

HURUNUI DISTRICT COUNCIL MINUTES



Meeting Council
Time and Date 9.30am, 27 April 2017
Venue Council Chambers, 66 Carters Road, Amberley.

Members Present Mayor Winton Dalley (Chairperson) (until 4.27pm), Councillors Marie Black, Dick Davison, Jason Fletcher (until 4.17pm), Fiona Harris, Julia McLean, Geoff Shier and Michael Ward.

In Attendance Hamish Dobbie (Chief Executive Officer), Judith Batchelor (Manager Regulatory Services), Jason Beck (Manager Support Services), David Edge (Manager Infrastructure Services - Assets), Dan Harris (Manager Infrastructure Services - Delivery), Audrey van der Monde (Manager Public Services), Paul Wylie (Earthquake Recovery Manager), Naomi Woodham (Team Leader Customer & Information Services) and Graham Sutherland (Council Secretary).

Apologies Councillors Nicky Anderson and Vince Daly – leaves of absence. Mayor Dalley and Cr Fletcher for early departure.

Affirmation Cr Shier read the affirmation as attached to the Council agenda.

Conflict of Interest Declarations Mayor Dalley and Cr Black declared conflicts of interest for item 5.7 “Potential Purchase of Hurunui Water Project Shares” and would leave the room for that item.

Recording Device A recording device was used for the purpose of the accuracy of the minutes.

Urgent Business

- Cr Davison asked the Council to consider appointing a substitute to attend the upcoming Canterbury Joint Landfill and Waste committee meetings.
- Cr Black noted a recent government announcement about navigator positions and wondered how that meshed in with roles put in place in the district already. The Chief Executive Officer agreed to look into this and report back.

THAT THE COUNCIL ACCEPTS THE ITEMS OF LATE BUSINESS AND AGREES TO CONSIDER THEM AT THIS MEETING.

Davison/Black

CARRIED

1. Minutes THAT THE MINUTES OF THE COUNCIL MEETING HELD ON 23 MARCH 2017 ARE CONFIRMED.

Shier/Ward

CARRIED

Matters arising

Nil.

THAT THE MINUTES OF THE TEMPORARY ROAD CLOSURES SUBCOMMITTEE MEETING HELD ON 16 MARCH 2017 ARE CONFIRMED.

Ward/Harris

CARRIED

THAT THE MINUTES OF THE TEMPORARY ROAD CLOSURES SUBCOMMITTEE MEETING HELD ON 23 MARCH 2017 ARE CONFIRMED.

Ward/Harris

CARRIED

2. Forward Programme

The Forward Programme for 2017 was provided for councillors' information.

THAT THE INFORMATION BE RECEIVED.

McLean/Fletcher

CARRIED

3. Mayor's Diary

The Mayor's diary arrangements for the preceding period were provided.

THAT THE INFORMATION BE RECEIVED.

McLean/Fletcher

CARRIED

4. Council's Working Groups/ Projects Status Report

The Council considered the table of working groups and projects and noted progress with each.

- Cr Davison advised that the Queen Mary Hospital working group met on site recently and had a good look around. He said there would be further information provided at some stage and the working group was looking at a plan to make the site more accessible and more attractive to use for the public. The Manager Regulatory Services acknowledged that the Council had got behind on maintenance and she had recommended that maintenance work be scheduled with a view to opening up more of the site. Cr Fletcher said this situation was no fault of officers as the contractor engaged by the Council had not met expectations. Cr Fletcher said there were also issues of delineation of the Council and Crown land, as the Council was not responsible for the southern end which is somewhat neglected. He said he had spoken to the Ministry of Health about this.
- With respect to the Amberley Pool, Cr Shier advised that the Amberley Ward councillors have issued a joint media statement in order to get good clear information out to the community regarding the status of the project.

THAT THE INFORMATION BE RECEIVED.

McLean/Fletcher

CARRIED

5. DECISION ITEMS

5.1 Canterbury Economic Development Company Ltd – Winding Up

The Manager Support Services provided a report on the future of the Canterbury Economic Development Company Limited and a recommendation from the Board that the company be wound up. The company was formed in 2008 by ten Canterbury councils as a result of a national regional development funding programme instigated by the government, to support transformational economic development projects that would benefit regions. The company's funding bid was successful and the funding dispersed to a variety of projects run by different parts of the region. Once the initial programme was completed, the company was left in place in case of further opportunities but there had not been any and the company has been inactive since.

THAT THE COUNCIL APPROVES FOR THE COMPANY TO BE WOUND UP AND THE SHAREHOLDERS' RESOLUTION TO BE SIGNED.

Fletcher/Harris

CARRIED

5.2 Council Awards Schemes

The Committee Secretary reported that under the Our Place, Our People Policy, the Council has the responsibility of appointing all members of the Assessment Panels associated with the Award Schemes except those governed by an external agreement. The Policy states that once the Assessment Panel members have been approved, they will remain the Council's appointee for the triennial period or until such time as they resign or are no longer deemed suitable. Independent panel members are used for the MainPower Hurunui Environment and the Hurunui Heritage Funding rounds and the report sought some direction from Council regarding the membership of the panels for these awards. Councillors discussed potential local candidates and the relative merits of each.

THAT THE COUNCIL DETERMINES THE JUDGING PANELS FOR THE 2017 COUNCIL AWARDS AS FOLLOWS:

- MAINPOWER/HURUNUI ENVIRONMENT FUND - SUE OR PETER TURNBULL AND JOHN HARPER AND IF ANY OF THESE ARE NOT AVAILABLE THEN OFFICERS TO APPROACH PENNY ZINO.

Davison/Ward

CARRIED

- HURUNUI HERITAGE FUND - ROSEMARY ENSOR AND ANNE LEMON AND IF EITHER OF THESE ARE NOT AVAILABLE THEN OFFICERS TO APPROACH JOHN HARPER.

