

**Minutes of a Meeting of the
Marlborough District Council
held in the Council Chambers, Seymour Street, Blenheim
on THURSDAY 27 FEBRUARY 2014 commencing at 9.00 am**

Present

The Mayor A T Sowman, Cllrs J L Andrews, J A Arbuckle, J P Bagge, G S Barsanti, C J Brooks, B G Dawson, G I T Evans, T E Hook, P J S Jerram, J C Leggett, D D Oddie, L M Shenfield and T M Sloan.

In Attendance

Messrs A R Besley (Chief Executive), M F Fletcher (Manager Corporate Finance), Mr M S Wheeler (Manager Assets and Services), Mr D G Heiford (Manager Support Services), Mr H Versteegh (Manager Regulatory) and M J Porter (Democratic Support Manager).

Prayer

The meeting opened with a prayer.

C.13/14.272 Annual Budgets 2014-15 S360-03

The Mayor welcomed everybody and introduced the purpose of the budget side of the meeting as per the Agenda. He advised that the starting point was a rate increase of 1.91% to maintain existing levels of service.

C.13/14.273 Budget Summary S360-03

Mr Fletcher spoke to his report which provided Council with an overview of the proposed budgets for the *2014-15 Annual Plan*.

Mr Fletcher reported that the budget presented for Council's consideration maintained the current levels of service. Maintenance of current levels of service was consistent with the approach adopted by Council when it reviewed its *2012-22 Long Term Plan (2012-22 LTP)*. Any proposals to increase levels of service are contained in the subsequent agenda items. The 2012-22 LTP signalled that the increases in rates and charges for the 2014-15 year would be 5.02%. The Pre-election Report signalled that the increase could be as high as 5.08%. In preparing this budget Council's revenue and expenditure was reviewed on a line-by-line basis with a view of containing, if not reducing, budgets, maintaining levels of service and reviewing the need, timing and affordability of non-committed Capital Expenditure.

Mr Fletcher identified that a rates increase of 1.91% was required to maintain existing levels of service. This increase compares with the 1.6% December annualised increase in the Consumer Price Index (CPI), and the 2.5% forecast increase in the Local Government Cost Index (LGCI). The Reserve Bank CPI forecast for 1 July 2014 to 30 June 2015 is 1.8%. Gross debt is forecasted to peak at \$54.5M, approximately \$0.5M below the forecast peak in gross debt contained in the Pre-election Report. Gross debt is forecast to be less than \$2M by 30 June 2024. The net debt position is much lower.

The table below identifies the activities that have the greatest impact on the proposed increase in rates and charges and in summary explain the reasons why. It should also be noted that some of the increase results from the flow on effects of previous investment decisions, particularly in infrastructure intensive activities such as water, roads and community facilities. These projects are now incurring a full year's charge for depreciation, interest on loans and increased operating costs.

| Activity | \$ | Summary Explanation |
|----------------------------------|-----------|--|
| General Rates and Charges | | |
| Roads and Footpaths | \$174,738 | Increased general roading infrastructure and depreciation costs. |
| Democracy | \$112,823 | Increased operating costs including the 2015-25 Long Term Plan preparation and audit costs partially offset by no Council election costs this year as the last election was held on 12 October 2013. |

| | | |
|---|------------------|---|
| Reserves | \$105,762 | Increased contract costs for Lansdowne and Sheps Parks and Blenheim street trees. |
| Resource Consents | \$96,680 | Increased personnel costs which are a significant driver of the fee structure for resource consent processing. The operation is staffed to the minimum level needed to maintain operational capacity and service levels (ie; 20 day timeframes required by legislation). The effects of the recession has seen a significant reduction in consent volumes being received together with widely fluctuating consent numbers from week to week, both of which have affected the revenue flows. A significant proportion of the work is not cost recoverable such as the time spent servicing appeals to the Environment Court. |
| Biosecurity | \$60,105 | Increased cost for AHB funding share for Tb programme and Wilding Contorta for Wye Reserve and adjacent areas. |
| Libraries | \$58,145 | Reinstatement of operating costs following a one-off reduction last year and increased overhead allocation. |
| Arts | \$52,814 | Includes reinstatement of \$50,000 Arts Strategy implementation following one-off reduction last year due to previous years' unspent grants. |
| Solid Waste Management | (\$54,244) | Decreased Contract Costs For Refuse Transfer Station And Resource Recovery Centre Operations (as a result of the new combined Waste Management And Minimisation Contract); offset by increased Refuse and Recycling Targeted Charges identified below. |
| Targeted Rates and Charges | | |
| Wairau Valley River Works Targeted Rates | \$105,845 | Increased flood protection and drainage pump station costs. |
| Water Supply Targeted Charges | \$98,711 | Increased Picton treatment and depreciation costs and Renwick operating and depreciation costs. |
| Refuse and Recycling Targeted Charges | \$68,516 | Increased refuse bag collection and household recycling collection costs; offset by general rate savings identified in Solid Waste Management above. |
| Combined Sewerage Targeted Rates and Charges | (\$149,558) | Reduced depreciation costs arising from deferral of treatment plant and pump station upgrades. |
| Total Value of Comments on Annual Plan Movements | \$730,337 | (Total Annual Plan Movement \$1,070,561) |

