

**MINUTES OF THE EXTRAORDINARY MEETING OF THE
KAIKOURA DISTRICT COUNCIL HELD AT 10.30AM ON
MONDAY 20 JUNE 2011 IN MEMORIAL HALL SUPPER
ROOM, ESPLANADE, KAIKOURA.**

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

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

1. HEARING OF SUBMISSIONS TO THE DRAFT ANNUAL PLAN 2011/2012

Raylene Clearwater

R Clearwater believed overseas visitor number would be down following events in Japan and Canterbury residents would be conservative with their money but there was a need to balance tremendous stress levels and she felt Kaikoura needed to be marketed as an affordable destination.

R Clearwater noted the Annual Plan did not mention about fishing. She advised fishing still provided for and supported the local economy and many families were dependent on the sea for a living. She further advised recreational fishers came to Kaikoura on a regular basis and normally stayed two nights and brought food and fuel and paid for accommodation or even rates. She felt promotion of the District should include fishing and it should be promoted and enhanced by the Annual Plan.

R Clearwater advised the draft Plan did not recognize what fishing contributed to the town. She advised the current harbour facilities were too small and she felt Council needed to look at a purpose built marina. She was hoping Council would agree in principle to an alternate site for a marina. She further advised there was tremendous pressure on the South Bay Harbour area and it was becoming dangerous. She would like to see a purpose built marina in one of the areas Council had previously felt was appropriate. The Chief Executive Officer advised Council had looked at other options for the harbour. This was included in the Long Term Plan but had not been included as a major project for the current three year term.

Matthew Chambers

M Chambers advised a group of motivated business people were trying to bring together various groups in the community to get a cohesive approach to projects in the town. He advised the main group would act as a think tank that would try and put together a holistic approach to projects. An online database had been created so individuals could see if projects were already being worked on. He further advised the master group had 17 members who met monthly and four subgroups which were

a West End business group, World Cup group, Kaikoura beautification group and a practical projects group.

M Chambers advised the aim of the group was to achieve more projects for the community at minimum cost and have more visitors stay in town longer and spend more money. Some projects included flags, shop markets, street dressings, bus shelters and seating. He advised if Council provided funding to the group it would get more value for its money. Members of the group would work voluntarily and products would only be bought if they could not be sourced here. He further advised the group was not a Lions Club and they did not have time to fund raise. They needed preapproved funds so they could deliver to a time schedule. M Chambers advised an amount of \$50,000 would begin funding enhancement projects. He advised the priority would be to get the West End looking as good as it could be with bus shelter and something happening along the flood wall and a clean up along Lyell Creek.

Pam Whitehead

P Whitehead advised Kaikoura had beautiful scenery but there was nothing to bring the town together. She advised some businesses had put up hanging basket the previous summer but they did not get watered and the plants died. She wished for Council to come on board with funding and hang the baskets and water them in conjunction with some funding from businesses.

P Whitehead advised in Reefton the Council paid for the baskets and flowers and watered them off the back of a truck. In Nelson the Council charged for the baskets but put the baskets up and watered them. She felt hanging baskets in the town would give locals a sense of pride in how beautiful the town looked.

P Whitehead advised the town had not had a Christmas feel about it the previous year and she would like funding for hanging baskets and Christmas lights. She advised she was happy to take ownership to get business on board. It was noted the flowers in the hanging basket had a life of approximately six months.

Tony Blunt

T Blunt advised he was the local Federated Farmers representative and a local farmer. He advised recent media would have everyone believe dairy farmers did not pay tax and all farmers were making a lot of money. He noted if no money was made then no tax was paid. He further advised 2010 was one of the poorest years in terms of grass growth in many years and many farmers had to buy in considerable amounts of supplements. He advised most sheep and cattle farmers in Kaikoura sold store lambs at \$80 and not the \$200 the media would have everyone believe. T Blunt provided details of items where costs had increased.

T Blunt advised Council had recognised in the Plan consumer spending was likely to be weak. He advised in reality some banks have demanded

some repayment of debt and forced sales. He felt it was only because interest rates were so low that there were not more properties on the market in Kaikoura. He believed an adjustment in the targeted rate would not come at a big cost to Council. He advised the reality was a smaller than average farm still paid double the rates of a residential property and he wished to see costs spread more fairly and evenly.

T Blunt advised everyone was well aware the commercial sector was facing a downturn in business and Council had recognised this in the draft Annual Plan with a drop in commercial rates. He advised farmers had been through three tough years in a row and some reduction in rates had been asked for but none was given. He requested Council leave the general rate unadjusted and he felt targeted rates for the rural area needed adjusting down. He also advised he would like to see funding of the museum from the sale of the Pynes building.

