



Minutes of the ninth meeting of the eighth triennium of Horizons Regional Council held at 10.01am on Tuesday, 28 June 2011, in the Tararua Room, Regional House, 11-15 Victoria Avenue, Palmerston North.

**PRESENT** Crs EB Gordon (Chairman), JJ Barrow, LR Burnell, VJF Chettleburgh QSM ED, GL Cox, MC Guy, GM McKellar, PW Rieger QSO JP, CI Sheldon, RG Walker, and JJ White.

**IN ATTENDANCE** Chief Executive Mr MJ McCartney  
Group Manager Corporate and Governance Mr CA Grant  
Committee Secretary Mrs JA Kennedy

**ALSO PRESENT** At various times during the meeting:  
Mr A Cook (Group Manager Operations), Mr C Mitchell (Group Manager Environmental Management), Mr G Shirley (Group Manager Regional Services and Information), Mr G Carlyon (Group Manager Regional Planning and Regulatory), Mr T Collé (Chief Financial Officer), Mr E Duggan (Strategic Financial Planner), Mr B Gilliland (Appeals Project Manager), Mr J Beard (member of the public), and two members of the Press.

**APOLOGIES**

There were no apologies.

**PUBLIC SPEAKING RIGHTS**

There were no requests for public speaking rights.

**LATE ITEMS**

There were no late items notified.

**MEMBERS' CONFLICTS OF INTEREST**

There were no conflicts of interest noted.

**PETITIONS / DEPUTATIONS**

There were no petitions/deputations advised.

**CONFIRMATION OF MINUTES**

**11-134 Moved Guy/Chettleburgh**

*That the minutes of the meeting held on 24 May 2011, as circulated, be confirmed as a correct record, with addition of 'with the NZX Board' to Cr McKellar's Member's Report.*

**CARRIED**

## CHIEF EXECUTIVE'S REPORT

The Chief Executive (CE) referred to the annexed regional roundup covering key activities and the regional sector group annual report. He elaborated on key points in his report about the adoption of the Annual Plan, the signing of the Manawatu River Accord, the findings of a financial health report that was commissioned from PricewaterhouseCoopers (pwc), MWRC Holdings Limited discussions held with CentrePort about the company's proposal to down-sell some of its property investments, and expanded on the upcoming work plan around the Land and Water Forum. The CE commented on the upcoming Local Government New Zealand Conference in July and said Horizons, along with Hawke's Bay and Wellington, would be co-hosting the pre-conference tour. The Group Manager Operations was available to answer questions about the South Spit breach risk at Wanganui. Members asked questions of clarification on points of interest.

**11-135**

**Moved**

**Gordon/White**

*That the Chief Executive's report be received.*

**CARRIED**

## ADOPTION OF THE FINAL 2011-12 ANNUAL PLAN, RATE SETTING, AND ADMINISTRATIVE CHARGES CONFIRMATION FOR 2011-12

*Report No. 11-113*

This report outlined the procedures for the approval and adoption of the Annual Plan (AP) 2011-12, the consequential setting of the 2011-12 rates, and the confirmation of the 2011-12 administrative charges.

Mr T Collé, Chief Financial Officer (CFO) presented the final Annual Plan for 2011-12 which included on average an overall rate increase of 6.67%, including a GST adjustment of 2.32%. He noted a forecast rate increase for 2012-13 of 5.28%. He referred Members to the table on page 18 which highlighted the amendments made to the Draft Annual Plan following public consultation. Several Members believed the sum of \$750,000 allocated in the table on page 18 against Animal Health Board (AHB) Tb Vector for 2012-13 was an inappropriate projection. The Chairman called for a show of hands to indicate whether the projection for AHB should remain in the table. Ultimately it was agreed that it would remain but with a note to signal that it was subject to review. Clarification was sought around the River and Drainage activity and discussion ensued about the risk and uncertainty in regard to insurance cover and costs.

