

**MINUTES OF THE EXTRAORDINARY COUNCIL MEETING TO
HEAR AND DELIBERATE ON SUBMISSIONS TO THE DRAFT
ANNUAL PLAN 2010/2011 AND PROPOSED AMENDMENT TO
THE LONG TERM COUNCIL COMMUNITY PLAN HELD AT
9.00AM ON TUESDAY 15 JUNE 2010 IN MEMORIAL HALL
SUPPER ROOM, ESPLANADE, KAIKOURA**

PRESENT: Mayor K Heays (Chair), Councillors B Woods, J Ransley, J Diver, D Holmes, M McChesney.

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

APOLOGIES: Councillors N Pablecheque, J Macphail.

Moved by Councillor McChesney, seconded by Councillor Holmes and resolved that apologies be accepted.

1. SUBMISSIONS

Enviroschools

A request had been received for Council to support the ongoing facilitation of Kaikoura schools through the Enviroschools programme and that Council continued to be a funding partner. Council had for the past three years provided funding of \$5000 per year to Enviroschools.

The Chief Executive Officer advised funding for Enviroschools was not in the draft budget and the money had been funded from the general rate previously. Councillor Woods felt the outcomes of the programme were very good and she thought it was a worthy programme. Mayor Heays enquired if the funding could come from the Enhancement Trust as it would fit with the educational purposes of the Trust. Councillor Woods enquired if this would be seen as a Council contribution because Council needed to be seen as encouraging environmental practices.

Councillor Diver felt as the programme was with in the school system it should be funded by that system. He further advised if the Ministry felt the programme was good they should be funding it. Councillor Ransley felt Council should be supporting Enviroschools and he felt the programme was on the cutting edge. The Chief Executive Officer advised the Enhancement Trust was the vehicle which was to be used for educational programmes. Councillor Holmes enquired if gardening could be taught by a retired member of the community. Councillor Ransley advised the programme was not just about gardening but encompassed a whole raft of environmental issues.

Moved by Councillor McChesney, seconded by Councillor Holmes and resolved that Enviroschools be directed to make an application to the Enhancement Trust and Council support an application to the Enhancement Trust for funding.

Mayor Heays, Councillor Ransley, Councillor Woods as Trustees of the Enhancement Trust abstained from voting on this matter.

9.15am Kaikoura Police

Sergeant Barry Hansen of the Kaikoura Police was in attendance to present this item. Kaikoura Police had made a request for additional CCTV cameras to be installed in the West End. Sergeant Hansen advised there had been 118 offences committed in the West End since 1 June 2009 and there had been two burglaries the previous week. He advised drug dealers were moving out of camera range and there had also been another 79 incidents which had related to property and vehicles in the West End. This was a total of nearly 200 offences in one year. He advised an upgrade would enhance the quality of the cameras. Mayor Heays enquired if the Police had any funding for cameras. Sergeant Hansen advised funding for the Marlborough region had been reduced by \$200,000. It was noted whilst the current cameras were proving their worth, their effectiveness would be enhanced by the addition of further cameras. It was noted the cost for five additional cameras had been estimated at \$15,000.

M G Urquhart

M G Urquhart had requested Council look to reduce rates and not increase rates in these uncertain times. He advised farmers were struggling with increasing costs and Kaikoura District rates were already high compared with neighboring Councils. Mayor Heays felt that a comparison with neighboring Councils could be debated due to different rating systems. The Chief Executive Officer advised two years ago Council had removed the rural differential and the previous year had seen the introduction of more targeted rates. Councillor McChesney felt this proved Council had been doing their best.

Mrs Kathie Roberts

K Roberts wished to see the Library building designated as a strategic asset. She believed with the construction of the Museum the result would be a purpose built structure to provide a Council service for the current and future social well being of the district. The Chief Executive Officer advised the significance policy was due to be reviewed in the next Long Term Council Community Plan and it would be up to Council to decide if they wished to include the Library building as a strategic asset. He advised if Council was to proceed with building the museum then it would be a staff recommendation at that time for the building to be included as a strategic asset.

