

MINUTES OF THE EXTRAORDINARY COUNCIL MEETING HELD AT 9.00AM ON THURSDAY 2 JUNE 2016 AT MEMORIAL HALL SUPPER ROOM, ESPLANADE, KAIKOURA.

PRESENT: Mayor W Gray (Chair), Councillors T Blunt, J Diver, J Howden, C Mackle, D Millton, D Morgan.

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

APOLOGIES: Councillor G Harmon.
Moved by Mayor Gray, seconded by Councillor Harmon and resolved that apologies be accepted.

1. SUBMITTERS HEARD

Te Korowai o Te Tai o Marokura

G Solomon and T Howard were in attendance to present on behalf of Te Korowai. Te Korowai worked on principals which were compatible with Earthcheck. They believed Kaikoura's main attraction was the interaction with the ocean and coastal space. The key benefits of Te Korowai's work to the coastal community included;

- Continued environmental management to support the Kaikoura economy
- Support for work already completed by local government, government agencies and voluntary groups in Kaikoura
- Improved tourism experiences and opportunities
- Increased research and monitoring activities
- Greater public awareness
- Improved education.

An explanation of how Te Korowai tied in with Council's Long Term Plan was provided.

Te Korowai had requested \$10,000 per annum. It was noted the Annual Plan only dealt with the 2016/17 year. It was suggested that funding of 4:1 could generally be leveraged off Councils contribution. Places to access funding had heavily reduced.

Daniel Stevenson – South Pacific Helicopters

D Stevenson advised he was currently in the process of starting a new helicopter operation in town. He advised the current fees were appropriate for transient craft landing on a one off basis. The system at other Airports for commercial users was a one off annual fee. Whilst he understood the need for Council to charge an appropriate cost he noted users of the Airport also contributed to the community. He requested Council review the fees to see if they could be brought in line with other Airports. It was noted helicopters did not contribute to wear and tear of the runway.

Gordon O'Callahan

G O'Callahan requested Council consider not deferring the work at the Beach Road intersection for the residents who had suffered for a long time due to the current situation.

He enquired what Council was doing in the airline business and why was Council spending money on the terminal building. Ratepayers were not in the airline business.

G O'Callahan enquired regarding what and who Council was removing the rocks for at South Bay. He noted plenty of people had grown up in the area and nobody had asked them regarding the project. He advised of an alternative channel and noted the tender boats that came in from Cruise Ships were no bigger than boats which were already working out of Kaikoura. He advised he would like to see Council putting the money back into reinstating the public jetty at South Bay. He was concerned that if the rocks were removed from the channel that the sea would roll in worse than it did now and would expose Council assets.

G O'Callahan was also concerned about safety in Kaikoura and crime not being reported because people were too scared. He felt the town was broken and needed fixing.

Barry Stuart

B Stuart was concerned the proposed works in the Annual Plan were about beautification. He advised he was woken up every night by trucks parking at the Old Beach Road intersection. He had been told a number of years ago that there was supposed to be a road closure but this had not occurred. He noted he had lived at his property for 37 years and had never had a problem with trucks until the toilets had been installed. He further advised that the recycling was undertaken at 7am and then there were issues with seagulls in the summer. He felt he should be allowed to sleep until at least 8am on a weekend.

Chris Wilson – East Coast Community Organisation

C Wilson advised the submission was basically from the farming community. He advised given the long term aspiration to grow the population to 10,000 people and that not being realised caution was needed regarding future borrowing and the burden on ratepayers. He felt the low borrowing rates were not going to last. He requested Council reconsider its \$12million borrowing cap and what it was based on. It was requested that Council not borrow any further money and try and repay some debt in order to create a cushion for anything unforeseen that may arise in the future.

C Wilson felt if private enterprise had been building the new Civic Centre that it would not have been undertaken in the same way. He felt it was not Council's job to engage in major projects and they should be left to the private sector.

He also noted the impact of the recent revaluation on the farming community. It was a difficult time for the farming community and tourism

was booming and he requested Council look at a general rate differential to see if it could be changed to alleviate the impact on the farming community.