Federated Farmers

Neil Stott, North Canterbury president, and Anna Mackenzie were in attendance to present this item.

N Stott advised Council had reduced the commercial rate in light of the Canterbury earthquakes. He noted there had been reduced income from farming in previous years which had been out of the control of farmers and felt principles should be applied evenly across all sectors. He believed the uniform annual general charge was a useful tool because general rates were generally spent on projects which benefited those living closer to town. Larger landholders were paying more for services they used relatively less and the uniform annual general charge reduced this. Federated Farmers wished for Council to review its funding policy to achieve more equitable rating outcomes by way of uniform annual general charges and targeted rates.

N Stott advised Federated Farmers was concerned regarding the possibility of an independent rural fire authority and that they may require a budget through Council. He advised Federated Farmers were concerned about the quality of repairs and reseals on roads and Council contractors not using the most efficient materials or processes.

Sport Tasman

Tony Thomas and Nigel Muir were in attendance to present this item.

N Muir provided an overview of Sport Tasman. The role of Sport Tasman was to get more people more active more often. They believed sport played a critical role in kindling the spark in youngsters. Sport mirrored life and people were able to learn about rules. N Muir advised sport could create stronger communities and it provided a safe place because the rules were understood.

Sport Tasman had requested additional funding for maintenance work at the Lions Pool. They advised they were keen to help the Community Facilities Charitable Trust with aquatic facilities in Kaikoura. They had

requested funding to cover the shortfall for Kaikoura sport coordinator and for a 'muddy buddy' event and 'kids triathlon'.

Kaikoura Community Theatre Trust

Darren Kerei Keepa and Ljana Sligo were in attendance to present this item. D Kerei Keepa advised he had been a member of the Mayfair Theatre Committee for approximately eight years and L Sligo was the current secretary.

D Kerei Keepa advised in 2007 the Theatre had made an application to Council for a one off grant to support the Theatre. They were now asking for an annual grant of \$10,000 included in the Annual Plan. He advised the Theatre supported youth, elderly and everyone in between and the Theatre had given the community 76 years. He also noted support for the Theatre from the community had been overwhelming.

D Kerei Keepa advised the Theatre could support sporting events, film festivals and hold seminars and lectures and the Committee wished to promote the uniqueness of the Theatre. The Committee was investigating new strategies to increase revenue going forward. It was noted the Theatre was required to go digital from 2013 and this would cost approximately \$130,000 but when the change was made money was received back for the digital enhancement from every film screened. L Sligo advised the committee was investigating tendering of the shop.

The meeting adjourned at 12.30pm and resumed at 1.30pm.

2. HEARING OF SUBMISSIONS TO THE DRAFT STOCK CONTROL BYLAW AND DRAFT POLICY ON STOCK UNDERPASSES, CROSSING AND RACES ON ROAD RESERVE

Federated Farmers

A Mackenzie and N Stott were in attendance to present this item. A Mackenzie advised Federated Farmers had experience with Stock Control Bylaws and Policies with the Buller District and other parts of the country.

A Mackenzie advised included in the Policy was a form for crossings with a \$100 fee but there was no mention of a need to use the form and there was also no referencing in the Bylaw about using the form or that it was going to cost \$100 for the application. Federated Farmers objected to the fee being imposed because there was no guarantee the cost would remain static. A Mackenzie felt it would be good to have a fee holiday or fee amnesty while farmers sorted out their stock crossing and suggested a time of twelve months.

A Mackenzie felt the \$250 annual rental fee for underpasses was unreasonable and may discourage farmers from putting in underpasses. She also noted the policy required 400mm to be retained over the top of the structure and she felt it was unpractical and should be decided by a suitably qualified engineer on a case by case basis.

A Mackenzie advised she was concerned about the definition of the term 'race' and 'road' in the Bylaw and provided alternate suggestions for these. She advised it was not clear that people needed to read both part 2 and part 3 of the Bylaw. She suggested the more things that were permitted with specific criteria the more compliant people tended to be. She further suggested perhaps regular crossings not require written approval unless they were outside of the criteria. This would not reduce Council's ability to enforce conditions.

A Mackenzie advised farmers valued the use of stock control bylaws and policies but they needed to be robust and stand up to challenge. She advised bylaws needed to recognize the fundamental right of all landowners to take stock on the road.