K Roberts had also enquired about a new public toilet which had been discussed the previous year. Councillor Diver recalled a submission had been received the previous year for a toilet in Churchill Park as the area was removed from other toilets and the hospital had raised concerns about the number of people using their toilets. Mayor Heays advised Council engineers had reported there were other sites where the need was more pressing. He further advised Kaikoura had the most public toilets per capita.

9.30am Kaikoura Youth Council

E Parkinson of Kaikoura Youth Council and the Community Development Officer were in attendance to present this item. The Kaikoura Youth Council had requested \$2000 from Council for the 2010/2011 financial year. Youth Council wished to be part of community leadership from a youth perspective. They believed a financial contribution would promote more youth responsibility for community matters which would affect the social, economic, environmental and cultural well being of the community in a positive way.

E Parkinson advised Youth Council would like support for projects, meetings and general events. He felt a contribution towards Youth Council would help them to be more organised and would encourage enthusiasm to help the community and support their own members. He further advised the funds would be used to reimburse the three people on the executive committee for time, petrol costs and phone calls to communicate with other members and catering prior to meetings. The Community Development Officer advised Youth Council meetings were held straight after school and youth were hungry so youth ate first and then had their meeting.

Councillor Woods noted Youth Council appeared to be very committed to fundraising. E Parkinson advised fundraising took up a lot of time because funding was not always available for events. Councillor Woods enquired if it was a purpose of Youth Council to learn the mechanics of running an organisation or business. E Parkinson advised a number of members had attended leadership courses and they had been using these skills to develop the organisation however the big picture was what Youth Council could do to help in the community.

New Zealand Historic Places Trust

The New Zealand Historic Places Trust requested \$5,000 which had previously been allocated for the Kaikoura Heritage Alert Layers Project is rolled over to the 2010/2011 year. They recommended Council subscribe to *ArchSite* which was the New Zealand Archaeological Association (NZAA) site record information in digital GIS format. They also recommended funds be dedicated specifically for the owners of historic heritage and Council consider the adoption of a targeted incentives approach to assist owners and landowners of historic heritage.

The Chief Executive Officer advised \$5,000 for the Kaikoura Heritage Alert Layers Project was already included in the 2010/2011 draft Annual Plan. He advised the subscription fee for *ArchSite* was \$800 per year and advice received indicated there were sites more up to date than *ArchSite* and it was part of what Council was trying to do with the Heritage Alert Layers Project.

The Chief Executive Officer advised a dedicated fund to help owners of historic heritage had been considered by Council in previous years and Council had decided not to have a dedicated fund however there was provision in the Rates Remission Policy for historic property. Advice received from the District Planner had revealed there were funding source available for individuals. Council would work with people who owned sites with historic heritage and not necessarily charge. The Chief Executive Officer further advised any one had the opportunity to submit for a grant at any time during the year however Council did not have a specific budget for this. Councillor Woods enquired if there appeared to be a loss of heritage items which Council was aware of in the district. The Chief Executive Officer advised historic heritage issues came up once a year and there did not appear to be any loss of building he further advised with regard to a property on Postmans Road Council had paid for an archeological report.

Moved by Councillor McChesney, seconded by Councillor Woods and resolved that the New Zealand Historic Places Trust be advised that

- 1) \$5,000 had been allocated in the 2010/2011 budget for the Kaikoura Heritage Alert Layers Project.*
- 2) Council would not be subscribing to the ArchSite as Council believed more up to date information could be obtained from other sites*
- 3) Council would not be creating a dedicated fund to assist landowners of historic heritage sites. Council dealt with historic heritage issues on a case by case basis.*

Canterbury District Health Board

The Canterbury District Health Board submission focused on key health issues which they believed deserved to be considered and incorporated in the Annual Plan. The Health Board noted several of the water supplies in the Draft Annual Plan had been listed as ungraded. Canterbury District Health Board had confirmed with Drinking Water Assessors the grades which had been allocated to those supplies listed in the plan as ungraded. The Chief Executive Officer advised at the time of compiling the Draft Annual Plan the grades for the water supplies had not been available and these would be updated in the Plan.

