

**KAIKOURA DISTRICT COUNCIL MEETING HELD AT 9.00AM ON
WEDNESDAY 27 APRIL 2016 AT MEMORIAL HALL SUPPER ROOM,
ESPLANADE, KAIKOURA.**

AGENDA

1. *Apologies*
2. *Open Forum – Session for members of the public wishing to comment on items included in this agenda.*

The Council meeting will adjourn following this item and will resume following the Finance and Policy Committee meeting.

3. *Matters of Importance to be raised as Urgent Business*
4. *Finance Report* *page 26*
5. *Library Report* *page 29*
6. *Elected Members’ Remuneration from 1 July 2016* *page 30*
7. *Kaikoura Water Zone Committee Update* *page 32*
 - *Representatives from the Kaikoura Zone Water Committee will be in attendance at 11.30am to present this item.*

8. *Public Forum*

| TIME | NAME | SUBJECT |
|-------------|-------------|----------------|
| - | - | - |

9. *Committee Updates*
10. *Minutes to be Confirmed:*
 - *Council 16/03/2016* *page 39*
 - *Extraordinary Council 13/04/2016* *page 43*
11. *Reports to be Adopted:*
 - *Works & Services Committee 16/03/2016* *page 45*
 - *Environmental Services Committee 16/03/2016* *page 47*
 - *Finance and Policy Committee 16/03/2016* *page 49*
12. *Minutes to be Received:*
 - *Kaikoura Zone Water Committee 24/02/2016* *page 50*
 - *Hearings and Applications Committee 08/03/2016* *page 55*
13. *Urgent Business*

14. Council Public Excluded Session

Moved, seconded that the public be excluded from the following parts of the proceedings of this meeting, namely

- a. Confirmation of Minutes of Council Public Excluded meeting on 16/03/2016**
- b. Adoption of Report Public Excluded Works & Services 16/03/2016**
- c. Adoption of Report Public Excluded Finance, Audit & Risk 16/03/2016**
- d. Innovative Waste Half Yearly Report**

The general subject matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) and 7(2)(i) of the Local Government Information and Meetings Act 1987 for the passing of this resolution are as follows:

| General subject of each to be considered | Reason for passing this resolution in relation to each matter | Grounds of the Act under which this resolution is made |
|--|--|---|
| Minutes of the Council Public Excluded meeting 16/03/2016 | The exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the Local Authority to protect information where the making available of that information would likely unreasonably to prejudice the commercial position of the person who supplied the information or who is the subject of the information and to enable the Local Authority to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between members or officers or employees of any local authority. | Section 48(1)(a) and 7(2)(b)(ii), Section 48(1)(a) and 7(2)(f)(i) |
| Report of Works & Services Public Excluded 16/03/2016 | The exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the Local Authority to protect information where the making available of that information would likely unreasonably to prejudice the commercial position of the person who supplied the information or who is the subject of the information. | Section 48(1)(a) and 7(2)(b)(ii) |
| Report of Finance, Audit & Risk Public Excluded 16/03/2016 | The exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the Local Authority to protect information where the making available of that information would likely unreasonably to prejudice the commercial position of the person who supplied the information or who is the subject of the information and to enable the Local Authority to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between members or officers or employees of any local authority. | Section 48(1) (a) and 7(2) (b) (ii), Section 48(1) (a) and 7(2) (a), 7(2) (f) (i). |
| Innovative Waste Half Yearly Report | The exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the Local Authority to protect information where the making available of that information would likely unreasonably to prejudice the commercial position of the person who supplied the information or who is the subject of the information. | Section 48(1)(a) and 7(2)(b)(ii) |

Summarised Finance Report for the period to 31 March 2016

Summary Statement of Comprehensive Revenue & Expense

| | Budget 31/03/2016 \$000's | Actual 31/03/2016 \$000's | Actual 31/03/2015 \$000's |
|------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Rates revenue | 4,134 | 4,156 | 3,944 |
| All other revenue | 1,981 | 2,076 | 2,103 |
| TOTAL REVENUE | 6,115 | 6,232 | 6,047 |
| Operating expenses | 8,594 | 8,095 | 5,710 |
| Net surplus/(deficit) | (2,479) | (1,864) | 337 |
| Other comprehensive revenue | - | - | - |
| Total revenue & expense | (2,479) | (1,864) | 337 |

