

Minutes of a meeting of the Nelson City Council

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

On Thursday 19 June 2014, commencing at 9.04am

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 Corporate Services (N Harrison), Group Manager Infrastructure (A Louverdis), Acting Group Manager Strategy (N McDonald), and Administration Adviser (L Laird), and Youth Councillors (C Lindley and S Ross)

Opening Prayer

Councillor Copeland gave the opening prayer.

1. Apologies

Resolved

THAT apologies be received and accepted from Councillor Davy for early departure.

Her Worship the Mayor/Matheson

Carried

2. Interests

No updates to the Interests Register were made, and no conflicts with items of the agenda were declared.

3. Confirmation of Order of Business

Resolved

THAT the item regarding Setting of Rates for 2014/15 Financial Year 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 the rates to be set in a timely manner.

Her Worship the Mayor/Ward

Carried

4. Public Forum

There was no public forum.

5. Confirmation of Minutes – 27, 28 and 29 May 2014

Document number A1197671, agenda pages 6-45 refer.

It was noted that the minutes be confirmed subject to the following changes:

- That the sentence 'It was agreed to leave further consideration of this until later in the meeting' be removed from page 36 of the agenda
- That the sentence 'The Mayor asked the Council to re-consider submission 61' be added to page 39 of the agenda
- That the division on page 26 of the agenda record Councillor Barker as being absent, and not an apology
- That the attendance line for Councillor Matheson on page 37 of the agenda be removed
- That the words 'enhancing the floor of the lane with wooden decking' be removed and replaced with 'enhancements' on page 33 of the agenda.

Resolved

THAT the minutes of a meeting of the Nelson City Council – to deliberate on submissions to the draft Annual Plan 2014/15, held on 27, 28 and 29 May 2014, be confirmed as a true and correct record, subject to edits.

Davy/Barker

Carried

6. Mayor's Report

Document number A1204249, agenda pages 46-51 refer.

Attendance: the meeting adjourned from 9.18 to 9.21am.

Her Worship the Mayor spoke to the report. It was noted that Councillor Skinner had been added to the Working Party. She also noted that the terms of reference would be amended to include further detail in the purpose section, 'This will include consideration of

woodburner use and technology, airshed boundaries and community education’.

Resolved

THAT the Mayor’s Report (A1204249) and its attachment (A1204269) be received;

AND THAT the membership of the Working Party be Councillors Acland (chair), McGurk, Fulton, Skinner, and Barker;

AND THAT the draft Terms of Reference for the review of the Nelson Air Quality Plan in relation to wood burners (otherwise known as the Woodburner Working Party) (A1204269) be adopted.

Her Worship the Mayor/Davy

Carried

7. Adoption of Final Annual Plan 2014/15

Document number A1205057, agenda pages 52-53 refer.

The Acting Group Manager Strategy, Nicky McDonald, and the Group Manager Corporate Services, Nikki Harrison, joined the meeting and outlined further proposed amendments to the Annual Plan as set out in the tabled document (A1206945).

Ms Harrison explained Simpson Grierson had been engaged to review the Annual Plan and advised that the ‘Separately Used or Inhabited Parts’ of the rating unit was not consistent with the Rating Act, resulting in changes to the Annual Plan.

In response to questions, Ms Harrison confirmed that this change would not result in a difference to the overall rates increase. In response to further questions, the Chief Executive said the Office of Auditor General was not the last point of defence in the Annual Plan process.

It was further noted that any changes to the rating system must occur with the Long Term Plan 2015-2025, and the work programme to effect this change was required in 2014.

Referring back to Council’s original intention for the discount, Ms Harrison said high commercial users incurred additional Tradewaste charges, and small businesses would still benefit by avoiding these charges.

7.1 Theatre Royal

Ms McDonald outlined proposed changes to the wording for the Theatre Royal on pages 8 and 44 of the Annual Plan to include further

information, "After reviewing financial information Council is of the view that the Theatre Royal is a key community asset and makes a valuable contribution that is worthy of additional Council funding. For this reason the Council has increased the operational grant to the Theatre in 2014/2015 by \$115,000 to a total of \$220,000." It was agreed that further information was required as to why the Theatre Royal would receive an increased operational grant, and this provided sufficient reason.

Resolved

THAT the final Annual Plan 2014/15 (A1205451) be adopted.