Paul Turner

P Turner advised he had concerns regarding the rock removal project in the South Bay harbour. He felt that whoever was in charge of the project had not done any research. He advised the area was a significant natural area and was also in a dolphin and whale sanctuary. He felt if the rocks were removed there would be impact on sea life. A wave study had been undertaken when the sea wall had been proposed and the sea had done the complete opposite to what was expected. Concerns were also expressed with regard to the effect on wildlife. He noted commercial boats had been using the channel for years without incident. He felt the public jetty in the corner of the harbour needed to be reinstated as there was nowhere for boats to tie up.

P Turner also expressed concern regarding the commercial boat park and rules of the park being broken particularly with regard to height restrictions.

Destination Kaikoura

G Ormsby from Destination Kaikoura was in attendance to present this item. \$5,000 was requested to enable participation in a new international marketing campaign which was being developed by Tourism New Zealand and the Christchurch International Airport. Last year Destination Kaikoura had participated in a drive campaign in Australia. \$2million had been spent on the campaign and for Kaikoura's contribution it was felt it had been good value for money.

A further funding request for \$10,000 was made to fund staffing of the i-Site. Repairs and maintenance needed to be undertaken and staff needed to be paid a bit more than they were currently. An alternative was to allow more signs to be placed on the i-Site which would generate additional revenue.

Kaikoura Agency Group

A Blunt and S Beardmore were in attendance to present on behalf of the Group.

A Blunt advised the Kaikoura Agency Group worked to ensure that no one fell through the gaps. The Group felt there had been a lack of cohesion since the Community Development Officer had gone on leave. It was felt it was vital that Council consider reinstating the role. The role had been disestablished without any consultation with the community. The role built community capability and supported access and funding for local agencies which were charities. The role also managed Council's funding arm. The Officer was part of the Service Level Alliance and had been involved with the Health Facility Charitable Trust and was also involved in youth development. It was felt there were lots of opportunities for the role which had not been undertaken in the past.

S Beardmore advised it had been disappointing that in her role as Community Facilitator that there had not been a Community Development Officer to work alongside. S Beardmore advised she had approached the J R Mackenzie Trust who wanted to work in Kaikoura. The programme would be about engaging positively in education and the creation of a community hub and the perfect person to be on the steering group would be a Community Development Officer.

Alisa Howard

A Howard was concerned with safety on Maui and Scarborough Streets. She suggested some arrows be painted on Scarborough Street at the bottom of the turn off to the lookout as well as a mirror because the corner was blind and people had to be out on to the road and at some speed before they were able to see what was coming. A mirror at the exit to Maui Street was also requested as people came up the hill to the lookout quite fast.

A Howard also noted Ohau Point was a breeding colony for birds and requested that if Council was involved in new facilities in the vicinity that it keep that in mind and direct people away from bird colonies.

Federated Farmers

Frank Brenmuhl was in attendance on behalf of North Canterbury Federated Farmers to present this item.

F Brenmuhl noted there had been large capital value increases for farms. He noted as a farm owner he received a request annually regarding what he did on his farm and felt values were set on the ability to farm rather than the asset itself and that was one of the reasons he fought capital value rating. He advised that by and large farms were paying 500% to 1000% more for some services than other ratepayers. The timing of the rate increases could not be worse for farmers and property values did not reflect the current situation farmers were facing. Council should reduce spending and put a differential on the general rate. He also felt there should be leniency around payment of rates. It was noted Federated Farmers would be petitioning government regarding ways rates were struck.

Angela Blunt and Justine Schroder

A Blunt advised the rate increases for rural and semi-rural ratepayers were completely inequitable and unfair and felt the rural and semi-rural differential should be .8 of the general rate. She advised property valuations were in no way aligned with farm incomes at the current time. The value of a farm was not money sitting in the bank it was only realisable when the property was sold. She further advised farms were also on fixed incomes. Farmers had been through a terrible year with an incredible drought, dairy pay outs were down, sheep and beef pay outs were down whereas most commercial businesses had had a great year and could afford to pay a bit more.

J Schroder advised residential and commercial ratepayers would receive an increase or decrease of \$50 per year. Farmers on the Inland Road were to receive an increase of 11% and 8% on Schoolhouse Road. This was an

increase of nearly \$1500 on the sample properties. A Blunt advised this equated to one person's income in rates and it was not equitable. She also advised suicide rates in farming were increased and Kaikoura did not want that situation in the community. Valuation based assessment for rates were unfair.