It was noted that the new initiatives contained within this budget agenda covered:

| Activity | \$ | Proposed funding source |
|--|-------------------------------------|--|
| Picton Water Elevation Reservoir | \$1,360,000 | Funding from current budgets |
| Land Subdivision Reserve Expenditure | \$585,000 | Final amount, timing and funding to be determined. |
| Blenheim Stormwater Network Modelling | \$80,000 | Funding from the Forestry and Asset Sales Reserve as this is a one-off infrastructure related project |
| Sewer Inflow/Infiltration | \$150,000 | Funding from rates |
| Nursery Lane, Seddon – Sewage Reticulation Proposal | \$225,000 | Funding from the Forestry and Asset Sales Reserve |
| Wither Hills Soil Conservation: <ul style="list-style-type: none"> Redwood Street farm facilities Soil conservation works Increased maintenance | \$100,000 \$169,500 \$57,000 | Funding from Forest Park Reserve Funding from Wairau Operating Reserve Funding from Wairau Operating Reserve |
| Protected Trees | \$15,000 | Funding from either rates or Landscape Advisory Group budget |
| Salvage Yard and Ewaste Facility Relocation | \$122,430 | Self-funding from revenue |
| Coastal Monitoring Strategy | \$337,000 | Funding from rates |
| Harbour Function | \$279,123 | Funding from the application of fees contained in the MDC Navigation Bylaw 2009 |
| Livestreaming and Recording Council Meetings | \$25,000 (capex) \$35,000 (opex) | Funding from rates Funding from rates |

| Activity | \$ | Proposed funding source |
|--|-----------|-------------------------|
| Marlborough Smart and Connected | \$290,000 | Funding from rates |
| Commercial Events Fund | \$75,000 | Funding from rates |
| Remuneration of an External Audit Committee Member | \$10,000 | Funding from rates |

Various questions regarding the rating impact of individual initiatives were responded to by staff.

Cirs Jerram/Sloan:
That the report be received.

Carried

C.13/14.274 Water and Sewer Capital Budgets **S135-11, S180-01, W135-01, W270-01**

Members noted the 2014-15 water and sewer capital programmes that have been critically reviewed by staff through the asset management plans. It was further noted that in recent years more challenging economic pressures have increased the scrutiny given to the timing of capital programmes. This was particularly the case with the 2012-22 Long Term Plan, and this year's draft Annual Plan. Capital expenditure for 2014-15 has been restricted to that which is essential and achievable.

Mr Wheeler advised that the following comprise a list of significant proposed water and sewerage capital projects (excluding renewals).

Water

| | | | |
|-----|------------|--|----------------------------|
| (a) | Awatere | Slow sand filter trial investigation (Currently further water treatment improvements in the Awatere and other small townships are unaffordable. Staff have been instructed to investigate lower cost water treatment options. Slow sand filters are a possibility. A further \$220,000 is budgeted for a trial in 2015-16 should initial investigation suggest it is a feasible option) | \$20,000 |
| (b) | Blenheim | Kinross Street capacity upgrade Investigation and Design Taylor High Reservoir (Construction budgeted in 2015-16) | \$240,000 \$290,000 |
| (c) | Picton | Speeds Road supply treatment upgrade Elevation Reservoir seismic upgrade | \$2,250,000 \$1,360,000 |
| (d) | Renwick | Chlorination process upgrading | \$105,000 |
| (e) | Riverlands | Reservoir seismic strengthening | \$1,300,000 |
| (f) | Havelock | Pressure and demand management work | \$68,000 |

Sewer

| | | | |
|-----|----------|---|---|
| (a) | Blenheim | Sewerage Treatment Plant Upgrade completion Rising main renewals and upgrades (Essential renewal and wet weather capacity) Sewer system modelling and overflow resource consent applications (cost effective renewals and upgrades) Pump station upgrades (renewals including increased wet weather capacity) | \$400,000 \$382,000 \$50,000 \$900,000 |
| (b) | Havelock | Upgrades to improve aeration and reduce odour | \$120,000 |
| (c) | Picton | Reticulation upgrades (Significant pump stations and trunk main upgrades are budgeted to greatly reduce overflows) | \$786,781 |
| (d) | Seddon | Land treatment system design (Resource Consent recommendation) | \$10,000 |

It was reported that in addition to the new projects outlined above some project budgets from 2013-14 will not be fully spent at 30 June 2014 and will be carried forward.

Cirs Barsanti/Arbuckle:
That the report be received.

Carried

C.13/14.275 Capital Expenditure S360-03

Members noted the capital expenditure programme (totalling \$283.4 million) for 2014-24.

Capital Expenditure previously approved for the 2013-14 year but not complete as at 30 June 2014 will be dealt with under Council's "Carry Over" process and is not reflected in this programme.

Cirs Sloan/Barsanti:
That the report be received.

Carried

C.13/14.276 Reserve Balances S360-03

Mr Fletcher outlined the forecast balances for Council's significant Reserves.

