

MINUTES OF A MEETING OF THE NELSON CITY COUNCIL HELD IN THE COUNCIL CHAMBER, CIVIC HOUSE, TRAFALGAR STREET ON THURSDAY 17 JUNE 2010 COMMENCING AT 9.00AM

- PRESENT:** Councillor P Rainey (Chairperson), His Worship the Mayor K Marshall, Councillors I Barker, A Boswijk, G Collingwood, M Holmes, A McAlpine, A Miccio, R Reese (Deputy Mayor), D Shaw and G Thomas.
- IN ATTENDANCE:** Chief Executive (K Marshall), Senior Executive Technical Services (Alec Louverdis), Kaihautu (Geoff Mullen), Divisional Manager Corporate Services (H Kettlewell), Manager Strategic Planning and Administration (M Tregurtha) and Administration Adviser (L Laird)
- APOLOGIES:** Apologies were received and accepted from Councillor M Cotton and D Henigan.
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1.0 OPENING PRAYER

The opening prayer was given by Councillor Thomas.

2.0 PUBLIC FORUM

2.1 Mr Gerry Renshaw

Mr Gerry Renshaw spoke about putting the Performing Arts and Conference Centre to a ballot at the upcoming local body elections. Mr Renshaw tabled additional information about his proposal and outlined the advantages for Council of holding a ballot.

Firstly, a ballot would confirm to the incoming Council whether it had a mandate to proceed or not, and secondly the expense associated with the ballot would be reduced as it could be included on the Council voting paper. Mr Renshaw said it would cost around \$10,000 to include this question.

Mr Renshaw said that this issue was a significant one due to the costs associated with developing a Performing Arts and Conference Centre. Therefore, Council must get public opinion and not all public can participate in the Annual Plan process. He also said the ballot needs to include the estimated costs of the proposed Centre broken down into the amount each ratepayer would have to contribute.

3.0 CONFIRMATION OF MINUTES

Resolved

THAT the minutes of the ordinary meeting of the Nelson City Council held on Thursday 3 June 2010 be confirmed as a true and correct record, subject to Councillor Collingwood being recorded as having left the meeting

during the Crematorium Review, (item 5.7 of the Agenda refers).

Shaw/His Worship the Mayor

Carried

4.0 SETTING OF THE RATES FOR THE 2010/11 FINANCIAL YEAR

It was explained that the Council had adopted its Annual Plan and has made the necessary changes to its proposed rating policy as a result of submissions received during the special consultative procedure and now has to set and assess the rates described in its rating policy. The following resolution was required to be passed:

Resolved

THAT the Nelson City Council set the following rates under the Local Government (Rating) Act 2002, on rating units in the district for the financial year commencing on 1 July 2010 and ending on 30 June 2011. All figures are GST inclusive at the composite rate of 14.375, which is 12.5% for Instalment 1 and 15% for Instalments 2 to 4. For ratepayers who pay the total annual rates prior to 1 October 2010 the GST rate applicable will be 12.5%:

The revenue approved below will be raised by the following rates:

<i>General Rate</i>	<i>\$23,915,828</i>
<i>Uniform Annual General Charge</i>	<i>\$6,101,353</i>
<i>Separate General Charge</i>	<i>\$4,009,097</i>
<i>Waste Water Charge</i>	<i>\$6,649,410</i>
<i>Water Charge</i>	<i>\$10,468,256</i>
<i>Rates and Charges</i>	<i>\$51,143,944</i>
<i>Goods and Services Tax (at the prevailing rates)</i>	<i>\$7,351,942</i>
<i>Total Rates and Charges</i>	<i>\$58,495,886</i>

(1) General Rate

A general rate set under section 13 of the Local Government (Rating) Act 2002, assessed on a differential land value basis as described below:

- *a rate of 0.49475 cents in the dollar of land value on every rating unit in the "residential" category*
- *a rate of 0.54423 cents in the dollar of land value on every rating unit in the "part non-rateable" category*
- *a rate of 0.54423 cents in the dollar of land value on every rating unit in the "multi residential" category*
- *a rate of 1.14288 cents in the dollar of land value on every rating unit in the "commercial outside the inner city zone" category*
- *a rate of 0.98110 cents in the dollar of land value on every rating unit in the "commercial outside the inner city zone subject to 25% residential & 75% commercial" category*
- *a rate of 0.81882 cents in the dollar of land value on every rating unit in the "commercial outside the inner city zone subject to 50% residential & 50% commercial" category*
- *a rate of 0.65703 cents in the dollar of land value on every rating unit in the "commercial outside the inner city zone subject to 75% residential & 25% commercial" category*
- *a rate of 1.68216 cents in the dollar of land value on every rating unit in the "commercial inside the inner city zone" category*
- *a rate of 1.38531 cents in the dollar of land value on every rating unit in the "commercial inside the inner city zone subject to 25% residential & 75% commercial" category*
- *a rate of 1.08846 cents in the dollar of land value on every rating unit in the "commercial inside the inner city zone subject to 50% residential & 50% commercial" category*
- *a rate of 0.79161 cents in the dollar of land value on every rating unit in the "commercial inside the inner city zone subject to 75% residential & 25% commercial" category*

- *a rate of 0.32159 cents in the dollar of land value on every rating unit in the "rural" category*
- *a rate of 0.44528 cents in the dollar of land value on every rating unit in the "small holding" category*

(2) Uniform Annual General Charge

A uniform annual general charge under section 15 of the Local Government (Rating) Act 2002 of \$325.80 per separately used or habitable portion of a rating unit, (excluding properties subject to statutory declarations for unoccupied or second residential units not being used as separate units).

(3) Separate General Charge - Stormwater

A targeted rate under section 16 of the Local Government (Rating Act) 2002 of:

- *\$233.60 per rating unit, (excluding rural category, small holding category east of Gentle Annie, residential properties east of Gentle Annie saddle, Saxton's Island and properties subject to statutory declarations for unoccupied or second residential units not being used as separate units).*
- *\$116.80 per rating unit for the small holding category excluding small holdings east of Gentle Annie.*

(4) Waste Water Charge

A targeted rate for waste water disposal under section 16 of the Local Government (Rating) Act 2002 of:

- *\$384.80 per separately used or habitable portion of a residential rating unit, (excluding properties subject to statutory declarations for unoccupied or second residential units not being used as separate units), that is connected either directly or through a private drain to a public waste water drain*
- *For non-residential rating units, a single waste water charge of \$384.80 per separately used or habitable portion of a*

rating unit that is connected either directly or through a private drain to a public waste water drain and a "trade" waste charge will be levied

(5) Water Supply Charges

A targeted rate for water supply under Section 19 of the Local Government (Rating) Act 2002 for the period from 1 July 2010 to 30 September 2010, of:

- *A minimum annual charge* **\$177.83**
- Price of water:*
- 0 – 10,000 cu.m/year* **\$1.763 per m³**
- 10,001 – 100,000 cu.m/year* **\$1.563 per m³**
- > 100,000 cu.m/year* **\$1.233 per m³**
- *Summer irrigation* **\$1.663 per m³**

A targeted rate for water supply under Section 19 of the Local Government (Rating) Act 2002 for the period from 1 October 2010 to 30 June 2011, of:

- *A minimum annual charge* **\$181.78**
- *Price of water:*
- 0 – 10,000 cu.m/year* **\$1.802 per m³**
- 10,001 – 100,000 cu.m/year* **\$1.598 per m³**
- > 100,000 cu.m/year* **\$1.260 per m³**
- *Summer irrigation* **\$1.700 per m³**

These rates have been adjusted for the increased GST.

(6) Clean Heat Warm Homes

A targeted rate per separately used or habitable portion of a rating unit that has been provided with home insulation and/or a heater to replace a non-complying solid fuel burner under Section 16 of the Local Government (Rating) Act 2002, of:

- *Loan assistance range* **\$1,400 to \$1,599**
\$142.33

- *Loan assistance range* \$1,600 to \$1,799
\$162.67
- *Loan assistance range* \$1,800 to \$1,999
\$183.00
- *Loan assistance range* \$2,000 to \$2,199
\$203.33
- *Loan assistance range* \$2,200 to \$2,399
\$223.67
- *Loan assistance range* \$2,400 to \$2,599
\$244.00
- *Loan assistance range* \$2,600 to \$2,799
\$264.33
- *Loan assistance range* \$2,800 to \$2,999
\$284.67
- *Loan assistance range* \$3,000 to \$3,199
\$305.00
- *Loan assistance range* \$3,200 to \$3,399
\$325.33
- *Loan assistance range* \$3,400 to \$3,599
\$345.67
- *Loan assistance range* \$3,600 to \$3,799
\$366.00
- *Loan assistance range* \$3,800 to \$3,999
\$386.33
- *Loan assistance range* \$4,000 to \$4,199
\$406.67
- *Loan assistance range* \$4,200 to \$4,399
\$427.00
- *Loan assistance range* \$4,400 to \$4,599
\$447.33
- *Loan assistance range* \$4,600 to \$4,799
\$467.67
- *Loan assistance range* \$4,800 to \$4,999
\$488.00

(7) Solar Hot Water Systems

A targeted rate per separately used or habitable portion of a rating unit that has been provided with financial assistance to install a solar hot water system under Section 16 of the Local Government (Rating) Act 2002, of:

- **0.14964 (including GST), multiplied by the Net Cost of the Work adjusted for increased GST.**

(8) Postponement Application Charge

A targeted rate for rates postponement application charges under Section 16 of the Local Government (Rating) Act 2002, of \$400.00 per rating unit that commenced rates postponement during the 2009/10 rating year.

(9) Postponement Interest Charge

A targeted rate for rates postponement interest charges under Section 16 of the Local Government (Rating) Act 2002 per rating unit based on the 2010/11 rates levied and any outstanding balance from previous rating years, of:

- | | |
|---------------------------------|----------------|
| • Interest charge | 6.75%pa |
| • Reserve fund | 0.25%pa |
| • Scheme application fee | 1.00%pa |

Differential Categories

The Nelson City Council adopts the following as its definition for its differential categories for the 2010/11 financial year:

(1) General Rate

- **Residential – all rating units that are used primarily for residential purposes**
- **Multi Residential – all rating units that contain more than one residential dwelling that are capable of being used primarily for residential purposes**
- **Commercial – any rating unit which is used primarily for commercial use. Properties that have a portion of residential use shall have a reduced commercial differential**
- **Commercial Inner City Zone – any rating unit which is used primarily for commercial use that is located within the Inner City Zone. Properties that have a portion of residential use shall have a reduced inner city commercial differential**

- *Rural – any rating unit having an area greater than 15 hectares which is used primarily for dairy, fattening and grazing, quarries, forestry or horticultural use and is recorded as rural on the District Valuation Roll*
- *Small Holding – any rating unit which is primarily used as a small holding and having an area greater than 5,000m² but is less than 15 hectares and is recorded as a small holding on the District Valuation Roll.*

Due Dates for Payment of Rates

The above rates (excluding water charges) are payable at the Nelson City Council office, 110 Trafalgar Street, Nelson and shall be payable in four instalments on the following dates:

<u><i>Instalment Number</i></u>	<u><i>Instalment Date</i></u>	<u><i>Penalty Date</i></u>
<i>Instalment 1</i>	<i>1 August 2010</i>	<i>27 August 2010</i>
<i>Instalment 2 2010</i>	<i>1 November 2010</i>	<i>26 November</i>
<i>Instalment 3</i>	<i>1 February 2011</i>	<i>25 February 2011</i>
<i>Instalment 4</i>	<i>1 May 2011</i>	<i>27 May 2011</i>

Due Dates for Payment of Water Rates

Residential water rates are payable at the Nelson City Council office, 110 Trafalgar Street, Nelson and shall be payable on the following dates:

<u><i>Billing Month</i></u>	<u><i>Penalty Date</i></u>
<i>July 2010</i>	<i>20 September 2010</i>
<i>August 2010</i>	<i>20 September 2010</i>
<i>September 2010</i>	<i>20 October 2010</i>
<i>October 2010</i>	<i>20 December 2010</i>
<i>November 2010</i>	<i>20 December 2010</i>
<i>December 2010</i>	<i>20 January 2011</i>
<i>January 2011</i>	<i>20 March 2011</i>

<i>February 2011</i>	<i>20 March 2011</i>
<i>March 2011</i>	<i>20 April 2011</i>
<i>April 2011</i>	<i>20 June 2011</i>
<i>May 2011</i>	<i>20 June 2011</i>
<i>June 2011</i>	<i>20 July 2011</i>

Special (final) water rates will be due and payable 14 days from the date of the special (final) water reading.