At this time the Chairman advised that Council would consider Public Excluded Item Two, Financial Consequences of Annual Plan Decisions, Report No. 11-116. The item was in the public excluded part of the meeting as it discussed staff resourcing.

**11-136**

**Moved**

**Gordon/Guy**

*that the public is to be excluded from this portion of the Council meeting as the general subject matter to be considered while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for passing of this resolution is as follows:*

General subject of each matter to be considered	Reason for passing this resolution	Grounds under section 48 (1) for passing this resolution
PX2 Financial Consequences of Annual Plan Decisions <i>Report No. 11-116</i>	As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.
PX1 Confirmation of Minutes of 24 May 2011	As disclosure would not be in the public interest because of the greater need to enable Council to carry on without prejudice or disadvantage commercial negotiations.	That the exclusion of the public from that part of the meeting is necessary to prevent the disclosure of information for which good reasons for withholding exist.
PX3 Council to <b>consider</b> whether any item in the Public Excluded minutes can be moved into the public domain, and <b>define</b> the extent of the release.		

**CARRIED**

The meeting adjourned to the Public Excluded part of the meeting at 10.52am and resumed at 11.57am.

**ADOPTION OF THE FINAL 2011-12 ANNUAL PLAN, RATE SETTING, AND ADMINISTRATIVE CHARGES CONFIRMATION FOR 2011-12 (Continued)**

*Report No. 11-113*

The FM outlined several minor amendments to the report and recommendations:

- Page 19, paragraph 13, second sentence to read - *“This section starts on page 133 and ends on page 150 of the AP”*.
- Page 19, paragraph 14, second sentence to read – *“This section starts on page 151 and ends on page 158 of the AP”*.
- Page 19, paragraph 15 (c) to read – *“adopts the Annual Plan 2011-12 as amended at Council meeting on 28 June 2011”*.
- Page 20, paragraph 16 (c) (i) to read – *“...the rate resolution are for the financial year 1 July 2011 to 30 July 2012...”*.

There was discussion and questions of clarification asked about the Emergency Management (EM) budget. The Group Manager Regional Services and Information undertook to seek clarity around the EM budget. In the meantime the Chairman continued with consideration of Report No. 11-111, Community Engagement Six Month Report.

**COMMUNITY ENGAGEMENT SIX MONTH REPORT**

*Report No. 11-111*

This report informed Members about the community engagement initiatives undertaken by Council since January 2011.

The Chief Executive presented the report on behalf of the Media and Communications Manager. Members provided comment on points of interest.

11-137

**Moved**

**Guy/White**

*That the Council*

- a. **receives** the information in Report No. 11-111.

**CARRIED**

**REMUNERATION AUTHORITY –  
COUNCILLORS' ALLOWANCES AND REIMBURSEMENTS POLICY**

*Report No. 11-112*

This report informed Members' of the advice received from the Remuneration Authority (RA) regarding a change to the mileage rate and for Council consideration to amend the Councillors' Allowances and Reimbursements Policy.

The Group Manager Corporate and Governance (GMCG) introduced the report seeking Council's endorsement to accept the proposal to amend clause 5.2, bullet point one of the Councillors' Allowances and Reimbursements Policy from 70 cents per kilometre for the first 5,000 kilometres to 74 cents. The GMCG clarified Members' questions.

Members asked that reference to paragraph 8.2.4 in several places of the Councillors' Allowances and Reimbursements Policy be amended to read paragraph 9.2.4.

11-138

**Moved**

**Cox/Chettleburgh**

*That the Council*

- a. **receives** the information in Report No. 11-112;
- b. **acknowledges** that the Remuneration Authority will allow councils to amend their Vehicle Mileage Rate from 70 to 74 cents for the first 5,000 kilometres of travel;
- c. **agrees** that clause 5.2, bullet point one of the Councillors' Allowances and Reimbursements Policy be amended to reflect 74 cents per kilometre for the first 5,000 kilometres reimbursed in any one year to a member:
- \$0.74 per kilometre for the first 5,000 kilometres reimbursed in any one year to a member;
- d. **agrees** that reference to paragraph 8.2.4 of the Councillors' Allowances and Reimbursements Policy be amended to paragraph 9.2.4

**CARRIED**

*The meeting adjourned at 12.10pm*

*The meeting reconvened at 1.00pm*

## REPORT FROM APPEALS ADVISORY GROUP

Report No. 11-114

This report updated Council on progress made to resolve appeals to the Proposed One Plan as Amended by Decisions. The report covered the period 13 May to 17 June 2011.