Cirs Leggett/Brooks:
That Council receive this report.

Carried

C.13/14.277 Infrastructure Upgrade Reserve S360-03

Mr Fletcher provided an update on the Infrastructure Upgrade Reserve and identified potential for further allocations.

Cirs Barsanti/Arbuckle:
That Council receive this report and agree that only minimal, if any, allocations be made from this Reserve.

Carried

C.13/14.278 Benchmark Properties S360-03

Members noted the summarised indicative rate movement effects for benchmark properties as detailed in the Agenda.

Cirs Arbuckle/Andrews:
That the report be received.

Carried

C.13/14.279 Statements of Financial Position and Performance S360-03

Staff explained the forecast Income Statement and a forecast Statement of Financial Position - reflecting the income, expenditure and funding decisions in the Draft Annual Plan.

Clrs Hook/Arbuckle:
That the reports be received.

Carried

C.13/14.280 Council Activities

S360-03

Staff advised that the purpose of this paper was to present for Council consideration the proposed levels of service and related budgetary proposals for each of Council's Activities; and provide a guide to the structure of each Activity Statement. The papers were attached separately to the Agenda.

Clrs Jerram/Sloan:
That Council receive the information contained in the separate Activity Attachment.

Carried

ATTENDANCE: Mr S Donaldson (Planning & Development Engineer) was in attendance for the following two items.

C.13/14.281 Water Supplies and the Drinking Water Standards

W460-001-001 W460-001-021,

W460-001-022, W460-001-016, W460-001-011

The report updated Council with regard to compliance of Council's water supplies with the Drinking Water Standards and the risks from non-compliance. Staff reported that compliance with the Drinking Water Standards for New Zealand (DWSNZ) was voluntary until 2007 when the Health Act was amended in relation to drinking water supplies, making it a requirement for water suppliers to take *all practicable steps* to comply. The Amendment Act also requires the implementation of public health risk management plans (now known as Water Safety Plans) which are subject to Ministry of Health approval. There is provision in the legislation for consideration of cost when determining whether *all practicable steps* have been taken, but there is no specific guidance given on this. Council's Water Safety Plans for the Awatere, Blenheim and Picton supplies have been lodged and Blenheim's Plan has final approval. The Draft Plans for other supplies are being prepared in time for lodging by due dates.

The report covered in detail water quality and priority one requirements of the drinking water standards; a summary of upgrading to meet priority one of the drinking water standards; other water quality issues; and water availability. Various comments relating to affordability, timing and the unacceptability of these central government standards were voiced at the meeting.

Clrs Jerram/Andrews:
That Council confirms that the Renwick, Havelock, Riverlands, Awatere and Wairau Valley township water supplies will not be upgraded to meet the Drinking Water Standards for New Zealand until more affordable options can be found, and the Water Safety Plans for these water supplies will be prepared and submitted to the Drinking Water Assessor of the Ministry of Health on that basis.

Carried

C.13/14.282 Picton Water Elevation Reservoir

W360-001-008-01

Members noted that the purpose of the report was to consider alternative options for upgrading and replacing the Elevation Reservoir. Staff reported that a report giving condition assessment and options for upgrading the Elevation Reservoir was presented to the Assets & Services Committee meeting on 26 November 2013. The report to the Committee recommended the lowest cost option (Option 1) to construct a small new 500 m³ reservoir and to repair, but not strengthen, the existing reservoir. The new 500 m³ reservoir which would store less than a quarter of the volume of the existing reservoir, would act as a backup in case an earthquake damaged the existing reservoir to the extent it could no longer remain in service. The existing reservoir has

approximately 60 years residual life if it is maintained. The current draft budget has provision for Option 1. A motion to proceed with option 4 was put to the meeting.

Clrs Oddie/Hook:

That Council proceed with Option 4 (demolish the existing reservoir and replace with a new 2200m³ concrete reservoir) at a cost of \$1,820,000, with the extra \$460,000 to be funded by increasing the current budget as already included in the Draft 2014-15 Annual Plan.

Lost on a show of hands 6 – 8.

Following the loss of this motion, a further motion was put to the meeting with Option 1 as per the original recommendation of the Assets and Services Committee.

Clrs Sloan/Leggett:

That Council proceed with Option 1 (repair the existing reservoir and build a new 500m³ steel reservoir) at a cost of \$1,360,000 as currently budgeted for in the Draft 2014-15 Annual Plan.

Carried

C.13/14.283 Land Subdivision Reserve Expenditure Update R510-014-009-01

Staff reported on the forecast of projects expected to be able to be funded in 2014/15 from the Land Subdivision Reserve Account and those projects unable to be so funded where it has been suggested alternative funding sources might be approved.

Members discussed a variety of projects and the funding sources available. It was considered that the Forest Park Reserve was the most suitable funding source.