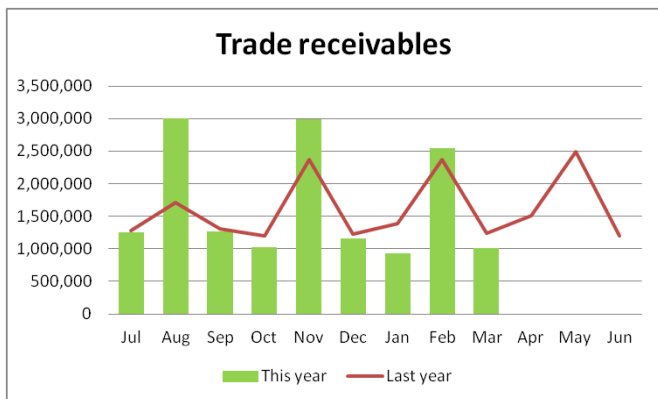
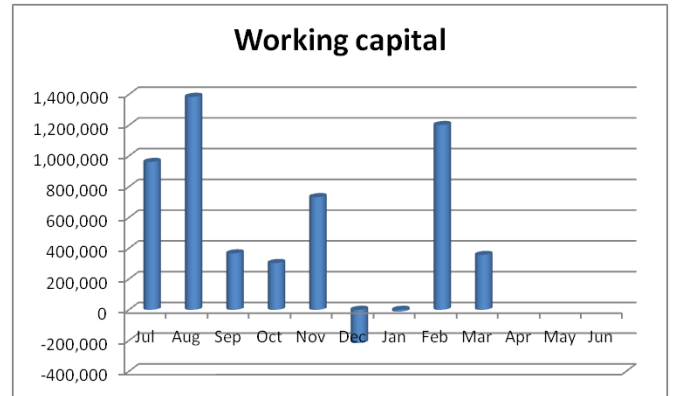
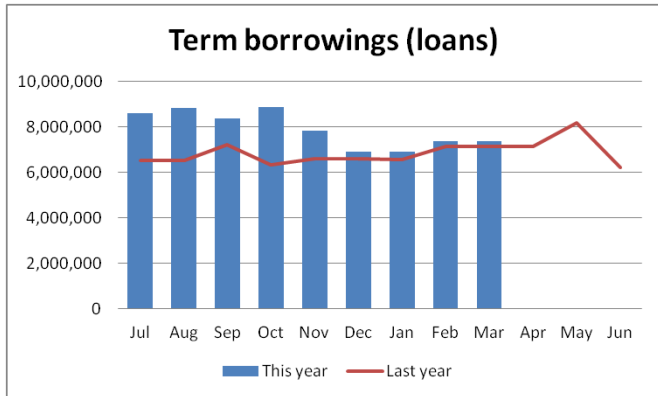
Our operating deficit of \$1,863,632 includes our payments to the CDHB of \$2,030,445. The actual operating deficit is \$615,569 better than the budgeted deficit to end of March of \$2.5million. Main reasons for this are the Marlborough Regional Forestry distribution revenues have been well over budget, and payments to the CDHB were less than the \$2.5M budgeted. Civic centre impairment losses and other operational write-offs relating to the roof replacement are pending; these will have a significant negative impact on our operating deficit at balance date (30 June).

Summary Statement of Financial Position

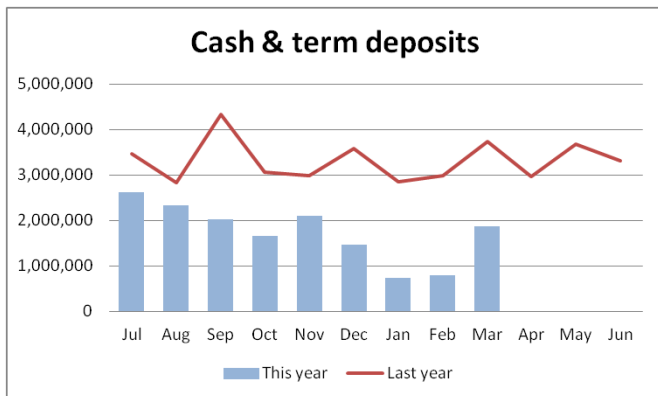
| | Budget 31/03/2016 \$000's | Actual 31/03/2016 \$000's | Actual 31/03/2015 \$000's |
|---------------------------|---------------------------------|---------------------------------|---------------------------------|
| Current assets | 4,085 | 3,324 | 8,044 |
| Non-current assets | 172,055 | 164,524 | 163,542 |
| Current liabilities | (3,485) | (2,968) | (2,741) |
| Non-current liabilities | (8,757) | (6,894) | (6,387) |
| TOTAL NET ASSETS | 163,898 | 157,986 | 162,458 |
| Ratepayers equity | 80,415 | 87,228 | 90,085 |
| Special funds | 2,055 | 1,424 | 3,056 |
| Asset revaluation reserve | 81,428 | 69,334 | 69,317 |
| TOTAL EQUITY | 163,898 | 157,986 | 162,458 |

