funding

- 3.19 It was noted that the decision of Council during the Draft Annual Plan 2013/14 deliberations was to accrue funding for arts projects (Art Works Programme, Heart of Nelson art and sculptures and City Promotion) in order to deliver an achievable work programme. Officer advice was that a year of planning and design was desirable before delivering any projects in these areas. This is consistent with the process for delivering the capital works programme. It was therefore agreed to allocate some funding to support planning in the arts area in this draft Annual Plan 2014/15 and to consider wider project funding in the Long Term Plan 2015/25. Officers consider that \$10,000 is sufficient provision to initiate work on the arts programme.

3.20 Recommendation:

THAT \$10,000 be allocated in the draft Annual Plan 2014/15 for planning and design of arts projects.

Parks and Active Recreation

Trafalgar Centre

3.21 It was noted that the Trafalgar Centre would be the subject of a report coming to Council shortly with additional information and advice to support decision making. Given that information and technical reports are continuing to be provided on the Trafalgar Centre, it will be necessary to include a provisional figure in the Annual Plan 2014/15.

3.22 Recommendation:

THAT \$3million be allocated in the Annual Plan 2014/15 to address issues at the Trafalgar Centre, \$2.25million of which is carried forward from 2013/14.

Modellers Pond

3.23 Councillors were briefed on efforts to find a solution to the invasive weed and algae problem at the Modellers Pond. A number of approaches had been considered by officers with the two viable options emerging as: filling in the pond at a cost of \$260,000 or upgrading the pond using fish as a means of controlling the weed and algae at a cost of \$500,000. It was noted that there were mixed views around the priority of the project and its value for money. However in light of the fact that this has been a long-running issue and has strong support from the users of the pond, provision has been made to retain the pond using fish to control the weed and algae and also to include the ongoing operational costs of \$93,000 per year (including depreciation and interest).

3.24 Recommendation:

THAT \$500,000 be allocated in the draft Annual Plan 2014/15 for implementation of a solution to the ongoing problems at the Tahunanui Modellers Pond;

AND THAT funding be provided for ongoing annual operational costs of \$93,000.

Marina

3.25 \$50,000 has been included in the draft Annual Plan to cover resource consent conditions, including fencing and minor works. The marina is a self-funding account so this has no impact on overall rates.

3.26 Recommendation:

THAT \$50,000 be allocated in the draft Annual Plan 2014/15 to meet resource consent conditions at the marina.

WWI Commemorations

3.27 In recognition of the importance of the World War I as one of the most significant events of the 20th century and its impact on Nelson and the region it was agreed that additional funding to support commemorations should be included in the Annual Plan. This will be the first year of four that commemorations will occur and Council is already providing \$9,000 (with amounts between \$6-9,000 anticipated for future years) towards various commemoration-related projects, as well as staff time in support.

3.28 Council's Fundraising Adviser is well informed about the funding pools available and is working closely with the Nelson Provincial Museum and community groups. Councillor Barker is the nominated representative from Council on the WWI commemoration group being coordinated by the Nelson Provincial Museum.

3.29 Further consideration of Council's support for WWI commemoration will occur during development of the Long Term Plan.

3.30 Recommendation:

THAT \$10,000 be included in the draft Annual Plan 2014/15 to support WWI commemorations, in addition to the existing financial and staff resource allocations.

Stoke Community and Sports Facility (Greenmeadows)

3.31 During the development of the Long Term Plan 2012-22, Council considered the building of shared community and sports facilities at Greenmeadows, Stoke, for \$2.070 Million. In order to deliver an achievable work programme this was not included in the Long Term Plan, however Council did agree in principle to make land available for the development. It seemed appropriate to include funding for investigation and design in the draft Annual Plan 2014/15, as there was now an opportunity for funding from the community to contribute to the project.

3.32 Council will undertake a needs analysis in 2013/14 of the community and sports facility needs around the Stoke centre, to inform the development of the Long Term Plan.

3.33 Recommendation:

THAT \$200,000 for investigation and design of a community and sports facility at Greenmeadows be included in the draft Annual Plan 2014/15.

Stoke Youth Park

- 3.34 It is intended that consideration of youth facilities will form part of the investigation and design of the community and sports facility at Greenmeadows mentioned above.
- 3.35 Any development beyond this will be considered in the needs analysis in 2013/14 to inform the development of the Long Term Plan.
- 3.36 Recommendation:

THAT funding for the Stoke Youth Park be deferred for consideration in the Long Term Plan 2015/25 as part of a wider development in Stoke centre.

Tahunanui Reserve Management Plan implementation

- 3.37 This project was removed from the ten year work programme during the Annual Plan 2013/14 process. Councillors noted that this project was an important one as it would continue work on plantings and paths at the Tahunanui Reserve. It was agreed that this should have funding included for consideration in the draft Long Term Plan 2015/25.
- 3.38 Recommendation:

THAT the \$128,000 for Tahunanui Reserve Management Plan implementation deferred from 2014/15 should be included in the draft Long Term Plan for consideration.

Economic

WiFi for the City Centre

- 3.39 It was noted that Council was proposing to invest in free WiFi for the City Centre in the current financial year, to extend free WiFi access to all network users. Ongoing management of the WiFi network will be provided through Uniquely Nelson at an annual cost of \$6000 starting in 2014/15.
- 3.40 Recommendation:

THAT the annual grant to Uniquely Nelson be increased by \$6,000 to cover additional work needed to manage the free WiFi network in the City Centre.

Corporate

Property Assets Review

3.41 There was discussion of the need for a comprehensive review of the wide range of Council-owned properties to gain a better understanding of why they are being held and to inform strategic decision making on land use in future. The value of Council-owned property in this category (ie not including core infrastructure assets) is in the region of \$77million (excluding road reserve), a substantial group of assets that Councillors feel needs better oversight and planning.

3.42 Recommendation:

THAT \$100,000 be allocated for a review of Council's property assets during the first part of the 2014/15 financial year.

Delivery of Capital Programme

3.43 Councillors discussed the size of the capital programme for 2014/15, noting that any expansion of the programme was limited by the resources available. There was a desire to address delivery of the capital programme to better serve the Nelson community. Of particular concern was the scale of impacts from recent emergency events and the degree to which Council's normal capital works programme had suffered delays as a result. It was agreed that funding should be provided for an increased resource in the Infrastructure Group, of an order that would allow the capital programme to expand by \$5-10million and tackle the build up of deferred projects. Officers suggested that the best timing would be to recruit the additional resource to begin in January 2015 and commence planning for additional projects in the Long Term Plan.

3.44 Recommendation:

THAT an allocation of \$120,000 be provided in the draft Annual Plan 2014/15 and \$240,000 annually thereafter, to provide increased resource for the purpose delivering an additional capital works programme each year.

Disaster Recovery Fund

3.45 Councillors were briefed on the impact of the December 2011 extreme rainfall event which is now projected to cost the Council \$9.5million over four years compared to the \$5.5million estimated in the Long Term Plan. Since then Nelson has also suffered from the April 2013 extreme rainfall event which is projected to cost \$1.2million. As a result the Disaster Recovery Fund is not projected to start accumulating funds until year 9. It would be prudent, therefore, to make an additional allowance to the fund of \$500,000 so that it can start accumulating funds sooner.

3.46 Recommendation:

THAT \$500,000 be allocated in the Annual Plan 2014/15 for the Disaster Recovery Fund.

Earthquake Prone Buildings Remediation

3.47 During deliberations on the Annual Plan 2013/14, Council decided \$538,800 for earthquake prone buildings remediation should be included in 2014/15, carried forward from 2013/14. In the draft Annual Plan 2014/15 officers proposed to reduce this amount to \$338,800. It is suggested that given the number of affected properties, it would be prudent to retain the full amount.

3.48 Recommendation:

THAT \$538,800 be allocated to earthquake prone buildings remediation in the Annual Plan 2014/15.

Annual Plan Financials

3.49 As part of the material circulated for the workshop, the Chief Financial Officer, Nikki Harrison, presented a spreadsheet outlining the Total Costs for the Year 3 Capital Programme (A1137252). With adjustments to take account of the recommendations above, this programme determines the capital programme for the draft Annual Plan 2014/15.

3.50 Recommendation:

THAT the Total Costs for the Year 3 Capital Programme spreadsheet (A1137252), as amended, be accepted as a basis of changes to the capital programme, as set out in the Long Term Plan 2012-2022.

4. Next Steps

4.1 Based on direction provided by Council at this meeting officers will amend the draft Annual Plan ready for approval at a Council meeting on 27 March 2014. Public consultation will occur from 28 March to 28 April 2014 with hearings and deliberations to follow in May/June 2014.

5. Conclusion

5.1 Making these decisions provides direction for staff to develop the draft 2014/15 Annual Plan.

Nicky McDonald
Acting Group Manager Strategy

Attachments

Attachment 1: Total Costs for Year 3 Capital Programme [A1137252](#)

Attachment 2: Policy Work Programme 2014/15 [A1144015](#)

No supporting information follows.

TOTAL COSTS FOR Y3 CAPITAL PROGRAMME

	Staff			Y3 Estimate	Comment
	LTP Y3	Council Approved Movements	Recommendation Movements		
Environmental Management	166,394	0	1,504,806	1,671,200	
Parks & Active Recreation	9,790,530	2,711,204	(3,292,705)	9,209,029	
Social	2,608,612	227,096	(155,163)	2,680,545	
Transport	10,208,956	1,209,543	(420,118)	10,998,381	
Wastewater	5,784,687	177,721	630,712	6,593,120	
Water Supply	4,816,693	0	(1,434,253)	3,382,440	
Stormwater	1,944,054	470,000	(224,288)	2,189,766	
Flood Protection	3,304,469	696,880	34,464	4,035,813	
Corporate	1,121,726	538,800	782,513	2,443,039	
Capital Staff Time	723,538		747,428	1,470,966	
	40,469,659	6,031,244	(1,826,604)	44,674,299	

Major Variances to Y3 LTP

Brought forward from year two	489,510
Civic House Upgrades	929,168
Landfill road extension	1,544,748
Modellers Pond solution	700,000
Destination playground	(676,305)
Trafalgar Ctr upgrades - dependent on Northern extension	(581,837)
Cable Bay Road reclassification from opex and timing	1,670,763
Cable Bay Road preventative maintenance	408,535
Cable Bay Rd Overlay/Reconstruction	330,000
Brook walk and cycle improvements carried forward	465,000
Bishopdale to Ridgeway shared path - carry forward/ detailed design completed	515,000
Rocks Road shared path - consents only in Y3	(2,300,010)
Waimea Ridgeway junction - consents only in Y3	(780,004)
Tasman St (Nile to Bronte) subsidised roading	657,000
Corder Park pump station	944,161
Saxton/Orphanage Stream works post April 2013	3,000,000
York Stream channel upgrade	(1,228,943)
Maitai and Todds Valley upgrades - timing	(1,458,530)
Water meters replacement - pilot only	(722,920)
Water treatment membranes replacements/additions	(423,132)
Pump station and pipe renewals	(429,996)
Other savings/deferments made in Y3	405,004
Capital Staff time	747,428
	4,204,640

Attachment 1

YEAR THREE CAPITAL VARIANCES TO LTP

	LTP Y3	Council Approved Movements	Staff		Comment
			Recommendation Movements	Y3 Estimate	
Environmental Management	1,66,394	0	1,504,806	1,671,200	
Harbour Safety	33,279	0	0	33,279	
Renewal	33,279	0	0	33,279	
Renewal: Boat/Trailer	33,279			33,279	
Transfer Station	76,219	0	(20,619)	55,600	
Growth	16,103	0	(16,103)	0	
2167 Capital: Amenity Building	16,103		(16,103)		0 Minor upgrade work funded through opex
Renewal	60,116	0	(31,516)	28,600	
1500 Renewals: Plant & Equipment	60,116		(31,516)	28,600	Less work required than planned
Increased Level of Service	0	0	27,000	27,000	
2022 Layout Improvement	0		27,000	27,000	Additional need identified - Extend concrete walls for glass recycling bays and upgrade sealed area to concrete pad (98m2) in front of scales and storage shed to maintain service levels
Waste Minimisation	6,441	0	(6,441)	0	
Renewal	6,441	0	(6,441)	0	
Recycling bins	6,441		(6,441)		0 No renewals/replacements required
Landfill	50,455	0	1,531,866	1,582,321	
Growth	12,882	0	1,531,866	1,544,748	
Planting	12,882		(12,882)		0 Not required
1533 Road extension	0		1,544,748	1,544,748	Construction of access road for next stage of landfill. Includes weighbridge
Renewal	37,573	0	0	37,573	
2025 Capital: Piezo monitor well	18,250			18,250	
2031 Collection Network/Flare/Gas	19,323			19,323	