Clrs Sloan/Andrews:

That the following projects be included in the Draft 2014-15 Annual Plan with funding to come from the Forest Park Reserve:

| | | |
|---|-----------------|-------------------------|
| Picton Foreshore Lighting | (Year 1) | \$100,000 |
| (A complete renewal project is likely to exceed \$400,000) | | |
| Waikawa Foreshore | (Year 1) | \$35,000 |
| (complete project \$290,000) | | |
| Softball relocation to Lansdowne (diamonds etc) | | \$200,000 |
| Sheps' Park development | | \$150,000 |
| Skate Park development | | \$60,000 |
| Taylor Dam carpark formation | | \$40,000 |
| Total | | <u>\$585,000</u> |

Carried

ATTENDANCE: The meeting adjourned at 10.40 am and reconvened at 10.55 am.

ATTENDANCE: Mr S Rooney (Operations & Maintenance Engineer) was in attendance for the following three items.

C.13/14.284 Blenheim Stormwater Network Modelling W410-001-03

Staff reported that the purpose of the report was to seek additional funding from the 2014/15 Annual Plan for stormwater network modelling covering the Redwood Street catchment. Staff advised that selecting the correct grouping of variations is very important to maximise the opportunity for redirection of some of the catchment to other outflows. Getting this right will significantly reduce the cost of using the like for like option. Utilising a network model is the only real means to accurately evaluate the various options.

Cllrs Evans/Leggett:

That \$80,000 be included in the Draft 2014-15 Annual Plan with funding to come from the Forestry and Asset Sales Reserve to enable the development of a stormwater network model covering the Redwood Street catchment.

Carried

C.13/14.285 Sewer Inflow/Infiltration

W430-003-001-01, W430-003-003-01

Members noted that the purpose of the report was to consider increasing budgets for inflow/infiltration investigations and repairs. Staff reported that infiltration and Inflow is an on-going problem common to aging sewerage networks; Council manages a successful inflow and infiltration budgeted program; the budget hasn't been amended for many years with work being undertaken within the budget; it has become apparent in the last two years the budget needs to be increased so the level of inflow and infiltration is kept to limits that the system can cope with and not cause more wet weather overflows than currently; and the increase in budget will only be necessary for the next two to three years when the upgrade program will provide additional capacity and renew some aging pipes.

Cllrs Sloan/Arbuckle:

1. That the infiltration budget be increased from \$150,000 per annum to \$300,000 for the 2014-15 and 2015-16 financial years only, funded from general rate and included in the Draft 2014-15 Annual Plan.
2. That the level of budget be reviewed for the Draft 2016-17 Annual Plan after some sewer mains upgrade works are complete.

Carried

C.13/14.286 Nursery Lane, Seddon – Sewage Reticulation Proposal

W440-003-007-01

Staff reported that the purpose of the report was to provide background of a sewage disposal problem in Nursery Lane, Seddon and to propose funding. It was noted that seven properties historically drain untreated sewage to the Awatere River. Council requires this to stop under the Wairau/Awatere Plan and Resource Management Act. A preferred option has been designed and estimated to cost \$225,000 (GST excl). This cost will be finalised when a contract for construction is awarded. It was also noted that Council has asked WINZ to provide information to residents individually regarding assistance which might be applicable.

Cllrs Evans/Arbuckle:

1. That Council proceed with the upgrade of the existing sewage reticulation in Nursery Lane (as per option (d) - replacing the existing sewer line in Nursery Lane with a new PVC sewer main with three manholes; and installing a sewerage pump station in the northeastern corner of the Council reserve where the old rabbiters' house is situated or in the road corridor nearby. Sewage will then be pumped south up the terrace to the sewer reticulation within the Crafar Crouch subdivision, then gravity feed through existing Council sewer mains to the Seddon sewer ponds system) at a cost of \$225,000 to be funded from the Forestry and Asset Sales Reserve, and included in the Draft 2014-15 Annual Plan.
2. That the Seddon Sewerage Scheme rating area, as part of the Combined Sewerage Scheme, be extended to incorporate these Nursery Road Lane properties.
3. That staff continue to consult with the affected property owners.

Carried

C.13/14.287 Wither Hills Soil Conservation – Maintaining Past Gains

R510-009-W03-10

The report recommended that Council give consideration to some increased funding for works in the Wither Hills Farm Park to upgrade core farm infrastructure and enable some additional soil conservation maintenance work to be completed. It was reported that staff working in consultation with Council advisors PALMS have reviewed the Wither Hill Soil Conservation work programme and identified some deferred maintenance and areas where some capital improvements are appropriate.

Clrs Evans/Sloan:

That Council adopt the proposed new Wither Hills Soil Conservation work programme and that consideration be given as part of the 2014-15 Annual Plan review to commencing the enhanced work programme from 2014-15, with funding sources identified as follows:

- **Upgrade of Redwood Street farm facilities - \$100,000 from the Forest Park Reserve;**
- **New capital soil conservation works - 10 year programme of work totalling \$169,500 from the Wairau Operating Reserve reducing to \$20,000 per annum in years 9 and 10 of the programme; and**
- **Increased annual maintenance programme - \$57,000 per annum from the Wairau Operating Reserve.**

Carried

C.13/14.288 Protected Trees – Support and Funding Request

R510-015-01

Members noted that the report was requesting an annual budget of \$15,000 to better monitor and manage the district's almost 500 heritage and notable trees and to encourage property owners to retain, protect and manage the district's trees of significance by inspecting and updating tree records, installing new tree plaques, and assisting private property owners with tree assessments, resource consent fees or other cost considered appropriate to support in the management of heritage trees. The fund may also be used to undertake remedial work on Council's own protected trees.