G R Collins

G Collins advised as landowners farmers were required to maintain their road frontages and at times this may require grazing he felt there should be no need to require written permission from Council to do this. He enquired if people were required to obtain written permission from Council when they mowed road frontage.

G Collins advised there was a difference between a regular dairy crossing and driving stock a distance down the road. He felt it was totally unacceptable to be expected to cleanse the road way. He suggested farmers could be liable to wash every car which went up the road for a while and enquired if farmers would be required to pick up litter which had been thrown out by other users of the road. He felt the clause was totally unacceptable for a country place.

G Collins felt stock crossings and races should be permitted activities in the District. He explained he had received a letter regarding paying 50% of costs for a stock crossing or taking care of all road maintenance costs in the crossing area. He advised the major stock crossings belonged to major ratepayers and the costs associated should be incorporated in rates. He further advised he agreed with signage in the bylaw but suggested the requirements should be on a case by case basis. He advised he would like to see signs changed from permanent to mobile signs as signs did not last very long in the country.

G Collins felt \$250 per year was totally out of order for an underpass and he could not tell what the fee was for. He felt the fee would be off putting for people.

Cynthia Boyd

C Boyd advised freedom of movement in the context of being able to use public road was a fundamental right which was referred to in the New Zealand Bill of Rights Act 1990 and she felt the draft Policy and Bylaw were so far reaching as to be unreasonable and therefore invalid and unlawful according to the Bylaws Act 1910. C Boyd advised she had been put in her predicament due to the Council at the time supporting the present High School site rather than other sites available.

C Boyd advised country road were in bad shape and ditches were full and not cleaned. She advised she had requested the ditches be cleaned for two years and they had still not been done. She enquired what country folk had to show for the rates they paid each year. She felt the breakdown of costs on the rate demand was a joke. She further advised farmers paid for services whether they used them or not.

C Boyd advised in summary practical solutions were better than forced regulations, legal rights of land owners should be respected, whalers, fishing, timber and tourism had all had a turn but farming had always been a stable reliable revenue source not only for Kaikoura but all of New Zealand. She noted Kaikoura had many people employed in farming and financial hardships could cost jobs. She further advised farmers respected the rights of other road users but other road users did not do the same for farmers or their stock.

3. DELIBERATION OF SUBMISSIONS TO THE DRAFT STOCK CONTROL BYLAW AND DRAFT POLICY ON STOCK UNDERPASSES, CROSSING AND RACES ON ROAD RESERVE

It was noted the 400mm cover requirement over underpasses was no different to a concrete bridge. The Asset Manager advised culverts could be designed so no cover was required and he felt the cover amount could be dealt with on a case by case basis. It was generally agreed this should be the case.

With regard to whether highway 70 was included in the Bylaw the Asset Manager advised the bylaw stated all roads owned by Council. It was noted highway 70 was no longer a state highway and was owned by Council. It was generally felt it could be highlighted in the Bylaw that highway 70 was a Council owned road and was subject to the Bylaw provisions.

The Asset Manager advised if farmers had a race on the side of the road the draft Bylaw required farmers to obtain permission to graze the area. He advised if farmers were grazing the same area every year they were only required to apply once. Councillor Macphail enquired why farmers needed to go through the process. The Asset Manager advised sometimes work could not be undertaken unless farmers removed fence stakes. He advised farmers were not supposed to put stakes within two meters of the road edge. Councillor Harmon felt grazing of the road sides kept areas tidy. It was noted there was no fee associated with obtaining permission for races. The \$100 fee was associated with stock crossings. The Asset Manager advised if farmers could not move stock within their property then they needed Council permission to use the side of the road. It was noted if a farmer wanted to graze a neighbours frontage they needed to get the neighbours permission.

Councillor Pablecheque felt farmers should have to get a permit for stock crossings and they should be built to certain criteria. He also felt the \$100 fee was fair and reasonable. The Asset Manager felt it could be

made clearer in the Bylaw that the fee was for stock crossings only. Councillor Harmon did not agree that a fee should be charged. He enquired if the application and fee applied to paper roads. The Chief Executive Officer advised it only applied to formed roads and this would be added to the Bylaw. It was also felt gypsy day could be defined in the definitions of the Bylaw.

R Mackle had noted with regard to signage requirements his signs would be located in the 100km zone which was too fast for cars to be able to slow down. The Chief Executive Officer advised for speed limits to be changed the associated Bylaw would need to be changed. It was generally felt the sign distance requirement could be dealt with on a case by case basis.