Black/McLean

CARRIED

5.3 Appointment of Civil Defence Controller

The Manager Public Services reported that Judith Batchelor and Audrey van der Monde are currently the Council appointed Controllers for the Hurunui District in the event of a civil defence emergency. An additional Controller is requested for the Hurunui. In response to a question from Cr Fletcher, the Manager Infrastructure Services – Delivery, Dan Harris, said he was looking forward to the opportunity.

THAT THE COUNCIL APPOINTS DAN HARRIS AS AN ADDITIONAL CONTROLLER FOR THE HURUNUI DISTRICT.

Davison/Shier

CARRIED

5.4 Provision of Secretarial Support for Water Advisory Groups

The Council Secretary reported that the Water Liaison Committee and Infrastructure Committee requested that the Council consider approving the provision of secretarial support for water advisory groups, including the associated budget requirement. When the Council moved to global water management, the status of water committees changed to advisory groups and as they were no longer formal committees of the Council, they do not receive secretarial support. At the last meeting of the Water Liaison Committee, members present expressed a wish for secretarial support to be provided and this was supported by the Infrastructure Committee. The report provided an estimate of the likely cost, based on average commitment over the last five years. The provision of this service was not currently allowed for in the budget so the Council would need to make an adjustment to the budget, which would be added to water scheme costs.

Cr Davison said he was in favour of this and he realised there was extra cost required, but the people on the water advisory groups give their time for nothing and it was an important part of the structure. Cr Shier agreed and said it had been discussed at the Water Liaison Committee and had the support of the Infrastructure Committee, so he was happy to support this.

Cr Fletcher said that secretarial services are an enabling part of the process and make sure things happen. He said things tend to slow down and not get done without that level of support, so he agreed with the recommendation.

THAT THE COUNCIL APPROVES THE REQUEST BY THE WATER LIAISON COMMITTEE AND INFRASTRUCTURE COMMITTEE TO PROVIDE ALL WATER ADVISORY GROUPS IN THE DISTRICT WITH SECRETARIAL SUPPORT.

Ward/Davison

CARRIED

5.5 Council Property – November Earthquake Damage

The Manager Regulatory Services reported that the November 2016 earthquake resulted in damage to Council property, which ranges from superficial cracking to significant damage. The Waiau Cobb Cottage, Waiau Lime Hopper and Scargill Hall have red placards and will be served with Section 124 notices and the report discussed the status of the Lime Hopper and Scargill Hall in more detail. After the earthquake, other buildings had yellow placards but repairs had been carried out so the buildings are now white with no restrictions on use. Most of the community buildings are not insured, a decision made by the Council in consultation with the community after the Canterbury Earthquakes when insurance premiums became generally unaffordable for the communities. A table of Council property was attached and this described the property and status. Some of the Council properties have also had Detailed Seismic Assessments and these were identified. The report also provided a brief update on the effect of new legislation to secure Unreinforced Masonry (URM) and the effect on the former Amuri County Chambers in Culverden.

The Manager Regulatory Services addressed each building in turn as follows:

- The Amuri Council Chambers has a s124 notice with the front façade to be tied back and it has a year to complete the work. Officers have asked engineers to look at what needs to be done to get the building to 34% of the code.
- The report done on the Waiau cob cottage by Solid Earth Adobe Buildings says the building will need to be demolished and rebuilt. The Council will need to work with the local community and family regarding the possible rebuild. There was no insurance money for this and no indication of cost yet.
- The Waiau Hall had a white placard but was restricted to a maximum of 300 persons. The local community wants to upgrade the kitchen and will be able to do so, as long as it does not need a building consent.

Cr Davison advised that the local community want to get rid of the chimney and fireplace and replace it with a heatpump. He asked if this would create any difficulties with consenting. The Manager Regulatory Services agreed to ask the Team Leader Building to contact Cr Davison regarding the requirements.

- Rotherham pool had a white placard but further re-examination is required. Mayor Dalley asked if the Rotherham Pool committee put in any earthquake funding requests. Cr Davison said they may need a prompt from the Council to take advantage of possible funding avenues. He said it would need another engineering report, which is a cost as well. The Manager Regulatory Services said officers had not given this any further attention as they were focused on the red and yellow placards. The relevant local people should be referred to the Recovery Team to follow this up.
 - Waikari Camp ablutions block - officers had not seen the report yet and Cr Black said she would follow up with the local committee.
 - Spotswood Hall chimney - it was agreed to pull down the chimney and work on what to replace it with.
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- Scargill Hall was significantly damaged and it was noted that a local builder had been approached to provide an indication of the costs of repair. This would then be workshopped with the affected community regarding options. It was noted that \$84,000 was received for the building from the original insurance pay-out from the earlier Canterbury earthquakes. In response to a question, the Manager Support Services said this money had been received by the Council and if not used on the Scargill Hall, it could be used elsewhere. Cr Harris commented that if some hall committees decided that costs were too high to rebuild, the money may be needed for demolitions. She said this work needs to be done soon so applications for funding could be made before funding rounds closed.

Cr Ward noted that there was no reference to the old Kowai Council Chambers at Balcairn. The Manager Regulatory Services said that was a separate matter and the Chief Executive Officer said there were two ongoing issues – leakage in the roof and earthquake strengthening being required, but he was not aware of any damage from the November earthquake. Cr Ward said it should be on the list of damaged buildings in the district and noted that he had received questions from local residents about it. The Manager Regulatory Services agreed and said the table in the report was for work done since the November earthquake, while the Kowai building damage was prior to that, but she would provide a brief update note on this to the next Amberley Ward Committee meeting. The Chief Executive Officer advised that it was a separate project to look at all buildings in the district requiring earthquake strengthening.

The Manager Regulatory Services said that after the earthquake a number of reports on buildings were commissioned and at the moment the cost was sitting at about \$25,000, so officers were wanting direction about funding this by the general rate or passing the cost back to individual communities. The Manager Regulatory Services said it was not a finite amount, with two estimates to add and a further assessment to come on the Rotherham pool.