Almost all of the movement on this statement has happened within Current Assets. Our cash position has improved with the receipt of the 3rd rates instalment on the 20th of March; which has also reduced trade receivables. Prepayments have been allocated through expense accounts, and assets held for sale have decreased with the sale of the 20 Beach Road house.

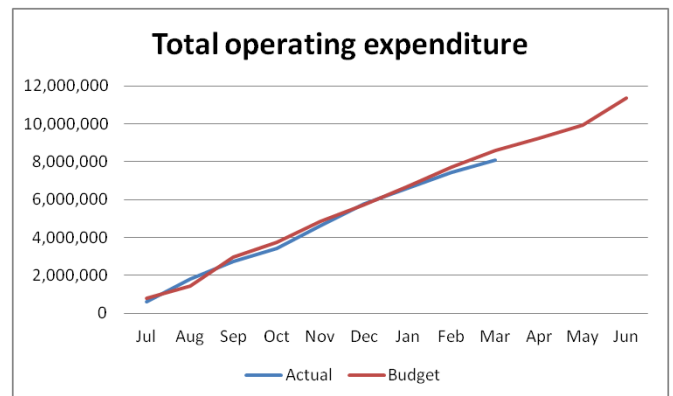
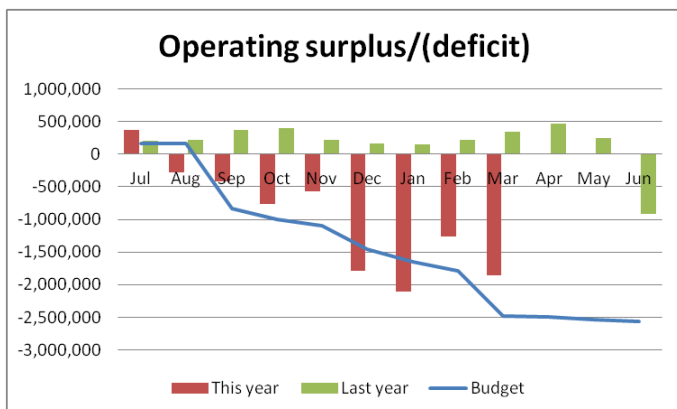
Financial Dashboard