It was noted C Boyd had two parcels of land which were isolated from other parts of the farm and it was a difficult area to find a solution which suited everyone. Councillor Diver noted C Boyd had tried to use the two parcels of land as infrequently as possible. The Chief Executive Officer noted it was not practical to have a race down the side of the road in the area.

The Chief Executive Officer advised there was a need to clarify the relationship between the Bylaw and the Policy and felt some suggestions put forward by Federated Farmers could be included in the draft Bylaw. The Asset Manager felt it should also state the fee for crossings of \$100 was a one off fee. The Chief Executive Officer advised with regard to the level of fees Council should not tie future Councils into a level of fees. He advised it may be found in a few years that a fee was not required. It was generally felt the Bylaw should refer to the fees and charges policy for the level of fees.

A discussion was held regarding the annual fee for stock underpasses. The Asset Manager advised the structure and the road would need to be monitored each year and it would be Council's responsibility to ensure the area was maintained. He advised Environment Canterbury would also be monitoring the underpass. Councillor Harmon felt the fees should be removed he felt farmers had paid a lot of rates and they were trying to clean up the situation. The Chief Executive Officer advised Council was required to pay an annual fee for infrastructure that went under or over the railway line.

Moved by Councillor Pablecheque, seconded by Councillor Harmon and resolved that the \$250 annual rental fee for stock underpasses be removed.

The Chief Executive Officer advised Council had to ensure inspections were undertaken to ensure the integrity of the road. If Council was happy to absorb the inspection cost that was fine but if a particular person was receiving benefit then they should be charged.

It was noted there had been a request for more specific definitions. The Asset Manager would make it clear part two needed to be read in conjunction with part three of the Bylaw. He would also find out if transit charged a fee for underpasses.

It was decided the Asset Manager would make amendments to the draft Bylaw and Policy and present these to Council for further comment.

4. DELIBERATION OF SUBMISSIONS TO THE DRAFT ANNUAL PLAN 2011/2012

Raylene Clearwater

It was noted the submission made by R Clearwater was more in relation to the Long Term Plan. The Plan would be reviewed during the next financial year for the year commencing 1 July 2012. The Chief Executive Officer advised Council had not made provision in the current three year period for funds to be provided for the development of a new boat park. Acknowledgement of pressures on the South Bay harbour facility and the economic contribution recreational fishing made to the town would be included in the Annual Plan.

Matthew Chambers

The Chief Executive Officer advised the group wished to improve the aesthetics of the town. He noted a number of projects identified were being undertaken by other groups, organisations or Council. He advised the group had requested funding of \$50,000 for all of the projects but that was not how it worked for Council. He further advised for example funding for Lyell Creek would fall under the new Kaikoura Water Zone Committee. The bus shelter may be able to be funded through either minor works or New Zealand Transport Agency funding and upgrading of parks and reserves was undertaken through the Development Contributions Policy. The Tourism and Development Committee were already looking at funding town entrance signs and there was a management plan in place for the area of trees opposite the golf course.

It was generally felt the enthusiasm of the group needed to be embraced and if they had the skills they should not be turned away. The Chief Executive Officer advised there were ways of undertaking the projects without using funding from rates. Councillor Pablecheque advised even though the ideas were great in the coming financial year Council had responsibilities with the office computer system and insurance. Councillor Burrows wished to see Council help the group to get the projects completed. Mayor Gray noted Council had wider responsibilities than the projects and some people may not like the group's ideas.

It was generally felt Council would work closely with the group to identify various funding sources and help the group maintain its momentum and progress town enhancement projects.

Pam Whitehead

P Whitehead had requested Council fund the supply of hanging baskets to all properties in the West End. It was noted the major costs with the

hanging baskets would be the water regime. It had been suggested the cost for hanging and watering baskets in Reefton was approximately \$11,000 annually. It was generally felt if hanging baskets were to be funded in the West End it would need to be done right and the project would need to be supported by all businesses for it to be successful.

Councillor Burrows felt it was something the whole West End should take on for themselves. He had dealt with hanging baskets elsewhere and noted it was time consuming and costly but it could be done if the whole West End was behind it. Mayor Gray advised both the Lions Club and the Garden Club had indicated they would be interested in the project. It was noted any system for the current year would be a manual one. Councillor Pablecheque felt Council needed to know how many businesses wanted hanging baskets and obtain a quote for a watering system. Councillor Macphail felt hanging baskets would get lost this year with all of the banners and bunting that would be in place.

It was generally felt no additional money from rates should be allocated but Council was supportive of the idea and further investigation was required.