Cr Davison said this was related to random acts of nature and was a wider Hurunui issue rather than a local issue, so he supported it being funded district-wide. Cr Fletcher asked if the Council would be setting a precedent and wondered if the Council would make the same decision if the costs were much higher. Mayor Dalley said this matter could be broken down into two issues, one is understanding about the future of buildings and then the next step is how to pay for these buildings if they need work. He said at this stage the discussion was about how to pay for the assessments needed across the district, to get certainty.

Cr Black asked if the Council would be looking for external funding assistance for the assessments. Mayor Dalley said it had not yet looked at this but could put an application for funding from Lotteries funding for example, but he was not sure about the likelihood of success.

THAT THE COUNCIL CONFIRM THAT THE COST OF EARTHQUAKE DAMAGE ASSESSMENTS OF COUNCIL PROPERTY WILL BE FUNDED BY THE GENERAL RATE.

Davison/Harris

CARRIED

THAT THE COUNCIL SEEK EXTERNAL FUNDING WHERE POSSIBLE TO COVER THE COST OF THE ASSESSMENTS.

Black/Harris

CARRIED

The second recommendation in the report was seeking agreement for the removal of the lime hopper at Waiau and to fund this from the general rate. In response to a question from Cr Fletcher, the Manager Regulatory Services said removal of the demolition material from the site was not being included due to the extra cost. Mayor Dalley asked if it was possible that the material be used in part for construction of the new transfer station and absorb the cost of removal in the transfer station project budget. The Manager Regulatory Services said she would explore this option.

In response to a question from Cr Ward regarding the possibility of repair, the Chief Executive Officer said it was clear that it would be expensive to repair this historic but unused structure. In response to a question from Cr Fletcher, Cr Davison said the local community would not be willing to cover the cost of the demolition. The Chief Executive Officer received clarification that it was a freehold property of the Council's, so the Council had an obligation to look after its property and fund this district-wide.

Mayor Dalley suggested that the New Zealand Army might be interested in the opportunity to use the demolition for training purposes. Cr Black said it might also be important to ask the Waiau residents, as they may have a view on this and may want to suggest a different approach. Cr Davison said he could discuss it with the Amuri Community Committee the following week and at the upcoming Annual Plan consultation meeting.

THAT THE COUNCIL AGREES TO THE REMOVAL OF THE LIME HOPPER AT WAIUAU AND THE COST OF REMOVAL TO BE FUNDED FROM THE GENERAL RATE, SUBJECT TO A CONVERSATION FIRST WITH THE WAIUAU COMMUNITY AND THE ARMY (REGARDING THE OPPORTUNITY OF USING THE DEMOLITION FOR TRAINING PURPOSES) AND CONSIDERATION OF THE DEMOLITION MATERIAL BEING USED FOR THE WAIUAU TRANSFER STATION REBUILD PROJECT.

Ward /Shier

CARRIED

The meeting adjourned at 10.30am for the Council to be introduced to new staff. Following this, morning tea was taken and the meeting reconvened at 10.52am.

5.6 Proposed Investigation of Ground Damage at Mt Lyford

The Policy Planner/Environmental Recovery Lead reported that GNS Science submitted a research proposal to investigate ground and building damage at Mt Lyford Village following the November earthquake, to develop greater understanding of land movement and stability in the area and help determine future risks. The proposal arose due to the strong ground shaking experienced at Mt Lyford during the earthquake and significant instability areas noted by the rapid geotechnical assessors. Landholders have expressed concern to GNS Science and are seeking greater understanding of how the land may react in future events.

The Policy Planner said the aim of the proposal is to enable property owners to make informed decisions upon receipt of insurance pay-outs and to enable property owners, ECan, insurers and the Council to understand future risk and develop a policy response if required. The proposal centres on community need, and as such, the first and final of the proposed tasks are community consultation. This is to fine-tune the purpose of the research and deliver results that will assist the community in rebuilding and increasing resilience. ECan Hazards Analyst (Geological) Marion Schoenfeld and GNS Science Earthquake Geologist – Rob Langridge were in attendance to speak to the report.

The Policy Planner said this matter came from an original request from a landowner in Mt Lyford, but she acknowledged that the hazard analysis issue had a long and

contentious history in the area, so it needed to be treated carefully. She said the request was to do more detailed research on hazards, given 16 properties were damaged in Mt Lyford and people want to ensure they are rebuilding appropriately.

The proposal was that the Council, ECan and GNS, as well as EQC representative Tonkin and Taylor, establish a working group and look at active faults and hazards, building performance in the November earthquake and then look into policy formation and recommendations after that. There are six proposed tasks, with the consultation led by the Council due to the past contentious history and need for sensitivity. The report was asking for Council funding and resources estimated to be about \$20,000 at this stage.

Marion Schoenfeld provided background to the earlier work done in 2006, when ECan used an engineering geologist to look at earthquake related hazards in Mt Lyford, which was mainly desktop and with the funding that the project had, it could not field-check results. She said sometimes features look like faults on aerials, so without ground checks, a pragmatic approach was taken and assumptions were made to label them all and put the information on Land Information Memorandums (LIM). Mt Lyford residents did not want the information on LIMs so the Hurunui District Council commissioned GNS to do further work and this was a much bigger project and could check features on the ground. Some things were discovered not to be faults and the information reviewed and then a map of active faulting was developed and presented to the community. This led to a significant dispute and community hostility.

Marion Schoenfeld said the earthquake provided an opportunity to see how things had changed and if residents get an insurance pay out, they need good information to guide their decisions about rebuilding or potentially moving. She said that it is the community's question driving the work. Cr Davison noted that it was probably a small number of the Mt Lyford community driving it, so it needs a good discussion with the whole community to address all concerns. Marion Schoenfeld said it was crucial that ECan and Hurunui work together and the other agencies were happy to contribute resources to make it a real collaboration effort. The objective is to understand what to expect in terms of future events. She noted that ECan and the Council have a regulatory responsibility to investigate hazards and make available the information. However ECan only had a finite amount of money and has to prioritise its work, so there may be other things that are considered more important to investigate.