J Schroder advised the state of rural roads and signs on rural roads were very poor.

2. SUBMITTERS NOT HEARD

A summary of submissions had been included in the agenda. Council worked through the points raised in each of the submissions which included;

G R Collins

Concerned about the high rural rate increases for farmers.

John Murray

Requested Council work on balancing the budget and revisit the differential on general rates. He requested Council listen to its ratepayers and be very frugal with its income.

George Murray

Requested Council look at the general rate because of the large increase to rural ratepayers. Asked Council to reduce spending as running a budget at a loss was not acceptable.

Catherine and Rodney Lamb

Rates increases for farmers were unwelcome at a time of low commodity prices and the lingering impacts of drought. They requested Council cut back on spending plans thereby reducing the overall rates increase, make greater use of the uniform annual general charge and use a cap and spread approach to smooth the most extreme impacts of revaluations. They had also commented on the Beach Road & West End Aesthetic Improvements, Old Beach Road – State Highway One Intersection, Footpath Renewals and the South Bay Harbour Project.

Jacqui Hamilton

J Hamilton felt if Council wished to spend \$250,000 on each of the following footpaths, the West End and Harbour that the people who were going to benefit from the upgrades should be paying more and requested the rate differential be adjusted. She also suggested visitors should pay a visitors tax.

Paddy Trolove

P Trolove submitted there should not be a rate increase for farming properties. Rural land values had increased but rural incomes had dropped significantly. He felt the general rate differential must be adjusted to reflect who was actually benefiting from any spending. He was not happy with any rate increases.

Sandy & Anna Chaffey

It was requested that the general rate differential be changed so the people who benefitted from the rate pay more. That Council not borrow any more money and stop all new projects until debt was considerably lower.

Ainslie Green

A Green noted that Kekerengu Valley Road required fixing. She also felt a landing fee was in order for South Bay so that money could be clawed back.

Glenn Ormsby

G Ormsby felt Council should keep the road rehabilitation budget the same as the previous year, undertaken improvements to West End first and then Beach Road, increase the budget for footpath maintenance by an extra \$30,000 and undertake economic development projects to focus on strengthening and diversifying the economic base.

Marlene Ingram

M Ingram requested the swimming pool season be extended and repairs and maintenance be scheduled to take place prior to the start of the season. She did not wish to see the transfer station moved as she felt it was fit for purpose. She was supportive of sweeping and pothole filling to improve the quality of existing surfaces on footpaths rather than footpath renewals. She also felt a year round display of banners spread out rather than grouped together would improve the look and feel of the main entrances to the north and south of the town.

Kathie Roberts

K Roberts advised she would prefer the costs of Earthcheck redirected to a kerbside refuse collection. Significant rate rises for rural farms were too high and also the debt limit was too high for a low waged community of less than 3,000 ratepayers. She felt proposed improvements to West End should not have priority over modifications to the Beach Road area. The Beach Road entry to town was far from user friendly. The resealing of the Airport runway would benefit both users and local residents but the terminal building should be the responsibility of the companies using it. She felt the Civic Centre charge to support a \$1million loan to complete the building would be widely resented, especially by the many community members who opposed its construction.

Rosemary Hargreaves

R Hargreaves requested Council ensure the Library was up to date with access to e-books. She also felt Kaikoura needed an indoor pool as this would reduce the call on health services for both physical and psychological issues.

Allan & Karen MacDonald

A request was made for Council to repair the damaged recreational jetty in the South Bay Marina. They felt having the jetty repaired would be a benefit to all users.

The meeting adjourned at 12.00pm and resumed at 1.03pm.

3. SUBMITTERS HEARD

Sport Tasman

T Thomas was in attendance to present this item on behalf of Sport Tasman. He introduced K Boyce Campbell who was the new Community Sport Advisor for Kaikoura. Sport Tasman was very appreciative of Council's ongoing support. An overview of Sport Tasman activities over the previous 12 months was provided.

A discussion was held regarding the closing date for the Lions Pool after the summer season. It was a trade-off between costs versus patronage.

Kaikoura Youth Council

O Hughes and P Jellyman were in attendance to present this item on behalf of the Youth Council.