The Canterbury District Health Board noted Council's Long Term Council Community Plan provided for the writing and implementing of a 'Sale of Liquor Management Plan' within three years however this was not referred to in the Draft Annual Plan. It was noted the Environmental Health Officer was working on a 'Sale of Liquor Management Plan' however he was currently waiting for changes to legislation to be released.

The meeting adjourned at 10.05am and resumed at 10.25am

Councillor McChesney retired from the meeting.

10.25am Walter Kunz

W Kunz was in attendance to present this item. W Kunz was concerned about the location of the proposed museum. He believed all new public facilities costing more than \$50,000 should be built on places safe from natural events such as tsunamis or climate change events and be at least 30m above sea level. He felt the West End would be targeted as in the past by tsunami and flooding but increasingly by climate change. He believed there was a significant risk of a collapsing economy and Kaikoura District Council had to do everything they could to lower rates and advised Council to hold off temporarily the project in order to plan for better solutions. He also stated the global economic crisis was not over. He believed it was just the beginning of a worldwide defaulting scenario and for the above reasons was against the proposed museum plans. He advised he was not against building a museum but felt a better solution was required for important projects.

Councillor Woods enquired where W Kunz seen the town relocating to. W Kunz advised development should be 20-30m above sea level and development should be encouraged on the peninsular or Seaview. He advised flooding in Kaikoura was increasing and weather events were becoming more severe. He believed building consents were granted when they shouldn't be. He felt as a seaside town Kaikoura should take on board what was happening in other countries. The Chief Executive Officer advised climate change was an issue which was starting to be grappled with nationally and internationally with regard to how authorities needed to be looking at infrastructure and dwellings going forward however, this had not yet filtered down to a regional level yet. W Kunz advised it was just a matter of time until the West End was flooded again and he was also concerned about the sea.

W Kunz also advised he felt democracy and transparency were drifting away. He felt the minutes from the previous years hearing had not included all of his points. He advised he had clearly stated that Council should not increase rates and Council should do everything to keep rates down. He also advised he would like to see submissions publicised as some important points were not included in the minutes. The Chief Executive Officer advised the minutes were not verbatim however staff endeavored to encapsulate key points and the minutes were approved by Council at the next Council meeting. W Kunz suggested submitters could be asked to provide a 150 word summary for the minutes which could be published on the web page. The Chief Executive Officer advised all submissions could be viewed at the Council office or at the Library. Mayor Heays advised W Kunz comments would be taken on board and suggested with future correspondence Council could reiterate where agendas / submission could be viewed.

Kaikoura Information and Tourism Incorporated

Kaikoura Information and Tourism Incorporated advised they supported bringing forward the construction of the museum provided Council had established a number of key points, these included; any ongoing increase to ratepayers was managed and did not result in large increases in coming years, Council hold the annual grant to the Kaikoura Historical

Society at \$25,000 and cost savings as suggested in the Draft Annual plan which would be achieved from the project being brought forward be the most pressing reason to advance the project.

The Chief Executive Officer advised Kaikoura Information and Tourism Incorporated has also requested public consultation on the museum concept be undertaken and the plans be the best available within the constraints of budget. Mayor Heays enquired as the museum project continued what would be the highlighted bench marks for consultation. The Chief Executive Officer advised Council had yet to approve the concept. If approved it was a matter of refining the concept and finalizing details for the internal layering.

