



Minutes of the twenty-eighth meeting of the seventh triennium of Horizons Regional Council held at 10.07am on Tuesday, 23 February 2010, in the Council Chambers, Palmerston North City Council, 32 The Square, Palmerston North.

PRESENT Crs G P Murfitt (Chair), L Bailey, L R Burnell (from 10.15am), V J F Chettleburgh QSM ED, E B Gordon, M C Guy, A K Main, D B Meads, M W Plowman, P W Rieger QSO, R G Walker JP, and J J White (from 10.45am).

IN ATTENDANCE Chief Executive Mr M McCartney
(from 10.20am to 3.30pm)
Committee Secretary Mrs J Kennedy

ALSO PRESENT Mr G Carlyon (Group Manager Regional Planning and Regulatory), Mr E Duggan (Acting Chief Financial Officer, from 10.40am), Mr C Mitchell (Group Manager Environmental Management, to 12.27pm), Mr G Shirley (Group Manager Regional Services and Information, from 2.17pm), Mr A Cook (Group Manager Operations, to 2.31pm), and Mr P Burke (Communications Advisor).

APOLOGIES

An apology was received from Cr White for lateness.

10-499 Moved Murfitt/Chettleburgh

that an apology for lateness be received from Cr White.

CARRIED

PUBLIC SPEAKING RIGHTS

No requests for public speaking rights had been notified.

LATE ITEMS

The Chairman notified members that he would give a verbal update on a presentation from CentrePort Wellington, provided the documentation was available by the conclusion of the meeting.

10-500 Moved Murfitt/Meads

that the Council receives as a possible late item a verbal update on a presentation from CentrePort Wellington.

CARRIED

MEMBERS' CONFLICTS OF INTEREST

There were no conflicts of interest advised.

PETITIONS / DEPUTATIONS

There were no petitions or deputations.

- *New Grazing Lease for Porewa Valley Scheme
Horizons Regional Council and S G and L M Bradley*
- *Staff Warrant Card: Kieran Wayne McKendry*
- *New Lease Agreement for Grazing on Parenamui Road
Horizons Regional Council and Grant Ewan and Debbie Whaitiri*
- *Sustainable Land Use Initiative –
Term Loan Agreement and Forestry Right:
Horizons Regional Council and J and R N Deroles*

CARRIED

WORKSHOP ATTENDANCE

Members noted the Workshop Attendances 16 September 2009 – 16 February 2010.

ENDORSEMENT AND ADOPTION OF COMMITTEE AND ADVISORY GROUP RESOLUTIONS AND RECOMMENDATIONS

CATCHMENT OPERATIONS COMMITTEE

10-504

Moved

Meads/Guy

*that the Council **endorses** and **adopts** the resolutions and recommendations of the Catchment Operations Committee, held on 9 February 2010, with a spelling correction to the word 'Whitehouse' to read 'Whitehorse' on page 24.*

CARRIED

Lower Manawatu Scheme – Rural Upgrade Project (Report No. 10-07)

Cr Meads noted that Council would be confirming the proposal made at the Catchment Operations meeting to put the Taonui Consent application on hold temporarily for approximately 18 months and to adopt in the interim a fall back position which was a 'staged' approach to further flood protection upgrade work on the Oroua River. The Group Manager Operations tabled a letter which would be sent to affected landowners in the Taonui Basin. The letter provided an update on the consent application and outlined the intended course of action that Council would follow.

Members made comment and asked questions of clarification on issues of interest contained in the minutes.

STRATEGY AND POLICY COMMITTEE

Members fully discussed resolution SP 10-120 of the minutes which requested the Consents Manager to review schedule A of delegations contained in Annex A, in particular the eight identified. Cr Chettleburgh commented that the resolution failed to nominate at what meeting the review would take place and recommended that schedule A of the delegations be further discussed at a Strategy and Policy Committee meeting. In regard to resolution SP 10-122 which Cr Chettleburgh had voted against at the meeting, he further recommended that schedule B of the delegations be also included in the recommendation to be discussed at a Strategy and Policy Committee meeting.

Moved

Chettleburgh/Plowman

*that the Council **discusses** Schedule A and B of the delegations contained in Annex A of Report No. 10-10 at a Strategy and Policy Committee meeting.*

The Chairman proposed an amendment to the recommendation: to delegate Schedules A and B of the delegations to the Chief Executive in the interim and hold a councillor workshop for further discussion as soon as practicable. Cr Plowman noted his concern at delegating Schedules A and B of the delegations to the Chief Executive for an indefinite time.