There was a suggestion that this request could be funded from the Landscape Group's budget, but this was rejected at the meeting.

Clrs Sloan/Evans:

That a \$15,000 per annum increase within the Reserve budgets specifically for Protected Tree management and a portion for the public to apply to, if they have concerns with a protected tree on their property, be approved from general rates and included in the Draft 2014-15 Annual Plan.

Carried

ATTENDANCE: Mr A McNeil (Solid Waste Manager) was in attendance for the following item.

C.13/14.289 Salvage Yard and Ewaste Facility Relocation

W300-006-010-01

Staff reported on the proposed relocation of the Salvage Yard and E-waste facility to the Resource Recovery Centre and the Reuse Centre. The relocation of the Salvage Yard and E-waste facility would increase the foot traffic through these facilities generating an estimated \$20,000 in revenue. This would also free up a shed for Council to utilise for other purposes e.g. document storage. The cost of this relocation, in terms of debt servicing, could be covered by a growth in revenue at the RUC from the relocated services. Additional cost savings could also be generated dependant on which Council department uses the vacated site, e.g. reduced storage costs estimated at \$10,000 per year.

Cirs Bagge/Shenfield:

That Council approve the relocation of the Salvage Yard and E-waste facility to the Resource Recovery Centre at a cost of \$122,430 being self-funded from revenue and that this is included in the Draft 2014-15 Annual Plan.

Carried

C.13/14.290 Coastal Monitoring Strategy Funding E325-003-001 & 002

Members noted that the purpose of the report was to seek ongoing funding for the implementation of the Coastal Monitoring Strategy and Marine Biosecurity obligations.

Staff reported that the Strategy provides the Council an opportunity to be in a positive position long term by gathering adequate information and gaining a better understanding of the coastal environment. Good quality data for the coastal environment is required in order to provide input for the region's policy and plans, to ensure the effectiveness of current policy and plans, to promote economic development and to provide for the protection of the environment. Some of the recent preliminary work, funded from one off Envirolink grants, internal budgets, and assistance from MPI has helped to provide a focus for longer term State of the Environment coastal monitoring. Funding of \$337,000 is required to continue to partly reinstate the previous core budget allocated to the coastal programme and ensure the continuation of the Coastal Monitoring Strategy's implementation and comply with Council's biosecurity obligations. Further resourcing along the lines of Coastal Occupancy Charging is required to sustain long term State of the Environment coastal monitoring.

Cirs Jerram/Barsanti:

- 1. That the information be received.**
- 2. That ongoing funding of \$337,000 be included in the Draft 2014-15 Annual Plan with funding to come from general rate for the implementation of the Coastal Monitoring Strategy and Marine Biosecurity obligations.**
- 3. That the issue of Coastal Occupancy Charges be brought back to the Environment Committee for further consideration.**

Carried

C.13/14.291 Harbour Function – Budget Increase H100-012-12

Members noted that the purpose of this report is to seek an increase in the Harbour Function budget for the 2014/15 financial year. It was reported that as a Harbour Authority, Council has responsibility for maritime safety within the Marlborough Harbour. The Safety Management System, developed following a comprehensive risk assessment, was not fully implemented due to budgetary constraints through lack of a sustained revenue stream. Preparation of the 2014/15 FY budget identified a shortfall in funding that can be met through implementation of existing fees and charges not yet in force. The matter of implementation of fees and charges to meet the shortfall was considered by the Environment Committee and subsequently Council and was ratified.

There was much debate at the meeting on this issue and in the end the following motion was put.

The Mayor/Cir Barsanti:

That Council enter into discussions with Port Marlborough New Zealand Limited regarding the recovery of Harbour Functions costs.

Carried

ATTENDANCE: Ms S Young (Chief Information Officer) was in attendance for the following item.

C.13/14.292 Livestreaming and Recording Council Meetings

I225-01

Staff reported that the purpose of this report is to investigate the possibility of livestreaming and video recording of Council meetings in the Council Chambers as raised by various members from time to time. It was further reported that some councils livestream and record some or all of their council meetings. Wanganui District Council decided not to progress at the current time due to costs and potential lack of demand from the public. The cost to council would be approximately - capital: \$25,000 and annual operating: \$35,000 per annum and would require a rate increase.

Some arguments put forward for livestreaming were transparency issues, social media and to catch up meeting not attended.

Cirs Arbuckle/Andrews:

That the proposal for livestreaming and recording of Council meetings be not accepted.

Carried

NB: Cirs Bagge and Dawson requested that their votes against the above motion be recorded.

ATTENDANCE: The meeting adjourned at 12.20 pm and reconvened at 1.00 pm.