The Youth Council had undertaken a survey of youth and the results formed the basis of its submission. A request was made for the new library to be a place that youth would like to use which included; free wi-fi for locals, bean bags and comfortable chairs, more space to hang out and more computers.

Youth Council recommended that Council put some funding into improving drainage, adding lighting and extending the Skate Park. They also requested \$5,000 for improvements to the Scout Hall which was regularly used as a youth space.

The Hutton's Shearwater Charitable Trust

L Dapper, Canterbury University, presented the findings of her research on crash landings of Hutton's Shearwaters in Kaikoura. The study was funded by the Encounter Foundation. The Trust requested Council ensure any new street lighting be hooded to reduce upward light spill. It was also requested that variable lighting and intensity controllers be considered.

Kaikoura Cycle Club

T Ross was in attendance to present this item. Money which had previously been granted to the Cycle Club had not been spent. The current goal was to have the Postman's Road to town section of the cycle track finished by summer 2016. A sum of \$10,000 was requested. If the work could be completed it would provide a 40km trail. The Club was currently working on a website which would be key to attracting cyclists to Kaikoura. The trail would also benefit the health and wellbeing of locals.

Whale Watch Kaikoura

K Ngapora was in attendance to present this item. Whale Watch was supportive of the grants for tourism development and events funding administration and was supportive of a renewed focus on economic development. Whale Watch was also supportive of work in South Bay harbour to rectify safety issues identified in the approach to the harbour. Clearing the harbour entrance should be a priority and actioned at the earliest possible opportunity as it was a barrier to any short term development of the cruise business to Kaikoura.

Raylene Clearwater

R Clearwater advised she was concerned about wave action if the rocks were removed from the South Bay Harbour that it would cause further erosion and damage to the slipway. She also felt the extent of the proposed rock removal was disproportional to any identified problems. She was also concerned a wave study had not been undertaken. She was of the view that a new facility was required that would allow for sustainable growth. The boat park was not big enough and she felt it was time to look at something more permanent which was custom built. A location was suggested where a marina could be constructed that everyone would be proud of.

4. SUBMITTERS NOT HEARD

Wings over Whales

There was a backlog of maintenance which was overdue on both the building and airfield. The company was supportive of the allocation of \$50,000 for the resurfacing of the runway and similar attention needed to be paid to existing taxi-ways. They wished to see sufficient sums regularly made available for ongoing maintenance. It was felt the Airport needed a well-considered development plan that would allow for expected increase in demand. They also requested Council consider a change to the current landing fee structure which required each commercial user to pay a set annual fee per aircraft.

Joe Tripp – Combined Helicopter Services Limited

J Tripp requested Council consider a ground rental fee of \$2.55 per square metre for hangar sites. This was the same as was charged in Rangiora. He also requested Council review its Airport fee structure so that it was in line with airfields of a similar size.

Airport Subcommittee

A request had been made for the sealing of approximately 1200 square metres of carpark at the South end of the existing carpark. The cost was estimated at \$34,550. It was suggested the work could be undertaken in stages with final surfacing in the next Long Term Plan.

Operations and Maintenance Manager

Hapuku residents had requested that 300m in front of their properties be sealed. The estimated cost of the work was \$10,000. It was noted seal extensions were not subsidisable.

Cancer Society of New Zealand

The Cancer Society had requested that when Council review its Smokefree Strategy that it consider;

- Designation of all entrances and exits of Council buildings as smokefree
- All outdoor dining areas on Council controlled land be promoted as smokefree.

Canterbury District Health Board

The Canterbury District Health Board had proposed amendments to the Plan in the following areas;

- Refuse and recycling
- Drinking water level of service performance measures
- Community amenities
- Transport.

Councillor Morgan and Councillor Howden left the meeting at 3.00pm.

The meeting adjourned at 3.00pm and resumed at 9.03am on Friday 3 June 2016.

5. DELIBERATION OF SUBMISSIONS

Airport

The Chief Executive Officer advised the sealing of the car park at the Airport would have an impact on rates. It was noted the work was aesthetic as the Aero Club did not feel the entrance to the Airport attracted tourists and looked professional. A discussion was held regarding lease revenue.

Councillor Howden entered the meeting at 9.11am.