Cr White entered the meeting

10-505

Moved

Murfitt/Rieger

*that the Council **delegates** Schedules A and B of the delegations contained in Annex A of Report No. 10-10 to the Chief Executive in the interim, and **discusses** Schedules A and B of the delegations at a councillor workshop to be arranged as soon as practicable.*

Against: Crs Chettleburgh, Plowman

Abstain: Cr White

CARRIED

The amendment to the recommendation was carried and the Chairman then put the recommendation.

10-506

Moved

Murfitt/Rieger

*that the Council **delegates** Schedules A and B of the delegations contained in Annex A of Report No. 10-10 to the Chief Executive in the interim, and **discusses** Schedules A and B of the delegations at a councillor workshop to be arranged as soon as practicable.*

Against: Crs Chettleburgh, Plowman

Abstain: Cr White

CARRIED

10-507

Moved

Rieger/Plowman

*that the Council **endorses** and **adopts** the resolutions and recommendations of the Strategy and Policy Committee, held on 15 February 2010 with the deletion of resolutions SP 10-120 and SP 10-122 to be replaced with:*

Moved

Murfitt/Rieger

- *that the Council **delegates** Schedules A and B of the delegations contained in Annex A of Report No. 10-10 to the Chief Executive in the interim, and **discusses** Schedules A and B of the delegations at a councillor workshop to be arranged as soon as practicable.*

Against: Crs Chettleburgh, Plowman

Abstain: Cr White

CARRIED

Cr White reiterated her vote that had been recorded against resolution SP10-125 (c) – *that the Committee recommends that Council **agrees** not to oppose an application to Palmerston North City Council with respect to the element of the flood hazard, for change to residential use of rural land in the vicinity of Napier Road that will be protected to the 0.2% AEP standard as a result of proposed Lower Manawatu Scheme City Reach upgrade works.*

CHAIRMAN'S REPORT

The Chairman highlighted the Leaders Summit meeting called by himself in his capacity as Chair of Horizons Regional Council, to discuss concerns regarding the state of the Manawatu River water quality. He advised that a further meeting would be held on 29 March, 2010. A report from the meeting held on 15 February, 2010 was to be issued and would be made available to Councillors.

Several Councillors expressed their strong concerns at not being included in the meetings and were of the view that interested Horizons Regional Council councillors should be included in the meetings. They believed their exclusion from the meetings reflected poorly on their ability as elected representatives to perform adequately in the role with which they were elected to undertake. The Chairman commented that although he initiated the Leaders Summit, it was an independently run meeting with invited participants to represent their organisation.

Members asked questions of clarification around discussions held in regard to the Capital Connection Train Service and various other meetings attended by the Chairman.

10-508 **Moved** **Chettleburgh/Bailey**

that the Chairman's report be received.

CARRIED

CHIEF EXECUTIVE'S REPORT

The Chief Executive highlighted the points of his report, and clarified Members' questions around the Land and Water Forum, and commented on current issues relating to Environment Canterbury Regional Council, key consents applications, current recruitment on vacant staff positions, and staff turnover.

10-509 **Moved** **Murfitt/White**

that the Chief Executive's report be received.

CARRIED

MEMBERS' REPORTS AND QUESTIONS

Cr White updated Members on progress with the One Plan. She attended the normal Council activities and workshops.

Cr Walker attended the usual meetings and workshops, visited the flood protection works being undertaken in Wanganui, and spoke of a recent trip to the South Island and commented on the very dry streams. He also attended to two enquiries from ratepayers.

Cr Rieger attended the usual meetings and workshops, and commented favourably on the field trip he attended on 5 February.

Cr Plowman attended the usual meetings and workshops, and commented on the interesting field trip he attended on 5 February.

Cr Meads attended the usual meetings and workshops, chaired the Catchment Operations Committee meeting, and thanked the staff involved for organising the field trip on 5 February. He attended the Lower Manawatu Scheme combined drainage Scheme Liaison Committee meeting, a Taonui Basin consent meeting, a meeting with ratepayers in the Pakihi Valley Flood Control Scheme, chaired the Sustainable Land Use Initiative Advisory Group meeting in Wanganui, and attended the One Plan Hearing – Water.

Cr Main attended the Sustainable Land Use Initiative Advisory Group meeting in Wanganui, and thanked the staff involved for organising the excellent field trip held on 5 February. She attended a number of meetings in regard to navigational safety issues on the Lower Whanganui River, and a meeting in regard to the National Cycleway in Wanganui.

Cr Guy attended the usual meetings and workshops, commented on the well organised field trip held on 5 February, attended the Sustainable Land Use Initiative meeting in Wanganui, a Lower Manawatu Scheme meeting at Kairanga, and an Environment Court Hearing.