Mayor Heays enquired what the relationship was between Council and the Historical Society. The Chief Executive Officer advised the Historical Society had been making submissions to Council and requesting assistance to build and relocate the museum for approximately the last seven years and various concepts and sites had been considered. The current concept had been approved and supported by the Historical Society. He advised the Historical Society did not have the funding to build the facility but the Society would still be operating and managing the museum. Councillor Woods felt Kaikoura Information and Tourism's request for adequate opportunity to involve the local community to clarify the scope of the project was a good idea as she remembered how well appreciated it was when Ocean Ridge developers had consulted with the public. The Chief Executive Officer advised public meetings may well eventuate. He advised the primary group Council was working with was the Kaikoura Historical Society who had been working closely with the Runanga. Mayor Heays advised the points made needed to be noted and kept in mind.

Deliberation of Kaikoura Police Submission

Councillor Diver advised he felt the Police should have their own mobile security system like they did with highway patrol. He advised with fixed cameras people would always work outside of them. Councillor Holmes agreed no matter how many cameras there were people would still work outside of them. Councillor Diver enquired if the current system required upgrading to give greater clarification. The Chief Executive Officer advised if Council wished for full coverage of the West End the system needed to be upgraded.

Councillor Diver enquired if funding was approved would this be funded from the town centre targeted rate. The Chief Executive Officer advised if Council felt it would be a good idea to reduce the 200 incidents a year cameras could be funded through either the general rate, the commercial rate or the town centre rate. The Finance Manager advised the town centre rate would have impact differentially however the commercial rate would only affect commercial premises. The existing cameras had been funded from reserve contribution but monitoring was funded from the town centre rate.

Councillor Ransley advised he supported increasing coverage in the West End and felt if the Marlborough Police were losing \$200,000 in funding then someone would have to make up the difference and believed crime would only get worse not better. Councillor Woods felt the roaming camera idea was a good one because there was a camera in town which appeared to have been deliberately decommissioned and there was an element who did not want cameras. The Finance Manager advised \$15,000 was a ten percent increase on the town centre rate. Sample properties showed an increase of \$30 for a property in the West End, less than \$5 on a residential property and \$34 for a farm valued at \$7.25million.

Moved by Mayor Heays, seconded by Councillor Ransley and resolved that;

- 1) Additional cameras up to the value of \$15,000 be installed to increase coverage in the West End*
- 2) An investigation be undertaken as to whether the cameras were hardwired or another method used*
- 3) The cameras be funded from the Town Centre targeted rate.*

Deliberation of Youth Council Submission

Mayor Heays advised the request from the Youth Council was simple and all of Youth Council's fundraising money went to whatever cause they were fundraising for. Councillor Diver enquired if there was a better breakdown of the \$1080 requested for Executive Committee expenses. The Chief Executive Officer advised the funds would be used to cover expenses such as petrol and phone calls and afternoon tea. He further advised Council provided funds to Kaikoura Information and Tourism Incorporated, Te Korowai and the Historical Society and Council did not query what the money was spent on. Mayor Heays advised Youth Council had progressed from nothing to something and felt Council should agree to the funding as this would show Council's commitment to Youth Council. Councillor Holmes felt he would like to see a lesser amount granted for the first year. It was noted there were 23 members in the Youth Council.

Moved by Councillor Ransley, seconded by Mayor Heays and resolved that Council provide funding of \$2,000 to the Kaikoura Youth Council for the 2010/2011 financial year and Youth Council be advised Council require a report at the end of the financial year showing clearly where funds had been spent.

11.15am Ross Little

R Little advised he was concerned the draft Annual Plan promoted opposing the use of 1080 in Kaikoura. R Little advised he had used 1080 on his own property following unsuccessful intensive shooting and Pindone use. He advised there were times the best and most effective tool was 1080. He advised he did not doubt findings that there was some collateral damage however there was some very rare and unusual biodiversity which had developed in New Zealand without imported pests.

R Little advised he was concerned there was a movement which was opposing 1080 and advised there were also issues with shooting and trapping and it was not a nice business. He further advised New Zealand was a remote country and the battle was on for landowners to keep their land pest free and landowners needed all the tools they could get in those situations. If the tools were not available there was a very real scenario where farmers may face walking off their land.