Mr Gilliland, Appeals Project Manager expanded on points in the report and provided a verbal update on the outcomes of the second week of mediation. He advised that copies of Manawatu-Wanganui Regional Council Preliminary Views as used at mediation would be available to view in the Councillors' Room. Copies of the memorandum regarding matters agreed at mediation would also be available to view in the Councillors' Room. Mr Gilliland provided clarification on areas of interest. Comment and questions were again raised about the reporting timeframe to Council around key information, and the level of authority the One Plan Advisory Group held in resolving appeal points. The Chief Executive noted that the matter had been discussed at length at the May Council meeting. At that meeting it had been agreed that the One Plan Advisory Group would be given delegated authority to provide advice to Horizons' staff on the Council's position to be taken into the mediation process and report back on the outcome to Council.

**11-139**                      **Moved**    **White/Guy**

*That the Council*

- a.        **receives** the report of the One Plan Appeals Advisory Group.

**CARRIED**

## ADOPTION OF THE FINAL 2011-12 ANNUAL PLAN, RATE SETTING, AND ADMINISTRATIVE CHARGES CONFIRMATION FOR 2011-12 (Continued)

Report No. 11-113

Clarification was sought about reference made in paragraph 16 (c), xxiv, to section 146 of the Local Government Act. The Strategic Financial Planner provided an explanation of the Act and undertook to obtain a legal opinion on whether it was required or not in the future. In regard to paragraph 16 (c), xvii, reference to the AHB Tb Vector Levy rate, Members asked that reference in the Annual Plan be consistent with the recommendation eg, to include the words *Levy* and *Rate*.

After further discussion recommendations (c), (d) and (c) (i) were amended to reflect the earlier discussion. The Chairman then put the recommendations.

**11-140**                      **Moved**    **Rieger/Guy**

It is recommended, for the adoption of the Annual Plan 2011-12, *that the Council:*

- a.        **acknowledges** the submissions and deliberations process;
- b.        **acknowledges** that the amendments to the Annual Plan 2011-12 arrived at the 9 June 2011 meeting, together with typographical, arithmetical and presentation amendments, have been incorporated in the draft documents;
- c.        **adopts** the Annual Plan 2011-12 as amended at Council meeting on 28 June 2011;
- d.        **requests** the Chief Executive to prepare the final Annual Plan 2011-12 for publication including amendments to the text as determined by decisions at the Council meeting of 28 June 2011;

- e. **requests** the Chief Executive to formally advise submitters of its decisions, addressing the individual items raised by submitters in their written submissions.

