

MINUTES OF THE EXTRAORDINARY MEETING OF THE HOROWHENUA DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, 126-148 OXFORD STREET, LEVIN ON TUESDAY, 30 MARCH 2010 COMMENCING AT 4:15 PM

PRESENT

His Worship the Mayor, Mr B J Duffy (Chair)
Cr D A Allan
Cr L E McMeeken
Cr A M Hunt
Cr B F Judd
Cr P K Keenan
Cr N D H Murray
Cr A D Rush
Cr R N Shaw

IN ATTENDANCE

Mr D G Ward (Chief Executive Officer)
Mr B A Austin (Manager - Community Assets)
Mr D M Clapperton (Strategic & Corporate Services Manager)
Mr D Law (Finance Manager)
Mr T Thomas (Environmental Services Manager)
Mr M E Lepper (Regulatory Services Manager)
Ms H Scott (Financial Accountant)
Mr J J Paulin (Management Accountant)
Mr B O'Brien (Operations Manager)
Ms E Ganley (Wastewater Engineer)
Mrs K J Corkill (Meeting Secretary)

ALSO IN ATTENDANCE

Ms C Carlyle (Group Support Officer)

MEDIA IN ATTENDANCE

There were no media in attendance.

PUBLIC IN ATTENDANCE

There were eight members of the public in attendance at the commencement of the meeting.

APOLOGIES

An apology was recorded for Cr Good.

Resolved

(Judd / Murray)

"THAT the apology, as recorded, be received."

ANNOUNCEMENTS

Speaking Rights Requested

Items 1866 & 1867 Mr Bryan Ten Have

Mr Ward advised there were no late items for consideration and he had no advice of any conflicts of interest for any items on the Agenda.

CONFIRMATION OF MINUTES

Extraordinary Meeting 24 March 2010 (Minute Item 1864)

Resolved

(Allan / Keenan)

"THAT the Minutes of the Extraordinary Meeting held on 24 March 2010 (Minute Item 1864), as submitted, be confirmed as a true and correct record."

MATTERS ARISING

There were no matter arising.

REPORTS

Item-1865 Adjustments to the Council's 2009-2019 Development Contributions Policy

File No 4148

Purpose

To clarify interpretation of the Development Contributions Policy as set out in the 2009-19 LTCCP and propose amendments to remove any uncertainty in such matters.

Resolved

(Judd / McMeeken)

"THAT Report 4148 on Adjustments to the Council's 2009-2019 Development Contributions Policy be received."

Mr Thomas spoke to this report reiterating that the purpose of the amendments sought in the report were to provide clarification and help with the application of the Development Contributions Policy for both staff and the public in relation to sleep outs/granny flats and the liability for certain rural buildings.

In response to Councillor queries, Mr Thomas said:

- that to be deemed a sleep out/granny flat and attract a Development Contribution, there would need to be a kitchen and bathroom;
- a wool shed, even if it had a kitchen, toilet and shower, would be classed as a 'non residential' rural building and would not attract a Development Contribution.

Resolved

(Allan / Judd)

“THAT this matter or decision be recognised as significant in terms of s76 of the Local Government Act 2002.”

“THAT the Council policy on Development Contributions as contained in the 2009-2019 LTCCP be amended in the Annual Plan by the deletion of the following paragraph on page 175;

For the purpose of this policy a sleepout and/or family flat is any building, or portion of a building, of less than 50m² gross floor area used for residential activity as defined in the District Plan.

and its replacement with the following paragraph;

For the purpose of this policy a sleepout and/or family flat and/or granny flat is any dwelling, or habitable portion of a building, of less than 50m² gross floor area (excluding covered verandahs) which contains a kitchen and bathroom and can be used for residential activity as defined in the District Plan.”

“THAT the Council policy on Development Contributions as contained in the 2009-2019 LTCCP be amended in the Annual Plan by the deletion of the following paragraph on page 170;

Non-residential developments will be assessed on the demand that they create

and its replacement with the following paragraph;

Non-residential developments will be assessed on the demand that they create except that accessory buildings (as defined in the District Plan) associated with primary production activities in the rural zone will not be liable for a development contribution unless a new connection to the council water, wastewater or stormwater infrastructure is imposed as a condition of resource or building consent or is requested by the applicant.”

“THAT the following be adopted under Section 89 of the Local Government Act for the purpose of the Summary of Information;

It is proposed to amend the Councils existing policy on Development Contributions by;

- 1. Clarifying the definition of a sleepout or granny flat and when it is liable for a Development Contribution; and,*
- 2. Establishing an exemption from Development Contributions for certain types of rural farm buildings associated with farming activities.”*

“THAT the amendments proposed in the above paragraphs be publicly notified by way of the Special Consultative Process in conjunction with the Annual Plan.”