Davy/Skinner

Carried

8. Setting of the Rates for the Financial Year 2014/15

Document number A1142643, late item refers.

Resolved

THAT the final Annual Plan 2014/15 (A1205451) be adopted;

AND THAT the Nelson City Council set and assess the following rates under the Local Government (Rating) Act 2002, on rating units in the district for the financial year commencing on 1 July 2014 and ending on 30 June 2015. All figures are GST inclusive.

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

General Rate	\$31,612,496
Uniform Annual General Charge	\$7,575,500
Separate General Charge	\$4,322,731
Waste Water Charge	\$6,992,607
Water Charge	\$11,926,609
Clean Heat Warm Homes and Solar Saver	\$562,293
Rates and Charges	\$62,992,236
Goods and Services Tax (at the prevailing rates)	\$9,448,835

Total Rates and Charges

\$72,441,071

(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 0.61754 cents in the dollar of land value on every rating unit in the "residential – single unit" category.**
- a rate of 0.61754 cents in the dollar of land value on every rating unit in the "residential empty section" category.**
- a rate of 0.67929 cents in the dollar of land value on every rating unit in the "single residential unit forming part of a parent valuation, the remainder of which is non-rateable" category. This represents a 10% differential on land value.**
- a rate of 0.67929 cents in the dollar of land value on every rating unit in the "multi residential" category. This represents a 10% differential on land value.**
- a rate of 1.58090 cents in the dollar of land value on every rating unit in the "commercial – excluding inner city and Stoke commercial" subject to 100% commercial and industrial (occupied and empty) category. This represents a 156% differential on land value.**
- a rate of 1.34006 cents in the dollar of land value on every rating unit in the "commercial – excluding inner city and Stoke commercial" subject to 25% residential and 75% commercial" category. This represents a 117% differential on land value.**
- a rate of 1.09922 cents in the dollar of land value on every rating unit in the "commercial – excluding inner city and Stoke commercial" subject to 50% residential and 50% commercial" category.**

This represents a 78% differential on land value.

- ***a rate of 0.85838 cents in the dollar of land value on every rating unit in the "commercial – excluding inner city and Stoke commercial" subject to 75% residential and 25% commercial" category. This represents a 39% differential on land value.***
- ***a rate of 2.11816 cents in the dollar of land value on every rating unit in the "commercial – inner city and Stoke commercial" subject to 100% commercial and industrial (occupied and empty) category. This represents a 243% differential on land value.***
- ***a rate of 1.74331 cents in the dollar of land value on every rating unit in the "commercial – inner city and Stoke commercial subject to 25% residential and 75% commercial" category. This represents a 182.3% differential on land value.***
- ***a rate of 1.36785 cents in the dollar of land value on every rating unit in the "commercial – inner city and Stoke commercial subject to 50% residential and 50% commercial" category. This represents a 121.5% differential on land value.***
- ***a rate of 0.99300 cents in the dollar of land value on every rating unit in the "commercial – inner city and Stoke commercial subject to 75% residential and 25% commercial" category. This represents a 60.8% differential on land value.***
- ***a rate of 0.40140 cents in the dollar of land value on every rating unit in the "rural" category. This represents a minus 35% differential on land value.***
- ***a rate of 0.55579 cents in the dollar of land value on every rating unit in the "small holding" category. This represents a minus 10% differential on land value.***

(2) Uniform Annual General Charge

A uniform annual general charge under section 15 of the Local Government (Rating) Act 2002 of \$385.70 per separately used or inhabited 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 and Flood Protection

A targeted rate under section 16 of the Local Government (Rating Act) 2002 of \$242.60 per rating unit, (excluding rural category, small holding category and residential properties east of Gentle Annie saddle and Saxton's Island).

(4) Waste Water Charge

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

- \$406.10 per separately used or inhabited portion of a residential, multi residential, rural and small holding rating units (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 commercial rating units, a waste water charge of \$101.50 per separately used or inhabited 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 Charges

A targeted rate for water supply under Section 16 of the Local Government (Rating) Act 2002, of:

Water supply charge (per connection) \$202.20

A targeted rate for water consumed under Section 19 of the Local Government (Rating) Act 2002, of:

Price of water:

0 – 10,000 cu.m/year	\$2.086 per m³
10,001 – 100,000 cu.m/year	\$1.555 per m³
> 100,000 cu.m/year	\$1.226 per m³
Summer irrigation	\$1.820 per m³