YEAR THREE CAPITAL VARIANCES TO LTP

	LTP Y3	Council Approved Movements	Staff	Y3 Estimate	Comment
			Recommendation Movements		
Parks & Active Recreation	9,790,530	2,711,204	(3,292,705)	9,209,029	
Conservation Reserves	115,679	(48,308)	8,743	76,114	
Growth	54,773	(42,940)	0	11,833	
1050 Capital: Planting	11,833	0	0	11,833	
1073 Capital: Signs/Furniture	10,735	(10,735)			Per AP 2013/14 deliberations deferred for consideration in next 0 LTP
1073 Capital: New Track/Facility Development	32,205	(32,205)			Per AP 2013/14 deliberations deferred for consideration in next 0 LTP
Renewal	55,538	0	8,743	64,281	
1487 Renewal: Vehicles	16,103		(16,103)		0 To be purchased by Fulton Hogan
1487 Renewals: Accessways/Car Parks	5,368			5,368	
1487 Renewals: Buildings/Structures	7,810		45,000	52,810	Brook valley railway iron bridge replacement
1487 Renewals: Fences	5,709		(5,709)		0 Offset 1487: Renewals Buildings/Structures for Brook bridge
1487 Renewals: Furniture	4,445		(4,445)		0 Offset 1487: Renewals Buildings/Structures for Brook bridge
1487 Renewals: Tracks	16,103		(10,000)	6,103	Offset 1487: Renewals Buildings/Structures for Brook bridge
Increased Level of Service	5,368	(5,368)	0	0	
1073 Capital: Upgrade Fences & Wall	5,368	(5,368)			Per AP 2013/14 deliberations deferred for consideration in next 0 LTP
Esplanade & Foreshore Reserves	562,212	(139,555)	700,000	1,122,657	
Growth	461,372	(128,820)	0	332,552	
1052 Esplanade & Foreshore Planting	147,910			147,910	
1082 Tahuna RMP Implementation	128,820	(128,820)			Per AP 2013/14 deliberations deferred for consideration in next 0 LTP
1165 Capital: Accessway / Carparks surfaces upgrades	107,350			107,350	
1731 Upgrade programme	0			0	
1731 Capital: Fences / Walls	53,675			53,675	
1731 Capital: Paramatta Flats	10,735			10,735	
1731 Growth: Furniture/Signs	12,882			12,882	
Renewal	90,105	0	700,000	790,105	
1379 Modellers Pond Solution	0		700,000	700,000	Stage two of upgrade.
1488 Renewals: Accessways/Car parks	66,686			66,686	
1495 Renewals: Furniture	23,419			23,419	

	LTP Y3	Council Approved Movements	Staff Recommendation Movements	Y3 Estimate	Comment
Increased Level of Service	10,735	(10,735)	0	0	
2250 Capital: Wakapuaka Sandflats	10,735	(10,735)			Per AP 2013/14 deliberations deferred for consideration in next 0 LTP
Golf Course	24,477	0	0	24,477	
Renewal	24,477	0	0	24,477	
Renewals: Furniture	5,368			5,368	
Renewals: Services	16,103			16,103	
Renewals: Accessway/carparks	3,006			3,006	
Horticulture Parks	212,803	0	0	212,803	
Growth	118,228	0	0	118,228	
1730 Capital: Planting	17,749			17,749	
2345 Capital: Lighting / Signs	5,582			5,582	
2345 Capital: Park Upgrades	94,897			94,897	
Renewal	94,575	0	0	94,575	
1490 Renewals: Accessways/Car Parks	37,573			37,573	
1729 Renewals: Furniture	13,221			13,221	
1729 Renewals: Services	29,582			29,582	
1729 Renewals: Structures	14,199			14,199	
Landscape Reserves	326,566	(37,573)	55,000	343,993	
Growth	168,163	(37,573)	55,000	185,590	
1051 Capital: Planting	76,914			76,914	
1072 Capital: Signs	16,103			16,103	
					Per AP 2013/14 deliberations funding deferred for consideration in next LTP however staff recommend some funding for
1186 Capital: Mountainbike Tracks	37,573	(37,573)	25,000	25,000	improvements based on engagement with interest groups.
2246 Capital: Tasman Heights	0		30,000	30,000	Walkway connection Maire St to Heemskirk Place.
2247 Capital: Grampians	37,573			37,573	
Renewal	158,403	0	0	158,403	
1072 Upgrade: Structures	10,735			10,735	
1492 Renewals: Tracks	26,838			26,838	
1492 Renewals: Accessway/Carparks	10,735			10,735	
1492 Renewals: Fences	17,749			17,749	
1492 Renewals: Furniture	11,833			11,833	
2245 Fringed hill Revegetation	80,513			80,513	

	Council Approved		Staff Recommendation		Comment
	LTP Y3	Movements	Movements	Y3 Estimate	
Marina	386,457	1,470,000	(1,456,444)	400,013	
Growth	36,134	1,470,000	(1,420,000)	86,134	
1036 Capital: Minor Development	36,134			36,134	Per AP 2013/14 deliberations deferred for consideration in next LTP
1769 Marina Hardstand	0	1,470,000	(1,420,000)	50,000	\$1470k carried forward per 2013/14 AP deliberations. Staff recommend a Non-working hardstand 300 sq mtr requiring only \$50k
Renewal	350,323	0	(36,444)	313,879	
1037 Renewals Programme	0			0	
1037 Renewals: Furniture	10,449			10,449	
1037 Renewals: Services	25,055			25,055	
1037 Renewals: Structures	46,444		(36,444)	10,000	Planned work for the year costs less than budget allocated
1039 Marina: Pontoon renewal progra	268,375			268,375	
Neighbourhood Parks	1,064,828	0	(42,940)	1,021,888	
Growth	1,032,880	0	(58,741)	974,139	
1063 Neighbourhood Parks Upgrade Pr	107,350			107,350	
1093 Capital: Upgrd Accessways/Carp	21,470			21,470	
1354 Land Purchase: General Reserve	536,750			536,750	
1422 Capital: Upgrade programme	0			0	
1422 Capital: Fences and Walls	41,415			41,415	
1422 Capital: Furniture	41,415		(15,801)	25,614	xfer to proj 1416 - more \$ needed for renewals than new
1422 Capital: Sculpture (Arts Strategy)	42,940		(42,940)	0	no \$ or capacity for Art unless directed by Council
1422 Upgrade: Structures	11,164			11,164	
1618 Capital: Toilet Basin Reserve	177,128			177,128	
1728 Capital: Planting	53,248			53,248	
Renewal	31,948	0	15,801	47,749	
1093 Renewals: Accessways/Car Parks	17,749			17,749	
1416 Renewals: Furniture	14,199		15,801	30,000	xfer from proj 1422 - more \$ needed for renewals than new
Play Facilities	901,740	(616,305)	0	285,435	
Growth	837,330	(616,305)	0	221,025	
1054 Playground Development Program	161,025			161,025	
1074 Capital: Stoke Youth Park	0	60,000		60,000	Carried forward from 2013/14 per AP deliberations
2294 Destination Playground - Rutherford	676,305	(676,305)		0	Per AP 2013/14 deliberations deferred for consideration in next LTP
Renewal	64,410	0	0	64,410	
2344 Renewals: Play Equipment	64,410			64,410	

	LTP Y3	Staff		Y3 Estimate	Comment
		Council Approved Movements	Recommendation Movements		
Saxton Capital	268,375	0	80,000	348,375	
Growth	268,375	0	0	268,375	
1044 Capital: Walkways/cycleways	107,350			107,350	
1049 Capital: General Development	161,025			161,025	
Increased Level of Service	0	0	80,000	80,000	
2734 Capital: Stadium Surface Water	0		80,000	80,000	Changing kerb
Sports Parks	268,376	(21,470)	0	246,906	
Growth	101,983	0	0	101,983	
1068 Capital: Security Gates/Bollar	16,103			16,103	
2254 Capital: Victory Square Irriga	85,880			85,880	
Renewal	144,923	0	0	144,923	
1503 Renewals: Furniture	16,103			16,103	
1503 Renewals: Services	42,940			42,940	
1603 Renewals: Access/Carparks	85,880			85,880	
Increased Level of Service	21,470	(21,470)	0	0	
					Per AP 2013/14 deliberations deferred for consideration in next 0 LTP
1257 Capital: Minor Development	21,470	(21,470)			
Swimming Pools	387,534	212,836	(219,277)	381,093	
Growth	26,838	212,836	(212,836)	26,838	
2285 Capital: Minor Assets	26,838	212,836	(212,836)	26,838	
Renewal	354,255	0	0	354,255	
2284 Nayland remodelling	257,640			257,640	
2285 Nayland pipe renewals	21,470			21,470	
2285 Renewals Nayland	21,470			21,470	
2285 Renewals: Minor Assets	32,205			32,205	
2285 Renewals: Riverside	21,470			21,470	
Increased Level of Service	6,441	0	(6,441)	0	
1779 Capital: Riverside Signage	6,441		(6,441)	0	Work complete
Trafalgar Centre	5,144,212	1,835,950	(2,417,787)	4,562,375	
Renewal	397,195	(53,675)	(343,520)	0	
					Per AP 2013/14 deliberations deferred for consideration in next 0 LTP
1808 Renewals: Minor Assets	53,675	(53,675)			0 LTP
2270 Renewal: Replace/renew screens	128,820		(128,820)		0 Dependent on whether North Extension goes ahead
2271 Replacement of benched seats	214,700		(214,700)		0 Dependent on whether North Extension goes ahead
Increased Level of Service	4,747,017	1,889,625	(2,074,267)	4,562,375	
1832 Trafalgar Centre North Upgrade	4,562,375	1,889,625	(1,889,625)	4,562,375	Under review
2276 Landscape and Parking	184,642		(184,642)		0 Dependent on whether North Extension goes ahead

	LTP Y3	Council Approved Movements	Staff Recommendation Movements	Y3 Estimate	Comment
Walkways	127,271	55,629	0	182,900	
Growth	58,451	(21,470)	0	36,981	
1053 Capital: Planting	17,749			17,749	
1094 Capital: Upgrd Accessways/Car	21,470	(21,470)			Per AP 2013/14 deliberations deferred for consideration in next 0 LTP
1639 Capital: Furniture	7,099			7,099	
1639 Upgrade: Fences & Walls	1,776			1,776	
Land Purchased	10,357			10,357	
Renewal	25,880	0	0	25,880	
1489 Renewals: Accessways/Car parks	15,523			15,523	
1639 Renewals: Furniture	10,357			10,357	
Increased Level of Service	42,940	77,099	0	120,039	
1098 Capital: Walkway Lighting	42,940	77,099		120,039	\$77k deferred to Y3 per 2013/14 Annual Plan deliberations

YEAR THREE CAPITAL VARIANCES TO LTP

	LTP Y3	Council Approved Movements	Staff Recommendation Movements	Y3 Estimate	Comment
Social	2,608,612	227,096	(155,163)	2,680,545	
Brook Motor Camp	12,209	0	(1,429)	10,780	
Renewal	12,209	0	(1,429)	10,780	
Capital: Motor Vehicles	1,429		(1,429)	0	
Capital: Plant & Equipment	10,780			10,780	
Crematorium	26,838	0	68,897	95,735	
Renewal	10,735	0	0	10,735	
Renewal: Furniture & Fittings	10,735			10,735	
Increased Level of Service	16,103	0	68,897	85,000	
Capital: Building Upgrade	0		85,000	85,000	Upgrade and relining to larger cremator
2011 Seismic evaluation/strengtheni	16,103		(16,103)	0	Funding included in projects 2561 and 2580
Community Housing	45,439	0	0	45,439	
Renewal	45,439	0	0	45,439	
1486 Community Housing Renewals	45,439			45,439	
Community Properties	5,368	0	(5,368)	0	
Increased Level of Service	5,368	0	(5,368)	0	
2015 Seismic strengthening	5,368		(5,368)	0	Funding included in projects 2561 and 2580
Elma Turner Library	574,324	0	(61,277)	513,047	
Growth	532,457	0	(39,410)	493,047	
Capital: Specialised Lib Equip	32,205		(17,205)	15,000	less funding required
Capital: Furniture & Equipment	32,205		(22,205)	10,000	2012/13 refit has reduced requirement
Book Purchases	376,799			376,799	
0105 Books: Donated	21,470			21,470	
0801 Book Purchases: Periodicals	32,205			32,205	
0804 Capital: Audio/Digital	37,573			37,573	
Renewal	41,867	0	(21,867)	20,000	
Renewals: Specialised Lib Equi	15,029		(5,029)	10,000	less funding required
Renewals: Furniture & Equipmen	26,838		(16,838)	10,000	2012/13 refit has reduced requirement
Founders Park	16,103	0	(5,368)	10,735	
Renewal	10,735	0	0	10,735	
Renewal:programmed renewal	10,735			10,735	
Increased Level of Service	5,368	0	(5,368)	0	
2035 Seismic eval/strengthening	5,368		(5,368)	0	Funding included in projects 2561 and 2580