It was generally felt the critical area for upgrade was the runway and that it would be better to gravel the car park area in the interim. It was felt this could be undertaken within the existing maintenance budget.

Work on resealing the runway would happen before the 2016 visitor season commenced.

A discussion was held regarding the maintenance budget in the Plan. It was noted a lot of maintenance had not been undertaken for a number of years. The only maintenance budgeted for previously was mowing and grounds work. It was suggested that the work be spread over more than one financial year as the increase in expenditure was significant. The Chief Executive Officer advised if there was anything which was not urgent it could be deferred however she was of the opinion that the amount budgeted was the minimum required.

A discussion was held regarding landing fees as opposed to an annual fee for operators at the Airport. It was noted the budget for landing fees was understated and it was felt it should be increased in the plan to \$25,000. The Chief Executive Officer advised given the growth in tourism she would be reluctant to change the fees to a fixed charge. A variable fee worked in the interests of both Council and the user.

A discussion was held regarding helicopters having a fixed rate. It was noted that if there were fixed fees for operators at the Airport then Council was reliant on the number of operators for revenue, landing fees were a true reflection of the state of numbers. A sample of fees charged at other Airports was provided and discussed.

Moved by Councillor Diver, seconded by Councillor Mackle and resolved that the Airport Landing Fees remain the same until an in-depth study was undertaken, the study to be undertaken prior to 30 June.

The development of an Airport Activity Management Plan was ongoing.

Civic Building

Concern had been expressed about the costs for the Civic Building and transparency of information. It was agreed a response letter would acknowledge concerns and provide a response as per that included in the staff comments section on the summary of submissions.

Community Development Officer

A request had been received to reinstate the Community Development Officer role. It was noted there was no budget in the draft Annual Plan for the role. The Chief Executive Officer advised there was potential to combine the role with an Economic Development Officer role as there was budget set aside for Economic Development. A discussion was held regarding the scope of the role. It was suggested that Council should stay away from social welfare. Funding for an economic development study was also discussed. It was suggested the study could be undertaken by a post graduate student. It was generally felt a combined Economic/Community Development Officer role should be established.

Community Facilities

The Canterbury District Health Board had requested Council incorporate universal design and crime prevention principles in toilet design. It was noted urban design guidelines had been forwarded to the Operations Manager.

A discussion was held regarding the application through the Canterbury Forum for funding in the region and one of the areas put forward was Ohau Point. A discussion was also had regarding \$30,000 which had been allocated in the budget the previous year for facilities in the area. This funding would be reinstated in the budget and as it was funded from reserves would not have an impact on rates.

Crime

A submitter had been concerned about crime in Kaikoura. It was noted managing crime did not fall within the jurisdiction of Council and Council was doing as much as it could do. A discussion was held regarding installing a CCTV camera in the South Bay commercial boat park. It was generally felt that given the value of the boats that the owners would have their own security cameras if they felt it was necessary. It was generally felt the matter should be raised with Police at the next meeting.

Cycleway Infrastructure

There was no funding provided for the development of cycleways in the current budget. Footpaths had been a major focus of Council's push for walking and cycling.

Debt Limit

Council was currently meeting the benchmarks for a low growth Council as specified by Department of Internal Affairs. Council was also operating well within its self-imposed debt limit. A discussion was held regarding the average wage in the community, sensitivity of interest rates and expenditure which had remained fairly static.

Earthcheck – Kerbside Rubbish Collection

There was currently no provision to introduce a kerbside rubbish collection. There was currently a recycling and an organic waste pick up in the urban area. If people recycled correctly, then most household waste could be picked up. Concern was expressed that if a kerbside waste collection was reintroduced people would slip back into old habits decreasing the quantity diverted to recycling. Those who had taken in part in the waste audit noted there was still a long way to go in terms of recycling in the district. There was a private rubbish collection service which residents could use at cost. The reintroduction of a waste collection would affect everyone's rates.

A discussion was held regarding defining the costs of Earthcheck because not all of Kaikoura's beautiful environment could be attributed to Earthcheck. The Chief Executive Officer advised staff time related to Earthcheck was minimal. The Earthcheck status represented a point of difference and increased visitors to the area.

