

MINUTES OF A MEETING OF THE NELSON CITY COUNCIL TO CONSIDER THE DRAFT ANNUAL PLAN 2010/2011 HELD IN THE COUNCIL CHAMBER, CIVIC HOUSE, TRAFALGAR SQUARE, NELSON ON MONDAY 8 MARCH 2010 COMMENCING AT 9.02AM

PRESENT: The Mayor, K Marshall (Chairperson), Councillors I Barker, A Boswijk, G Collingwood, M Cotton, M Holmes, A Miccio, A McAlpine, R Reese (Deputy Mayor), D Shaw and G Thomas

IN ATTENDANCE: Chief Executive (K Marshall), Senior Finance Adviser (C Fitchett), Manager Strategy and Planning (Mark Tregurtha), Administration Adviser (A Rose)

APOLOGIES: Apologies were received and accepted from Councillors D Henigan and P Rainey

1.0 DRAFT ESTIMATES AND ANNUAL PLAN 2008/2009

His Worship the Mayor welcomed Councillors to the meeting and reminded them that 2010 was a year in which all the properties in Nelson get re-valued by Quotable Value Ltd.

The Senior Finance Adviser presented the estimates saying that following the workshops on 15 December 2009 and 22 February 2010 the rate increase was 6.6%, plus 0.2% to take account of the loss in water sales if the pipeline from Bells Island to Nelson Golf Club and the Tahunanui Reserve proceed. Subsequently a review of the business unit additional costs has resulted in a reduction of \$172,000 (0.35%) in the net rate requirements. The estimates therefore showed a total increase in rates and charges for 2010/11 of 6.5%.

The Senior Finance Adviser added that it should also be noted that the estimates include \$100,000 maintenance grant for the Bishop Suter Trust but no funding for major capital projects at the gallery, The estimates also allow for an additional \$300,000 interest free loan to the Theatre Royal and for the postponement of the loan repayments from the Theatre Royal for the term of this Annual Plan.

The Senior Finance Adviser then displayed by means of PowerPoint the Business Unit Account Summary together with a comparison of expense budgets for the years 2006/7 to 2010/11. He also tabled copies of this information.

The Chief Executive explained that the figure for wages over projected income is 6.51% and was made up by 4 additional staff and the provision for wage round adjustments and merit steps. He said the expenses had increased by 12.6% and this was made up from internal rent 3.1%, Government changes to Superannuation an ACC 3.9% and other expenses 5.6%.

There followed general discussion about the budgets and ways they could be reduced and the effects that any reductions would have.

There was some discussion regarding Council's legal expenses and the Chief Executive said that Council was saving in the region of \$100,000 a year, and this included the costs for Mr Altmants. In answer to a question, the Senior Finance Adviser said the total cost of staff for the organisation was in the order of \$19.5 million per annum.

There followed some discussion regarding Council's role as both a regional and territorial Council and it was agreed to make a statement in the Chief Executive and Mayor's commentary to the draft Annual Plan regarding this dual function and the costs involved.

In answer to a question regarding the increase in the charges for photocopying the Chief Executive said that it was the result of the amount of consultation the Council had undertaken and is going to undertake.

There was a suggestion that Council should look at its non-core activities as areas in which costs could be cut.

There was also concern expressed that if GST increased this would affect the bottom line of the fees and charges made by the Council.

In answer to another question the Chief Executive said that the Council's estimates are in line with the Nelson Community Plan but the biggest impact would be on what was going to happen regarding the Performing Arts and Conference Centre issue.

1.1 Trade Waste and Wastewater Charges

The Senior Executive Infrastructure, Michael Schruer, joined the meeting and referred to a memo circulated with the agenda dated 4 March 2010. He said that there would be a significant increase in trade waste and wastewater charges in the 2010/11 financial year as result of recent treatment plant upgrades at the Nelson North and Bells Island Treatment Plants and also as a re-valuation of the sewerage business unit assets which had increased depreciation costs.

Another factor, he said, adding to the charges was that the volumes of wastewater discharged had reduced, possibly due to waste minimisation practices, or the economic recession, which has also impacted on unit rate charges as many of the costs of operating the treatment plant are fixed. He then referred to the table in the memo which showed the total treatment and conveyance costs for the current and next financial year. He said these figures would have to be incorporated in the Annual Plan and this was agreed.

There was some discussion regarding interest rates and the Senior Finance Adviser said interest rates had increased 0.75% since the Community Plan had been adopted, and he warned that they may increase even further.

Attendance: The meeting adjourned for morning tea from 10.15am till 10.35am.

His Worship the Mayor directed that the meeting now turn its attention to item 4 on the agenda.

2.0 RATING REVIEW

Document number 882284, supplementary order paper number 1, pages 1-17 refer.

The Rates Clerk, Theo Aitken, joined the meeting and the Senior Finance Adviser presented the report which contained the recommendations of the Rating Review Working Party. The Senior Finance Adviser said that the Working Party had been reviewing the City's rating system for 2 years and had concluded that now is not an appropriate time to proceed with major changes to the rating system. However the Working Party was recommending three less significant changes; the introduction of a new fringe commercial differential and the abolition of the urban farmland and small holdings categories. The Senior Finance Adviser drew the Council's attention to page 15 of the report which outlined the effects on the various categories of ratepayer. There was general support for the latter changes.