	LTP Y3	Staff		Y3 Estimate	Comment
		Council Approved Movements	Recommendation Movements		
Historic Cemeteries	20,182	0	(7,382)	12,800	
Growth	12,882	0	(7,382)	5,500	
1166 Capital: Ash Beams	12,882		(7,382)	5,500	Saving
Renewal	7,300	0	0	7,300	
Renewals: Furniture	1,932			1,932	
Renewals: Accessways/Car parks	5,368			5,368	
Maitai Motor Camp	0	0	5,000	5,000	
Renewal	0	0	5,000	5,000	
Capital: Services	0		5,000	5,000	Renew water pipes
Managing Heritage & Arts	193,231	233,566	(395,797)	31,000	
Renewal	134,188	145,432	(279,620)	0	
1305 Renewals: City Promotion	0	15,582	(15,582)		0 Accrued from 2013/14. No requirement 14/15 \$130k accrued from 2012/13. No works projected due to capacity
1143 Art Works Programme	134,188	129,850	(264,038)		0 constraints and identification of suitable projects.
Increased Level of Service	59,043	88,134	(116,177)	31,000	
1307 HoN Art & Sculptures	59,043	57,134	(116,177)		\$57k accrued from 2012/13. No works projected due to capacity 0 constraints and identification of suitable projects.
2681 Maitai Murals	0	31,000	0	31,000	Per AP 2013/14 deliberations
Marsden Cemetery	46,162	(6,470)	(4,943)	34,749	
Growth	26,838	(21,470)	(174)	5,194	
Capital: Minor Development	5,368		(174)	5,194	
1166 Capital: Ash berms	21,470	(21,470)			Per AP 2013/14 deliberations deferred for consideration in next 0 LTP
Renewal	19,324	0	(4,769)	14,555	
Renewals: Furniture	3,221		(1,105)	2,116	reduced to match Y2 projection
Renewals: Accessways/Carparks	16,103		(3,664)	12,439	reduced to match Y2 projection
Increased Level of Service	0	15,000	0	15,000	
2687 WWI Centenary Memorial	0	15,000	0	15,000	Per 2013/14 AP deliberations
Nightingale Library Memorial	3,757	0	0	3,757	
Renewal	3,757	0	0	3,757	
Capital : Furniture & Fittings	3,757			3,757	
Public Toilets - Free	77,292	0	0	77,292	
Growth	32,205	0	0	32,205	
2002 Growth: Millers Acre Toilet	32,205			32,205	
Renewal	45,087	0	0	45,087	
2227 Toilet Renewals Program	45,087			45,087	

	LTP Y3	Council Approved Movements	Staff Recommendation Movements	Y3 Estimate	Comment
School of Music	1,581,266	0	252,504	1,833,770	
Increased Level of Service	1,581,266	0	252,504	1,833,770	
2038 Refurb/Seismic strengthening	1,581,266		252,504	1,833,770	\$253k carry forward from Y2 projection
Stoke Library	6,441	0	0	6,441	
Renewal	6,441	0	0	6,441	
Furniture & Fittings renewal	6,441			6,441	

YEAR THREE CAPITAL VARIANCES TO LTP

	LTP Y3	Council/Approved Movements	Staff Recommendation Movements	Y3 Estimate	Comment
Total	10,208,956	1,209,543	(420,113)	10,998,381	
Subsidised Roading	8,694,714	647,512	(302,443)	9,039,783	
Growth	2,330,261	375,000	(1,298,006)	1,407,255	
1222 Brook Cycle&Walk Imprvmnts	0	465,000		465,000	Carried forward per 2013/14 AP deliberations
1525 Road: Minor Improvements progr	690,255		(468,000)	222,255	Funding transferred to project 2471 R Funding
1532 Road: Waimea/Ridgeway Jct	850,004		(780,004)	70,000	Design and consents only.
					Per AP 2013/14 deliberations deferred for consideration in next
2169 Waimea/Market Rd Jct	90,000	(90,000)		0	LTP
2172 Railway Reserve/Princes Dr extension overbridge	400,001		99,999	500,000	Developer driven
2568 Integration activities	300,001		(150,001)	150,000	To carry forward to 2015/16 aligning with NZTA funding
Renewal	2,280,761	0	2,000,763	4,281,524	
1536 Road Renewals: Associated Impr	50,000			50,000	
1540 Road Renewals: Resurfacing	602,215			602,215	
1541 Road Renewals: Traffic Service	130,001			130,001	
1542 Road Renewals: Unsealed Road M	58,000			58,000	
1994 Emergency 2011 Cable Bay Road	0		1,670,763	1,670,763	Reclassification from Opex in LTP; timing changes.
2165 Road Renewals: Friction Course	1,440,545			1,440,545	
2626 Renewal: Cable Bay Rd Overlay/Reconstruction	0		330,000	330,000	Minimise whole of life costs. Subsidised
Increased Level of Service	4,083,692	272,512	(1,005,200)	3,351,004	
1080 Streetlight upgrade Programme	250,001			250,001	
1224 Poormans Stm walk/cycle improvements	30,000		(30,000)	0	Completed
					\$273k carried forward per 2013/14 AP deliberations. Design shows
1227 Bishopdale to the Ridgeway shared path	0	272,512	242,488	515,000	more \$ needed - financial estimates refined as project progresses.
1270 Footpath: Walkway Connection	100,001		(100,001)	0	xfer to proj 2533
1313 Maitai shared path (Akerston S	50,000			50,000	
					Preventative maintenance as part of recovery project, new line for
1994 Cable Bay Rd (PM)	0		493,000	493,000	NZTA tracking purposes only
2173 Maitai shared path (Collingwood to Nile)	450,002		174,998	625,000	Detailed design shows increased costs
2176 School approach and frontage treatments	200,001			200,001	
2177 Other walk/cycle projects Prog	450,002			450,002	
2199 Waimea Rd widening/Snows Hill	53,675		(53,675)	0	Project requirement under review
2213 Rocks Rd shared path	2,500,010		(2,300,010)	200,000	Consents only 2014/15.
2471 Minor Improvements using R funding	0		468,000	468,000	Funding transferred from project 1525
2533 School frontage St Josephs and Central (Willow Walk)	0		100,000	100,000	xfer from proj 1270

	Council Approved		Staff Recommendation		Comment
	LTP Y3	Movements	Movements	Y3 Estimate	
Unsubsidised Roading	1,006,945	562,031	101,091	1,670,067	
Growth	53,675	10,000	96,325	160,000	
Sundry Land Purchases - Growth	0		150,000	150,000	Unidentified. Typical annual spend around \$180k
1532 Waimea/Ridgeway intersection upgrade	0	10,000		10,000	Carry forward from Y2
2320 See 5002 7530 1532 Art: Waimea/Ridgeway	53,675		(53,675)	0	entire project is funding through project # 1532
Renewal	729,981	0	(90,425)	639,556	
1494 Renewals: Footpaths	590,425		(90,425)	500,000	Savings from UFB cost-share
1504 Renewals: Street Lights	134,188			134,188	
Renewals: Street/Garden Furniture	5,368			5,368	
Increased Level of Service	223,289	552,031	95,191	870,511	
1076 Capital: Road Frontage Planting	36,499			36,499	
1078 Capital: Street Garden Dev	46,161			46,161	
1079 Capital: Street Tree Dev	38,646			38,646	
2058 Tasman St (Nile to Bronte)	0	522,031	134,969	657,000	\$522k deferred per 2013/14 AP deliberations. Linked to project 1222 . Preferred solution cost more than originally planned
2191 Halifax/Shakespeare	32,205		(32,205)	0	Deferred Carried forward from 13/14 per AP 2013/14 deliberations; design
2193 Todd Bush Rd	0	30,000	30,000	60,000	costs increased \$30k.
2196 Collingwood St tree planting	32,205			32,205	
2202 Cycleway: Halifax St cyclelane	37,573		(37,573)	0	Deferred awaiting sub allocation in 15-18 NLTP
Car Parks	471,267	0	(289,899)	181,368	
Renewal	31,132	0	(25,764)	5,368	
1484 Renewal: On St Parking Meters	17,176		(17,176)	0	Not required. Awaiting outcome of Parking Strategy
1499 Renewals: Off St Parking Meter	8,588		(8,588)	0	Not required. Awaiting outcome of Parking Strategy
2207 Renewal CBD Rubbish Bins	5,368			5,368	
Increased Level of Service	440,135	0	(264,135)	176,000	
2210 Capital : Church St improvements	268,375		(218,375)	50,000	Preliminary design only
2211 Capital: Maitai Walkway Connection	171,760		(45,760)	126,000	Savings
Millers Acre Centre	0	0	18,000	18,000	
Increased Level of Service	0	0	18,000	18,000	
2736 Building Improvements	0		18,000	18,000	Create additional tenancy
Public Transport	36,030	0	0	36,030	
Increased Level of Service	36,030	0	0	36,030	
2335 PT Minor Improvements	36,030			36,030	
Total Mobility	0	0	53,133	53,133	
Increased Level of Service	0	0	53,133	53,133	
2219 LOS: Electronic Ticketing	0		53,133	53,133	xfer from Opex - LTP correction

YEAR THREE CAPITAL VARIANCES TO LTP

	LTP Y3	Council Approved Movements	Staff Recommendation Movements	Y3 Estimate	Comment
Wastewater	15,849,908	1,344,601	(993,365)	16,201,139	
Growth	368,747	0	131,253	500,000	
1190 Capital: Ngawhatu Valley TM	368,747		131,253	500,000	Solution requires more funding in Yr3. Project will continue into Yr4 as well. Primarily DC funded
Renewal	1,574,099	230,000	(1,079,468)	724,631	
1493 Pipe Fittings: Flow meters	44,631			44,631	Ongoing programme. Reduced as no specific pump replacements
1502 Renewals Pump stations	230,480		(100,480)	130,000	yet identified.
1563 Rising/swallows renewals	744,472		(744,472)	0	xfer to proj 1920 Corder Park PS
1564 Wastewater Pipe Renewals	554,516		(329,516)	225,000	Renewal programme funding line only - will be split to separate projects. Recommend funding cut to assist with defining an achievable CAPEX programme. Xfer \$235k to proj 2565
1953 Franklyn St Sewer upgrade	0	140,000	(140,000)	0	workload and enhance ability to deliver CAPEX programme
2565 Beatson Road Renewal	0	90,000	235,000	325,000	design has helped firm up costs
Increased Level of Service	3,841,841	(52,279)	1,578,927	5,368,489	
1061 Arapiki/Q'tine TM	1,599,783		(45,994)	1,553,789	Detailed design has firmed up costs
1187 Neale Park PS	214,700			214,700	
1716 Capital: Awatea Place	52,279	(52,279)		0	Per AP 2013/14 deliberations deferred for consideration in next LTP
1920 Corder Park Pump Station	1,911,367		1,688,633	3,600,000	\$744k xfer from 1563 Rising/swallows renewals, preferred solution requires more funding
2048 Atawhai Air Valve Odour Control	63,712		(63,712)	0	Completed
Stormwater	1,944,054	470,000	(224,288)	2,189,766	
Renewal	123,372	140,000	(201,686)	61,686	
1485 Stormwater Renewals	123,372	140,000	(201,686)	61,686	Funding to fit renewal programme, only \$61k required. Significant issues being repaired via recovery work
Increased Level of Service	1,820,682	330,000	(22,602)	2,128,080	
1059 Private Drains/Sub	53,133			53,133	
1060 Pvt/Public Drains	209,767			209,767	
1071 Capital: Shelbourne St s/w upgrade	51,582		(51,582)	0	Delay until roading
1107 Catchment Management Plan	26,566			26,566	
1196 Piping Ditches	111,844			111,844	
2054 Montcalm/Arrow/Wash Vly/Hastin	265,584			265,584	