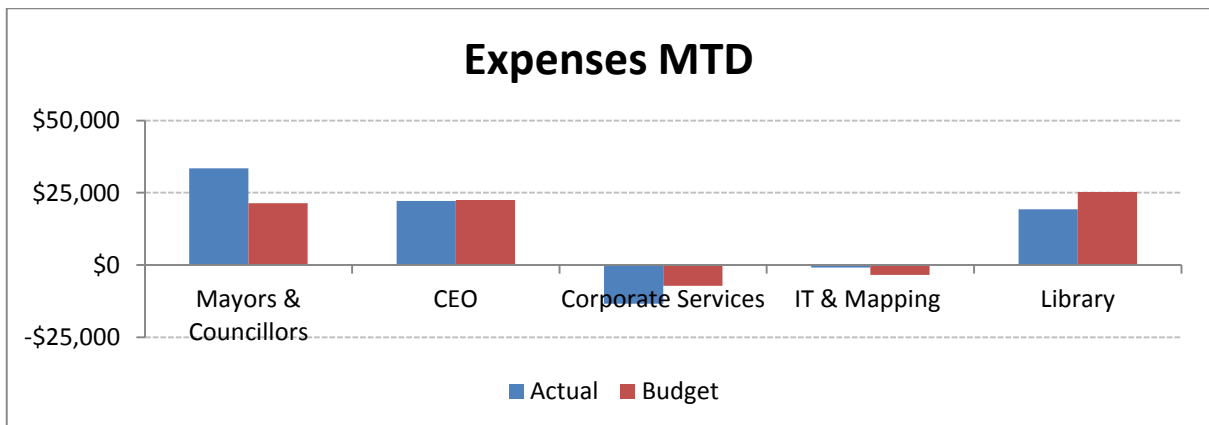
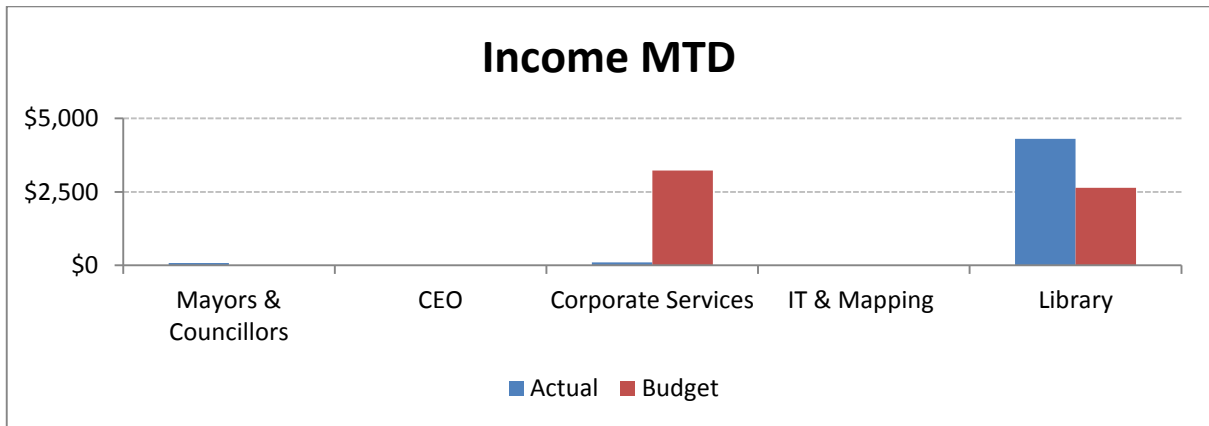
| Top 10 capital projects (by budget value) | Amount Spent \$000's | Within budget | Within time |
|---|----------------------|---------------|-------------|
| Civic centre | 6,234 | No | No |
| Footpath renewals | 9 | Yes | No |
| South bay water | 164 | No | Yes |
| Swimming pool | 15 | Yes | No |
| Harbour safety (rocks) | 5 | Yes | No |
| Road reseals | - | Yes | No |
| Road rehabilitation | 10 | Yes | No |
| Bridge replacements | - | Yes | No |
| Unsealed roads | 69 | No | Yes |
| Drainage renewals | 99 | No | Yes |



- The civic centre is due for completion mid-year, the total spent is subject to write-offs
- Footpath has been issued to the contractor
- Bridges, road reseals and rehabilitation have been deferred to 2016/2017
- Harbour safety (rock removal) is still in consent phase