(6) Clean Heat Warm Homes

A targeted rate per separately used or inhabited 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 in accordance with agreement of the original ratepayer, of:

- For properties levied the Clean Heat Warm Homes as a result of agreements entered into after 1 July 2011, the targeted rate for each year for 10 years will be the total cost of the installed works excluding GST, divided by 10, plus GST.**
- For properties levied the Clean Heat Warm Homes as a result of agreements entered into prior to 1 July 2011 the targeted rate of:**

Loan Assistance Range	Installation after 30 Sept 2010	Completed prior to 30 Sept 2010
\$1,400 to \$1,599	\$140.00	\$143.11
\$1,600 to \$1,799	\$160.00	\$163.56
\$1,800 to \$1,999	\$180.00	\$184.00
\$2,000 to \$2,199	\$200.00	\$204.44
\$2,200 to \$2,399	\$220.00	\$224.89
\$2,400 to \$2,599	\$240.00	\$245.34
\$2,600 to \$2,799	\$260.00	\$265.78

<i>Loan Assistance Range</i>	<i>Installation after 30 Sept 2010</i>	<i>Completed prior to 30 Sept 2010</i>
<i>\$2,800 to \$2,999</i>	<i>\$280.00</i>	<i>\$286.22</i>
<i>\$3,000 to \$3,199</i>	<i>\$300.00</i>	<i>\$306.67</i>
<i>\$3,200 to \$3,399</i>	<i>\$320.00</i>	<i>\$327.11</i>
<i>\$3,400 to \$3,599</i>	<i>\$340.00</i>	<i>\$347.56</i>
<i>\$3,600 to \$3,799</i>	<i>\$360.00</i>	<i>\$368.00</i>
<i>\$3,800 to \$3,999</i>	<i>\$380.00</i>	<i>\$388.44</i>
<i>\$4,000 to \$4,199</i>	<i>\$400.00</i>	<i>\$408.89</i>
<i>\$4,200 to \$4,399</i>	<i>\$420.00</i>	<i>\$429.34</i>
<i>\$4,400 to \$4,599</i>	<i>\$440.00</i>	<i>\$449.78</i>
<i>\$4,600 to \$4,799</i>	<i>\$460.00</i>	<i>\$470.22</i>
<i>\$4,800 to \$4,999</i>	<i>\$480.00</i>	<i>\$490.67</i>

(7) Solar Hot Water Systems

A targeted rate per separately used or inhabited 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 in accordance with agreement of the original ratepayer, of:

- 0.14964 (including GST) for agreements entered into prior to 1 July 2011, multiplied by the Net Cost of the Work adjusted for any increased GST.***
- 0.13847 (including GST) for agreements entered into after 1 July 2011 multiplied by the Net Cost of the Work.***

Other Rating Information:

Differential Categories

The Nelson City Council adopts the following as its definition for its differential categories for the 2014/15 financial year:

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 0.5 hectares 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:

Instalment Number	Instalment Due Date	Last Date for Payment	Penalty Date
Instalment 1	1 August 2014	27 August 2014	2 September 2014

<i>Instalment 2</i>	<i>1 November 2014</i>	<i>27 November 2014</i>	<i>3 December 2014</i>
<i>Instalment 3</i>	<i>1 February 2015</i>	<i>27 February 2015</i>	<i>4 March 2015</i>
<i>Instalment 4</i>	<i>1 May 2015</i>	<i>27 May 2015</i>	<i>2 June 2015</i>

Rates instalments not paid by the Last Date for payment above will incur penalties as detailed in the section "Penalty on Rates".

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:

<i>Billing Month</i>	<i>Last Date for Payment</i>	<i>Penalty Date</i>
<i>July 2014</i>	<i>15 September 2014</i>	<i>19 September 2014</i>
<i>August 2014</i>	<i>15 September 2014</i>	<i>19 September 2014</i>
<i>September 2014</i>	<i>15 October 2014</i>	<i>20 October 2014</i>
<i>October 2014</i>	<i>15 December 2014</i>	<i>19 December 2014</i>
<i>November 2014</i>	<i>15 December 2014</i>	<i>19 December 2014</i>
<i>December 2014</i>	<i>15 January 2015</i>	<i>19 January 2015</i>
<i>January 2015</i>	<i>16 March 2015</i>	<i>20 March 2015</i>
<i>February 2015</i>	<i>16 March 2015</i>	<i>20 March 2015</i>
<i>March 2015</i>	<i>15 April 2015</i>	<i>20 April 2015</i>
<i>April 2015</i>	<i>16 June 2015</i>	<i>19 June 2015</i>
<i>May 2015</i>	<i>16 June 2015</i>	<i>19 June 2015</i>
<i>June 2015</i>	<i>15 July 2015</i>	<i>21 July 2015</i>

Special (final) water rates will be payable 14 days from the invoice date of the special (final) water reading as shown on the water invoice.