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	LTP Y3	Council Approved Movements	Staff Recommendation Movements	Y3 Estimate	Comment
2058 Capital: Tasman: Bronte-Nile-Manuka	0	330,000	0	330,000	Carried forward per 2013/14 AP deliberations.
2059 Capital: Arapiki Road	50,186			50,186	
2073 Capital: Oldham Creek upgrade	103,861		(67,861)	36,000	Preferred solution costs less than originally expected
2075 Capital: Halifax St: Tas-Miltn	211,211		(211,211)	0	Defer to LTP - lower relative priority post April 2013
2089 Salt Water Creek/Haven Rd Culvert	736,948		113,052	850,000	Budget revised after design completion
2091 North Esk/Beccles	0		80,000	80,000	To complete project
2624 LOS: Nile Street East	0		50,000	50,000	To meet LOS
2677 Chamberlain St	0		65,000	65,000	More \$ and time required than originally estimated
Flood Protection	3,304,469	696,880	34,464	4,035,813	
Increased Level of Service	3,304,469	696,880	34,464	4,035,813	LTP pg 116
1088 Capital: Todds Valley Stream upgrade	896,345	100,000	(896,345)	100,000	\$100k carried forward per 2013/14 AP deliberations. Linking timing with NZTA. Detailed design only Y3. shift physical works to 15/16
1095 LOS: York catchment evaluation	263,491	310,000	(423,491)	150,000	\$310k carried forward per 2013/14 AP deliberations. New approach - modelling and options report for catchment now priority. Projects will be identified once this work is complete
1100 Capital: York Stream Channel Upgrade	1,228,943		(1,228,943)	0	Stg 1 work already in progress completed in 2013/14. Further stages of project for LTP consideration.
1178 Capital: Maitai Upgrade and Enhancement	762,185	136,880	(799,065)	100,000	\$137k carried forward per 2013/14 AP deliberations. Request for \$100k should cover planned work of Modelling and complete design.
2052 LOS: Brook catchment strategy	0		85,627	85,627	Deferred from Y1 & 2
2080 Capital: Arapiki Stream	50,186		(50,186)	0	Evaluate in AMP
2087 Main Rd Stoke/Poormans St/Culv	50,186			50,186	
2100 Hampton St East- Little Go Stream	53,133		146,867	200,000	Resource consents and detailed design and engagement
2657 Flood Mitigation	0	150,000	200,000	350,000	\$150k carried forward per 2013/14 AP deliberations. Additional problem areas identified so more funding requested
2688 Orphanage Stream upgrade	0		500,000	500,000	Saxton Field stream/culvert design
2689 Saxton Creek upgrade	0		2,500,000	2,500,000	Estimate.

	Council Approved		Staff Recommendation		Y3 Estimate	Comment
	LTP Y3	Movements	Movements			
Water Supply	4,816,693	0	(1,434,253)		3,382,440	
Growth	1,800,018	0	(423,132)		1,376,886	
1064 Capital: Rider mains	155,416				155,416	
2313 Capital: Atawhai Res & pump Ma	21,470				21,470	
2555 Capital: New Membrane (Train 5)	1,623,132		(423,132)		1,200,000	New solution requires less \$ in Yr3 than originally planned
Renewal	2,084,066	0	(674,008)		1,410,058	
1461 Renewals: Water Pipes	838,404				838,404	
1491 Renewals: Commercial Meters	301,654				301,654	
1496 Renewals: Headworks	0		60,000		60,000	Transfer from project 1498
1498 Renewals: Misc Pipes & Fitting	64,822		(64,822)		0	Transfer \$60k to project 1496
2128 Residential Meters renewals	772,920		(722,920)		50,000	Pilot only
						Additional funding required - SLT requested start of process earlier
2136 Capital Roding RC Renewal	53,133		26,867		80,000	than planned
						Additional funding required - SLT requested start of process earlier
2139 Capital: Resource Consents	53,133		26,867		80,000	than planned
Increased Level of Service	932,609	0	(337,113)		595,496	
						Full budget not required this year - planned work less than
1058 Capital: Pressure Reduction	261,397		(211,397)		50,000	expected
						Full budget not required this year - planned work less than
1081 Capital: System Improvements	132,041		(72,041)		60,000	expected
1168 Capital: Backflow Prevention	375,725				375,725	
1180 Other Sundry: Maitai Planting	10,413				10,413	
2130 Maitai Pipeline (WTP - Westbk Tce)	53,675		(53,675)		0	Recommend design in next LTP
2131 Fire Flow Upgrades	99,358				99,358	

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YEAR THREE CAPITAL VARIANCES TO LTP

	LTP Y3	Council Approved Movements	Staff	Y3 Estimate	Comment
			Recommendation Movements		
Corporate	1,121,726	538,800	782,513	2,443,039	
Administration	831,880	0	192,145	1,024,025	
Growth	25,504	0	78,496	104,000	
0674 Server & Network Software	25,504		(10,504)	15,000	
0675 Core Systems enhancement	0		79,000	79,000	Distribution from project 0803
1209 Capital: Comp: S/ware: Desktop	0		10,000	10,000	Distribution from project 0803
Renewal	806,376	0	33,649	840,025	
Capital: Motor Vehicles	80,513			80,513	
0803 Capital: H/ware: Desktop	725,863		(561,363)	164,500	Largely distributed to individual projects. Includes \$155k potential server renewal
0804 Capital: Comp: H/Ware: Network	0		6,500	6,500	Distribution from project 0803
0806 Cell phone replacements	0		10,000	10,000	Distribution from project 0803
1147 Asset Management System Upgrade	0		69,512	69,512	Integration with EPO and Ozone. Opex savings will cover depreciation and interest.
1209 Computer Rollout	0		109,000	109,000	Distribution from project 0803
1229 Software: Data Warehouse	0		75,000	75,000	Carry forward from Y2
1558 Storage Area Network	0		17,000	17,000	Distribution from project 0803
1566 Single customer DB in NCS	0		118,000	118,000	Carry forward from Y2
1672 Aerial Photography Programme	0		60,000	60,000	Distribution from project 0803
2351 Blade Server	0		65,000	65,000	Carry forward from Y2
2726 Origen upgrade	0		15,000	15,000	Distribution from project 0803
2727 Jade change to hosted solution	0		20,000	20,000	Distribution from project 0803
2729 Backup Tape Drive Upgrade / US	0		15,000	15,000	Distribution from project 0803
2731 Scada Remote Site Upgrades	0		15,000	15,000	Distribution from project 0803
Increased Level of Service	0	0	80,000	80,000	
2728 Nmap upgrade	0		25,000	25,000	Distribution from project 0803
2730 IBM 3550 Server HotSpare	0		5,000	5,000	Distribution from project 0803
2733 LiDAR data for key areas	0		50,000	50,000	Distribution from project 0803
Civic House	289,846	538,800	390,368	1,219,014	
Growth	107,350	0	342,650	450,000	
1195 Floor 1 upgrade	0		450,000	450,000	New requirement. \$107k xfer from proj 1198
1198 Capital: Buildings	107,350		(107,350)	0	Work captured in proj 1195
Renewal	44,014	0	350,000	394,014	
1192 Civic House Veranda renewal	0		350,000	350,000	Verandah leaking
1198 Capital: Furniture & Fittings	44,014			44,014	
Increased Level of Service	138,482	538,800	(302,282)	375,000	
1197 Aircon	0		150,000	150,000	\$113k xfer from proj 1198

	LTP Y3	Council Approved Movements	Staff Recommendation Movements	Y3 Estimate	Comment
1198 Capital: Plant & Equipment	138,482		(113,482)	25,000	Transfer to Proj 1197 for Aircon \$539k carried forward per 2013/14 AP deliberations. Premises yet to be identified and approved for work. Funding is Placeholder
2561 Earthquake Prone Buildings Remediation	0	538,800	(338,800)	200,000	until scope is clear
Rental Properties	0	0	200,000	200,000	
Renewal	0	0	200,000	200,000	
2725 Hunter Furniture Roof renewal	0		200,000	200,000	New work identified that may urgently require mitigation

Policy Project	Background
Statutory requirement	
Asset/Activity Management Plans	Required for Long Term Plan
Three new Activity Management Plans (Environment, Other Regulatory, Community Partnerships)	Officer proposal to give Council insight into and direction of key functions. Will feed into the Long Term Plan.
30 year Infrastructure Strategy	Required for Long Term Plan
Development Contributions Policy	Required for Long Term Plan but more significant piece of work due to expected changes in legislation
Significance and Engagement Policy	Expected to be a requirement of new LGA legislation
Other Long Term Plan policies such as Revenue and Financing	Required for Long Term Plan
Statutory acknowledgements	Required by Te Tau Ihu Claims Settlement Act
MOUs with eight iwi	Required by Te Tau Ihu Claims Settlement Act
Regional Land Transport Strategy and Plan	Statutory requirement - review in conjunction with Transport Asset Management Plan
Underway and/or necessary to complete	
Plan Change 16 (Inner City Noise)	Submissions received, hearing scheduled 2 May 2014
Nelson Plan	Council decision 12 December 2013 to undertake full review of NRMP and RPS – the Nelson Plan. Resource management issues and options papers being developed to inform Nelson Plan review.
Structures on road reserve	Most important of a number of roading policies that need updating
Water Supply bylaw review	Review due 2014/15
Tradewaste bylaw review	Review due 2014/15. Plan to replace Tradewaste with a wider Wastewater bylaw
Stormwater bylaw review	Council resolved to revoke the bylaw 29 August 2013
Maitai catchment management consultation	To inform flood protection project in Long Term Plan. Will be coordinated with other Maitai work.
Seismic review of the Maitai dam and storage reservoirs	Underway in 2014/15
Central Business District focus	Heart of Nelson stakeholder meeting requested at Infrastructure meeting 8 August 2013 and held 21 October 2013. Further work on planning for CBD anticipated to inform the LTP
Reserves bylaw	Underway
Rating review	Consideration underway
Local Alcohol Policy	Underway and likely to involve some work in 2014/15

POLICY WORK PROGRAMME 2014/15

Priority for Council – as updated during Annual Plan Workshops	
Events Strategy review	Review requested by Infrastructure meeting 21/2/13.
Social Wellbeing Policy action plan	To be developed
Accessibility policy	Was to have been included in Social Wellbeing Policy but insufficient resources at time of development. Needs to be developed for inclusion in the Social Wellbeing Policy and action plan.
Housing	Consideration of future of Council's community housing assets (and Community Housing Policy, affordable housing)
User pays study	Review cost recovery for community facility use. Signalled in Long Term Plan
Stoke Development Plan	Needs analysis of the community and sports facilities in Stoke to be undertaken in 2014/15
Saxton Governance, management and marketing	As per Saxton Field Reserve Management Plan
Community Assistance Policy	Review of criteria
Pending	
Dangerous Dams Policy	Requirements expected from Central Government in 2014/15
Earthquake Prone Buildings Policy	Changes to the Building Act expected from Central Government in 2014/15
Museum Storage	Awaiting outcomes of work initiated by TDC.
Not currently resourced	
Cycle and pedestrian strategies	Due for review
Tahunanui Structure Plan	Review of progress required
Festivals future, including question of location	From Arts AMP 2012-22
Heritage Strategy	Due for review. Some elements will be considered as part of the Nelson Plan review.
Horticultural Parks Reserve Management Plan	Reserves Act requirement. Also interest from iwi in Queens Gardens portion of plan
Sportsfield Reserves Management Plan	Reserves Act requirement
Neighbourhood Parks Reserves Management Plan	Reserves Act requirement
Tahunanui Reserve Management Plan	Due for 10 year review under Reserves Act
Reserves Naming Policy	Due for review
Bylaw consolidation	Officer suggestion to make bylaw workload more manageable
Regional Facilities Plan	Usefulness of review questioned given many regional facilities now in place

Fees and Charges: Resource Consents and Resource Management Act Planning Documents

1. Purpose of Report

- 1.1 To seek Council approval of the draft Fees and Charges Resource Consents and Resource Management Act Planning Documents 2014/15, for public consultation and notification within the Nelson City Council Annual Plan 2014/15 using the Special Consultative Procedure (section 83 of the Local Government Act 2002).

2. Recommendation

THAT the report Fees and Charges: Resource Consents and Resource Management Act Planning Documents (A1139532) and its attachment (A1139974) be received;

AND THAT the Fees and Charges Resource Consents and Resource Management Act Planning Documents be approved for public consultation and notification within the Nelson City Council Annual Plan 2014/15 Special Consultative Procedure (section 83 of the Local Government Act 2002).