Resolved

THAT the Council include, as part of the 2010/11 draft Annual Plan, a proposal to abolish the Urban Farmland and Small Holding categories;

AND THAT the Funding Impact Statement be amended accordingly.

Holmes/Miccio

Carried

2.1 Commercial Differentials

Councillors Boswijk, Miccio and Thomas declared an interest and took no part in the discussion of this item.

While there was some sympathy shown for the philosophy behind the proposal it was felt there was need for more work to be done and it was agreed to bring a proposal to next year's Annual Plan.

Resolved

THAT the Council, being mindful of the inequity issues with regard to Commercial Rating within the City, supports in principle the notion of reviewing the commercial differentials as set out in report 882824;

AND THAT as more work is required the Chief Executive be requested to bring a further report to Council after October 2010.

Collingwood/Holmes

Carried

3.0 DRAFT ESTIMATES AND ANNUAL PLAN 2009/10 CONTINUED

3.1 Saxton Field Stadium

The Senior Finance Adviser tabled a paper setting out the situation with regard to the funding of Saxton Field Stadium. He advised that Council had received an amended final costing and as a result the estimates needed to be increased accordingly and the Council had to decide how the additional costs were to be funded.

The Divisional Manager Community Services, Susan Coleman, and the Manager Community Projects, Andrew Petheram, joined the meeting and tabled a proposal requested by Council to enable final payments for the Saxton Field Stadium to be made. The Council generally agreed to the proposal as tabled.

Resolved

THAT to enable final payments to be made for the development of the Saxton Field Stadium, a loan be made to the Saxton Stadium Society of \$191,015 of which \$77,000 is to be repaid when the Society receives donor funding and the balance is to be repaid when the society receives funding from the Tasman District Council;

AND THAT a further \$105,115 be written off;

AND THAT the above be subject to the Saxton Stadium Society entering into further discussion with the Tasman District Council with the aim of persuading that Council to contribute \$114,015 towards this cost.

Collingwood/Cotton

Carried

The meeting then went on to discuss the other three bullet points on the tabled proposal subsequently agreeing that they should be added to the resolution that had just been passed.

Resolved

THAT the following be added to the resolution regarding the final payments for the development of Saxton Field Stadium be also subject to:

- ***Netball Nelson agree to waive its rights to any remaining equity in the original netball/football stadium***
- ***Issues surrounding ownership being resolved to Councillors' satisfaction***
- ***All relevant sporting codes support the use of Saxton Field Stadium for Rugby World Cup 2011.***

His Worship the Mayor/Miccio

Carried

There was a request for a workshop to bring Council up to date on all the development issues at Saxton Field and a request was made for a map to be produced for Councillors showing all the developments, what they had cost, what they will cost and where the funding had or would come from. The Manager Strategic Planning and Administration, Mark Tregurtha, advised that the workshop for Saxton Field was scheduled for 23 April.

Attendance: The meeting adjourned for lunch from 12.30pm-1.05pm during which time Councillor Collingwood and Councillor Holmes left the meeting.

4.0 SAXTON FIELD CRICKET, ATHLETICS AND FOOTBALL PAVILION

The Divisional Manager Community Services, Susan Coleman, and Manager Community Projects, Andrew Petheram, joined the meeting. Councillors were advised that Nelson Cricket had concerns about the cricket resolution passed by the Governance Committee on 6 August 2009. Cricket Representatives had met with the Mayor and Councillors Boswijk and Rainey to discuss the concerns. Of particular concern was one of the clauses in that resolution which stated:

AND THAT work not begin on the construction of the Pavilion until both Councils are satisfied that all of the sports codes share of the funding is attainable.

The Divisional Manager Community Services summarised the situation and said there were three issues to be addressed; the timing of the funding coming from Nelson Cricket, who had advised they cannot access funding until there is a signed tender, a request from Nelson Cricket to go outside the Council's naming rights policy, and the request for an additional \$500,000 for the project. It was agreed to defer consideration of these matters until the following day after hearing from a representative from Nelson Cricket.

4.1 Development Contributions

The Senior Executive Infrastructure, Michael Schruer, and the Divisional Manager Planning and Consents, Richard Johnson, joined the meeting and spoke to the proposed amendment to the Community Plan 2009/19 Vol 2 page 51 clauses 2.8 and page 57 clause 3.9(d). There was some discussion regarding when Council should require the payment of Development Contributions and it was agreed that a paper setting out the new amended clauses would be brought to the meeting the following day.

5.0 FEES AND CHARGES: RESOURCE MANAGEMENT ACT

Document number 878292, agenda pages 1-17 refer.

The Divisional Manager Planning and Consents, Richard Johnson, joined the meeting and presented the report.

Attendance: Councillor Collingwood returned to the meeting at 3.16pm.

After the presentation of the Fees and Charges Resource Management Act Report, His Worship the Mayor adjourned the meeting until 9am the following day. He signalled that the discussion with the representative from Nelson Cricket would be held in Public Excluded session because of its commercially sensitive nature.

There being no further business the meeting adjourned at 3.30pm.

CONFIRMED AS A CORRECT RECORD OF PROCEEDINGS

_____ CHAIRPERSON _____ DATE