R Little was concerned the Kraft Brothers video only showed instances where 1080 had gone wrong and did not show the other side of the argument. He advised 1080 broke down quick in water and was of no real threat to water life. R Little advised at Environment Canterbury there were strong controls around the use of 1080. He pleaded for Council to leave the door open in cases where the best option was 1080.

Councillor Diver enquired if R Little would be happy with the word 'ban' removed from the statement in the annual plan. R Little advised he would be happy with the removal of the word ban. Mayor Heays advised Council had decided to get more involved and to set up a working party to find out what the communities stance was. He noted in R Little's submission he had advised of using alternate methods where possible and Mayor Heays felt the working party was heading in that direction. Councillor Holmes enquired given the world opinion on the use of 1080 whether New Zealand markets would be affected. R Little advised there was some defence for the use of 1080 in that New Zealand had a unique position with biodiversity and 1080 did actually occur naturally and it could be argued it was an organic product.

11.30am Federated Farmers

N Stott, Provincial Chairman, A Mackenzie, Policy Advisor, for the North Canterbury Province of Federated Farmers were in attendance to present this item. N Stott advised their key submission points were as follows;

- Council reconsidered its spending plans for the coming year in order to reduce reliance on rates
- Council focused on efficient provision of local public goods
- Council continued to rely on the use of targeted rates in recognition that those who benefit from a service ought to pay for it.
- Council introduced a differential of 0.9:1 on the general rate for rural areas to account for the inequality in the rating system.
- Council reduced differentials on harbour, town centre, footpath and street lighting rates so rural areas pay 0.15:1 rate and semi-rural pay 0.25:1 rate.
- Council reconsidered its funding for a new museum by utilizing funding mechanisms that did not rely on capital value of land.
- Council ensured whenever Council chose to begin working on the museum it was undertaken in the most economically efficient manner.

- Council not fund any working parties from ratepayer's money where there would be no tangible benefit to ratepayers.
- Council adopt and implement the roading cost allocation model provided by Federated Farmers as a basis model for funding roading costs.
- that Council advocated to central government for meaningful reform of local government funding.

N Stott advised Federated Farmers appreciated communication between the organisations and acknowledged Council made good use of targeted rates. However, the total rates revenue increase in the draft Annual plan was 3.3% which exceeded the rate of inflation. He advised Council needed to alleviate the inequity in the rating system and felt it was inappropriate farmers contributed the most to the general rate. A Mackenzie advised by sheer size of property farmers were paying a higher proportion of rates.

The Chief Executive Officer advised for the coming year the rural sector would pay 36% of the general rate which equated to approximately 7.4% of the total rates collected. It was noted the total budget for the museum was \$2.4million; \$1.4million would be paid from development contributions in the reserve fund, \$400,000 from grants with a loan funded from rates of approximately \$500,000.

The Chief Executive Officer enquired if federated farmers were able to provide workshops on how the Roading Cost Allocation Model worked as he found the model quite complex. He suggested if the model was refined it could well be rolled out. The Chief Executive Officer recommended Federated Farmers spoke to Local Government New Zealand and the Rural Sector group with regard to raising awareness of the model. It was noted in the coming year rural ratepayers would be paying 36% of the total roading budget.

The Chief Executive Officer advised Council was unable to change funding at this stage because a change to the rating system would require public consultation and the Annual Plan was required to be adopted prior to 1 July.

12.00pm Tony Blunt

T Blunt was in attendance and advised on average farmers nationwide paid 56% of the general rate. This reflected the fact that most farmers lived significant distances from towns or cities and therefore used far fewer resources and services provided by Councils. He advised Kaikoura District farmers currently paid 100% of the general rates but only made up 3% of ratepayers. He further advised rates were supposed to be paid by those who benefited from services and those who could afford to pay.

T Blunt advised farmers were currently in the midst of a cost inflation squeeze and Environment Canterbury had taken steps to reduce their rates. He believed the value of a property did not equate to ability to pay and requested the general rate for the rural zone be reduced to ninety

percent. He also advised an increase in the Uniform Annual General Charge would offset the decrease in the general rate and like all ratepayers he would like to see rates reduced. He also asked that the rural differential for harbour, town centre, footpath and streetlights be reduced from 0.25 to 0.15 as the average farm was still paying more for these rates than an urban property valued at \$400,000.