ATTENDANCE: Mrs S Witehira (Regional Events Strategy Coordinator) was in attendance for the following item.

C.13/14.293 Proposed Commercial Events Fund E100-002-001

Staff reported on a proposal to establish a Commercial Events Fund. Establishing a Commercial Events Fund will advance the Marlborough Regional Events Strategy and goals set for the Marlborough region. The specific objectives for funding as part of the strategy are: one additional Major event by 2016; Marlborough will add at least 1 Regional and or Niche event in the winter and or shoulder seasons by December 2014; combined marketing programmes showcasing groups of events in Marlborough; and develop an economic impact report of all Major Events held in Marlborough.

It was further reported that the investment in events by Council generates significant economic benefit to the wider community. The potential was demonstrated by Covec's Economic Evaluation on the 2013 Classic Fighters event which produced a net inflow of \$3.05 million into the Marlborough economy with a return of \$6.31 for every \$1 spent by organisers. The implementation of a Commercial Events Fund would assist in reaching targets in the Marlborough Regional Events Strategy, Long Term Annual Plan and Regional Visitor Strategy. Events Managers need access to a Commercial Events Fund to initiate Emerging Events, support Cornerstone Events and provide provision for Significant Events to be held in Marlborough. Without this fund Marlborough is falling behind in new event development and existing events could move or cease. At present Marlborough Events do not meet the criteria for the New Zealand Major Events Fund due to no cash investment by the Marlborough District Council at local government level.

There was some opposition to this fund being established from members, citing the lack of criteria and the need to "get runs on the board" before further investment.

Cirs Hook/Arbuckle:

That \$75,000 be included in the Draft 2014-15 Annual Plan with funding to come from general rate to establish a Commercial Events Fund.

Carried

NB: Cirs Bagge requested that her vote against the above motion be recorded.

ATTENDANCE: Mr N Henry (Manager Strategic Planning & Economic Development) was in attendance for the following item.

**C.13/14.294 Marlborough Smart and Connected - 2014/15
Proposed Budget E100-010-01**

Staff reported that the purpose of the report was to outline the proposed Smart and Connected priority areas for 2014/15 and identify the budgetary requirements to support this. The proposed actions were the continuation of the existing projects in 2014/15 (Business support [Marlborough Food and Beverage Innovation Cluster; Business Trust Marlborough; Smart Business Marlborough]; Vision implementation [External implementation: industry groups; External implementation: community groups; Internal implementation]; Information [Economic data updates; Communication]; and Implementation of the Marlborough Story) and the new requirements for 2014/15 (Marlborough Iwi economy group; and Innovation stocktake).

It was further reported that implementation of the Smart and Connected framework is a long-term commitment that will require focus and additional resources to ensure that Council can play a pivotal role in its adoption by industry and the community. One-off funding was provided in 2013/14 to commence the implementation of Smart and Connected and Marlborough Food and Beverage Innovation Cluster. Additional funding will be required to continue these projects in 2014/15 and beyond. Discussion on the issue focused on the need for Council to act as a facilitator for industry to help themselves; that there needs to be specific KPIs and targets produced; that funding from Reserve is preferred and that an extensive review needs to be undertaken in 12 months.

Cllrs Sloan/Andrews:

That \$290,000 be included in the Draft 2014-15 Annual Plan with funding to come from the Forest Park Reserve to support the delivery of new and existing Smart and Connected projects in 2014/15, with an extensive review of the project funding being undertaken in 12 months.

Carried

**C.13/14.295 Remuneration of an External Audit Committee
Member D050-001-A05**

Members agreed that an annual budget of \$10,000 be provided for the remuneration of an external Audit Committee member.

Cllrs Leggett/Barsanti:

That ongoing funding of \$10,000 be included in the Draft 2014-15 Annual Plan with funding to come from general rate for the remuneration of an external Audit Committee member be approved.

Carried

**C.13/14.296 Flaxbourne Community Irrigation Scheme
C230-003-F01**

Members noted the progress being made in regard to the proposed Flaxbourne Community Irrigation Scheme (FCIS). Members further provided conditional approval to provide finance for the scheme secured by way of rate over the participating properties.

It was reported that the pre-feasibility analysis for the scheme was completed by Tonkin and Taylor and peer reviewed by Opus international. Executive Finesse Limited has assisted in coordination on behalf of FCIL. Financial assistance has been provided by MDC and MPI to the value of \$368,000 with an additional \$265,000 contributed by the community. In addition many thousands of hours have also been contributed by the Community to get this proposal to its current position.

Cllrs Leggett/Bagge:

That Council agrees to signal conditional support (as follows)

- **Final design, estimates and funding for the scheme proposal;**
- **Securing 100% of commitment to fund the scheme either by participating landowners or investors in the future demand for water;**

- Consultation and adoption during the review of its Long Term Plan in 2015; and
- The outcome from tendering the proposed scheme being within funding commitments secured for the scheme.

be included in the Draft 2014-15 Annual Plan to enable consultation with the community.