3. Background

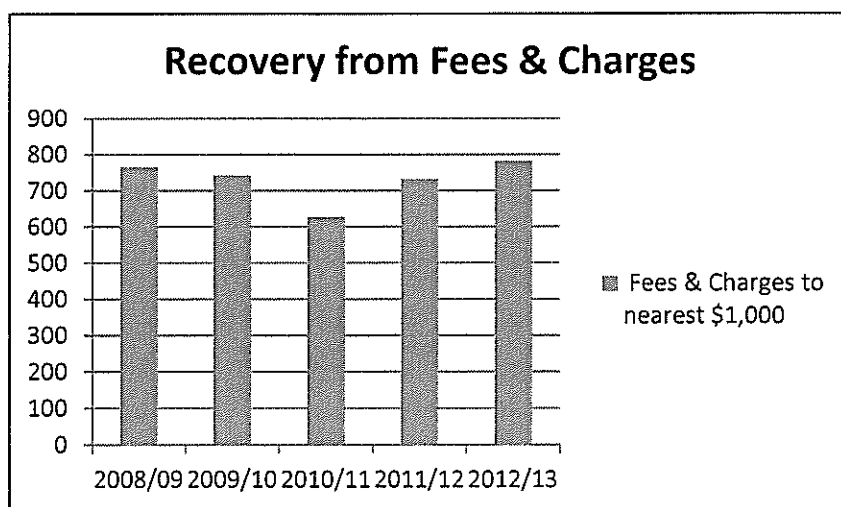
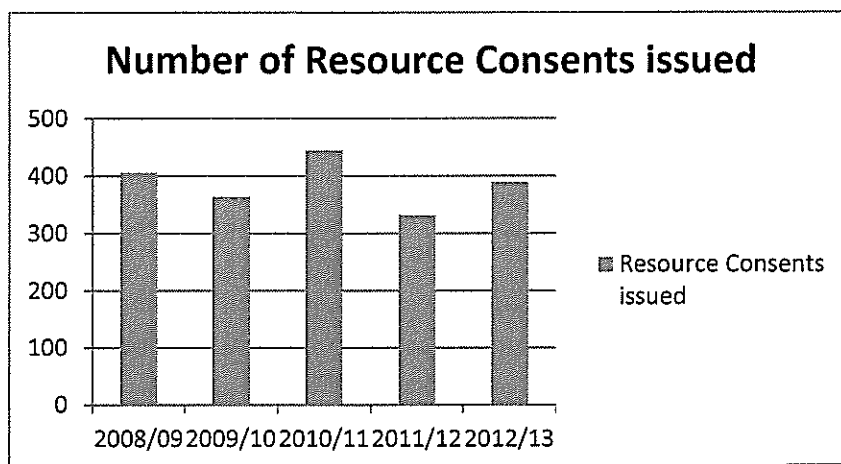
- 3.1 The Consents and Compliance Business Unit is responsible for a variety of functions that have an element of cost recovery. While some charges are set by statute, other statutes give local authorities the power to set charges. This report considers fees and charges for:
- Resource consents: processing, monitoring and enforcing, administration; and
 - Resource Management Act planning documents.
- 3.2 Funding is achieved by Council through a mix of general rates, fees and charges, and infringement fees and fines. The level of cost recovery from applicants affects the level of ratepayer funding that is required.

3.3 Section 101(3) of the Local Government Act 2002 and Section 36 (4) of the Resource Management Act 1991 require that charges for regulatory functions are to be cost-effective with those gaining the benefit from the regulatory service paying the reasonable cost for that service.

4. Discussion

Resource Consent Activity Assumptions

4.1 Assumption 1: There will be no significant changes to the nature and volume of resource consent activity in 2014/15 from recent years. This assumption is supported by the trending data provided below.



4.2 Assumption 2: Fees and charges aim to recover about 60% of the total resource consent costs as resource consent staff spend 60% of their time processing resource consents. At least 20% of resource consent staff time is spent responding to public enquiries with the other 20% spent on training, professional development, business unit and organisational meetings and other employee responsibilities. Rates cover 40% of resource consent costs.

4.3 Assumption 3: The activities with a non-recoverable cost basis include:

- Monitoring of permitted Nelson Resource Management Plan standards (although some fines are recovered from enforcement action if rule breaches are discovered);
- The provision of a general enquiry service by resource consents staff to assist members of the public to understand general planning requirements. Customers (external and internal) either make appointments to see a duty planner, send emails, phone or walk in to the Customer Service Centre. There is provision to charge people after 30 minutes but in practice this has not occurred due to appointments generally taking less than half an hour;
- Assessing and deciding on objections to consent conditions or costs;
- Staff time and legal costs associated with resource consent appeals;
- Staff time and most legal costs associated with enforcement actions although some recovery is obtained through fines and costs awarded by the Court;
- Investigating and resolving claims of Council errors in processing applications;
- Staff time assisting the Hearings panel for non-RMA matters;
- Issuing Commercial Vessel Licences;
- Issuing staff warrant cards.

Resource Consent Activity Funding

4.4 The processing of resource consents aims to have 60% of its costs recovered from resource consent applicants. This reflects there is some public benefit associated with the administration of the Nelson Resource Management Plan and from growth and development that resource consents provide. There is also some general interest in resource consent applications that should not be on-charged to the applicant unless those parties are part of the process as submitters or affected parties.

4.5 It could be argued that resource consent applicants should also cover 60% of the cost of resource consent staff training, professional development and other aspects of being a local authority employee apart from the time spent responding to public enquiries. However to add another 12% to the existing hourly rate of \$140 would result in an hourly rate of \$156.80. This is out of step with most planning consultants and Tasman and Marlborough District Councils' hourly rates that are currently \$140. For 2014/2015 both Tasman and Marlborough District Councils propose to have an hourly rate of \$145.00.

- 4.6 Resource consent holders pay for the entire cost of monitoring and enforcing their consents.
- 4.7 Where a formal pre-application or pre-hearing meeting is held, time is recorded and charged to the consent.

Resource Consents – Approach to Charges

- 4.8 Council’s current charging structure set out in its Fees and Charges for Resource Consents is based on applicants lodging an initial sum of money determined by the nature or category of consent. This is credited to the applicant’s consent account. As the consent is processed those processing costs are debited against the applicant’s account.
- 4.9 The cost of the consent processing is based on:
 - the time spent by Council staff and any specialist advisers assessing and reporting on the application;
 - the staff hourly charge (consultants are charged out at this rate if staff would normally process the consent), or the consultant charges (if there is a lack of expertise or conflict for staff);
 - administrative costs; and
 - a \$100 charge incorporating the first hour of monitoring if monitoring is required. Subsequent monitoring is charged at the staff hourly rate.
- 4.10 When the decision on the consent is made, and processing is completed, the costs are calculated and a refund is made if the cost is less than the initial charge, or an account for further payment is sent if the costs exceed the amount of the initial charge.
- 4.11 The Resource Management Act 2009 Amendments included the introduction of a Discount Policy should the consent:
 - be processed outside the statutory timeframes; and
 - it was the fault of the Council.
- 4.12 The discount came into effect on 31 July 2010. The default discount is 1% of the consent processing costs per day the consent was late, up to a maximum of 50% of the costs of the consent. Two discounts for late consents have been given this financial year.
- 4.13 Councils can choose to give a more generous discount than the default. It is recommended the default discount remain until such time as section 36 of the Resource Management Act has been reviewed by the Ministry for the Environment to clarify various aspects on charging.
- 4.14 The bulk of the costs of processing resource consents is attributed to staff time. As staff wages are adjusted associated charge out rates also

require adjustment. Recent changes to resource consent staff wages equate to an increase of approximately 3.4%.

- 4.15 It is recommended the hourly rate of \$140 be adjusted to \$145 per hour for 2014/2015. This reflects the 3.4% staff wages increase and rounding up to the nearest dollar.

Initial Charges (Deposits)

- 4.16 The initial charges (deposits) required when applying for consent were increased for 2013/2014 to better reflect the actual average costs for consent processing.

Average Costs Compared to Initial Charges (Deposits)

Average Costs					Current initial charge
NON-NOTIFIED	2010/11	2011/12	2012/13	2013/14*	
Land use	1046	1217	1476	1182	500/1300
subdivision	2179	2880	3548	1291	1300 1-3 lots 2000 4 + lots
coastal	1600	774		704	1300
discharge	1874	2025	1062	1837	1300
regional land	912	1428	1159	2026	1300
water	1673	1350		949	1300
other	555	563	512	1044	500/1300
NOTIFIED					
Land use	7360	8348	8259	7903	7000
subdivision	12087				7000
discharge		11668		10504	7000

*For six months to 31 December 2013.

- 4.17 Alignment of the initial charge with the average total cost assists in reducing unexpected invoices for the applicant at the end of the process. This in turn may help to reduce the bad debt recovery work.
- 4.18 No increase is recommended for the initial charges.

Simple Consent Process

- 4.19 A simple consent process has been included in the \$500 initial charge category as this is more appropriate than the general \$1300 for the time it takes to process these technical rule breach or "no brainer" applications.

Transfer Consent Applications

- 4.20 Resource consents or permits that require transferring to a new owner or operator are currently charged a flat fee of \$75.00 based on half an hour staff time to process plus administration costs of setting up the file.

- 4.21 This work is actually taking on average an hour staff time to process as there is often checking of inspection and monitoring notes before the transfer can be approved.
- 4.22 It is recommended the fixed charge be increased from \$75 to \$150 to represent an hour staff time at the proposed staff charge out rate of \$145 plus administration costs.

Monitoring Charges

- 4.23 The contract for consent monitoring allows for up to 3500 hours for both resource consent monitoring and permitted activity monitoring. The cost of the contract is \$225,720.
- 4.24 Approximately 400 hours of permitted monitoring, not chargeable, is carried out.
- 4.25 There were 1729 resource consent monitoring inspections for 2012/2013 charged at \$100 per hour inclusive of GST for the first hour, then at the staff hourly rate (currently \$140) for time required after one hour.
- 4.26 The cost of the contract is being met through the current charging regime so no changes are recommended.

Resource Management Act Planning Documents

- 4.27 No changes are recommended for all documents.

5. Conclusion

- 5.1 The current staff hourly rate recovers close to 60% of the total costs and is considered fair and reasonable given that resource consent staff spend approximately 60% of their time processing consents.
- 5.2 It is recommended the hourly rate increases by the percentage increase in staff wages costs from \$140 to \$145 per hour. This new rate is comparable to Tasman and Marlborough District Council rates.
- 5.3 Other changes to the fees and charges include the simple consent process in the \$500 initial charge category and adjusting the fixed charge for transfers of consent applications to better reflect the actual time to process these.

Mandy Bishop
Manager Consents and Compliance

Attachments

Attachment 1: Fees and Charges Resource Consents and Resource Management Planning Documents 2014-2015 [A1139974](#)

Supporting information follows.

Supporting Information

1. Fit with Purpose of Local Government

The performance of Regulatory functions is one of the stated purposes of Local Government. This service needs to be cost effective. Comparisons are made with neighbouring Councils and the split of user-pays and ratepayer funding to determine the most appropriate fees and charges.

2. Fit with Community Outcomes and Council Priorities

Good leadership – Fees and charges are set at a fair and reasonable rate so that those who profit from them pay the majority of their costs.

Other community outcomes such as healthy land and people friendly places are supported through the resource consent process that ensures development not meeting minimum requirements still promotes the sustainable management of natural and physical resources.

3. Fit with Strategic Documents

Long Term Plan – Fees and charges are set to assist in achieving the stated funding policy.

4. Sustainability

Economic Outcomes – Fees and charges should be set to ensure they are not a barrier to growth and development while recognising the applicant or licence holder will receive the majority of the benefit in holding such document.

The resource consent process ensures development not meeting minimum requirements still promotes the sustainable management of natural and physical resources.

5. Consistency with other Council policies

The recommended fees and charges are consistent with the required statutes and assist with achieving organisational KPIs in economic performance.

6. Long Term Plan/Annual Plan reference and financial impact

Income from resource consent applications are credited to the resource consent activity within the resource consent business unit.

7. Decision-making significance

This is not a significant decision in terms of the Council's Significance Policy.

8. Consultation

Consultation has not been undertaken with any external parties. Fees and charges for Resource Consents Activity are subject to the Special Consultative Procedures required by the Local Government Act 2002.