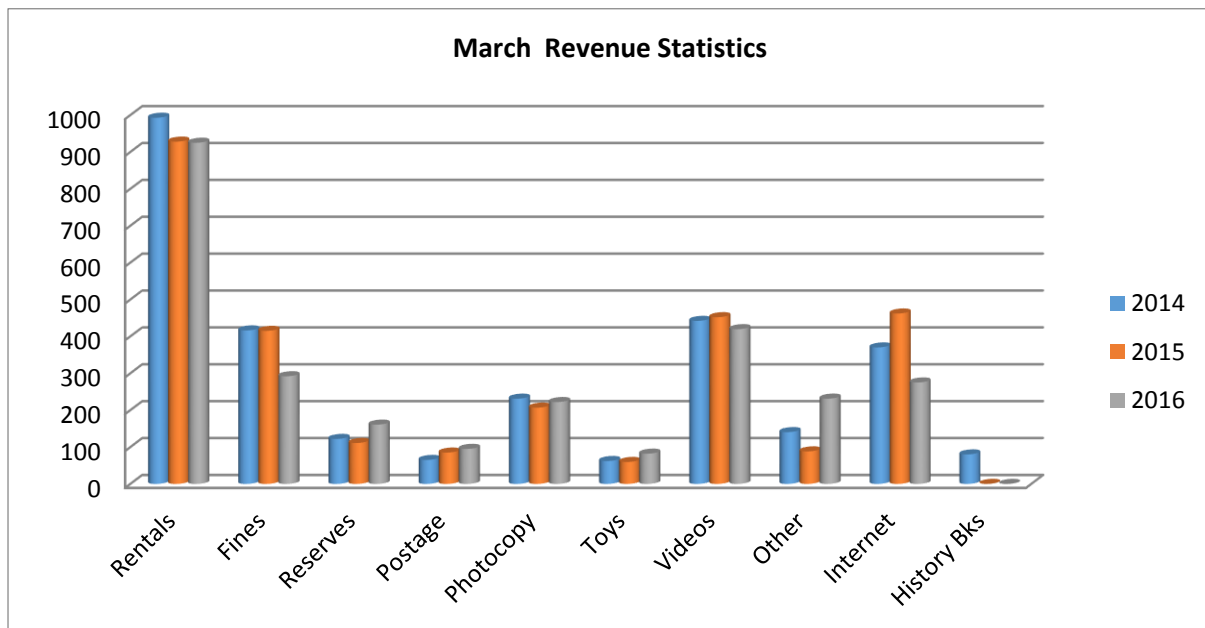
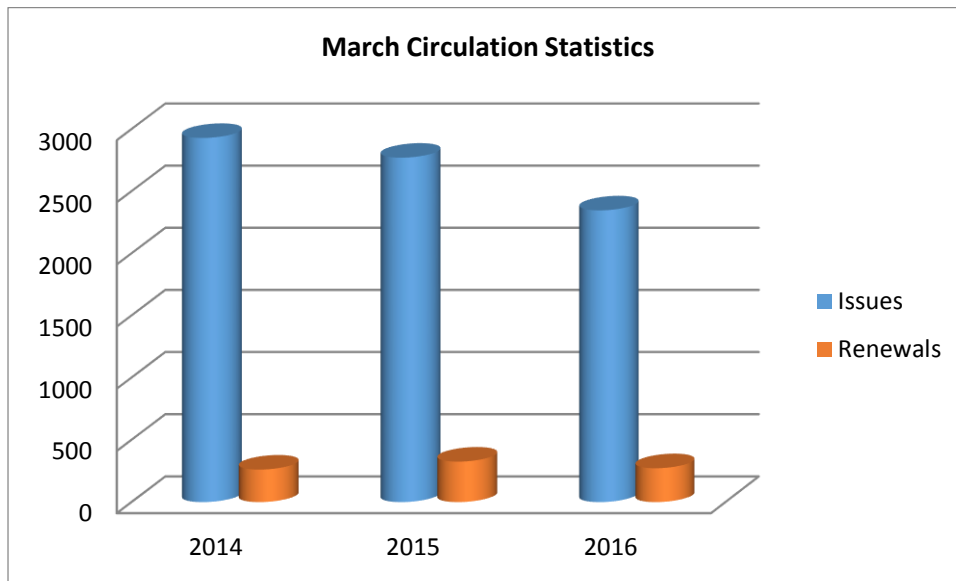


Corporate Services Budget Report



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|--------------------|---------------------------------|
| Prepared by | Sheryl Poulsen, Finance Manager |
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Library Report



Administration

- Last month I had to accept the resignation of library assistant Joy Walker her last day of work was 22 March 2016.

Class Visits

- Adult learning group enjoyed 6 visits on the 3rd, 14th, 16th, 23rd, 24th & 31st March 2016.

Technology

- BSM visit to service the photocopier on the 7th March 2016.

| | |
|--------------------|-----------------------------------|
| Prepared by | Cheryl Barker, District Librarian |
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Elected Members' Remuneration from 1 July 2016

Purpose:

The purpose of this report is to determine whether Council wishes to recommend any positions for additional payments.

Background:

The Remuneration Authority commenced its work programme for setting elected member remuneration for the 2016 financial year in late 2015. Part of the work included a review of job size of a representative group of regional and territorial authorities and to assess changes in work loads since the Authority's review in 2012. In undertaking this work the Authority obtained information that gave it some confidence in the size of the job of elected members and the increasing demands on them. It also received feedback on the ability of a Council to recognise the additional responsibilities undertaken by some members and it has taken this into consideration in its decision making.

There were two areas in which the Authority did not get sufficient information to have confidence in the scope of elected member's undertakings. The first is the time commitment required to effectively fulfil Council responsibilities and the second is the additional time commitment and responsibilities that flow from the district plan hearing process.

