

**MINUTES OF THE COUNCIL MEETING HELD AT
9.00AM ON WEDNESDAY 15 JUNE 2011 IN MEMORIAL
HALL SUPPER ROOM, ESPLANADE, KAIKOURA.**

PRESENT: Mayor W Gray (Chair), Councillors S Burrows, J Diver, D Holmes, G Harmon, J Macphail, D Morgan, N Pablecheque.

IN ATTENDANCE: S Grant (Chief Executive Officer), S Syme (Executive Officer).

1. APOLOGIES: Councillor J Diver (for lateness)

Moved by Councillor Burrows, seconded by Councillor Macphail and resolved that apologies be accepted.

2. OPEN FORUM

No members of the public wished to speak in the open forum.

The meeting adjourned at 9.04am and resumed at 11.27am

Councillor Diver entered the meeting.

3. MATTERS OF IMPORTANCE TO BE RAISED AS URGENT BUSINESS

1) Insurance (Mayor Gray)

Museum Update

Moved by Councillor Diver, seconded by Councillor Pablecheque and resolved that given there was no commercially sensitive items contained in the report the Museum update would be dealt with in the public section of the meeting.

4. CONFIRMATION OF MINUTES

Council 18/05/2011

Moved by Councillor Holmes, seconded by Councillor Burrows and resolved that the minutes of the Council meeting held on 18 May 2011 be confirmed as a true and accurate record.

5. ADOPTION OF REPORTS

Works and Services Committee 18/5/2011

Moved by Councillor Holmes, seconded by Councillor Burrows and resolved that the report of the Works and Services meeting held on 18 May 2011 be adopted.

Environmental Services Committee 18/05/2011

Moved by Councillor Burrows, seconded by Mayor Gray and resolved that the report of the Environmental Services meeting held on 18 May 2011 be adopted.

Finance & Policy Committee 18/05/2011

Moved by Councillor Pablecheque, seconded by Councillor Macphail and resolved that the report of the Finance and Policy Committee meeting held on 20 April 2011 be adopted.

Social Services Committee 01/06/2011

Moved by Councillor Morgan, seconded by Councillor Burrows and resolved that the report of the Social Services Committee meeting held on 1 June 2011 be adopted.

Tourism and Development Committee 11/05/2011

Moved by Councillor Harmon, seconded by Councillor Pablecheque and resolved that the report of the Tourism and Development Committee meeting held on 11 May 2011 be adopted.

6. COMMITTEE UPDATES

Federated Farmers

Councillor Harmon advised he had attended a Federated Farmers meeting. Local farmers were not happy about the proposed draft policy regarding stock movement or the fees involved with establishing crossings.

Mayfair Theatre

Councillor Morgan advised a Lip Sync concert would be held the following Saturday and was a fundraiser for the Mayfair Theatre.

7. MAYOR'S REPORT

Mayor Gray advised he had attended the Rural Sector meeting the previous week. With regard to freedom camping advice was for Council's to wait until the legislation had been passed by parliament. Local authorities would not have any authority on State Highways however New Zealand Transport Agency would be looking at their own bylaw which may delegate authority to territorial authorities.

Mayor Gray advised there had also been a presentation about the Rugby World Cup. It was expected 85,000 visitors would visit New Zealand for the Rugby World Cup. Of these 44% would be first time visitors and 19% would be expatriates coming home. It was expected there would be 30,000 visitors in the country on 9 September and numbers would grow from then.

Mayor Gray advised there would be a move for no gang patches in any government buildings and he felt there was a need to support the legislation should it go through parliament.

The Chief Executive Officer advised the issue of amalgamation had been raised and it had again been reiterated that the Auckland model may well be looked at for the rest of urban New Zealand but not rural New Zealand. It was noted there were currently no unsustainable Councils in the country.

The Chief Executive Officer advised a presentation on changes to the Building Act had been made by a representative of the Department of Building and Housing. He advised the Department of Building and Housing were looking at changing to central or regional processing for building consents. He advised this had not been well received by the rural sector but the metropolitan areas were happy for the change. The Chief Executive Officer advised any changes to regionally or centrally based processing was three to five years away.

The Chief Executive Officer advised Fonterra had a grant scheme for biodiversity projects. Each Fonterra site had a grant programme of between \$20,000 and \$50,000 for funding projects like fencing of water ways or the Lyell Creek clean up.

8. URGENT BUSINESS

Insurance

The Chief Executive Officer advised Council was a member of Local Authority Protection Plan (LAPP) which was managed by Civic Assurance and owned by all local authorities. In order for local authorities to obtain funding from central government for natural disaster local authorities had to insure 40% of underground infrastructure. He advised as a result of the two major earthquakes in Christchurch the fund had now been wiped out and no more money was able to be paid out until the end of June. He further advised at a meeting in Wellington it was agreed to try and keep the scheme going. However the actual issue was whether reinsurance could be obtained from overseas.

The Chief Executive Officer advised premiums were set to increase by 400%. For Council that would be an increase from approximately \$37,000 to approximately \$148,000 which was an increase of 2.5% on the total rate take. He advised an option for Council would be to self insure however with Kaikoura being on a major fault line and at risk to tsunami as well as prone to flooding it was a major risk and not recommended.