9. Inclusion of Māori in the decision making process

There has been no consultation with iwi regarding this recommendation.

10. Delegation register reference

No specific delegation so the Council decides on the setting of fees and charges.



Draft Fees and Charges 2014-2015

**Resource Consent Fees
and
Resource Management Act Planning
Documents Fees
under the Resource Management Act 1991**

Resource Consent Processing and Monitoring, Designations, Plan Changes and all other activity under the Resource Management Act 1991 (RMA) will attract an initial charge (deposit) payable at the time of lodging an application as per Section 1 below.

Where the cost of processing the consent is not fully covered by the initial charge, additional charges will be applied (under Section 36 of the RMA).

Section 2 below lists the various costs that may be charged to a consent.

NOTE: Amended charges are shown as **bold**.

All charges listed in this Schedule are GST inclusive

1. Initial Charges (Deposit)

	Activity	Current Initial Charge	Proposed Initial Charge
1.1	All activities (other than listed below)	\$1,300	\$1,300
1.2	Subdivision 1-3 lots	\$1,300	\$1,300
	Subdivision 4 plus lots	\$2,000	\$2,000
1.3	Bore permits; Certificate of Compliance; Change of consent conditions or consent notice; Culverts, weirs and other minor structures on the bed of watercourses; Existing Use Certificate; Extension of lapsing period; Fences; Flats Plan update and check; Gravel extraction; Outline Plan approvals; Relocate building; Removal of trees listed in the Nelson Resource Management Plan; Replacement Permits; Right of Way approval; Signs; Simple consent process (new category) Transfer/part transfer of Permits	\$500	\$500
1.4	NOTIFIED APPLICATIONS: Additional charges for applications requiring notification/ limited notification. (This charge must be paid prior to notifying the application and is in addition to the initial charge paid when the application is lodged).	\$7,000	\$7,000
1.5	Removal of trees listed in the Nelson Resource Management Plan that are confirmed in writing by a qualified arborist as diseased or a threat to public safety.	No charge	No charge
1.6	Heritage Buildings: Non-notified application to conserve and restore heritage building, place or object listed in the Nelson Resource Management Plan.	No Charge	No Charge

	Activity	Current Initial Charge	Proposed Initial Charge
1.7	Private Plan changes (Note: Council's policy is to recover 95% of the costs involved for the whole process from the applicant).	\$10,000	\$10,000
1.8	Heritage Orders	\$3,500	\$3,500

1.9 Where an application involves multiple consents the initial charge is payable at the higher rate plus \$250.00 for each accompanying application.

1.10 Where all or part of any initial charge (deposit) is not paid at application time, the Council reserves the right to not process that application.

2. Costs Charged to a Consent

	Details	Current Actual Charge	Proposed Actual Charge
2.1	Council Staff – all staff time inclusive of overhead component associated with processing and assessing applications.	\$140 per hour	\$145 per hour
2.2	Hearings Panel Charges:		
	- per Councillor as Commissioner (rate set by Remuneration Authority)	\$80 per hour	\$80 per hour
	- Councillor as Chairperson (rate set by Remuneration Authority)	\$100 per hour	\$100 per hour
	- Independent Commissioner (requested by applicant)	Cost	Cost
	- Independent Commissioner (requested by submitter)	Cost less Councillor rate (applicant pays the Councillor rate)	Cost less Councillor rate (applicant pays the Councillor rate)
	- Independent Commissioner(s) required for expertise or due to conflict of interest issues	Cost	Cost
2.3	Legal advisors and consultants engaged by Council, or reports commissioned, after discussion with the applicant, to provide expertise not available in-house under s.92(2) RMA.	Cost plus administration charges	Cost plus administration charges
2.4	Experts and consultants engaged by Council to undertake assessment of an application where the complexity of the application necessitates external expertise, or where resource consent processing is required to be outsourced due to conflict of interest issues (this is not a s92(2) RMA commissioning).	Cost plus administration charges	Cost plus administration charges

	Details	Current Actual Charge	Proposed Actual Charge
2.5	All disbursements, such as telephone calls, courier delivery services, all public notification costs, postage for notified applications and document copying charges.	Cost plus administration charges	Cost plus administration charges
2.6	Consultants engaged by the Council where skills are normally able to be provided by in-house staff or when Council staff workloads are unusually high.	\$140 per hour	\$145 per hour
2.7	Urban Design Panel reviews a proposal before a resource consent application is lodged	No charge	No charge
2.8	The applicant agrees (as per 2.3 above) to the Urban Design Panel reviewing the proposal after a resource consent application is lodged	Cost plus administration charges	Cost plus administration charges

2.9 Photocopying Charges

- A4 \$0.20 per page;
A3 \$0.50 per page;
Large copies \$3.00 per page or actual cost from Copy Service plus staff time.

2.10 Monitoring Charges

- 2.10.1 If monitoring is required, a one-off charge of \$100.00 will be invoiced as part of the consent cost. Any extra work that is required to monitor compliance with the consent conditions will be charged at the appropriate hourly rate for Council staff and separately invoiced.
- 2.10.2 Monitoring charges associated with review of information required to be provided by a condition of resource consent will be charged for at the appropriate hourly rate for Council staff or actual cost for specialist consultant.
- 2.10.3 Where the applicant is required or authorised to monitor the activity, the Council's costs in receiving and assessing the monitoring information will be charged directly to the consent holder at the appropriate hourly rate for Council staff or actual cost of the specialist involved.

2.11 Administration Charges

	Item/Details	Current Charge	Proposed Charge
2.11.1	Insurance levy - for each resource consent.	\$30	\$30
2.11.2	Street naming and numbering (costs of reporting to Hearings Panel and advising all statutory agencies).	Council staff hourly rate in 2.1 above	Council staff hourly rate in 2.1 above

	Item/Details	Current Charge	Proposed Charge
2.11.3	Street numbering - application for alteration.	\$125	\$125
2.11.4	Documents for execution - removal of building line restrictions; easement documents, caveats, covenants and other documents to be registered with LINZ presented after subdivision processed or where not associated with a subdivision application.	\$175 for each document	\$175 for each document
2.11.5	Certificate under Overseas Investment Act.	\$385	\$385
2.11.6	Confirmation of compliance with the Nelson Resource Management Plan for NZ Qualifications Authority.	\$385	\$385
2.11.7	Confirmation of compliance with the Nelson Resource Management Plan for liquor licence applications.	\$70	\$70
2.11.8	Section 357 Administration charge.	\$255	\$255
2.11.9	Private right-of-way - review against existing names and advising all statutory agencies where appropriate.	\$225	\$225
2.11.10	Authentication report for small-scale solid-fuel burning appliance or open fire.	\$70	\$70
2.11.11	Removal of designation.	\$305	\$305
2.11.12	Swing Mooring annual charge (monitoring costs are additional, refer 2.10.3 above).	\$75	\$75
2.11.13	Transfer of Consents to new owner (S.135(1)(a), S.136(1), S.136(2)(a), or S.137(2)(a) Resource Management Act)	\$75	\$150
2.11.14	Claiming a swing mooring the Council removed from the Coastal Marine Area that did not have a coastal permit	\$300	\$300
2.11.15	Claiming a vessel that was towed and hauled out of the Coastal Marine Area as it was tied to a non consented mooring that was uplifted	Cost for tow and haul out	Cost for tow and haul out

2.12 Discount for Late Consents

2.12.1 Where statutory processing timeframes have not been met and this is the fault of the Council, a discount of 1% of the total processing costs per each day the consent is late, up to a maximum of 50%, will be credited.

3. Invoicing

- 3.1 Where processing costs exceed the level of the initial charge (deposit), monthly invoices for any additional charges may be sent to the applicant.
- 3.2 Annual charges shall be due on 1 December or 30 days from the date of invoicing, whichever is the later, unless otherwise agreed in writing by the Council.
- 3.3 The Council has no obligation to perform any action on any application until the charges for the action have been paid in full; such payment will be required by the 20th of the month following invoice.
- 3.4 Where any interim invoice is disputed, work on processing the application will be stopped until the matter is resolved at the discretion of the Manager Resource Consents.
- 3.5 The option of monthly invoices only, in lieu of initial charges, may be available on strict credit conditions as follows:
- The consent process, or Council involvement in the project, is likely to extend over a period in excess of 6 months; and
 - The total amount for invoices is likely to exceed \$5,000; and
 - The applicant is in good financial standing with a satisfactory credit record and agrees to abide by the Council's usual credit terms or
 - The applicant is a regular customer of the Council's Resource Consents Business Unit, is in good financial standing with no record of unpaid invoices, who agrees to pay each and every invoiced charge by the 20th of the month following the date of issue of the invoice.

Any disputes relating to an invoiced charge must be resolved after the invoice has been paid. Failure to meet these criteria will result in the option of monthly invoices, in lieu of initial charges plus monthly invoices being withdrawn.

The decision on whether to waive the required charge and institute a system of monthly invoicing shall be made by the Manager Consents and Compliance or Group Manager Strategy and Environment, having regard to the above criteria.

4. Pre-Application Charges

Detail	Charge
Pre-application discussion with staff on feasibility of a proposal that may not proceed to resource consent.	First half hour - no charge. Additional time charged on an hourly basis at the Council staff charge out rate as per 2.1.

5. Resource Management Planning Documents

Copies of Plans	Current Cost	Proposed Cost
Nelson Resource Management Plan - Text (hard copy)	\$150	\$150
Nelson Resource Management Plan - Maps (hard copy)	\$150	\$150

Copies of Plans	Current Cost	Proposed Cost
CD ROM - combined Nelson Resource Management Plan and Nelson Air Quality Plan - updated annually in Spring	\$15 annually	\$15 annually
Nelson Resource Management Plan - hard copy updates issued as required	\$25 annually for text \$25 annually for maps	\$25 annually for text \$25 annually for maps
Nelson Air Quality Plan	\$50	\$50
Land Development Manual	\$100	\$100

Alteration to Resolution – Trafalgar Centre Follow-Up Report

1. Purpose of Report

- 1.1 To alter the resolution passed on this matter at the 19 December 2014 meeting of the Council.

2. Recommendation

THAT the report Alteration to Resolution – Trafalgar Centre Follow-Up Report (A1142944) be received;

AND THAT the Chief Executive brings a progress report on the action items raised at the meeting on 19 December 2013 to a meeting on 6 March 2014.

3. Background

- 3.1 At its meeting of 19 December 2013, the Council resolved:

THAT the Chief Executive brings a progress report on the action items raised at this meeting to a meeting on 27 February 2014.

4. Discussion

- 4.1 The resolution of 19 December to bring a progress report on the Trafalgar Centre action items raised at that meeting estimated that sufficient information for such a report could be gathered by 27 February.
- 4.2 It is now apparent that, due to the complexity and quantity of the issues raised, there will not be sufficient information available by 27 February for the Chief Executive to make a meaningful report back to Council.
- 4.2.1 It is therefore proposed that the report resolved to be presented to the 27 February meeting regarding Trafalgar Centre action items be delayed to the next meeting of Council on 6 March 2014.

5. Conclusion

- 5.1 That the Council alter its resolution of 19 December 2013 to enable the Chief Executive to report back on the action items raised at this meeting to the Council meeting on 6 March 2014.

Clare Hadley
Chief Executive

Attachments

None

No supporting information follows.

Theatre Royal – Funding and Other Issues

1. Purpose of Report

- 1.1 To consider an increase in the operating grant for the Theatre Royal this financial year;
- 1.2 To determine a response to a minute from the Court in relation to the Nelson Historic Theatre Trust's application for transfer of ownership of the Theatre Royal to Council; and
- 1.3 To establish the amount of operating grant for the 2014/15 year.

2. Recommendation

THAT the report Theatre Royal – Funding and Other Issues (A1145163) and its attachments (A1146152 and A1146160) be received;

AND THAT \$100,000 of funding set aside for the transition of a new entity proposed for the performing arts be re-allocated and provided to the Nelson Historic Theatre Trust for the operating costs of the Theatre Royal for the remainder of the 2013/14 financial year;

AND THAT the Nelson Historic Theatre Trust be advised that this funding must be applied to debt (overdraft) reduction;

AND THAT the Nelson Historic Theatre Trust further be advised that Council expects it to operate without the need for an overdraft facility;

AND THAT expenditure of \$6,000 be approved to complete the High Court application to allow the transfer of the asset from Nelson Historic Theatre Trust to Council;

AND THAT the response to the minute from the Court be firstly, that Council has already made significant investment in the Theatre Royal, and that whatever the value of the building may be, transferring ownership to Council would provide security to the building's future;

and secondly, it is appropriate to recognise that providing for transfer of ownership maintains the objects of the Trust, and requiring the building to be listed as a strategic asset of Council provides security for future community direction on the building;

AND THAT in recognition of the actual costs of operating the Nelson Historic Theatre Trust over the coming financial year, the annual grant to the Trust is increased in the Draft Annual Plan 2014/15 to \$220,000.