*It is recommended, for the setting of rates, that the Council:*

- a. **acknowledges** that the rates, the subject of this report, relate to the financial year 1 July 2011 to 30 June 2012, and are all GST Inclusive;
- b. **resolves** to set the rates for the 2011-12 year as set out in the FIS of the adopted Annual Plan 2011-12;
- c. **resolves** pursuant to the **Local Government (Rating) Act 2002** (the Act) and in particular:
  - i. that, as required by section 24(a) of the Act, the rates covered by this resolution are for the financial year 1 July 2011 to 30 June 2012, and, as required by section 24(b) of the Act, are payable on or before Friday 30 September 2011;
  - ii. to set under section 15(1)(a) of the Act, a Uniform Annual General Charge of \$36 per rating unit in the Region, and as detailed in the FIS of the adopted Annual Plan 2011-12;
  - iii. to set under section 13(2)(b) of the Act, a General Rate on every rating unit in the Region, on a differential basis using an “estimate of projected valuation” as provided under section 131 of the Act, and as detailed in the FIS of the adopted Annual Plan 2011-12;
  - iv. to set under sections 16(3) (b) and 4(b), 17 and 18 of the Act, a Biosecurity rate made on every rating unit in the Region on a differential basis using an “estimate of projected valuation” as provided under section 131 of the Act, and as detailed in the FIS of the adopted Annual Plan 2011-12;
  - v. to set under sections 16(3) (b) and 4(b), 17 and 18 of the Act, a Emergency Management rate made on every rating unit in the Region on a differential basis using an “estimate of projected valuation” as provided under section 131 of the Act, and as detailed in the FIS of the adopted Annual Plan 2011-12;
  - vi. to set under sections 16(3) (b) and 4(b), 17 and 18 of the Act, a Investment Income rate made on every rating unit in the Region on a differential basis using an “estimate of projected valuation” as provided under section 131 of the Act, and as detailed in the FIS of the adopted Annual Plan 2011-12;
  - vii. to set under sections 16(3) (b) and 4(b), 17 and 18 of the Act, a Information rate made on every rating unit in the Region on a differential basis using an “estimate of projected valuation” as provided under section 131 of the Act, and as detailed in the FIS of the adopted Annual Plan 2011-12;
  - viii. to set under sections 16(3) (b) and 4(b), 17 and 18 of the Act, a Consent Management rate made on every rating unit in the Region on a differential basis using an “estimate of projected valuation” as provided under section 131 of the Act, and as detailed in the FIS of the adopted Annual Plan 2011-12;
  - ix. to set under sections 16(3) (b) and 4(b), 17 and 18 of the Act, a River and Drainage rate made on every rating unit in the Region on a differential basis

using an “estimate of projected valuation” as provided under section 131 of the Act, and as detailed in the FIS of the adopted Annual Plan 2011-12;

- x. *to set under sections 16(3) (b) and 4(b), 17 and 18 of the Act, a Strategic Management rate made on every rating unit in the Region on a differential basis using an “estimate of projected valuation” as provided under section 131 of the Act, and as detailed in the FIS of the adopted Annual Plan 2011-12;*
- xi. *to set under sections 16(3) (b) and 4(b), 17 and 18 of the Act, a Water Quality and Quantity rate made on every rating unit in the Region on a differential basis using an “estimate of projected valuation” as provided under section 131 of the Act, and as detailed in the FIS of the adopted Annual Plan 2011-12;*
- xii. *to set under sections 16(3) (b) and 4(b), 17 and 18 of the Act, a Transport Planning and Road Safety rate made on every rating unit in the Region on a differential basis using an “estimate of projected valuation” as provided under section 131 of the Act, and as detailed in the FIS of the adopted Annual Plan 2011-12;*
- xiii. *to set under sections 16(3) (b) and 4(b), 17 and 18 of the Act, a Transport Passenger Services rate made on every rating unit contained within each transport passenger service area according to their rating bases, and as detailed in the FIS of the adopted Annual Plan 2011-12;*
- xiv. *to set under sections 16(3) (a) and 4(a), 17 and 18 of the Act, a Sustainable Land Use Initiative rate made on every rating unit within the Region, and as detailed in the FIS of the adopted Annual Plan 2011-12;*
- xv. *to set under sections 16(3) (a) and 4(a), 17 and 18 of the Act, an Environmental Initiatives rate made on every rating unit within the Region, and as detailed in the FIS of the adopted Annual Plan 2011-12;*
- xvi. *to set under sections 16(3) (b) and 4(a), 17 and 18 of the Act, a Production Pest Animal Management rate made on every rating unit four hectares and over within the Region based on number of hectares, and as detailed in the FIS of the adopted Annual Plan 2011-12;*
- xvii. *to set under sections 16(3) (b) and 4(a), 17 and 18 of the Act, an AHB Tb Vector Levy rate made on every rating unit four hectares and over within the Region based on number of hectares, and as detailed in the FIS of the adopted Annual Plan 2011-12;*
- xviii. *to set under sections 16(3) (b) and 4(a), 17 and 18 of the Act, a Production Pest Rook Management rate made on every rating unit four hectares and over within the region based on number of hectares, and as detailed in the FIS of the adopted Annual Plan 2011-12;*
- xix. *to set under sections 16(3) (b) and 4(b), 17 and 18 of the Act, a Production Pest Plant Management rate made on every rating unit four hectares and over within the region based on number of hectares, and on every rating unit under four hectares uniformly, and as detailed in the FIS of the adopted Annual Plan 2011-12;*
- xx. *to set under sections 16(3) (b) and 4(b), 17 and 18 of the Act, a Differentiated Rangitikei Old Man’s Beard Eradication rate made on every rating unit four hectares and over within the region based uniformly, and on*