Mayor Dalley said the summary of previous events was accurate and that the earlier work had an impact on property sales in Mt Lyford for some time. He said there was likely to be implications on insurance and value of properties and the Council needed to understand that there will be consequences for local residents, as they may find issues that they are not aware of at the moment.

Cr Davison asked how the Council would consult with the Mt Lyford community and get some sort of meaningful consent from a community that may be split on the subject, as some may want this work done and some may not.

Cr Harris noted this was focused on Mt Lyford but there may be other areas that could ask similar questions and Mayor Dalley said there were probably 60-100 rural properties that had significant impacts from the earthquake. It was noted that GNS had done work on identifying active faults in the whole district, but this was a matter specific to Mt Lyford.

Cr Ward said that if the Council now took the option of doing nothing, it would leave itself in an invidious position as the Council has a duty of care and it now has a certain level of information that it needs to address appropriately. The Chief Executive Officer said that if the Council chooses not to proceed with the research and individual landowners want to go ahead and rebuild, they will need to get geotechnical assessments done and that information would feed into the Council.

Cr Fletcher said that ignorance was not an excuse and the Council had an obligation to understand the land and what the hazards are. He said that by choosing not to find out the information, the Council could be putting people in risk situations, so it was an obvious decision to make. Cr McLean agreed that the Council had an obligation to understand, but it was more about how to do it and taking the community on board. She said once the Council had the information then it can decide how to message it.

Cr Black asked if there was any concern that this study would uncover a need to do much greater analysis or will this provide the understanding the Council needed. Marion Schoenfeld said it was unknown, as it may give indication that further individual work was needed or it may suggest further work was not needed. She said Mt Lyford had this need because there was significant damage in some places and it warrants a further look. She said the study will give an indication of high level things and deeper investigations would come at the time of development. She said this was all about safe development not devaluing properties. The Chief Executive Officer said that it was also noted that if the study finds the area is fine, then landowners would not need to get their own geotechnical report when rebuilding. In response to a question, the Chief Executive Officer said that once the Council had any new information from the study, it would have to update hazards information in the District Plan and on LIMS and take it into account for building consents.

The Policy Planner said the District Plan has maps showing fault hazard awareness zones which is where can people can and cannot develop and where investigations are required. Mayor Dalley asked if anyone overlaid the seriously damaged homes following the earthquake on this mapping. He said the Council had the choice of where to spend its money, so it was about prioritising spending and the greatest obligation was to look after the community, so if there was another way, then the Council should explore this and think about value to every property owner.

In response to a question, Rob Langridge said the project could get underway quickly and has a team ready. It would be updating from new datasets and will allow effective mapping of faults and the overlay of Light Detection and Ranging data to see where things moved, also he said new radio carbon dates can tell the age of faults and recurrence times. Mayor Dalley asked if there were any other partners that have responsibility to contribute to this work. Marion Schoenfeld agreed to talk further with EQC as they would need to do site-specific work and may use this information as background information. The Chief Executive Officer said the Insurance Council might have an interest and they may be keen to be involved and he could follow that up.

Mayor Dalley reiterated that the Council needed to make sure it does its best for its community and needed to be convinced this is the right option to take to them. Cr Davison said he thinks Mt Lyford people would need time to digest this and the Council should provide the information, allow them to digest it and then make a decision. Mayor Dalley said it was about offering the opportunity rather than imposing it and Marion Schoenfeld said ECan and GNS were prepared to be part of

that discussion. Cr Davison said the Council could introduce the matter at the scheduled Mt Lyford Annual Plan session the following week and move on from there.

The Manager Regulatory Services said that reflecting on the experience with the District Plan review, a workshop drop-in session might be effective, so suggested using that model once officers have put together the information. Mayor Dalley agreed to this approach and said the Council should put out a public message to trigger that. Cr Davison said there was more than one group in Mt Lyford in terms of making contact and the Manager Regulatory Services said a carefully worded letter would be distributed to all residents and ratepayers and then a drop-in session organised. Cr Davison said he thinks this is a sensible idea and said not everyone will be happy, but the Council needs to be transparent and open about it. He said there were some holiday homes in Mt Lyford so officers would need to develop its engagement approach to reach everyone. The Manager Regulatory Services said the Council can go through task 1 and report back to the Council on the outcome before proceeding to later identified tasks.

Cr Black said the Council had responsibility for the wider community and needs to look at the science and understand it. She warned that the Council may have to overturn the decision of immediate landowners if they reject this outright, as the Council has a global responsibility and would need to be cautious about being swayed against best practice.

Mayor Dalley agreed that there was a good process to follow in terms on engaging the community and he would work with officers on developing that approach to go to the community to give them the opportunity and ensure they understand that. Mayor Dalley asked if everyone was comfortable with this approach and this was confirmed.

THAT THE COUNCIL AGREE TO ENTER INTO THE PROPOSED INVESTIGATION OF GROUND DAMAGE AT MT LYFORD AS DETAILED IN APPENDIX 1 TO THE AGENDA REPORT, PROVIDED THAT THE MT LYFORD COMMUNITY IS CONSULTED AND ENGAGED ON THE PROJECT.

THAT THE RESULTS OF THE CONSULTATION AND ENGAGEMENT BE REPORTED BACK TO THE COUNCIL TO DETERMINE WHETHER TO PROCEED TO TASK 2 AS IDENTIFIED IN THE REPORT.

Davison/Ward

CARRIED

5.7 Potential Purchase of Hurunui Water Project Shares

The Chief Executive Officer reported that the Council had been presented with an opportunity to purchase shares in the Hurunui Water Project Ltd. This potential investment would support the largest industry in the Hurunui district and provide an opportunity to diversify from Council's existing water supply sources. A decision to include budget of \$500,000 in the Draft Annual Plan 2017-18 will trigger a process which will provide for public consultation on the potential transaction; and if adopted in the Annual Plan 2017-18, will allow the Council to explore whether it wishes to purchase said shares or not. Including budget for this transaction in the Annual Plan does not commit Council to the share purchase.