3. Background

- 3.1 In 2001, the Nelson Historic Theatre Trust (NHTT) was formed by concerned members of the local performing arts community, and the Nelson Repertory Theatre (NRT) to raise funds to save and restore the Theatre Royal.
- 3.2 In 2004, ownership of the Theatre Royal passed from NRT to NHTT. Over the period 2005-2010, the Theatre Royal was refurbished. The theatre reopened in June 2010.
- 3.3 The Nelson Tasman Regional Arts Strategy adopted in 2009 had a key action, to "initiate a process to examine ways of securing the future of significant arts infrastructure, including the Nelson School of Music and Theatre Royal". Council's Arts Policy of 2010 included a policy "Council will explore formalising relationships with some key independent arts facilities to ensure sustainable services for the community".
- 3.4 At the 2011/12 Annual Plan hearings numerous residents submitted about their concern over the future of these two key Nelson institutions. As a result of this strong expression of community support for the Nelson School of Music and Theatre Royal, officers began discussions with the two institutions about their future.
- 3.5 The draft Long Term Plan 2012-2022 contained a proposal to transfer the land and building assets of the Nelson School of Music and Theatre Royal to Council. This was on the basis that both institutions provide valued services to the community and contributed to the social and economic wellbeing of the city (as well as occupying buildings with important heritage values) and more reliable, ongoing ratepayer support was appropriate to ensure they were able to continue operating on a sound basis in the future.

- 3.6 It was also proposed in the Plan that Council clear the Nelson Historic Theatre Trust (NHTT) debts of \$2.1 million.
- 3.7 The proposal was approved by Council in the final Long Term Plan 2012-2022.
- 3.8 Difficulties in giving effect to that proposal are covered later in this report.

4. Current Year Funding

- 4.1 In 2013/14, the Council has provided an operating grant to the Theatre Royal of \$102,400; this figure is inflated each year.
- 4.2 This figure was established as \$100,000 in 2011, after a due diligence report was prepared by Graeme Thomas, and after the theatre had only been open for a few months. Mr Thomas did note that the lack of financial performance history made it very difficult to report on future financial viability.
- 4.3 The Nelson Historic Theatre Trust (NHTT), which operates the Theatre Royal, has been unable to make ends meet. In part this is because of a debt burden, and in part because at the time the operating grant was established, the true costs were not known.
- 4.4 In its 2013/14 Annual Plan, Council affirmed existing funding levels for the Theatre Royal and Nelson School of Music until a new entity was formed to bring both institutions together into a new entity for the performing arts. Additional transition funding of \$125,000 was set aside for the new entity to help establish its operations, and this was to reduce to \$75,000 in 2014/15.
- 4.5 The grant is usually paid quarterly. Because of their financial dilemma (and in the hope the ownership issue would be soon resolved) Council paid half the grant at the beginning of the financial year. The total amount has now been paid out.
- 4.6 The Chair of the Nelson Historic Theatre Trust has written to the Mayor, advising the Trust's cash flow is at a critical stage, and seeking additional funding. His letter is attached as Attachment 1.
- 4.7 The Mayor, Deputy Mayor and Chief Executive met with the outgoing Chair, Kerry Marshall, and the incoming Chair of the Trust, Mark Christensen. At the meeting, it was accepted that the ongoing operation of the facility is important to the people of Nelson, and that closing of the doors of the Theatre due to financial issues would be a poor outcome.
- 4.8 The Chief Executive and Chief Financial Officer then met with representatives of the Trust and their manager, in order to better understand their accounts. Those enquiries show that they have managed to 'get through' in recent times by skimping on marketing and

maintenance. This is not a desirable situation; short-cutting on these activities will lead to greater cost in the long run.

- 4.9 The amount of time required for officers to interpret and understand the Trust's accounts was disproportionate to the issue at hand; if the Trust is to get on top of their financial situation, additional strategic financial skills may be necessary.
- 4.10 If Council increases the funding available to the Trust, this amount should be sufficient to allow the Trust to operate independently and sustainably, and for a clear expectation to be set that the business should be managed without use of overdraft. The allocation of an additional \$100,000 in this financial year will establish a better foundation for the Trust.
- 4.11 In addition, supporting the Trust now allows them time to demonstrate their ability to prudently manage their operation, and to deliver value to the community.
- 4.12 This report recommends that NHTT receive an additional \$100,000 now, by transferring funding from the budget for the new entity.

5. Nelson Repertory Theatre Inc (NRT)

- 5.1 At the time of transferring the theatre to NHTT, NRT negotiated a Licence to Occupy. The rights conferred under this document were updated in a MOU, ratified at a Special General Meeting.
- 5.2 NRT are entitled to exclusive use of certain areas, and access to other areas, in return for which they get up to six weeks' use of the theatre each year for no rental. Costs are passed on.
- 5.3 NRT's access reduces the number of days available for commercial use, and has a direct impact on revenue; ie their occupation has an opportunity cost.
- 5.4 Representatives of NRT met with the Chief Executive and expressed an openness to be flexible, but reducing the quantum of access will not be easy. Whilst a secure future for the theatre is in their interests, and they understand that, they are a membership organisation with differing views amongst members.

6. Ownership Issues

- 6.1 Through 2013, Council endeavoured to work with the NHTT to address the ownership issue. In 2012 it was advised that ownership of the Theatre could not pass from NHTT to Council; the Trust Deed did not allow for NHTT to dispose of its assets. Rather, the assets would revert to Nelson Repertory Theatre Inc (NRT).
- 6.2 Council was advised that the alternatives for transfer of assets were either (a) for NHTT to wind up, which would invoke the clause that the

assets would revert to NRT; or (b) for application to be made to the High Court to transfer the assets of the Trust to Council.

7. Legal process

- 7.1 Council resolved to fund an application to the High Court for the transfer of assets, to a maximum of \$12,000. That application was made in November 2013. Mallon J considered the matter, and issued a minute posing two questions which she seeks responses on before releasing a decision. The questions have also been put to NHTT. The minute of Mallon J is attached as Attachment 2.
- 7.2 The first question concerns the sale price; the only intended consideration to be paid is by way of Council clearing NHTT's debt. The consideration needs to be seen in the context of Council's prior support for the theatre restoration, its ongoing funding for operations within the facility, and the reality that if Council paid any greater consideration, this would come at a cost to the community. It is also appropriate to highlight that the value of \$6.6 million quoted in the minute is not a true market value; the building has heritage protections on it, and would have very limited market appeal. Council's investment in the facility is only to ensure the Theatre Royal remains open and available to the community.
- 7.3 The second question relates to whether the court can make conditions. The court is asking whether, once the transfer has taken place, Council should have any limitations on its powers in relation to this facility. It is difficult to predict future community needs. However, one possible response to this is to propose that the Theatre Royal be listed as a strategic asset, required to be listed separately within Council's list of such assets. This would mean that any change to future use would be required to be the subject of special consultative process with the community. It is also appropriate to highlight that any transfer to Council's ownership would maintain the objects of the Trust.
- 7.4 Council has funded all legal advice on the Theatre Royal to date; a total of \$63,000 so far. This has been funded from the budget. This includes transfer documents, leases etc as well as the High Court application referred to above. NHTT has been part of Council's process to date – i.e. the legal work undertaken has been on behalf of both parties. NHTT is forming a view in relation to the responses to the Court's Minute and are having the material reviewed by a local firm, pro bono.
- 7.5 Council's advisers in this matter estimate another \$6,000 is required to complete work on High Court application (assuming clarity and conciseness in directions from the parties). This would also be funded from the budget.
- 7.6 Completing the High Court application will not make a transfer mandatory; rather, it will determine whether it is possible for a transfer to take place. Officer advice is that it is appropriate to complete this

process and accordingly, a recommendation for approval for the \$6,000 is listed above.

Financial Viability

- 7.7 NHTT has been struggling to make ends meet. Section 5 of this report proposes additional funding to the Theatre Royal in this financial year of \$100,000.
- 7.8 Council holds security over the Theatre Royal for its loan of \$1.5 million; in addition, Nelson Building Society (NBS) provided second mortgage funding of \$640,000. Council has received no interest or principal repayments. Interest payments are made on the NBS loan. This report suggests no change in the loan arrangements whilst options for future ownership remain unclear.
- 7.9 What should the grant be in future years? Whilst the commercial rate is \$1300 for one performance, it reduces for additional performances. Every repeat performance has a reducing return. Similarly, the community rate is \$840 for the first performance, but reduces for subsequent performances. The theatre has been successful in building community demand. It could be interpreted that commercial users have been 'crowded out'. NHTT assure that wherever possible, they work to accommodate all parties – they are keen to secure the revenue. There are limits to the practicalities of this, at times.
- 7.10 Enquiries of other theatres have shown that most have a similar differentiation in price for community vs commercial use. Some have three tiers – regular users; community users and commercial users. That option has not been pursued here.
- 7.11 Research with other theatres shows the Regent Theatre, Palmerston North (1373 seats) receives \$108,000 operating grant. That theatre's location makes it attractive for other uses, and it carries no significant debt. The Ashburton Trust Events Centre seats 500, and receives a \$230,000 grant, and when the Marlborough Civic Theatre is completed next year, the operating grant is budgeted to be \$200,000.
- 7.12 Discussions with the NHTT Chair, Mark Christensen, reflect that whilst NHTT own the Theatre Royal, they carry costs in relation to insurance, rates, repairs and maintenance that they anticipated would transfer to Council. In addition, it seems that the Trust may have assumed that they would only be responsible for rent in future (10% of market, estimated to be \$45,000), and not insurance and rates.
- 7.13 In any event, it would be fair to conclude that NHTT face greater costs than they have budgeted for. Further, their budgets do not include any principal repayments to either NBS or Council. This is clearly not a long term answer.

- 7.14 Ratepayers, however, are funding not only the operating grant, but also the interest cost on the loan (estimated at \$60,000 per annum).
- 7.15 The grant for 2014/15 would need to be \$220,000 to allow NHTT to meet its expenses. It must be recognised that this does not provide for repayment of principal on the loans from Council or NBS, ie this amount does not improve their capital position in any way.

8. Value to Community

- 8.1 Nelson City has a shortage of venues right now – earthquake prone buildings have taken their toll.
- 8.2 The Theatre Royal acts as the home for NRT; NRT provides a range of productions which are embraced by their membership and the wider community. NRT is in a rebuilding phase, and currently has around 100 members.
- 8.3 In addition, the Theatre Royal provides a venue for cultural activities which add to the vibrancy and attractiveness of Nelson City.
- 8.4 NHTT – by operating the Theatre Royal – deliver community outcomes which include providing opportunities for local audiences to experience national and international shows; a diverse range of arts experiences to the local community; a venue for use by community groups, and promoting excellence in theatre, music and other arts performance.

9. Conclusion

- 9.1 NHTT requires additional funding in this financial year to improve their financial position; this can be provided by reallocating funding from the budget established for the new entity.
- 9.2 Council and NHTT are part-way through an application to the High Court for the ability to transfer the asset of the Theatre Royal from the NHTT to Council. The Court has issued a minute seeking answers to two questions. This report proposes a broad response to both, and seeks approval for the additional \$6,000 required for legal services.
- 9.3 Completing the High Court application will not make a transfer mandatory; it will, however, clarify whether this option is available to NHTT and provide more certainty for any future Council debate.
- 9.4 Funding for the 2014/15 year would need to be increased to \$220,000 in order to meet the NHTT's operating expenses. This grant would not provide for any repayment of capital on the loans from Council or NBS.

9.5 The Chair of the Trust acknowledges it is critical for NHTT to demonstrate its ability to prudently manage the Theatre Royal, and to deliver value to the community. Adjusting the funding grant, whilst not improving the capital position of NHTT, will provide that opportunity.

Clare Hadley
Chief Executive

Attachments

Attachment 1: Letter from Kerry Marshall [A1146152](#)

Attachment 2: Minute from Mallon J [A1146160](#)

Supporting information follows.