Carried

C.13/14.297 Revitalisation of Blenheim and Picton Central Business Districts U045-02, U045-03

Members noted that the purpose of the report was to suggest that Council indicates in the draft annual plan that it intends to explore options for the revitalisation of both the Blenheim and Picton Central Business Districts (CBDs). Another purpose of the report was to ask Council how it wishes to advance the Blenheim CBD revitalisation project and to note that a key issue will be the location of a new library/community centre for Blenheim.

Cirs Barsanti/Arbuckle:

1. That Council signal in the Draft 2014-15 Annual Plan that it is exploring options for the redevelopment of both Blenheim and Picton CBDs.
2. These options for Blenheim CBD could include the purchase of some properties for future library/community buildings.

Carried

C.13/14.298 Picton/Picton Vicinity Geographic Area S360-06

Members noted that the purpose of the report was to reconsider whether to move a number of Karaka Point (KP) properties from the Picton Vicinity Geographic Rating Area to the Picton Geographic Rating Area.

It was reported that in 2011/12 Council decided to review the boundaries of those six geographic areas to determine whether they remained appropriate given the passage of time since they were first set and given the extent of change which has taken place within Marlborough during that time. The review process and outcome was undertaken as part of the 2012-22 Long Term Plan process. One of the proposals Council made as part of that process was to move the boundary of the Picton/Picton Vicinity boundary along Port Underwood Road to include the contiguous properties from the current boundary at 70 Port Underwood Road, just past the eastern end of Waikawa Bay, to now include 79 to 351 Port Underwood Road. This area is known as Karaka Point and is referred to herein as KP. This transferred the affected properties from Picton Vicinity to Picton. The proposal resulted in those properties bearing a significant increase in their General Rates. The Karaka Point Ratepayers Association (*Association*) was formed for the purposes of engaging with Council about the proposed change to the boundary.

The Association sought Judicial Review of Council's decision on a number of procedural grounds and, in particular, whether there had been adequate consultation between Council and the affected ratepayers. The Judicial Review application was successful because the High Court found that Council had (a) not provided sufficient detail of the reasons for moving the boundary and (b) had provided inadequate time for consultation in relation to this issue. The judgment did not express a view on whether or not Council had made the correct decision in substantive terms. Members discussed whether to address the issue again. In doing so members took a fresh look at the issue of whether the boundaries for the Picton/Picton Vicinity geographic areas correctly reflected an appropriate apportionment of General Rates. It was agreed that fair and reasonable consultation with the affected residents needed to be undertaken and that any decision on the outcome of the consultation would be debated during the Annual Plan adoption process in June.

Cirs Leggett/Barsanti:

That Council agree to include in the 2014-15 Draft Annual Plan for consultation, the movement of 58 properties (79 to 351 Port Underwood Road) located at Karaka Point from the Picton Vicinity Geographic Rating Area to the Picton Geographic Rating Area and a Long Term Plan Amendment.

Carried

NB: C/r Bagge requested that her vote against the above motion be recorded.

The conclusion to the decisions made on the papers above is that the total rates and charges for the 2014-15 financial year will increase by 2.95%.

C.13/14.299 Confirmation of Minutes -

The Mayor/Clr Sloan:

That the Minutes of the Council Meeting held on 12 December 2013 (Minute Nos. C.13/14.185 to C.13/14.199) be taken as read and confirmed.

Carried

Committee Reports

C.13/14.300 Community & Finance Committee -

With regard to Minute No. A.13/14.202 (New Year's Eve 2013 Celebrations Report) staff are to respond to members with confirmation of the numbers attending the celebrations.

Clrs Leggett/Brooks:

That the Committee report contained within Minute Nos. A.13/14.200 to A.13/14.214 be received and the recommendations adopted.

Carried

C.13/14.301 Regional Planning & Development Committee -

The recommendation under Minute No. D.13/14.216 (Request for Funding from Blenheim 'Gigatown' Competition Project) was discussed and an amending motion put to the meeting:

Clrs Arbuckle/Dawson:

That the recommendation under Minute No. D.13/14.216 (Request for Funding from Blenheim 'Gigatown' Competition Project) be replaced with the following:

That Council match the \$3,000 pledge from the Marlborough Chamber of Commerce to the Blenheim Gigatown competition project.

Lost

Clrs Hook/Evans:

That the Committee report contained within Minute Nos. D.13/14.215 to D.13/14.229 be received and the recommendations, as amended above, adopted.

Carried

C.13/14.302 Assets & Services Committee -

Members discussed the recommendation under Minute No. P.13/14.232 (Port Underwood Road – Application to Cart Logs (NZ Forestland Limited)) which stated:

Clrs Hook/Bagge:

That the application to cart logs in Tumbledown Bay, Port Underwood Road, Waikawa Road and Dublin Street be declined.

Carried

Some members expressed the view that a sub-committee should be set up to further examine potential options however the counter view that the Assets and Services Committee had already done that was also expressed. It was noted that the Sounds Advisory Group had applauded the Committee's recommendation.

Clrs Evans/Arbuckle:

That the recommendation under Minute No. P.13/14.232 (Port Underwood Road – Application to Cart Logs (NZ Forestland Limited)) be replaced with the following:

That a Sub-Committee of three Councillors (including at least one Sounds Ward Councillor) be tasked with working through the potential options in regard to the cartage of logs on the Port Underwood Road and other such roads.