Mayor Dalley and Cr Black declared conflicts of interest in this matter and left the room for the duration of the Council discussion.

THAT CR DICK DAVISON BE ELECTED ACTING CHAIRPERSON FOR THIS AGENDA ITEM.

Shier/Harris

CARRIED

Cr Davison noted that the Council had the report from the Chief Executive Officer and also the draft consultation document that details the decision of the Council should it agree to include a provision to purchase shares. He said the Council needed to ensure the wording was crystal-clear to ratepayers regarding the process that the Council was going through, which is one of consultation and further work.

The Chief Executive Officer said the proposal to include \$500,000 in the Draft Annual Plan (DAP) does not commit the Council to purchase but sets funds aside in the budget for purchase. The Council would then go out for consultation on the DAP and the community would give its feedback to allow the Council to make a final decision in June. The Council would then enter a due diligence process looking at shares price and value and other matters and this would then trigger another consultation process before the Council made its final decision to purchase or not. He noted that the Council had numerous exit points in the process.

Cr Shier said that many of his questions would be covered in the due diligence process and he said he understood that the Council was at stage 1. He said the matter of having numerous exit points was important and meant that he was comfortable with the process moving forward at this stage.

Cr McLean noted that the wording in the consultation document needed amending as the statement does not fit with the process. She said this was an opportunity to explore the purchase and do further investigation and what is being done today is a preliminary step. She said this needed to be reflected well in the wording.

Cr Harris said this matter had taken two sessions for councillors to understand, so it needs to be clear for the public that this is about putting in a placeholder and that the Council wants to hear from the community. However it would not be informed feedback as the Council does not have the due diligence information at this stage.

It was suggested that the word "potential" be added to the resolution and the Chief Executive Officer said the Council needed to be careful not to conflate the resolution as it needs to be clear. He said any controversial issue was always subject to possible judicial review and the Council needs to be clear in its resolutions. He said by including the provision in the DAP, it carries an inherent potentiality in that it is a draft plan that the Council is consulting the public about before making a final decision. However, on reflection, he said adding the word potential, is not likely to add any significant risk. Cr Davison commented that when the DAP becomes the final Annual Plan and if the Council agrees to move to due diligence, the decision should still say "potential purchase".

THAT THE COUNCIL INCLUDE FIVE HUNDRED THOUSAND DOLLARS IN THE DRAFT ANNUAL PLAN 2017-18 FOR THE POTENTIAL PURCHASE OF SHARES IN THE HURUNUI WATER PROJECT.

Ward/Fletcher

CARRIED

The Council then discussed the wording of the discussion/consultation document with respect to the potential purchase of Hurunui Water Project shares. Cr McLean said the Council needed to be up front about asking for the community's support or opposition and said the wording "in our view" could be removed and the community being called to action could be at the top. The Chief Executive Officer said originally

the Hurunui Water Project was substantial but it was a smaller project now so the wording could be changed to “a major”.

Cr Fletcher said it was better to put the position first and explain the process and then have the community’s view about yay or nay at the end. Cr Ward suggested an alternative, to take out “we want to hear your views” and have that sentence at the start. Cr Fletcher said it was assumed that all people are interested if they reading the document and many things will be seen as of equal importance to others.

Cr Davison noted that officers heard the discussion and points made and will amend the consultation document accordingly. This was agreed by the Council.

The meeting adjourned for lunch at 12.24pm and reconvened at 1.03pm.

5.8 Draft Annual Plan 2017-18

The Manager Public Services reported that the budget for the draft annual plan 2017/18 was adopted at the Council meeting in March 2017. Some minor changes had been made and now required the Council’s approval. A discussion document had been developed as the primary communication tool for the draft Annual Plan and this had been circulated separately to councillors.

The Manager Support Services said the first component was to set out changes to the budget from the last meeting and he changed the assumption regarding New Zealand Transport Agency (NZTA) subsidies from 71% to 84%, as agreed later, which adjusted debt levels. He noted that the level of depreciation was 63% rather than 53% in the plan and the Council was maintaining the Uniform Annual General Charge (UAGC) as in the plan. He said there was no change to the removal of the rural fire rates and the move of the refuse collection rate from \$44 to \$90 and the Hanmer Springs glass collection rate increase. The Manager Support Services said he was also making provision for the potential purchase of Hurunui Water Project shares which would be \$500,000 from cash into financial investment, which affects external interest costs. This reduces the amount the Council can offset against the general rate and to retain the 6% increase, he had reduced the sewer rate by \$13,000, so it would be back down to 60% depreciation funding to maintain that agreed level of rates increase.

The Manager Support Services noted that changes to the section in the consultation document had been made subsequent to the Hurunui Water Project decision above.

Cr McLean commented on the deferred programmes with respect to Amberley water and said there was no explanation why the new deep water source is deferred and that information could be included. The Manager Support Services said it was related to the status of the consent and said it could refer to being in the capital budget for 2017-18 to show it was still happening. Cr Shier suggested that the word “deferral” could be removed and Mayor Dalley said it was not necessarily deferral but it had just not occurred yet for a variety of reasons and as they had not occurred, the Council cannot spend the money. It was agreed to remove deferral in both places and the reference to the earthquake in the first sentence.

Cr Fletcher referred to the wording under waste kerbside collection and suggested it needed a better way of acknowledging that the Council did not get the figures right initially, but there have still been positive results. The Chief Executive Officer suggested it could say the changes were successful as it brought a change in behaviour and diverting waste from the landfill. Mayor Dalley agreed and suggested adding the words that it was more successful than anticipated in diverting more waste

than ever to recycling. Cr Fletcher said the Hanmer Springs kerbside glass collection matter needed some elaboration on how the cost of the service was initially a bit of an estimate and is now better understood as the real cost.