Cr Gordon attended the usual meetings and workshops, a Transport Steering Group meeting, a Regional Advisory Group meeting, and an APEX Conference in Tauranga.

Cr Chettleburgh attended the usual meetings and workshops, a meeting in regard to the Capital Connection Train Service, and chaired the Passenger Transport Subcommittee meeting.

Cr Burnell attended the usual meetings and workshops. He expressed his disappointment at not being able to attend the field trip held on 5 February.

Cr Bailey attended the Horowhenua District Council's Health and Transportation Subcommittee on 18 December 2009, Audit, Risk and Investment meeting on 22 December 2009, a public meeting in Levin in regard to promoting the Levin Bus Service, a meeting with the Mayor and Chief Executive of Horowhenua District Council, an Audit, Risk and Investment financial briefing, the Lower Manawatu Scheme Liaison Committee meeting, the morning session of a workshop on 5 February, the Waitarere Beach Progressive Association meeting, the Catchment Operations Committee meeting, spoke at the Horowhenua Health Shuttle Trust's monthly meeting, attended the Strategy and Policy Committee meeting, a Council workshop on 16 February, the Passenger Transport Subcommittee meeting, and a Council meeting on 23 February.

Cr Bailey asked about the possibility of a discussion document on the investigations into Conflicts of Interest in regard to councillors at Environment Canterbury. The Chief Executive indicated that the subject would be discussed at the upcoming Zone 3 meeting on 1-2 March.

Cr Bailey asked about progress on Council's position in regard to the use of the 'h' in Wanganui.

The meeting adjourned at 12.27pm

The meeting reconvened at 1.15pm

There was discussion around Council's position in regard to the use of the 'h' in Wanganui and it was agreed that a formal paper be provided around the legal name of Horizons Regional Council (Manawatu-Wanganui Regional Council), and clarification on the correct spelling for use in correspondence.

In regard to Councillor concerns at not being included in the Leaders Summit meeting, Cr Murfitt said that he would pass on those concerns to the Chair of the Leaders Summit. He also advised he would hold a meeting with Council representatives from Palmerston North, Horowhenua, and Manawatu to discuss what took place at the meeting held on 15 February, 2010 and to hear their views on the matter.

Cr Guy asked for clarification around progress on 'in-field' consents, prosecutions in regard to illegal hill country spraying, and media coverage outlining Horizons' position on that.

COMMUNITY PLAN 2009-19 AMENDMENT AND DRAFT ANNUAL PLAN 2010-11

This report summarised the changes Council suggested during workshops, to year two of the 2009-19 Community Plan (CP). The report also outlined which changes were the draft amendment to the CP (DACP) (requiring audit), and which changes were variations that could be incorporated in the Draft Annual Plan 2010-11 (DAP) without the need for audit. Council was now required to approve the two summaries of proposals and one statement of proposal documents for release to Audit.

Mr Duggan, Acting Chief Financial Officer (ACFO) spoke to the item and noted an amendment to Table 1: Under Annual Plan (AP) Variations, New Turakina Scheme (\$56,000), should be listed under DACP Amendments.

The Chairman advised that Council was being asked to approve the changes outlined in Table 1 for inclusion in the (DACP) for advancement to Audit New Zealand for its consideration and comment. The changes outlined under variations to the AP were not required to be audited. DACP amendments were required to be audited.

Cr White requested that the first two items outlined in Table 1 relating to the Animal Health Board (AHB) be dealt with separately.

In answer to a query in regard to the Linklater Memorial Bursary the ACFO confirmed there was no grant included in the DACP for that. There was discussion around the benefits and success of the Linklater Memorial Bursary over past years, including discussion and clarification around the quantum and funding period should Council decide to reinstate it. Ultimately a recommendation was included to reinstate the Linklater Memorial Bursary.

Members continued their discussion on items for inclusion in the DACP and AP and asked questions of clarification on various topics, in particular around the AHB funding and the introduction of a 3% Prompt Payment Discount. In regard to the AHB funding it was ultimately suggested that the recommendation should reflect that the funding of \$580,000 was for a period of one year as a targeted levy rate (on behalf of the AHB) on properties of four hectares and above. Cr Main believed that the issue should be highlighted in the media in order to get community feedback on reintroducing the AHB levy as a targeted rate. Cr Bailey considered that Bovine Tb was not the core business of a regional council. There were differing views around the introduction of a 3% Prompt Payment Discount system. Several Members considered it could possibly be a confusing and difficult system for ratepayers to fully understand. Mr Burke (Communications Advisor) was available to advise that a significant consultation process would be undertaken to fully inform the community of how the discount system would operate.