Commercial water rates are payable at the Nelson City Council office, 110 Trafalgar Street, Nelson on the 20th of the month following the date shown on the water invoice.

Penalty on Rates

Pursuant to Sections 57 & 58 of the Local Government (Rating) Act 2002, the council delegates authority to the Chief Financial Officer to apply the following penalties on unpaid rates (including water accounts) at their discretion:

- a first additional charge of 10% of the amount of each rate instalment remaining unpaid on the penalty date as shown on each rate instalment notice*
- a second additional charge of 10% will be added to any balance remaining outstanding from a previous rating year (including penalties previously charged) as at 31st December 2010*
- a further additional charge of 10% will be added to any balance remaining outstanding from a previous rating year (including penalties previously charged) as at 30 June 2011*
- The above penalties will not be charged where Council has agreed to a program for payment of outstanding rates.*

Penalty Remission

In accordance with Council's rate remission policy, the council will approve the remission of the penalty levied on instalment one due to late payment provided the total annual rates are

paid in full by 26 November 2010. If full payment of the annual rates is not paid by 26 November 2010 the penalties relating to the four instalments outlined above will apply.

Discount on Rates

Pursuant to Section 55 of the Local Government (Rating) Act 2002, the Council will allow a discount of 2.0 percent of the total rates (excluding water charges) where a ratepayer pays the year's rates in full on or before the penalty date for instalment one being 27 August 2010.

Payment of Rates

The rates shall be payable at the Council offices, Civic House, 110 Trafalgar Street, Nelson between the hours of 8.30am to 5.00pm Monday to Friday. Where any payment is made by a ratepayer that is less than the amount now payable, the Council will apply the payment firstly to any rates outstanding from previous rating years and then proportionately across all current year rates due.

Thomas/ His Worship the Mayor

Carried

Councillor Barker requested his vote against the resolution be recorded.

5.0 CHAIRPERSONS REPORT

- 5.1 The Council discussed the Council photograph (for the 2007 – 2010 term) and decided that the photograph would be taken in the Council Chamber at the morning tea break during the 1 July 2010 meeting.

6.0 REPORTS POLICY

6.1 Council submission on the Local Government Act 2002 Amendment Bill

Report number 935133, agenda pages 13-55 refer.

The Chief Executive, Keith Marshall spoke to the report and stated that the submission had been mentioned in the Chief Executive's Report and Councillors had asked to see it.

Councillor Collingwood was concerned that Council did not put more effort into the submission as there were still gaps she would have liked to have addressed. Councillor Barker did not support what was included and stated he would be putting in his own submission.

Councillor Reese highlighted issues with clause 1 on page 53 of the agenda that discussed why rates were increasing. Councillor Reese said she had some concerns as to why drinking water standards were singled out as a reason rates were increasing. It was agreed that the words "(such as drinking water quality to meet national standards)" be removed from the submission.

The meeting discussed benchmarking local body performance and whether local bodies can be accurately compared owing to the varying factors between regions and different service levels they are required to deliver. Differing views were expressed but the majority view was that such benchmarking was very difficult except maybe at the highest levels of rates per capita or similar.

Resolved

THAT the attached document (RAD 935272) on the Local Government Act 2002 Amendment Bill be submitted to the Local Government and Environment Select Committee by 18 June 2010 subject to the words "(such as drinking water quality to meet national standards)" being removed, page 53 of the Agenda refers.

Thomas/His Worship the Mayor

Carried

7.0 REPORTS PRIORITY

7.1 Iwi Memorandum of Understanding

Report number 936947, agenda pages 56-62 refer.

Kaihautu Geoff Mullen spoke to the report. He sought Council endorsement to the proposed position concerning negotiations with Iwi, as outlined in the report. He also pointed out that the recommendation sought permission to allow the Mayor and Chief Executive to make minor amendments to the Memorandum of Understanding.

Councillors emphasised that although Matawaka are not part of this area, Council is responsible for their wellbeing and inclusion in services. Councillors commented that if Matawaka were not included in this agreement there would be a gap. The Chief Executive stated that if Matawaka were not included they could be incorporated through their own memorandum of understanding.