Cr Shier noted a correction to the debt figures, which was slightly different to the budget documents. Officers agreed to correct this in the final document.

THAT THE COUNCIL ADOPTS THE DISCUSSION (CONSULTATION) DOCUMENT FOR THE DRAFT ANNUAL PLAN 2017/18, SUBJECT TO AMENDMENTS AGREED IN THE MEETING.

THAT THE COUNCIL ADOPTS THE DRAFT BUDGET FOR THE DRAFT ANNUAL PLAN 2017/18.

Davison/Ward

CARRIED

(Mayor Dalley and Cr Black abstained from voting on any matters relating to the potential purchase of shares in the Hurunui Water Project in the budget.)

**5.9 Council's
Strategic
Direction**

The Manager Public Services provided a report which was a further progression toward the completion of a Council Strategic Direction and Plan. This subject had been discussed in two workshops, as well as the 23 February 2017 Council meeting.

The Manager Public Services said officers were trying to keep it as simple as possible and needed agreement from councillors on acceptable wording. In particular she said the first area of growth had a lot of time spent on it in earlier discussions. She sought agreement on the definitions as it would then be easier to carry on.

Cr Ward referred to page 83 and said he agreed there should not be a rural urban divide reference, as this would set in people's minds and having it in the document will reinforce it, whereas actions should speak louder. Cr Harris suggested not using the word divide and Cr McLean said the Council should embrace the rural and urban differences rather than focus on it as a negative thing, so wording could be to "embrace the differences between rural and urban and celebrate the things we have in common". Mayor Dalley said the Council needed to embrace the one Hurunui community concept, as there are different communities and they do not always cooperate well, so the Council should be encouraging all communities to work together. It was agreed to replace the rural/urban divide statement with a position embracing rural-urban differences.

Cr McLean said she supported the focus on informing and engaging and that customers are able to find information easily. Cr Harris said it was not just telling people where they can go to get information, but making sure website links are working. If people have to chase up information it is hard work. The Manager Public Services agreed to add a line that information systems are easy to navigate.

Cr Harris said that with respect to growth, the Council should recognise the fact that if the district is growing, there was an associated need for infrastructure. Cr Ward said he would like to see infrastructure still in there as the key to growth however. The Manager Public Services agreed to include a line that infrastructure matches growth. Cr Harris asked where investment in irrigation would fit in terms of looking at the definition of growth. Cr Shier suggested that investments for the betterment of the district fits with attracting better investment in business opportunities.

Cr Fletcher noted that the section on growing tourism should align with the Hurunui Tourism Board strategy and it was agreed to add this to that sentence.

Mayor Dalley said it was a Council aspiration to not have empty buildings, which was noted by the Manager Public Services. Cr Black suggested that under the Finance section it should read that audits confirm good management of fiscal position or finances, rather than money.

THAT THE COUNCIL AGREES ON ITS STRATEGIC DEFINITIONS FOR OFFICERS TO PROGRESS THE STRATEGIC PLAN, WITH AMENDMENTS AGREED IN THE MEETING.

Black/Ward

CARRIED

**Presentation
from the
Canterbury
Museum
Trust Board**

Waimakariri District Mayor David Ayers (Hurunui District Council's Museum Board representative), Michael McEvedy (Chairperson), Anthony Wright, (Director) and Nigel Tecofsky (Finance & Services Manager), representing the Canterbury Museum, gave a presentation covering the Canterbury Museum Project, the Museum's 2017/18 Annual Plan and current activities.

Mayor Dalley welcomed the visitors and noted that Mayor David Ayers represents the Hurunui district on the Museum Board, due to a reciprocal arrangement with Mayor Dalley representing Waimakariri on the Regional Water Committee. He commented that the Hurunui had been well served by Mayor Ayers on the Board and this was his third term. He commented that the Hurunui makes a significant contribution to the Museum on a per capita basis and it was therefore good to receive the annual presentations from the Board. Mayor Ayers thanked the Council for appointing him for the triennium and said he enjoyed his role on the board and saw it as an important part of his overall work. He said his role was to work for the best interests of the Museum Board on behalf of the North Canterbury people.

Michael McEvedy said he enjoyed visiting the Council and acknowledged the new councillors, elected since in their last visit. He said the presentation purpose was twofold, keeping the Council informed about what the Museum was trying to achieve and keeping the relationship strong with the funding authorities. He invited councillors to visit the Museum for a behind the scenes tour, later in the year. Michael McEvedy said it was the Canterbury Museum, not Christchurch Museum and the taonga held is unique and part of the heritage of Canterbury. He said there was a core need to show the public the collections it holds and the more people who visit the Museum, the greater opportunity to explain the Canterbury story.

Anthony Wright provided a presentation that covered the structure of the Museum as an organisation and the staff resources available for managing and curating the over 2.4 million artefacts it holds, including critical Antarctica material and Ngāi Tahu taonga. He said the Museum operated 365 days a year and this required a dedicated staff resource. Anthony Wright said that as well as the collections held, the Museum was responsible for its Category 1 Heritage buildings and discussed the management of those buildings post-earthquake, as well as the overall Museum development project and funding mechanisms for the project. He said the Museum project had been on the books for a long time, with the main drivers to respect the buildings and stay on site, but offer better protection to collections and have more flexibility for exhibitions. However, he said the earthquakes came along and changed things so now the project has a different focus and must include the addition of better seismic protection. A working party was appointed to review the project and came up with the current scenario as being the best cost-effective approach.

The presentation also provided a summary of visitor numbers over the past year, and Anthony Wright noted that the Museum continued to draw huge crowds despite the disruption of the Canterbury earthquakes and was still setting attendance records. He said the Museum was the most visited attraction in the South Island and increasing numbers were good for the local economy. Anthony Wright provided detail of the Museum's programmes and exhibitions over the past year and into the future, including ongoing research and continuing to build community connections.

The Council moved into Public Excluded to discuss two of the presentation slides that were considered commercially sensitive.