every rating unit under four hectares uniformly on every rating unit within the Rangitikei District local authority boundary, and as detailed in the FIS of the adopted Annual Plan 2011-12;

- xxi. to set under sections 16(3) (b) and 4(a), 17 and 18 of the Act, a Regional Park rate made on every rating unit within the Manawatu District and Palmerston North City local authority boundaries, and as detailed in the FIS of the adopted Annual Plan 2011-12; and
  - xxii. to set under sections 16(3) (b) and 4(a), 17 and 18 of the Act, a Manawatu River Water Quality Improvement rate made on every rating unit within the Manawatu Catchment as detailed in the FIS of the adopted Annual Plan 2011-12; and
  - xxiii. to set under sections 16(3) (b) and 4(a), 17 and 18 of the Act, a Waitarere Beach Community Biodiversity Project rate made on every rating unit within the Waitarere Beach Community as detailed in the FIS of the adopted Annual Plan 2011-12; and
  - xxiv. to set under sections 16(3)(b) and (4)(b), 17, 18, and 146 of the Act, the River and Drainage Scheme Rates, made on each rating unit contained within each Scheme, according to their respective classification systems or differential rating bases, and as detailed in the FIS of the adopted Annual Plan 2011-12.
- d. **resolves** that pursuant to sections 57 and 58 of the **Local Government (Rating) Act 2002** (the Act), that all rates shall become due and payable on 30 September 2011, with a penalty of 10% to be imposed on 28 October 2011 on all current rates remaining unpaid. Other penalties, each of 10%, shall also be applied:
- i. Firstly, on previous years' rates arrears (including prior penalties), remaining unpaid on 15 July 2011, being a date no sooner than five working days after the date on which this resolution is made, with penalty to be applied on 20 July 2011; and
  - ii. Secondly, on previous years' arrears, (including prior penalties), remaining unpaid on 20 January 2012 with penalty to be applied 23 January 2012, being a date no sooner than six months after the application of the penalty in d (i) above.
- e. **sets** under its Prompt Payment Policy, a 3% prompt payment discount for ratepayers who pay all their rates for the financial year in full on or before the due date of 30 September 2011.

*It is recommended, for the setting of rates, that the Council:*

- a. **adopts** the administrative charges for 2011-12 as set out in the Annual Administration Charges section of the adopted Annual Plan 2011-12 pursuant to section 36 of the Resource Management Act 1991.

Against: Cr Walker  
**CARRIED**

Cr Walker indicated his vote was against the rate increase.

## RECORDING OF TELEPHONE CALLS

Report No. 11-115

This report was tabled at the request of Council to inform Members of Horizons' current practice for the recording of telephone calls on the Horizons' network.

The Group Manager Corporate and Governance (GMCG) introduced the report and clarified that the rules around recording of telephone calls applied to both directions, both incoming and outgoing calls.

Members asked questions of clarification and concern was expressed that the Policy was not being fully adhered to in regard to staff informing a caller that a conversation was being recorded. It was suggested that staff be advised that an audit of manually recorded telephone calls would be undertaken to ensure staff compliance with the Policy. The GMCG provided further clarification about the storage of recorded phone calls, and the negative comments received by Horizons when a pre-recorded message had been introduced in the past to screen incoming calls. After further discussion it was suggested that the Policy be forward to the Privacy Commissioner for feedback on their thoughts and comments. Accordingly, recommendations (b) and (c) were altered to reflect the discussions.