Commercial water rates last date for payment will be the 20th of the month following the

invoice date as shown on the water invoice. The penalty date will be the fourth business day after the Last Date for Payment.

Penalty on Rates

Pursuant to Sections 57 and 58 of the Local Government (Rating) Act 2002, the council delegates authority to the Group Manager Corporate Services to apply the following penalties on unpaid rates (excluding water accounts):

- a first additional charge of 10% of the amount of each rate instalment remaining unpaid on the penalty date as shown in the above table and also 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 2014.*
- 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 2015.*

Penalty on Water Rates

Pursuant to Sections 57 and 58 of the Local Government (Rating) Act 2002, the council delegates authority to the Group Manager Corporate Services to apply the following penalties on unpaid water rates:

- an additional charge of 10% of the amount of each water rate account remaining unpaid on the penalty date as shown in the above table and also shown on each water rate account.*

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 27 November 2014. If full

payment of the annual rates is not paid by 27 November 2014 the penalties relating to the first instalment outlined above will apply.

The above penalties will not be charged where Council has agreed to a programme for payment of outstanding rates.

The Group Manager Corporate Services is given discretion to remit rates penalties either in whole or part in accordance with Council's approved rates remission policy, as may be amended from time to time.

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 due date for instalment one being 27 August 2014.

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, Tuesday, Wednesday and Friday and 9.00am to 5.00pm Thursday. 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.

Barker/Acland

Carried

9. Trafalgar Centre – Way Forward to Reopening

Document number A1176948, agenda pages 54-58 refer.

The Group Manager Infrastructure, Alec Louverdis joined the meeting and noted that the fourth clause of the recommendation had been changed to include the Deputy Mayor.

Councillor Davy, seconded by Councillor Noonan moved the recommendation in the report.

With agreement of the mover and seconder, the fourth clause of the motion was further amended to include the Chair of the Community Services Committee.

A number of councillors expressed concern that the project to develop the brief for the project manager was not to be considered by full Council. Her Worship the Mayor said to aid efficiency and practicality the project had been delegated to the elected members named in the motion. It was agreed that once the project brief for the potential project manager had been developed the details would be circulated to councillors.

It was further noted that this project referred to the project brief for the project manager only, and was not the design brief for the building.

Resolved

THAT the report Trafalgar Centre – Way Forward to Reopening (A1176948) be received;

AND THAT Council confirm that any plans for a Northern end extension will not progress to the scale indicated in the 2012/22 LTP;

AND THAT Council approve up to \$450,000 to appoint a project manager, who will drive the investigation process necessary to inform the preparation of concept design and deliver first iteration plans to Council;

AND THAT the brief for this project manager to manage this project from this point to reopening of the Trafalgar Centre be approved by the Mayor, Deputy Mayor, Chair and Deputy Chair of Works and Infrastructure Committee, and the Chair of the Community Services Committee, and tendered publicly;

AND THAT the project manager work within the ambit of Council's procurement policy (noting that this allows for exceptional circumstances such as specialist skill, or knowledge already gained to obviate public tendering of consultancy services);

AND THAT expenditure be funded from existing provisions in the current 2013/14 and 2014/15 capital budgets.

Davy/Noonan

Carried

Attendance: the meeting adjourned for morning tea from 10.37 to 10.59am, and during this time Councillor Davy left the meeting.

10. Delivery of Projects – Internal Review

Document number A1205287, agenda pages 65-66 refer.

The Chief Executive said the review would focus on developing better processes for project management within the organisation. She said this would include improvements to the scoping and managing of projects during the course of their implementation, and developing better processes for projects that required cross-team collaboration.

Resolved

THAT the report Delivery of Projects – Internal Review (A1205287) be received;

AND THAT Council note the Chief Executive is commissioning a review of internal project management capability by an external consultant with a view to ensuring the successful delivery of projects.