THAT THE MEETING MOVE INTO PUBLIC EXCLUDED SESSION AND THE REASON FOR PASSING THIS RESOLUTION UNDER THE LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987 ARE:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Grounds under s48 (1) for the passing of this resolution
Presentation from the Canterbury Museum.	Two presentation slides contain information withheld for commercial sensitivity.	Section 48(1)(a)(i) & Section 7(2)(h).

Davison/Black

CARRIED

THAT THE MEETING RESUME IN OPEN SESSION AND THAT THE MATTERS DISCUSSED IN PUBLIC EXCLUDED SESSION REMAIN CONFIDENTIAL

Davison/Harris

CARRIED

Nigel Tecofsky discussed the development project and advised that the intention was to close for three years while work was underway but to continue to operate at a central city location for the duration, with the reopening aiming for 2020 on the 150th anniversary. He said the overall cost of the project was \$180M, which was made up of the pre-earthquake costs of \$95M and additional strengthening required of \$85M. He said this cost would be split between the Government 38%, local government 30% and museum fundraising 32%. The local government portion of \$32M was shared amongst the four funding councils and the Hurunui District Council's share was just under \$300,000 or 0.9%, based on the population calculation in the statute and a discounting factor regarding how far from the Museum residents were located. It was noted that 1.5% of visitors come from the Hurunui compared to 0.9% contribution.

Anthony Wright discussed the settlement of the Museum's material damage insurance claim, which came in higher than hoped as the Museum could effectively document damage through methodology it developed which was ground breaking and a tribute to staff who had worked on this and prepared huge volumes of evidence. In response to a question from Cr Davison, he said that everything was now fully insured and the Museum had a good relationship with its insurers.

Mayor Dalley thanked the presenters for their presentation and encouraged councillors to accept the invitation to visit the Museum to see behind the scenes. The Manager Support Services noted that the review period for the Museum's Annual Plan was closing soon and if any councillors had any items they wanted to address, then he asked that they let him know so he could forward them on. Councillors noted that they were happy with the Annual Plan as presented.

6. DISCUSSION ITEMS

6.1 Update from the Public Services Committee

The Council considered the report from the Public Services Committee meeting on 13 April 2017. Cr Harris, Chairperson, spoke to the report and summarised the items and discussion. In particular, she highlighted that the Committee extended the mowing contracts, which had been circulated to Ward Committees first. The Amberley Reserve draft management plan was approved and the Committee discussed having some sort of recognition for volunteer rural fire crews, given the changes to rural fire.

THAT THE INFORMATION BE RECEIVED.

Harris/Fletcher

CARRIED

6.2 Update from the Infrastructure Committee

The Council considered the update from the Infrastructure Committee meeting on 20 April 2017. Cr Daly spoke to the report and summarised the items and discussion. In particular, he highlighted that the Committee discussed the Amberley beach bund renourishment and residents will put a secondary bund behind this, at their own cost. In response to a question from Cr Fletcher, it was noted the second one was required for coastal erosion and future proofing. Cr Shier said the renourishment was done every few years and a big storm hit when the last one was unsettled and while it was soft, otherwise it would normally have lasted longer.

THAT THE INFORMATION BE RECEIVED.

Ward/McLean

CARRIED

6.3 Update from the Finance, Audit and Risk Committee

The Council considered the update from the Finance, Audit and Risk Committee meeting on 20 April 2017. Cr Davison spoke to the report and summarised the items and discussion. He noted that the Committee received its usual financial reports and noted that the earthquake costs were separated out into a specific reporting process. He noted that the Treasury Advisor would be attending the 25 May Council meeting to discuss the Treasury Policy. Cr Davison noted that the Committee agreed that the proceeds of the Leithfield Beach forest harvest would go to the replanting, due to carbon credit liabilities. It was noted that the Audit NZ Management Report had been received and the auditors would be attending the next meeting of the Committee.

THAT THE INFORMATION BE RECEIVED.

Davison/Black

CARRIED

The meeting adjourned for afternoon tea at 3.04pm and reconvened at 3.16pm.

7. INFORMATION ITEMS

Nil.

Discussion with ECan Councillor

ECan Councillor Claire McKay was in attendance to speak to the Council. Mayor Dalley welcomed Cr McKay and said this was carrying on the tradition for the local ECan councillor to come out and make connections with the District Council. He said it was about developing a good relationship and ensuring a two way flow of information. Mayor Dalley noted that Cr McKay had been given some discussion items prior to the meeting as detailed below.

In response to the first item where Cr McKay was invited to provide some background information about herself and her Ecan role, she said she was the newly elected ECan

councillor for North Canterbury and had a background as a veterinarian and more recently a dairy farmer. She said she stood for election on the basis of transparency, better communications and building on the good relationships of the commissioners under Dame Margaret Bazley. She said she was focused on building trust with the farming community and ensuring planning regulations are workable on the land.

Cr McKay was asked to comment on suggestions that a rail service be provided for the northern commute and any cost-benefit analysis that has been completed. Cr McKay said her own position was that she supports this and Ecan councillors had been given a high level briefing, looking at using the main trunk line for commuter traffic coming out of the Waimakariri district and into metropolitan Christchurch. She said it would need extensions and several studies were done looking at how commuter services would meet demand. Cr McKay said a major limitation was on commuters having to change modes of transport to get to other parts of the city, which makes it less desirable. She said investment in updating facilities and rolling stock would require a lot of ratepayer and government funding. Cr Davidson said he had never seen a proper and realistic assessment of costs as it does not need big infrastructure, but a smaller light rail option which does not seem onerous.

Cr Ward commented that you can never make profit from passenger rail alone, but given so much funding was being put into building more motorway lanes then the economics might stack up, as building more roads usually means little will change except generating more car numbers and the money would be sunk without benefit. He said costings were done by a party who was looking at second hand units out of Auckland and he said there would be a large number of people commuting into the city that would use the service. Cr McKay said ECan was aware of this work and a joint committee was looking at it.