As Chair of the Hearing Committee, Cr Allan spoke in support of these amendments which would facilitate decision making for the Committee when reviews were sought.

Item-1866 Review of Fees and Charges for the 2010/2011 Annual Plan

File No **4151**

Purpose

To Review Fees and Charges for the 2010/11 Annual Plan.

The proposals have been consolidated into one document accompanying the agenda. This will be the Statement of Proposal for the purpose of the submission process.

Resolved

(Murray / McMeeken)

“THAT Report 4151 on Review of Fees and Charges for the 2010/2011 Annual Plan be received.”

Mr Ten Have, in speaking to this item, cited Porirua, Paraparaumu, Otaki, Feilding, Carterton and Greytown as areas that did not charge for parking and he suggested that Levin should not increase fees so people were not discouraged from stopping and spending money in the town. He also queried what was happening with the Levin Cinema because there was considerable speculation as to its fate and the indebtedness to Council.

Mr Thomas and Mr Thomas joined the table to speak to this report.

Mr Thomas noted that the fees and charges proposed had been through the workshop process, with there being nothing included in the report that had not previously been provided to Councillors for consideration.

His Worship the Mayor proposed working through the Fees and Charge 2010/11 document page by page to ensure that Councillors were comfortable with the information provided.

Cr McMeeken queried the absence in the Agenda of the promised report on Pensioner housing.

Mr Ward advised that the report on Pensioner Housing had been withdrawn as there were still a number of matters in the report that needed fine tuning. He believed that the increases proposed in the Fees and Charges schedule were reasonable as there had not been an increase in pensioner rentals for three years. He also confirmed that a rental review had been conducted, including a comparison with external market rental rates.

Councillors expressed concern that they were being asked to make a decision without having complete information and they would be unable to justify the increases when required.

In response to Councillors' comments, Mr Ward noted:

- it was unlikely that the report would be available for the 14 April 2010 Council meeting;
- Councillors needed to consider the consequences of not providing for an increase to pensioner rentals;
- rentals had not been increased for three years and some cost recovery was required;
- this matter was going out for public consultation and Councillors could decide to increase, or not increase, pensioner rentals in light of submissions from the community;
- in his view, it would breach the consultation process, if pensioner housing rentals were not included for consideration and fees were later increased;
- this was a matter that should be considered In Committee as there were issues of commercial sensitivity.

Mayor Duffy emphasised that Council had established a policy that pensioner housing was to be self sustaining and rentals were to be set at such a level so as not to be a burden on the ratepayer.

After further discussion, it was:

Resolved

(Allan / McMeeken)

"THAT the proposed adjustments to Pensioner Housing ("Accommodation") in the Schedule of Fees and Charges 2010/11 be deleted and the accommodation rates remain as per the status quo
AND FURTHER

THAT the Draft Annual Plan will signal that Council will engage in a rental review of its pensioner accommodation units."

Mr Thomas clarified the different layouts included in the Schedule to show present fees and any proposed changes.

Following debate on the proposed fees and charges to go out for public consultation, it was;

Resolved

(Rush / Allan)

"THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002."

"THAT the proposed fees, excluding the section on Pensioner Housing ("Accommodation"), contained within the document accompanying the agenda and entitled "Fees and Charges for the 2010/2011 Financial Year" be adopted as the Statement of Proposal insofar as the fees and charges proposed by this report are concerned."

"THAT the Statement of Proposal be publicly notified in accordance with the special consultative procedure in conjunction with the proposed Annual Plan for 2010/11."

"THAT notice also be given of the intention to increase all fees and charges by the amount of any increase in GST announced prior to the adoption of the Annual Plan."

Item-1867 To consider a proposal to Introduce Foxton Community Board Targeted Rate

File No 4153

Purpose

To provide information to enable Councillors to give consideration to a suggestion received through public rating review meetings held in November 2009 to introduce a targeted rate over the area governed by the Foxton Community Board to recover those operating costs of that governing body.

Resolved

(McMeeken / Judd)

"THAT Report 4153 be received."

Mr Ten Have, in exercising his speaking rights, queried if the proposed Foxton Community Board Targeted Rate was in effect double dipping. He also wondered if the imposition of such a rate would discourage the retention of the Community Board, particularly in light of the current bad publicity.

Mr Ward, in speaking to the report, reminded those present that this proposal came from the public rating workshops that had been held in November 2009 when Council, amongst a range of rating options suggested, had been asked to consider a targeted rate for the Foxton Community Board. Legal advice had been sought and this was a legitimate option for Council to take, with there being examples of other councils which had similar targeted rates. It also did not mean that certain ratepayers would be charged for governance twice.