The remuneration element of the review that the Authority undertook in 2012 was only partially implemented due to the significant increases, and occasional decreases that would have resulted. The Authority assessed that such a change would not have been acceptable to communities at a time when both urban and rural New Zealanders faced rating and financial challenges and most working people received only modest increases in remuneration.

The Authority is again deferring full implementation whilst a new review of the remuneration review is undertaken. The work will take place over the coming year and the Authority will engage further with local government.

Base Remuneration 2016/2017:

For the year commencing 1 July 2016 the Authority has decided to implement increases between 1.5% and 3%, phased in bands, with larger metropolitan areas receiving 1.5% and those Councils with more modest current remuneration being increased up to 3%. This has been introduced in four bands based on Authority's size index.

Under this approach the following will be the base remuneration for Kaikoura elected members;

| Role | 2015/16 Remuneration | 2016/17 Remuneration |
|-------------------|---------------------------------|---------------------------------|
| Mayor | \$54,400 | \$56,032 |
| Councillor | \$17,200 | \$17,716 |

This is an increase of 3% for both Mayoral remuneration and Councillors remuneration.

Payment for Additional Duties:

To recognise the concerns reflected in the review about the ability to appropriately address the additional duties of some elected members. The Authority has decided to increase the amount

available to supplement base remuneration from 150% of Councillor remuneration to 200%. This means the maximum amount available to Council for this purpose is \$35,432.

Council is not required to allocate the total amount of funds available.

The Authority is not making any changes to the provisions for payment for elected members participating in district planning hearing process in this determination, but it has agreed with LGNZ to set up a working group to find a solution that will be permitted under the legislation. It is anticipated this will be addressed in the 2017/18 determination.

Current Situation:

Currently the Mayor and Councillors are paid a base salary and no payments are made for additional duties.

Previously it has been recognised that the workload for Councillors varies and some times during the three year cycle some members will be more active than others yet at other times this may change therefore on balance having everyone receive the same has proven to be reasonably equitable.

The amount allocated for Councillor remuneration in the 2016/17 draft Annual Plan is \$180,044 which is the base remuneration proposed by the Authority. The amount allocated for additional payments has not been budgeted in the Annual Plan.

Decisions required:

By Monday 16 May 2016 Council is required to advise the authority of it proposed positions and remuneration and also whether or not Council wishes to recommend any positions for additional payments.

The Authority has advised that the position description for additional payments needs to apply to all positions that a member holds. For example, if the deputy mayor also chairs a committee, one additional payment should be proposed to cover all duties. If Council decides to recommend positions for additional payments the following information has to be provided;

- Position title
- Number of positions with that title
- Position description (which included specified additional responsibilities over and above the basic Councillor role, covering duties, delegations, deputising and reporting obligations)
- Additional time (estimation of extra time involved in carrying out the additional responsibilities)
- Recommended additional pay.

Recommendation:

That Council;

- 1. Receive this report***
- 2. Consider if it would like to recommend any positions for additional payments.***

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| Prepared by | Suzanne Syme, Executive Officer |
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Kaikōura Zone Committee Annual Report

Purpose

To meet the requirements of the Environment Canterbury Long Term Plan, each Canterbury Water Management Strategy (CWMS) Zone Committee is required to report annually on progress in implementing their Zone Implementation Programme, and on progress in the ten CWMS target areas. The CWMS Regional Committee is also required to provide an annual update.

The attached report fulfils the annual reporting requirement for the Kaikōura Zone Committee.

Recommendations

That the Council:

Notes the Kaikōura Zone Committee's achievements between 2011 and 2015 in the implementation of their Zone Implementation Programme, and progress towards the CWMS targets.

Receives the Kaikōura Zone Committee's annual report for 2015.

Notes that the report will be presented to the relevant territorial authorities and made publically available on the Zone Committee's website.

Key Achievements of the Zone Committee 2011-2015

As noted in the attached report, the Kaikōura Zone Committee has been driving on the ground actions to achieve their Zone Implementation Programme (ZIP) and CWMS goals. Highlights since the Committee's inception include:

- More than \$370,000 of Immediate Steps biodiversity funding approved over 15 projects
- The Clarence/Waiau toa identified as an area of regional and national significance. Immediate Steps funding allocated for weed and predator control
- The Love the Lyell project developed to encourage community participation in a restoration project for the Lyell/Waikoau
- Establishment of a Nutrient Management & Water Efficiency Working Group to more effectively engage local farmers
- Support of Te Korowai in their preparation of the Kaikōura (Te Taio-Marokura) Marine Management Bill
- The Canterbury River of the Month video was launched in November 2015 and profiles the integrated collaborative approach to weed and predator control in the Clarence/Waiau toa
- The Zone Committee has hosted more than 50 meetings, and 9 community planting and clean up days involving local schools, businesses, residents and visitors.