T Blunt was concerned about the level of Council debt and asked if Council was generating an unsustainable and unfair debt burden on future generations. He advised bearing in mind current debt and the drop in new titles, he did not support borrowing another \$1.5million for the museum and felt the museum should move into the PGG building. He enquired why this site could not be looked at for a replacement museum.

The Chief Executive Officer advised the relocation of the museum had been under investigation for approximately seven years, a working party had been set up the previous year and by the time Council had purchased the PGG building the working party had identified they would like the museum to be part of the Library building. He advised the rationale behind this was whilst the Historical Society would continue to operate the museum this may not be the case long term so they wished to be part of Council infrastructure. He further advised Council was in the process of trying to get a more commercial lease in place for the PGG building.

The Chief Executive Officer advised he still believed 900 new titles over a ten year period was very achievable and Council's current debt level was well within policy limits. T Blunt advised interest was dead money and a cost to everyone. The Chief Executive Officer advised there was a lot more awareness around the use of debt funding. There was a move for it to be used more because the nature of the work Council's were spending money on was intergenerational. He advised the additional debt for the museum would be approximately \$500,000. The museum would be mostly funded from development contributions.

The Chief Executive Officer advised with regard to the Uniform Annual General Charge the maximum allowable level was set at 30% and currently it was at 25.03%. Council had identified all activities and how they should be funded therefore, Council could not just increase the Uniform Annual General Charge to 30%, each activity which was included within the rate would have to be reviewed. T Blunt acknowledged Council did make good use of the Uniform Annual General Charge.

The meeting adjourned at 12.25pm and resumed at 1.50pm

1.50pm Melville Syme

M Syme was in attendance. M Syme advised he would like to see the Pine Trees adjacent to the old Catholic Cemetery removed. He was concerned if the trees fell down tomb stones would be damaged. He believed if the trees were removed the views in the area would be

enhanced and the removal of the trees would allow mountain views for any development on the southern side of Scarborough Street.

M Syme felt a third of the trees could be removed by allowing people to take them for firewood and he felt there may be people in the community who may respond well if asked to remove the trees. M Syme advised he remembered the trees being topped once in the last 50 years. He believed if the trees were removed in twenty years time there would just be more wood to shift. Mayor Heays enquired regarding properties which neighbored these trees. The Chief Executive Officer advised Council may want to seek feedback from residents in the area. The removal of the trees was not seen as a significant activity therefore Council did not necessarily have to consult. M Syme believed trees of that height did not fit into a residential area.

The Chief Executive Officer advised the Asset Manager had prepared a report regarding the trees and the crux of the report was the trees should not be removed unless they were a safety hazard. He advised if Council wished to consider the matter further it would be no issue to survey Whitby Place and Churchill Street regarding the trees. He further advised there had been issues with trees in the cemetery in the past and Council had removed quite a few approximately 8 years ago. The cost of removal had been insignificant as Council had allowed people who dropped the trees to take the wood away. Councillor Woods felt all the trees would not have to be removed at once however if birds were wanted in the area they would live more readily in native trees. It was generally felt the matter should be further investigated and feedback sought from neighbours and the Catholic Church.

Deliberation of submission Walter Kunz

It was noted there was work being undertaken nationally on climate change issues this was also being addressed through regional policy statements and plans. Mayor Heays advised W Kunz should be assured Council would make sure construction costs and interest rates would be the best Council could get for the proposed museum. He advised all local government organisations were being made aware of climate change issues. Councillor Woods advised Council was aware of the world recession and assurance of this should be provided to W Kunz.