Economic Development

The majority of submitters who commented on Economic Development were in support. It was noted Economic Development and Tourism was funded completely through the commercial rate and Council was trying to source external funding.

Native Sea Birds

Council was assisting the submitter with seeking external funding to assist with trying to minimise the disturbance for native sea birds.

Funding Requests

A request for \$10,000 had been received from the Kaikoura Cycle Club. It was felt the cycle trail was good from a visitor point of view and would increase tourism and bed nights. A discussion was held regarding the proposed Trails Trust. When this was established it would promote walking and cycling trails and would also seek funding.

Moved by Councillor Millton, seconded by Councillor Mackle and resolved that the Kaikoura Cycle Club be granted \$10,000 for work on the Kaikoura Cycle Trail.

Kaikoura Information and Tourism Incorporated had requested \$5,000 for inclusion in an international marketing campaign. It was noted the last campaign had been extraordinary in terms of the focus on Kaikoura in Australia.

Moved by Councillor Mackle, seconded by Councillor Milton and resolved that \$5,000 for inclusion in an international marketing campaign by Destination Kaikoura be approved.

Kaikoura Information and Tourism Incorporated had also requested an additional \$10,000 from Council to properly resource the Kaikoura i-Site and allow it to maintain current staffing levels and a high level of service. It was generally felt this was the responsibility of the organisation and the funding request was declined.

Te Korowai has requested funding of \$10,000. Council had provided funding of \$5,000 in the current financial year. A discussion was held regarding the following;

- Providing no funding now that the Strategy was in place
- Funding being seed money so other funding could be obtained
- Some of the proposed work and budgets seemed very expensive
- The work around charter fishing was extremely good for the future.

Moved by Mayor Gray, seconded by Councillor Blunt and resolved that Te Korowai be granted funding of \$5,000 in the 2016/17 financial year.

Library

A request had been received for a number of items to be included in the new library make it a better space and encourage usage. Free wi-fi was one item and a discussion was held regarding the provision of the service. It was noted free wi-fi was included in most libraries and councils. Potential lost revenue from people not using the computer hub was also raised. Budget restraints prevented spending any more money on furniture.

Memorial Hall

Strengthening was planned for the 2017/18 financial year.

Old Beach Road Intersection

The majority of people supported the deferral of the project. A discussion was held regarding the submission from B & K Stuart regarding the trucks parking in the area at night. It was suggested that boulders be put in place so the trucks could not swing around the corner. It was also put forward that the toilets be moved. It was noted the toilet facilities were well used during the day and the major problem was the trucks in the area over night.

It was generally felt the rock solution should be tried at the intersection to see if it alleviated the problem and the relocation of the toilets to the location of the Caves be investigated. The Chief Executive Officer would see what work could be undertaken within existing budgets.

Rates Increases

The Chief Executive Officer tabled a report and provided an overview regarding rates which covered;

- Section 101 of the Local Government Act
- Direct and indirect benefit of activities
- Equity of rates

- Why property value was used as a proxy of ability to pay rates
- Principles that generally underlie a rating system
- Rates structure in Kaikoura
- General rate differentials and percentage paid by the various sectors

Requests made through the submission process were;

1. Lower the general rates differential for rural and semi-rural properties
2. Increase the UAGC to 30% limit
3. Fund economic development through the commercial rate only
4. Reduce spending
5. Leniency in paying the first rates instalment.

A table showing the effects of lowering the general rate differential was provided. This showed the effect of a 0.7 differential on rural properties only and a 0.8 different on rural and semi-rural properties.

It was noted the Uniform Annual General charge was already set at the limit permissible by legislation.

Important points for consideration when looking at changing the differential on the general rate where put forward which included;

- Changing the differential essentially re-distributed the rates mainly back to the residential and commercial ratepayers.
- The comparisons between properties of a similar value e.g. a residential house of approximately \$1million paid \$3,000 to \$4,000, a rural farm of the same value paid \$2,000 to \$3,000 and a commercial business paid \$5,000 to \$7,000 (location dependent).
- Farms were a commercial business which could claim back GST and a share of expenses incurred in production of income.
- Farms were struggling due to cyclical economic conditions most of these were related to inherent business risk.
- The major issue facing the rural and semi-rural sectors was the disproportionate effects of the revaluations and subsequent impact of rates.