The Chief Executive Officer advised there was currently only one insurer who insured underground local government infrastructure and they were currently assessing if they would continue to provide this insurance cover. Mayor Gray advised Local Government New Zealand were currently negotiating with government regarding the issue.

The meeting adjourned at 11.55am and resumed at 1.00pm.

9. KAIKOURA YOUTH COUNCIL

A Priddle and the Community Development Officer were in attendance to present this item.

A Priddle advised Youth Council had been awarded \$10,000 for the Youth Development Partnership Fund Round to run the Kaikoura Dance Project for one year. It was hoped the programme would commence the following week.

A Priddle advised the Youth Forums were going well. A group of approximately 50 youth had been looking at what type of activities youth would like to see in the Youth Space. She advised later in the day youth would be completing the timetable and the next step would be to approach current users and neighbours of the hall and initiate a community meeting.

23 teams had taken part in the Oldies vs Young quiz night on Wednesday 25 June. Youth Council hoped to host the event again the following year.

10. ENVIRONMENT CANTERBURY UPDATE

K Heays of Environment Canterbury was in attendance to present this item.

K Heays advised the National Resources Regional Plan was now operative and was up for review. He advised a roll out to the community had commenced and the Commissioners had gone to a lot of trouble to cut a lot of material from the document. On 12 July the document would be presented to a forum of the dairy industry in Kaikoura.

Meetings regarding the formation of the Canterbury Water Management Strategy Kaikoura Zone Committee had been well attended in Kaikoura. Expressions of interest closed that day. He advised the Lyell Creek project would be closely lined with the Canterbury Water Management Strategy and the Immediate Steps Programme. Environment Canterbury wished to plant one kilometer of Lyell Creek each year.

Stage one of the St Pauls restoration project had been completed with 1500 plants planted. K Heays advised this had been able to be completed with funding provided by the Encounter Foundation.

K Heays advised Environment Canterbury were trying to come up with a strategy to reduce the incidents of rubbish being dumped up side roads and other areas and they would be investigating how Council, Runanga and the Department of Conservation could fit in with the plan.

11. NEW MUSEUM UPDATE

The Chief Executive Officer advised the new museum project had a budget of \$2.365million. This was to be funded by \$1.465million in development contributions, \$400,000 from grants and donations and \$500,000 by way of loan. He advised earlier this year Council's architect had forwarded the proposal to numerous sub-consultants for their fee proposals. Rider Lovell Bucknell, quantity surveyors, advised as a result of the earthquakes in Christchurch there was an estimated increase in the project cost of \$215,000 which equated to 9%.

The Chief Executive Officer advised these increased costs had led to an overall review of the costings and the proposal to determine whether the existing concept could be delivered at a reduced cost or whether a full

two storey level building could be delivered for a similar or slightly higher cost. Included with the report was a project cost review which had been undertaken by CPM consultants. Indicative costings provided by the consultant advised the existing proposal could be built for approximately \$2.29 million which was a reduction in the cost. A full two storey building could be built for \$485,000 more than the surveyors estimate and a full three storey building for \$1.7million over the estimate.

Councillor Pablecheque noted Council had talked about the Offices moving. He believed there would not be much different in cost between building a third floor for offices when heating and maintenance costs and a lease of the current offices was taken into consideration. He felt it would be best to do the project in two stages with stage one being the museum and library and stage two being third floor offices after the public consultation process. He felt the concept was a good solution with the building rate down to \$1700 per square metre. He advised three years ago the cost to build a top storey was getting up to \$3million. Councillor Harmon agreed the sensible approach was to build the three stories.

The Chief Executive Officer advised if Council felt it was worth while investigating the concept further the architects could begin redesigning the concept plans. If Council approved the concept plans the plans could be put forward as a public proposal. He advised Council could either include the proposal in the next Long Term Plan which was due for review next year or they could do an amendment to the Long Term Plan which was a three month process.

Councillor Harmon enquired what effect the proposal would have on rates. The Chief Executive Officer advised with three stories other agencies could be included in the site which was rental which could be collected and he did not believe there would be a major impact on rates.

Moved by Councillor Diver, seconded by Councillor Pablecheque and resolved that Council further investigate the possibility of a third floor on a two storey building at the Library / Museum site in the West End.

Councillor Morgan noted Council needed to highlight the benefits of the situation to the public.

12. COUNCIL PUBLIC EXCLUDED

Moved by Councillor Harmon, seconded by Councillor Burrows and resolved that the public be excluded from the following parts of the proceedings of this meeting, namely

- a. Confirmation of minutes 18/05/2011***
- b. Possible forestry investments options***

13. LEAVE OF ABSENCE

Councillor Burrows and Mayor Gray requested leave of absence from the July Council meeting.

Moved by Councillor Harmon, seconded by Councillor Macphail and resolved that Mayor Gray and Councillor Burrows be granted leave of absence from the July meeting.

There being no further business the meeting closed at 3.00pm.