**11-141**                      **Moved**    **Chettleburgh/Rieger**

*That the Council*

- a.     **receives** the information in Report No. 11-115, Recording of Telephone Calls;
- b.     **endorses** the current Policy for the recording of telephone calls at Annex A, subject to seeking written advice from Privacy Commissioner;
- c.     **advises** staff that compliance with the Policy for recording of telephone calls will be audited.

**CARRIED**

## AFFIXING OF THE COMMON SEAL

Report No. 11-117

This paper reported on documents to which Horizons Regional Council's common Seal had been affixed.

**11-142**                      **Moved**    **Chettleburgh/White**

*That the Council **acknowledges** the affixing of the common Seal to the following documents:*

- *Contract Document – April 2011  
Contract No. 2011/05  
Lower Whanganui River Scheme Stopbank between Heads Road  
and Wharf Street Balgownie, Wanganui*
- *Grazing Lease  
Lessee Name: K H Funnell Family Trust  
Lease Area: 68.5 ha  
Lease Location: River Bank Road, Aorangi*





**Cr Guy** attended the Draft Annual Plan workshops, and a resource consent hearing for Dominion Breweries Limited held on 30/31 May and 1 June 10-11. He would also be attending a hearing for Open Country Dairy scheduled for 10-11 August. He chaired the Catchment Operations and SLUI Advisory Group meeting on 8 June and was involved in a meeting held with Trevor Shroeder in regard to an issue with a consent to undertake some logging. Cr Guy provided a verbal update on investments that the Holding Company were interested in, and briefings/meetings with CentrePort. He attended the function in Foxton for the adoption of the Manawatu River Accord which he thoroughly enjoyed, and had been involved in the One Plan Advisory Group meetings.

**Cr Cox** attended the Wanganui District Council Rural Community Board meeting, and had been invited to view erosion and harvesting impacts of a number of forests.

**Cr Chettleburgh** attended the usual Horizons' meetings and workshops, the opening of a Reserve, and attended the blessing and adoption of the Manawatu River Accord. Cr Chettleburgh commented on his recent visit to Dunedin. He attended discussions at the Palmerston North City Council in regard to the City's bus terminus.

**Cr Burnell** attended the usual Horizons' meetings and workshops.

**Cr Barrow** attended the afternoon part of the Dominion Breweries consent hearing, the early morning blessing and adoption of the Manawatu River Accord Action Plan, and commented on his attendance at a couple of DairyLink field days. He spoke very highly of the work done by Mr Keith Riley (farmer chairman of the DairyLink Committee) to promote the field days and noted his intention to organise for Mr Riley to be congratulated and thanked.

## **MEMBERS' QUESTIONS**

Cr Barrow commented on his upcoming court case and said his solicitor was experiencing difficulty in getting required information from Horizons' solicitor. The Chief Executive undertook to find out what was causing the delay.

Cr Barrow said he was very unimpressed with the contents of an article in the Manawatu Evening Standard on 21 June 2011 about the improved relationship between compliance staff and farmers. The Chief Executive responded to Cr Barrow's concerns in regard to the article.

Members discussed other points of interest including, King's Canal, resource consent for a subdivision at Foxton Beach, and problems associated with grazing of stock on riverbanks in wet conditions.

**At the public excluded part of the Council meeting held on 28 June 2011, the Council recommended that the part of the Public Excluded discussions on Report No. 11-116, Financial Consequences of Annual Plan Decisions, be moved to the public part of the meeting. These are detailed below:**

**PX 11-87**

**Moved**

**White/Chettleburgh**

*that the Council **agrees** that the discussions on Report No. 11-116, Financial Consequences of Annual Plan Decisions, be moved to the public part of the meeting.*

**CARRIED**