Upcoming activities in 2016

The Committee will be continuing their work on the Love the Lyell project, which will include two community planting days.

They will also be preparing an integrated weed and pest control strategy for the Clarence, and continuing the ongoing predator control work in that area.

Immediate Steps biodiversity projects

The regional Immediate Steps biodiversity protection and restoration programme was launched in 2010 and makes approximately \$2 million each year available to protecting biodiversity in and around freshwater habitats. Of this amount, two thirds comes from rates, and one third comes from land owners and other stakeholders. Zone Committees recommend how that money be spent, guided in their decisions by staff and biodiversity specialists at Environment Canterbury and other organisations.

The Kaikōura Zone Committee has allocated over \$370K towards 15 projects since 2012. Projects supported have included work to carry out predator control to prevent local extinctions, protect braided river habitat, support in-stream invertebrates and fish, and create healthy wetlands and riparian zones. A full list of is provided in Attachment 2.

Funding of the CWMS

The CWMS has funding contributions from central, regional and local government. Many initiatives also receive funding from private individuals – such as consent holders, irrigation scheme shareholders, farmers and local businesses – and community groups.

Environment Canterbury raises \$28.5 million per annum (2015-16 year) through a CWMS rate. The rate is specifically for the CWMS and has the same incidence as the general rate. It funds land and water activities that were in place before the formal introduction of the CWMS – science, RMA planning, operations – and activities introduced with the CWMS – zone committee facilitation, regional water infrastructure and Immediate Steps Biodiversity. Specifically, the CWMS rate supports six activities:

- CWMS committee facilitation
- Environmental monitoring and progress reporting
- Resource Management Act (RMA) Plans
- Delivery of Zone Implementation Programmes
- Biodiversity and ecosystem health
- Regional Water Infrastructure

The expenditure in some of these activities – committee facilitation and delivery of ZIPs- is spread evenly across the zones. Expenditure on biodiversity and ecosystem health is also spread evenly across the zones, with the exception of regional biodiversity initiatives. For the last three years, regional biodiversity initiatives have been underway in Te Waihora, Wainono Lagoon and the Upper Rangitata/Rakaia catchments, with expenditure on these projects coming from a regional level pool. The distribution of expenditure on environmental monitoring differs depending on the size of the zone and the complexity of water resources. These factors determine the number of rain gauges, groundwater monitoring bores, and river flow sites etc., which then affect monitoring costs. The distribution of expenditure on RMA plans moves around the region as each zone goes through its specific planning process – over time each zone will be the focus of an RMA plan. Regional water infrastructure activities and their associated costs are concentrated in zones with large water infrastructure either planned, or in train.

District/city councils share the costs of running the committees with Environment Canterbury, with committee honoraria and mileage split 50/50. District/city councils provide administration and secretarial support for the monthly public meetings of the zone committees, while Environment Canterbury provides administration and secretarial support for the CWMS Regional Committee. District/city councils also make a substantial investment in water infrastructure – public water supply, drainage, stockwater, wastewater and stormwater – all of which can contribute to achieving the CWMS targets.

Central government provides funding for specific projects, usually through grants. Grants for environmental restoration have been received for Whakaora Te Waihora and Wainono Lagoon which total \$6.8 million (multi-year). The infrastructure work programme also receives central government funding in the order of \$400,000 per annum through the Irrigation Acceleration Fund, which is administered by the Ministry of Primary Industries.

Communication

1. The Zone Committee Annual Reports provide annual updates on the Committee's work toward implementing their ZIPs. The Kaikōura Zone Committee's ZIP was endorsed by the relevant Councils in 2012.
2. The Kaikōura Annual Report 2010-2015 will be presented to Canterbury Regional Council on 17 March 2016 and to the Kaikōura District Council on 20 April. Following this, the reports will be made publically available on the Zone Committee's website.

The Committee's 2016 Annual Report will be delivered to the Councils in February 2017.

Attachments

Kaikōura Zone Committee Annual Report 2015
Immediate Steps biodiversity projects in the Kaikōura zone