Kaikoura Historical Society

The Kaikoura Historical Society had requested an increase in their grant from \$25,000 to \$35,000. Currently the Historical Society was funding its shortfall by using interest from its investment funds. It was noted the Kaikoura Historical Society did an excellent job but additional funding this year could be problematic due to an anticipated 400% increase in insurance premiums because of the Christchurch earthquakes. This was a 2.5% increase on rates. It was also noted Council was currently working with the Society on a new facility and Council would have a high level of financial input.

Tony Blunt

T Blunt had requested Council not increase its general rate given the projected surplus. The Chief Executive Officer advised over \$500,000 of the proposed \$600,000 odd surplus related to grants and subsidies which would be received for specific purposes. Grant and subsidy money was required to be shown as revenue even though it was to fund work of a capital nature.

The Chief Executive Officer advised with regard to the level of targeted rates, Council had undertaken an extensive review of its Revenue and Financing Policy and extensive consultation had been undertaken to arrive at the current rating system. To change any part of the system Council would need to go through the process again. The Chief Executive Officer advised Council may want to undertake this process as part of the Long Term Plan review in the coming financial year.

Federated Farmers

It was noted the submission from Federated Farmers was similar to that of T Blunt. It was noted Council could be more specific about funding

for the Airport Hangars and provide samples of rates on different properties in the Annual Plan.

The Chief Executive Officer advised road funding was a matter of national significance. The message from central government was that funds would be focused on roads of national importance and they would be reviewing the subsidy rate.

Sport Tasman

Sport Tasman had requested funding for a number of activities totaling \$17,000. Councillor Diver noted maintenance items at the Lions Pool had already been included in the budget and their request for event funding could be redirected to the Tourism and Development Committee. He advised the 'muddy buddy' and the 'kid's triathlon' events had been well attended in Motueka. Councillor Macphail enquired if the events could not be run in conjunction with some of the other events which had already been proposed for Kaikoura.

Councillor Morgan retired from the meeting at 5.00pm.

A reduction in funding had meant that there was a shortfall of \$5,000 for the funding of the Kaikoura sport coordinator. It was generally felt Council should fund the \$5,000 shortfall for the coordinator.

Kaikoura Community Theatre Trust (Mayfair Theatre)

The Mayfair Theatre Trust had requested funding of \$10,000 to be included as an Annual Grant in the Annual Plan. It was noted the Theatre had run at an \$8,000 loss the previous year. The Chief Executive Officer advised the Theatre had a new Committee who were keen and enthusiastic. It was noted the Theatre had a strong asset base with no debt the issue but they were always struggling to keep operating costs down. A discussion was held regarding possible lease options for the Theatre building.

It was generally felt the community wished to retain the Mayfair Theatre and it was agreed to provide a one year grant of \$10,000.

Kathie Roberts

K Roberts submission related to a number of aspects of the Plan. Nothing in her submission would change the plan in terms of finance.

Councillor Macphail left the meeting at 5.18pm.

The Chief Executive Officer advised K Roberts had requested Council investigate the provision of a toilet in Churchill Park. The Asset Managers had previously provided a report on whether there was a need for a toilet in Churchill Park. It was noted it was an additional \$25,000 to \$30,000 for maintenance and running of a toilet annually and it was only 150m to the West End. A number of minor changes to the Plan could be made in regard to questions asked.

The Library building would likely become a strategic asset when it was incorporated with the museum.

Canterbury District Health Board

The Chief Executive Officer advised the Canterbury District Health Board had made a wide ranging submission. They generally supported the direction of the Plan. They had commented on surveillance of water ways and developing a sale of liquor management plan. There was nothing in the submission which needed to be added to the Annual Plan.

Asset Manager

The Asset Manager had written a report regarding the external painting of the Memorial Hall. Approximately \$10,500 had been provided in the budget to undertake a paint maintenance package over a six year period. One off quotes had also been obtained. Two quotes had been received for the roof and the walls. Councillor Diver advised maintenance programmes sounded good but did not make for a good job. It was generally felt the roof of the hall was a priority. It was decided to allocate \$25,000 in the Annual Plan for the painting of the hall in the coming financial year with the roof being a priority.

The Chief Executive Officer advised the increase in insurance premiums of 400% was only for the insurance of underground assets. The rate increase due to changes made to the Annual Plan would be 3.26% plus 2.5% for the increased insurance. The Chief Executive Officer advised getting insurance for local government in New Zealand could become problematic. Councillor Pablecheque felt Council needed to provide a statement in the paper regarding increased insurance costs.

There being no further business the meeting closed at 5.46pm.