The issue which needed to be debated was whether Council should be trying to alleviate the impacts of the disproportionate effects of the property revaluation on the rural and semi-rural sectors by redistributing some of the rates burden across other sectors.

A discussion was held regarding inclusion of a differential on the general rate and the effect on properties across the district. It was noted in terms of residential properties South Bay would be affected the most. The option of cap and spread which was suggested was unable to be undertaken with Councils current software. Council needed to be clear on the rationale of why it was making changes to the rating policy. If changes were made due to economic considerations then it needed to understand that it was a cyclical change and would need to be assessed in three years' time when the next revaluation was undertaken. A discussion was held regarding changing the differential if tourism was to drop off. Concern was expressed if the situation occurred where more than one sector had issues at the same time

regarding where rates would come from to run the town. A discussion was held regarding assets used to generate income for example sea tours were not charged rates on their boats therefore they did not pay rates on the assets which generated their income. A farm needed land to operate. It was suggested a change in the differential could pave the way for a distortion of the rating system.

The Chief Executive Officer advised there was a danger in tinkering with the rates model to make rates more presentable and Council needed to be clear on the rationale for any change which in this case was using a differential to smooth and ensure parity in valuations.

Moved by Mayor Gray, seconded by Councillor Millton that Council adopt a 0.9 differential on the general rates for rural and semi-rural properties.

A discussion was held regarding whether Council would need to go back out to the public given the majority of the community had not submitted on the rates levels therefore they were happy with the draft Plan. It was noted Council had made changes to rates by agreeing to provide funding to organisations. Concern was expressed that it had not been put in the consultation document that Council was looking at changing the differential on rates. It was noted Council had changed the footpath differential the previous year.

The motion was put and carried.

Against: Councillor Diver

Roading

Road sealing in Hapuku would not be subsidised by the New Zealand Transport Agency if it was to go ahead. The Chief Executive Officer would ask the Operations Manager to review whether this work could be undertaken within existing roading budgets.

It was felt that road safety improvements, mirrors and painted arrows, at Maui and Scarborough Street intersections could be undertaken within existing budgets

There was further investigation work that needed to be undertaken regarding repairs on Kekerengu Valley Road.

Scout Hall

A request had been received for funding of repairs and maintenance at the Scout Hall. It was noted the youth of Kaikoura loved the Scout Hall. It was suggested that the work may not cost as much as the money requested. Councillor Mackle would arrange a quote for the work.

Skate Park

Councillor Mackle had looked at the work required on the skate park. He felt it would cost very little money and much of it could be done with community assistance.

Smokefree

The current Policy was under review and would be brought back to Council for approval in the new financial year.

South Bay Harbour

It was noted there needed to be a process in place to collect revenue from cruise ships. A discussion was held regarding whether per vessel maybe easier to collect than per passenger. No revenue had been received from cruise ships to date.

With regard to the rock removal in South Bay and an alternate channel mentioned by submitters the channel did not have required depth and the harbour master did not recommended use of the alternate channel. A discussion was held regarding noise and disturbance when the rock blasting took place, it was noted with new technology, the energy of multiple timed explosions was less than one big explosion. A wave study had not been undertaken and it was unsure if one would be required for the resource consent.

Street Banners

It was felt the location of banners could be discussed with Kaikoura Information and Tourism Incorporated.

Streetlighting

A request was made for future streetlighting to be hooded to avoid upward light spill which caused Hutton's Shearwater's to crash land. It was noted the Operations Manager was looking into this.

Swimming Pool

A working group was looking into covering the Lions Pool.

The cost of extending the swimming season would need to be investigated. It was noted this was an operational matter.

West End Aesthetics

A plan for the West End would be prepared and brought back to Council.

Software Module

The Finance Manager advised of a software enhancement to the programme which Council was already using. It would provide staff with a tool to extract data seamlessly for not only reporting but also for use in terms of monitoring and tracking. The cost of the module was \$22,000 installed and then an annual cost of \$2,000. The project would be loan funded. The cost would be limited to interest on capital and loan repayments.

Moved by Councillor Millton, seconded by Mayor Gray and resolved that Council agree to fund the Financial Performance Intelligence Datacom module.

There being no further business the meeting closed at 1.29pm.