Noonan/Davy

Carried

11. Maitai Walkway Project – Variance Update

Document number A1205072, agenda pages 59-64 refer.

Group Manager Infrastructure, Alec Louverdis, joined the meeting and spoke to the report.

In response to a question, Mr Louverdis said if the Council decided on option 2, it would face the full cost as the New Zealand Transport Agency (NZTA) contribution would be removed because the project would be deemed to not achieve its original scope.

In response to further questions, Mr Louverdis said the overall design and implementation of the project was mostly the same as the original plans of the landscape architect. He clarified that there were minor changes made to certain elements of the project that had resulted in additional costs, yet the essence of the original plans had remained. Mr Louverdis said the plans from the landscape architect were not of the usual engineering standards, and that this was a significant factor in the cost over-runs. He said officers sought additional schedules from engineering consultants to assist the construction process, however to minimise over expenditure some changes to the project had to be made.

Manager Capital Projects, Phil Hamblin, joined the meeting. He clarified that the scope for the landscape architect was for the design phase

only and that their contract had not been extended for the construction phase.

Some councillors expressed concern that some of the features of the original plan may not be realised due to the need for cost savings, in particular, the final finishing and landscaping features. Mr Louverdis said much of this would be completed internally however noted that some of the finishing and landscaping features would not be fully achieved.

It was agreed that a decision around the finishing and landscaping features was not for a decision at this meeting. The Council further agreed that these elements should be reconsidered at a Council workshop, and that officers reflect on the finishing and landscaping elements that would differ from the original plans to report back to the Council.

In response to a question about the Rutherford Park Management Plan (the Plan), Mr Louverdis said the Plan included the Maitai Walkway as one of its projects. He said further implementation of the Plan would take many years in which time issues with the Highland Pipe Band Rooms would be resolved, however issues with the Maitai Walkway required an immediate decision.

Her Worship the Mayor and Councillor Ward moved

THAT the report Maitai Walkway Project – Variance Update (A1205072) and its attachment (A1205436) be received;

AND THAT Council note the reasons for the variance in expenditure;

AND THAT Council provide a clear direction as to how to proceed with this project, i.e.:

- *Continue to complete the physical works at additional funding of \$526,680, noting a higher provision of \$587,000 in the 2014/15 Annual Plan and restricting expenditure to the \$526,680.*

Councillors further expressed their preference to ensure that the landscaping components were achieved as close to the original plans as possible, and favoured having a workshop to consider these components at a later point. It was further agreed that \$526, 680 should be committed at this stage to reflect the advice from officers, however the remaining budget should be reserved for finishing and landscaping components, subject to further Council consideration.

The mover and seconder agreed to these changes in the motion.

Resolved

THAT the motion under debate be now put.

Her Worship the Mayor/Rainey

Carried

Resolved

THAT the report Maitai Walkway Project – Variance Update (A1205072) and its attachment (A1205436) be received;

AND THAT Council note the reasons for the variance in expenditure;

AND THAT Council provide a clear direction as to how to proceed with this project:

- ***That officers continue to complete the physical works at additional funding of \$526,680;***
- ***That the additional funding of \$60,000 in the 2014/15 Annual Plan be noted;***
- ***That councillors participate in a workshop to understand the details of the project as it is now, and the Chair and Deputy Chair of both the Works and Infrastructure and Community Services Committees be delegated authority to expend from that additional \$60,000.***

Ward/Barker

Carried

12. Budget Funding for External Advice for Chief Executive's Employment Committee

Document number A1204687, agenda pages 67-68 refer.

Resolved

THAT the report Budget Funding for External Advice for Chief Executive's Employment Committee (A1204687) be received;

AND THAT expenditure of up to \$10,000 (from within existing budgets) be approved for the engagement of an external advisor to assist the Chief Executive's Employment Committee for the 2014/15 year.

Matheson/Acland

Carried

13. Civic Assurance Annual General Meeting 2014

Document number A1198607, agenda pages 69-70 refer.

Resolved

THAT Council votes against the proposed increase in directors' Fees at the Civic Assurance Annual General Meeting on 23 June 2014.

Rainey/Barker

Carried

14. Schedule of Documents Sealed

Document number A1152020, agenda pages 71-71 refer.

Resolved

THAT the Schedule of Documents Sealed (A1152020) be received.

Barker/Her Worship the Mayor

Carried

There being no further business the meeting ended at 12.24pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date