The Chief Executive Officer said the Hurunui had no public transport service and there was good interest in commuter rail. He said last time it was looked at it was based on building station infrastructure, which would be expensive, whereas other examples showed that it just needs local platforms with carparks. He said commuters appear to have no aversion to changing transport modes, as people adapt if offered good alternatives. Cr McLean agreed and said there often seemed to be a negative approach to this issue identifying reasons why it cannot happen, rather than being proactive. Mayor Dalley said the low population in the area was probably the downside but he did not think all options had been investigated sufficiently. He said previous investigations assumed the need for brand new gear but there would be other options. He said ECan and the Canterbury councils should always look to the future and building more roads only gets more cars.

Cr McKay was asked to provide an update on the river lines work. Mayor Dalley said this was about identifying and updating braided riverbeds and said the issue of land sold to farmers on river margins created some media attention recently. He said there was a general question regarding river lines and regulatory use of those lines without land owner consultation. Mayor Dalley said ECan has about 10,000ha of land leased to farmers under old leases which was perfectly sound in those days, but there are changing community views on river margins and braided rivers and ECan need to look at how to approach those things. He said there were many agencies and interest groups involved with those margins, so there was a lot of interest in looking at how to manage this appropriately and it would take some time to get some plans in place. Mayor Dalley said there would be a significant amount of information and discussion still to come on this.

Cr McKay said the river bed lines were developed due to the ECan responsibility to regulate activities on the sides of rivers. She said that one of the Canterbury Water Management Strategy's 10 objectives was to manage the character of braided rivers and it needs to understand the nature of riverbeds, which was challenging for braided rivers as they change paths often. ECan did research that identified lines and margins, from looking at where pasture was but it did not include other information like development and geomorphological information. Cr McKay said there was no regulatory process in ECan whatsoever using these lines, but it was information as a conversation starting point and she said this needs to be handled delicately as the process is fraught. Cr McKay said as it sits at the moment, to resolve this there was an internal review in ECan as all have a different view of where the river line should be.

Cr Shier asked for an assessment of ECan involvement in the consenting process for the Hurunui Water Project, given the Council is considering purchasing shares in the company. Cr McKay said ECan delegated this to hearing commissioners and they made a recommendation to ECan, which can either accept or reject the recommendation. She said this was a public process with all information available.

Cr Black mentioned that the Cheviot community trust got financial support for a car to assist rural people to get to appointments and asked if that was still available. Cr McKay said she would investigate and report back to Cr Black. Mayor Dalley said this was funded by a targeted rate on the area and there may be a NZTA subsidy also, but the community does pay for it.

Cr McKay said that with respect to the Zone Committee, ECan officers were looking at farmer education on Good Management Practice and farming to nutrient limits. There were still some red, orange and blue indicated areas to get involved and it was intended to reach those farmers affected. Mayor Dalley identified an issue with landowners south of the Hurunui-Waiiau zone as the Land and Water Plan covers all areas not covered by the Hurunui Waiiau Rivers Regional Plan. He said some of these people do not know they need a consent to farm. Cr McKay said there is a strategy in place to inform people outside the Hurunui-Waiiau plan in the district and acknowledged that this might be unique as all other regions have a complete zone but a big area of the Hurunui district was not in the Hurunui-Waiiau zone. She said it needed good communications to all those landowners to make sure they understand the requirements. Cr McKay said she would seek a response to this matter and said she was strongly focused on communications and would be working on this.

Mayor Dalley thanked Cr McKay for her attendance and the useful discussion.

**Urgent
Business**

Cr Davison advised that he cannot attend the meetings of the Canterbury Regional Landfill Joint Committee and Canterbury Waste Joint Committees on 2 June and asked that the Council appoint a substitute.

THAT MAYOR DALLEY BE APPROVED TO ATTEND HIMSELF OR APPOINT A SUBSTITUTE FOR COUNCILLOR DAVISON DURING HIS LEAVE OF ABSENCE FOR THE MEETINGS OF THE CANTERBURY REGIONAL LANDFILL JOINT COMMITTEE, CANTERBURY WASTE JOINT COMMITTEE OR ANY OTHER COMMITMENT AS COUNCIL REPRESENTATIVE.

Davison/Shier

CARRIED

8. PUBLIC EXCLUDED

PUBLIC EXCLUDED SESSION

THAT THE MEETING MOVE INTO PUBLIC EXCLUDED SESSION AND THE GENERAL SUBJECT OF THE MATTERS TO BE CONSIDERED WHILE THE PUBLIC IS EXCLUDED, THE REASON FOR PASSING THIS RESOLUTION IN RELATION TO THE MATTERS 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	Grounds under s48 (1) for passing this resolution
Item 8.1 Minutes of the 23 March 2017 meeting.	The minutes contain information withheld to enable the Council to carry on, without prejudice or disadvantage, negotiations; and to enable the Council to carry out, without prejudice or disadvantage, commercial activities.	Section 48(1)(a)(i) & Section 7(2) (h) & (i)
Item 8.2 Purchase of Land and Buildings for Temporary Accommodation in Waiau Village	The report contains information withheld to enable the Council to carry on, without prejudice or disadvantage, negotiations.	Section 48(1)(a)(i) & Section 7(2)(i).
Item 8.3 101 Carters Road – Expression of Interest in Purchasing	The report contains information withheld to enable the Council to carry on, without prejudice or disadvantage, commercial activities.	Section 48(1)(a)(i) & Section 7(2) (h)

Harris/Fletcher

CARRIED

THAT THE MEETING RESUME IN OPEN SESSION AND THAT THE MATTERS DISCUSSED IN PUBLIC EXCLUDED SESSION REMAIN CONFIDENTIAL, EXCEPT FOR THOSE MATTERS APPROVED FOR RELEASE.

Davison/Harris

CARRIED

Meeting Ended

The meeting ended at 4.43pm.

The next ordinary meeting will be on 25 May 2017.