Resolved

THAT this Memorandum of Understanding be endorsed as the council position;

AND THAT the Mayor and Chief Executive be given the power to authorise minor changes to the document should they be required.

Boswijk/McAlpine

Carried

8.0 REPORTS FROM COMMITTEES

8.1 Youth Council – 27 April 2010

Document number 922894, agenda pages 63-67 refer.

Resolved

THAT the minutes of the meeting of the Youth Council, held on 27 April 2010 be received.

Rainey/Boswijk

Carried

8.2 Founders Heritage Park Committee – 28 April 2010

Councillors commented on the success of the book fair, both this year and previous years and resolved that a letter of thanks be sent to the Founders Heritage Park Committee.

Resolved

THAT the minutes of the meeting of the Founders Heritage Park Committee held on 28 April 2010 be received;

AND THAT a letter of thanks be sent congratulating those involved with the annual Book Fair.

McAlpine/His Worship the Mayor

Carried

8.3 Audit Risk and Finance Committee – 16 June 2010

Document number 935066

Chief Finance Officer Nikki Harrison advised that the Audit Risk and Finance Committee had recommended that Council amend its policy regarding how it manages interest rate rises. She said that during the liquidity crisis banks would not fund for longer than 12 – 24 months. Ms Harrison noted that this change is a departure from that stated in the LTCCP however staff will remedy this through next year's Annual Plan process.

His Worship the Mayor suggested that the words 'with the LTCCP' be added to the second clause to provide clarity.

Resolved

THAT the Liability Management Policy to target a weighted average term to maturity of 12-24 months for fixed term/fixed rate instruments be replaced with a target of 48 -60 months;

AND THAT this inconsistency with the LTCCP be approved in order to improve the management of interest rate risk;

AND THAT a subsequent amendment to the Liability Management Policy be amended through the special consultative procedure under section 83 of the Local Government Act 2002 during the 2011 Annual Plan consultation;

AND THAT Council notes that this is a departure from its LTCCP 2009-2019.

Thomas/McAlpine

Carried

9.0 GENERAL BUSINESS

9.1 Mr Gerry Renshaw

The Chief Executive stated that it would be difficult to hold a ballot at the elections as the costs associated with a performing arts and conference centre would not be known in the timeframe required.

Councillor Reese asked if a poll had previously been undertaken on this issue and staff stated that both local MPs have apparently conducted their own polling but we did not have access to those results. Council itself had sought the same information in its own poll about 5 years ago by asking what residents wanted, and about 60% of respondents had ranked a performing arts and conference centre as the highest priority. The Manager Strategic Planning and Administration noted that this survey was not scientific and was self-selected. Staff were asked to find the results of this survey.

The Chief Executive advised that if Council progresses to formal consultation on either a separate Performing Arts and Conference Centre or a combined facility the consultation could be supplemented with a scientifically done poll.

Resolved

THAT this item be noted.

His Worship the Mayor/Collingwood

Carried

Attendance: The meeting adjourned from 9.55 – 10.10am.

10.0 PUBLIC EXCLUDED BUSINESS

10.1 Exclusion of the Public

Resolved

THAT the public be excluded from the following parts of the proceedings of this meeting in accordance with section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 on the grounds that the public conduct of this part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.

- i) Nelson City Council Public Excluded Minutes – 3 June 2010***
- ii) Memorandum of Understanding – Wakatu Incorporated***
- iii) Founders Heritage Park Public Excluded Minutes – 3 February 2010***

Reasons:

To enable the Council to carry out negotiations or commercial activities without prejudice or disadvantage; or

To protect information where the making available of the information would unreasonably prejudice the commercial position of the person who is subject of the information; or

To protect the privacy of natural persons.

Holmes/McAlpine

Carried

The meeting went in to public excluded session at 10.10am and resumed in public session at 11.10am.

10.2 Re-admittance of the Public

Resolved

THAT the public be re-admitted to the meeting.

Boswijk/McAlpine

Carried

There being no further business the meeting ended at 11.15am.

CONFIRMED AS A CORRECT RECORD OF PROCEEDINGS

CHAIRPERSON _____ DATE