The resolutions were separated out as several amendments and additions had been requested.

10-510 **Moved** **Main/Murfitt**

that the Council:

- a. **receives** the information in Report No. 10-20.

CARRIED

10-511 **Moved** **Chettleburgh/White**

- b. **reinstates** the Linklater Memorial Bursary up to \$3,000 from the 2010-11 year onwards.

Against: Crs Plowman, Walker
CARRIED

10-512

Moved**Rieger/Meads**

- c. **adopts** the changes in the table below for inclusion in the Draft Amendment to the Community Plan 2009-19 and the Draft Annual Plan 2010-11, excluding Animal Health Board Tb Vector funding and a Prompt Payment Discount of 3%.

Item	2010-11 Rates \$ Change
DACP Amendments	
AHB Tb Vector Funding reintroduced for one year	580,000
AHB Tb Vector Funding to be rated 100% on properties over four hectares	N/A
Change in rate remission policy for clubs with liquor license	N/A
Change in Liability Management and Investment policies for the Port of Napier and the establishment of MWRC Holdings Limited	N/A
Introduction of a 3% Prompt Payment Discount rather than an administration fee.	77,000
New Turakina Scheme	56,000
Annual Plan Variations	
Reduction in staff costs	-107,800
Reduction in transport passenger services costs	-60,000
Use of transport reserves	-90,000
Use of 2009-10 estimated positive surplus	-149,000
Use of animal pest management reserves	-75,000
Increased Council costs	63,000
Delaying Manawatu drainage scheme \$1.53 m Capex project from 2010-11 to 2011-12	-160,000
Other Scheme savings (mainly less interest and loan repayments due to lower opening balances)	-270,000
Increase in Non Scheme costs	88,000
Reclassification of rural advisor costs to 100% General Rate	82,900
Reduced other costs	-20,000
Pest plant management (environmental) increased costs, to meet the Regional Plant Pest Management Strategy	180,000
Total Net Rate Movement (ex AHB TB Vector)	-384,900

CARRIED

10-513

Moved**Plowman/Meads**

- d.. **reintroduces** Animal Health Board funding at \$580,000 for one year as a targeted levy rate (on behalf of the Animal Health Board) on properties of four hectares and above.

Against: Crs Walker, White, Bailey, Main
CARRIED

10-514

Moved

Gordon/Chettleburgh

e. **introduces** a 3% Prompt Payment Discount Scheme as follows:

- for rates paid in full by due date a 3% Prompt Payment Discount will apply.
- for rates paid fewer than 30 days after the due date a 3% Prompt Payment Discount will not apply.
- for arrangements made before the 30 day penalty period applies to spread payment over a period of time, the Prompt Payment Discount will not apply, nor will a 10% penalty be imposed, unless the agreement is defaulted.
- for rates not paid within 30 days from due date and no agreement entered into with the Council to pay over a period of time, a 10% penalty will be incurred and a 3% Prompt Payment Discount will not apply.

This new concept is seen by Council as a more equitable system and has added \$1.062 million to the rates; however, it will only add an additional \$77,000 (for administration) to what ratepayers actually pay, if all rates are paid on due date. It will on average cost \$0.19 plus gst per \$100,000 of capital value to fund the additional \$77,000 of administration cost.

Against: Crs White, Bailey, Burnell, Main

CARRIED

10-515

Moved

Murfitt/Gordon

f. **releases** the Draft Amendment to the Community Plan 2009-19 summary of proposal, the combined Draft Amendment to the Community Plan, and Draft Annual Plan statement of proposal to Audit New Zealand for audit prior to public consultation.

CARRIED

10-516

Moved

Murfitt/Walker

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
PX1 Confirmation of Minutes of 15 December 2009	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.
PX2 Endorsement and adoption of the Audit, Risk and Investment Committee resolutions and recommendations (Tender) of 22 December 2009	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 Endorsement and adoption of the Strategy and Policy Committee resolutions and recommendations of 15 February 2010	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.
PX4 Investment of Sale Proceeds from the Sale of Port of Napier Limited <i>Report No. 10-16</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.
PX5 Draft Annual Plan Communications Strategy <i>Report No. 10-19</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.
PX6 Council to consider whether any item in the Public Excluded minutes can be moved into the public domain, and define the extent of the release.		

CARRIED

The meeting adjourned to the Public Excluded part of the meeting at 3.08pm and resumed at 3.54pm.

The meeting closed at 3.55pm.

Confirmed

CHIEF EXECUTIVE

CHAIRMAN