Supporting Information

1. Fit with Purpose of Local Government

This project seeks to support local arts infrastructure and to make the provision of some much-valued local public services sustainable into the future. This is the most cost-effective option at this point in time – securing the provision of a high quality venue.

2. Fit with Community Outcomes and Council Priorities

Making the operation of the Theatre Royal more sustainable and protecting the community services it delivers supports the Fun, Creative Culture, People Friendly Places, Strong Economy and Good Leadership Community Outcomes, as well as Council priorities related to Creativity, a Rich Diverse Community, a Leading Lifestyle and the Nelson Edge.

3. Fit with Strategic Documents

This project meets the aims of the Regional Arts Strategy and Arts Policy.

4. Sustainability

This project promotes sustainability in social and culture outcomes as per the sustainability checklist.

5. Consistency with other Council policies

This project is consistent with Council policy.

6. Long Term Plan/Annual Plan reference and financial impact

This project was consulted on through the Long Term Plan 2012/22.

7. Decision-making significance

This is not a significant decision in terms of the Council's Significance Policy.

8. Consultation

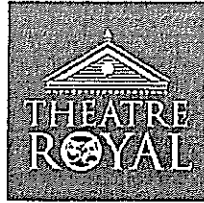
Extensive consultation was undertaken on the future of the Theatre Royal through the Long Term Plan 2012/22.

9. Inclusion of Māori in the decision making process

Consultation through the Long Term Plan 2012/22 process included Maori.

10. Delegation register reference

Decision of Council.



December 4, 2013

Rachel Reese
The Mayor of Nelson
Nelson City Council
Trafalgar Street
Nelson 7010

Dear Ms. Reese

The Nelson Historic Theatre Trust

The Nelson Historic Theatre Trust's cash flow has now reached critical stages to a point where the Trustees consider it would be imprudent to allow the theatre to continue operating without an additional injection of cash.

The background to this state of affairs is as follows;

The NHTT Submission to the 2013 Annual Plan provided the Council with a detailed budget showing funding requirements for the year ending 31 March 2014 of \$216,731. Further economies were to be achieved when the Council took ownership of the Theatre which reduced the funding requirements to \$177,411. The NHTT therefore applied for an increase in funding from \$100,000 to \$177,000.

Assuming that the ownership of the Theatre was to pass to the council, Council approved an increase of \$125k over the original grant allocated in the 2012 LTP to the new Trust which was to take responsibility for distribution of these funds in respect of both NSOM and Theatre Royal. This increase comprised the extra funding requested by NHTT and additional set up funding for the New Trust.

As a result of delays in the formation of the new Trust and legal ambiguity around the necessity for an application to be made to the High Court for approval of the transfer of the Theatre to the Council the additional funds are still held by Council and remain unavailable to assist funding the Theatre's operations.

Further reasons for the cash flow deficit were cost overruns in the initial build and prior year's pre-depreciation net operating deficits. In addition the Theatre suffered pre-depreciation losses of \$17,820 for the year ending 31 March 2011 and \$62,315 for the year ending 31 March 2012.

While it is pleasing to report a pre-depreciation operating profit for the year to date 31 October 2013 of \$40,660, the Theatre is still unable to generate enough cash reserves to recover from the previous year's deficits.

The Theatre Royal
Operated by
The Nelson Historic Theatre Trust
PO Box 1461
Rutherford Street
Nelson 7040
P +64 3 548 3840
www.theatreroyalnelson.co.nz

This is reflected in the fact that as at 31 October 2013 the overdraft at the Nelson Building Society was \$57,082 but is forecast to increase to \$105,310 by 31 March 2014.

It is in these circumstances that NHTT hereby makes application for additional funding currently set aside for the new Trust to be released to the NHTT to alleviate the critical cash flow position and ensure the ongoing financial viability of the Theatre through transition to the new Trust.

While applying for the release of the funding aligned to the new trust it is timely to highlight the Theatre's successes.

The Theatre is on target to show increases for the year in gross profit from bar income and ticketing sales, both successful initiatives undertaken by the Theatre staff to improve the operating profit of the Theatre. Theatre hire is also tracking to show improvements from the previous year's figures. In addition to the increased income expenditure has been minimised where possible. Of concern is the reduction in Repairs and Maintenance which has been delayed until the cash-flow position improves. Further delays in Repairs and Maintenance of the theatre are unsustainable.

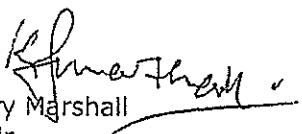
The Theatre is out performing all expected community outcomes. It is the busiest live performance theatre in New Zealand with 198 ticketed events last year and 272 days where the theatre was in use for performance, set-up or technical rehearsals in 2013. As at December 2013, bookings for 2014 are sitting at 276 contracted days.

The Community usage has now stabilised at close to 80% representing a huge success story for the Theatre in revitalising the local performing arts.

The trustees of NHTT respectfully request Councils urgent consideration of additional funding for the theatre as legally it is untenable for the theatre to continue to operate in an insolvent situation. Although the application to the High Court is scheduled to be heard before Christmas it seems likely that it will be some months into the New Year before matters will be finalised.

We all desire future stability for the Theatre Royal and we sincerely hope a positive decision from Council will allow the theatre to continue to flourish instead of focussing on survival.

Yours sincerely


Kerry Marshall
Chair
Nelson Historic Theatre Trust

IN THE HIGH COURT OF NEW ZEALAND
WELLINGTON REGISTRY

CIV 2012-485-1814

IN THE MATTER OF the Charitable Trusts Act 1957

and

IN THE MATTER OF an application by THE NELSON
HISTORIC THEATRE TRUST BOARD
Applicant

On the papers

Date: 11 December 2013

MINUTE OF MALLON J

[1] I have reviewed the application, supporting affidavits and memoranda filed. There are two aspects on which I would like further submissions:

- a) The first concerns the sale price of the property which is the subject of the application. It appears from the financial statements and the Nelson Strategic Long Term Plan that the property has a value of around \$6.6 million. My question is whether the only intended consideration to be paid is by way of the Council taking on the outstanding debt of \$2.1 million. If so, is that something which should concern the Court and, if not, why not.
- b) The second concerns whether the Court's consent can be subject to conditions and, if so, should it be. I raise this because the Council's intentions are not, as I understand it, formalised. For example the lease and community contract envisaged by the Heads of Agreement are not in place and the parties do not intend that the Heads of Agreement itself is legally binding.

[2] I appreciate that there is some urgency with the application before me. I will be in a position to release my decision as soon as I have submissions on these two aspects.

Mallon J

A1146160

Minutes of a meeting of the Community Services Committee

Held in the Council Chamber, Civic House, Trafalgar Street,
Nelson

On Tuesday 28 January 2014, commencing at 9.02am

- Present: Councillors P Rainey (Chairperson), M Lawrey, P Matheson, G Noonan (Deputy Chairperson), T Skinner and M Ward
- In Attendance: Councillors I Barker, E Davy and B McGurk, Chief Executive (C Hadley), Acting Group Manager Community Services/Group Manager Support Services (H Kettlewell), Group Manager Infrastructure (A Louverdis), Chief Financial Officer (N Harrison), Kaihautū/Acting Manager Community Partnerships (G Mullen), Manager Libraries (I Littleworth), Manager Communications (A Ricker), Manager Administration (P Langley), Business Analyst (M Erdmann), Administration Adviser (E-J Ruthven), and Youth Councillors (C Lindley and H Malpas)
- Apologies: Councillor R Copeland, and Her Worship the Mayor R Reese (for lateness)

1. Apologies

The apologies were noted.

2. Interests

There were no updates to the Interests Register.

Councillor Barker identified an interest regarding an item on the public excluded agenda.

3. Confirmation of Order of Business

Councillor Rainey noted that there was an additional public forum to the two noted on the agenda.

Attendance: Councillor Davy joined the meeting at 9.04am.

4. Public Forum

4.1 Friends of the Library

Priscilla Wardell and Jill Blechynden spoke on behalf of Friends of Nelson Library. They presented a cheque for \$5000 to Council, and explained that this amount had been raised through the sale of cancelled items from the library collection once a month, and from donations from regular speaking events at the library.

4.2 Dun Mountain Track

Mike Rodwell and Malcolm Saunders spoke about the Dun Mountain Track. Mr Rodwell explained his concerns regarding the proposed site of the Brook Sanctuary Fence, which came within 50m of part of the Dun Mountain track. He recommended a review of the proposed fence route, to ensure that the construction of the fence did not compromise the heritage value of the Dun Mountain Track.

Mr Saunders spoke on behalf of Bryce Buckland, a trapper working in the Nelson region. He tabled a document expressing Mr Buckland's concerns regarding the costs of building the fence and the ongoing costs surrounding the Brook Waimarama Sanctuary (A1134767).

4.3 Public Pianos

Joe Rafici and Joe Gibbons spoke about the public pianos initiative, which utilised painted pianos placed on the street for members of the public to play. They said in other cities around the world, such pianos had been extensively used and well cared for by the community.

Mr Rafici and Mr Gibbons confirmed that they had sourced pianos for the initiative, had placed them on lockable wheels and that several business owners in the city had expressed a willingness to place the pianos on the street each day and take them back in at night. They asked Council to consider taking ownership of the pianos, and to be responsible for maintenance in the form of tuning the pianos.

In response to questions, Mr Rafici and Mr Gibbons explained that they had not approached Uniquely Nelson regarding the initiative, and explained that the cost of tuning the pianos would be under \$1000 per year. They added that the pianos were intended for community use, rather than by buskers.

5. Confirmation of Minutes – 21 November 2013

Document number A1107870, agenda pages 6-8 refer.

Resolved

THAT the minutes of a meeting of the Nelson City Council – Community Services Committee, held on 21 November 2013, be confirmed as a true and correct record.

Noonan/Skinner

Carried

6. Chairperson's Report

Councillor Rainey spoke about the summer activities occurring in Nelson, and acknowledged the efforts of the festivals team in this regard. He noted that the jazz festival and outdoor theatre events had been successful, despite challenging weather conditions.

Councillor Rainey also spoke about the One-Day Cricket International event at Saxton Field, and thanked Nelson Cricket for their efforts in hosting a great event. He noted that positive comments had been received from the West Indies team regarding the venue and pavilion.

ARTS, FESTIVALS AND EVENTS

7. Cricket World Cup 2015 Project Update

Document number A1119247, agenda pages 9-11 refer.

Acting Group Manager Community services, Hugh Kettlewell, presented the report.

In response to questions, Host City Manager, Ian Littleworth, and Project Manager Markus Erdmann explained that the Cricket World Cup team were aware of the need to protect the athletics track and in-field during the exclusive-use period before and during the Cricket World Cup 2015.

There was a discussion regarding the promotion theme of "classic kiwi experience of summer holidays at the beach". In response to questions, Mr Littleworth explained that the theme was a concept for fan activities during the Cricket World Cup 2015 period, such as beach cricket tournaments and bike rides. He added that themed fan activities assisted with leveraging off the Cricket World Cup event for the benefit of the Nelson region.

Resolved

THAT the report Cricket World Cup 2015 Project Update (A1119247) be received;

AND THAT Council notes staff advice regarding concerns over staffing hours allocated to the project being exceeded;

AND THAT Council supports the Host City promotion theme "Classic kiwi experience of summer holidays at the beach".

Ward/Matheson

Carried

REPORTS FROM COMMITTEES

8. Youth Council Update

Carla Lindley and Hannah Malpas gave an update regarding Youth Council activities. Carla explained that youth councillors had submitted on the Council consultation regarding the draft Local Approved Products Policy (psychoactive substances). She added that youth councillors were writing to the Minister of Health and local Members of Parliament on this issue.

9. Response to Public Forum

9.1 Public Pianos

Resolved

THAT an officer report regarding the public piano project be brought back to a future Community Services Committee meeting.

Davy/Rainey

Carried

Attendance: her Worship the Mayor joined the meeting at 10.17am.

10. Exclusion of the Public

Resolved

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	<p>Future Arrangements – City Camping Grounds</p> <p>This report contains information regarding future arrangements for Council-owned camping grounds and the negotiation of a loan agreement.</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> • Section 7(2)(h) To carry out commercial activities • Section 7(2)(i) To carry out negotiations

Lawrey/Ward

Carried

The meeting went into public excluded session at 10.18am and resumed in public session at 11.31am.

11. Re-admittance of the Public

Resolved

THAT the public be re-admitted to the meeting.

Noonan/Ward

Carried

There being no further business the meeting ended at 11.31am.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date