Lost following a division being called 6 to 8 (Clrs Arbuckle, Bagge, Dawson, Evans, Leggett and Shenfield for, The Mayor and Clrs Andrews, Barsanti, Brooks, Hook, Jerram, Oddie and Sloan against).

With regard to Minute No. P.13/14.239 (Speed Limit Bylaw) it was proposed that a Sub-Committee be established to hear and decide on any submissions made on the proposed bylaw.

Clrs Sloan/Andrews:

That a Sub-Committee made up of Clrs Arbuckle, Barsanti, Leggett and Oddie be established to hear and decide on any submissions made on the proposed Speed Limit Bylaw and report back to the Assets and Services Committee.

Carried

Minute No. P.13/14.238 (Spring Creek Intersection – Update Report) was discussed and it was noted that Ward Councillors were concerned with the consultation process. The Chief Executive advised that he and the Manager Assets and Services Department would discuss the issue with Marlborough Roads.

Minute No. P.13/14.249 (Review of Marlborough's Freedom Camping Bylaw) was discussed and it was agreed that Clr Brooks be added to the Working Group.

Clrs Hook/Leggett:

That recommendation 1. under Minute No. P.13/14.249 (Review of Marlborough's Freedom Camping Bylaw) be replaced with the following:

That a working group be established consisting of Councillors Sloan, Oddie and Brooks and staff to reassess prohibited and designated areas before proposing an amended draft bylaw under the Freedom Camping Act.

Carried

Clrs Sloan/Andrews:

That the Committee report contained within Minute Nos. P.13/14.230 to P.13/14.253 be received and the recommendations, as amended above, adopted.

Carried

C.13/14.303 Environment Committee

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The appointment of a Hearings Commissioner under Minute No. R.13/14.263 was queried with an explanation being given as to why particular people with particular skills were considered for the role of Hearings Commissioner.

Minute No. R.13/14.262 (Winery Wastewater and Grape Marc Monitoring) was discussed with it being promoted that the closing period of reporting (31 May) should be moved so that this does not occur during their busy time.

Clrs Jerram/Oddie:

That the Committee report contained within Minute Nos. R.13/14.254 to R.13/14.271 be received and the recommendations adopted.

Carried

NB: Clr Bagge requested that her vote against the above motion be recorded.

C.13/14.304 Regional Transport Committee

-

Cllrs Sloan/Leggett:

That the Committee report contained within Minute Nos. X.13/14.182 to X.13/14.184 be received and the recommendations adopted.

Carried

C.13/14.305 Authority to Hear and Make Decisions on Submissions on the Psychoactive Substances LAPP

L225-01

Members noted that the purpose of the report was to delegate to an appointed sub-committee the powers to hear and make decisions on the proposed Psychoactive Substances Local Approved Products Policy (LAPP).

Cllrs Hook/Oddie:

That a sub-committee of Cllrs Leggett, Barsanti, Brooks and Arbuckle be delegated the power to hear and make decisions on the proposed Psychoactive Substances Local Approved Products Policy.

Carried

C.13/14.306 Draft Local Alcohol Policy

E350-005-002-01

Members noted that the purpose of the report was to propose that Council adopt, pursuant to the Sale and Supply of Alcohol Act 2012, a draft Local Alcohol Policy (as attached to the Agenda) and commence the special consultative procedure.

Cllrs Shenfield/Hook:

1. That the report on the draft Local Alcohol Policy be received.
2. That the draft Local Alcohol Policy and consultation documents be approved.
3. That the special consultative procedure commence and proceed in accordance with the following timelines:
 - Advertise the Statement of Proposal from 6 March 2014
 - Submission period from 6 March to 2 May 2014
 - Hearings in the week of 19 May 2014
 - Report on the consultation process (and possible production of a provisional LAP) to the Council meeting on 26 June 2014
 - If considered appropriate a provisional LAP then to undergo a special consultative process.
4. That the District Licensing Committee be delegated the power to hear and make decisions on the draft Local Alcohol Policy.

Carried

NB: Cllr Sloan declared an interest in the above and did not take part nor vote on the issue.

C.13/14.307 Decision to Conduct Business with the Public Excluded

-

The Mayor/Cllr Barsanti:

That the public be excluded from the following parts of the proceedings of this meeting, namely:

- Confirmation of Public Excluded Minutes

- **Committee Reports (Public Excluded Sections)**
- **Committee Representation**

The general subject of each 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) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

| General Subject of each matter to be considered | Reason for passing this resolution in relation to each matter | Ground(s) under Section 48(1) for the passing of this resolution |
|---|--|--|
| Minutes and Committee Reports | As set out in the Minutes | That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987. |
| Committee Representation | In order to protect the privacy of natural persons, as provided for under Section 7(2)(a). | That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987. |

Carried

The meeting closed at 4.55 pm.

Confirmed this 3rd day of April 2014

A T SOWMAN
MAYOR

Record No. 1478306