Deliberation of submission Ross Little

Councillor Diver felt the wording around 1080 in the draft Annual Plan should be changed. Councillor Woods enquired why 1080 was included in the draft Annual Plan as a key issue. The Chief Executive Officer advised it had been included because it was an issue which polarized communities. He noted Council could however, only advocate on the issue as the decision was in the hands of the regional council. Mayor Heays advised the 1080 working party was set up to come up with an agreed guideline or policy for Council to follow.

The Chief Executive Officer advised if Council did not see 1080 as a major project it could be deleted from the Plan. He advised at the time

the draft Plan was prepared 1080 had been a hot topic. Councillor Diver felt references to 1080 should be removed from the annual plan process. The Chief Executive Officer was skeptical about removing it from the document all together. Councillor Diver advised some people felt 1080 was not a Council issue and Council should stay out of it. It was decided the wording on page 105 would be changed to read as follows;

A working party has been established to investigate the development of a policy that Council could use in any future advocacy role on the use of 1080 in the Kaikoura District.

Councillor Holmes enquired if there was a way Council could get the feeling of people in the district with regard to 1080. He felt there were two or three against who were overriding people who were not saying anything. Mayor Heays advised the working party had discussed a survey however they had decided they would not go down that track unless Council said there was not enough information.

Deliberation of submission Federated Farmers

Councillor Diver advised the Roding Cost Allocation Model included in the submission from Federated Farmers was close to the model Council was already using. The Chief Executive Officer felt the model would cost a large amount to implement and a lot of it was subjective. Councillor Holmes advised the model would have to be undertaken nationally. The Chief Executive Officer advised Federated Farmers needed to talk to New Zealand Transport Agency and the Local Government Rural Sector.

The Chief Executive Officer advised the general rate made up 20% of Council rates and the rural sector were paying 7.5% of this. He advised it was difficult to compare rates with other district as some had the general rate set at a higher proportion of their rates. Mayor Heays noted to change the general rate proportion for the rural sector would require a change to the rating system. The Chief Executive Officer advised a reduction in the general rate for the rural sector would impact on other areas in the district. He advised the rating system would be automatically part of the Long Term Council Community Plan process but if Council wished to review the rating system earlier this could be done as an amendment to the Long Term Council Community Plan the following year. The Chief Executive Officer advised Council had gone through a robust process when reviewing the rating system the previous year and there had been general agreement the system was fair and reasonable. He advised once a decision was made on the likes of a new pool then a review of targeted rates for community facilities would be required. He further advised at this stage it was not required because in terms of the museum the cost through rates for interest was \$36,000. This would increase to \$68,000 the following year however globally speaking it was not a lot of money.

The Chief Executive Officer advised with regard to Council advocating for a reform in local government funding the government had been

investigating this for three years and Local Government New Zealand advocated on behalf of Council.

Deliberation of submission T Blunt

It was noted due to the different Council philosophies and the fact Hurunui District received a large amount of revenue due to the Thermal Pools meant the rating for the two districts could not be compared. The Chief Executive Officer advised roading was a large issue for Hurunui where as waste minimization was more of an issue for Kaikoura and Council's water supplies were more advanced than Hurunui. It was also noted Hurunui did not fund a lot of depreciation. The Chief Executive Officer advised the fact that Kaikoura used debt funding was reflected in the bottom line and debt funding was now seen as a revelation and he felt it was criminal for a Council not to debt fund when trying to fund major infrastructural projects. The Chief Executive Officer advised he did not disagree with trying to increase the Uniform Annual General Charge to 30% however; it could not just be increased because a reason was required. Councillor Holmes advised the assumption that a loan of \$1.5million for the museum needed to be corrected in a response to T Blunt. The Chief Executive Officer advised it would cost more to move the museum into the PGG building because then no revenue would be received from the building at all.

The Finance Manager advised due to GST increasing to 15% on October 1st the rates resolution would have two columns one for the first installment at 12.5% and the remaining rates at 15%. The Chief Executive Officer felt some contracts which were due to be renegotiated could be less than budgeted however the Annual Plan would not be changed as a result.

There being no further business the meeting closed at 3.10pm.