The following was raised in discussion:

- the legality of such a proposal in terms of Schedule 7, Section 39.1, of the Local Government Act 2002;
- whilst there was a mandate from the public for this to be included, democracy was a shared benefit and should be funded across the district;
- there was an anomaly because there was only one community board and there had been ongoing debate as to whether other areas, such as Levin, should also have a community board;
- technically the beneficiaries of the Board were primarily the people in the Foxton area and they were getting double the representation;
- if the Foxton Community Board was important to those in that particular area, they should be prepared to pay a little extra for it;
- this was not about reviewing the existence of the Community Board; it was simply a proposal for consideration;
- the district had recently gone through the process of harmonising water and wastewater and what was proposed could be seen as a reversal of that process;
- the Community Board had been reviewed by independent commissioners and it was deemed to be important to our district;
- this proposal needed to go out for public consultation so that those in the community that had flagged it as an option could not say that Council did not listen;
- the future of the Community Board would not be an issue for a further three years when it would again come up for consideration;
- Councillors had to consider the interest of the district as a whole and whether the current arrangement was fair.

Resolved

(Rush / Hunt)

“THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.”

“THAT Horowhenua District Council include proposals to levy a targeted rate to recover salary, agenda copying and distribution costs of the Foxton Community Board exclusively from the land area over which it statutorily governs.”

“THAT variation be made to Council’s Revenue and Financing Policy to reflect the proposed recovery of Foxton Community Board salary, agenda copying and distribution costs.”

CARRIED

It was confirmed that the resolutions, as adopted, would mean that the targeted rate would be \$14.44 per property, with a commensurate general rate reduction of \$2.00 per property across the rest of the district. This did not include administrative overheads that were apportioned to the Board’s operation and would subsist whether or not the Board was in existence.

Item-1868 Review of Liability Management Policy

File No **4152**

Purpose

To make some relatively minor changes to the current Liability Management Policy to enable us to manage our borrowing portfolio in a more cost effective manner. These changes were on the recommendation of our Treasury consultant and follow on from our recent establishment of a Debenture Trust Deed.

Resolved

(Keenan / Murray)

"THAT Report 4152 be received."

It was requested that this proposal be couched in plain English when it went out for public consultation.

Resolved

(Keenan / Murray)

"THAT this matter or decision be recognised as significant in terms of s76 of the Local Government Act 2002."

"THAT the percentage for the first covenant in paragraph 4.1 is increased to 20%"

"THAT the third covenant in paragraph 4.1 is deleted."

"THAT the "Ratio of equity: debt" in paragraph 4.1 be deleted and replaced with the following.

"Net debt as a percentage of equity shall be less than 20%."

"THAT the second bullet point in paragraph 4.6 be amended by adding

"In calculating the percentage the ability to issue up to #10.0million of bonds or floating Rate Notes is recognized, provided that Horowhenua District Council has in place a Debenture Trust Deed and has appointed a trustee."

"THAT the requirement under paragraph 4.7 that 'Loan terms will be set to ensure that no more than 25% of debt matures in any one year' is deleted and replaced with the following.

"To avoid a concentration of debt maturity dates no more than 50% of debt can be subject to refinancing in any 12 month period."

His Worship the Mayor reiterated that Item 1869 - Pensioner Housing Report had been withdrawn as an In Committee Agenda item.

The meeting adjourned for a meal break at 6.12 pm and resumed at 6.40 pm.

MOTION TO EXCLUDE THE PUBLIC

Resolved

(Judd / Rush)

"THAT the Horowhenua District Council pursuant to Section 48, Local Government Official Information and Meetings Act 1987, resolves that the public be excluded from the following parts of the proceedings of this meeting.

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public."

Item 1870 Property Lease

Reasons for Confidentiality

These Reports are **CONFIDENTIAL** in accordance with Section 48(1) of the Local Government Official Information and Meetings Act 1987, which permits the meeting to be closed to the public for business relating to the following grounds: -

48(1a) *That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.*

Subject to sections 6, 8 and 17 of the Local Government Official Information Act 1987, the withholding of the information is necessary to:

7(2a) *Protect the privacy of natural persons, including that of deceased natural persons.*

7(2h) *Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.*

7(2i) *Enable any local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).*

7(2j) *Prevent the disclosure or use of official information for improper gain or improper advantage.*

MEETING CLOSURE

There being no further business the meeting concluded at 7.00 pm.

CONFIRMED this day of

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Chairperson