

Unconfirmed

## MINUTES OF A MEETING OF THE REGIONAL COUNCIL

**Date:** Wednesday 25 August 2010

**Time:** 9.00am

**Venue:** Council Chamber  
Hawke's Bay Regional Council  
159 Dalton Street  
NAPIER

**Present:** A J Dick - Chairman  
T Gilbertson  
N Kirton  
E McGregor  
L Remmerswaal  
K Rose  
C Scott  
E von Dadelszen

**In Attendance:** A Newman – Chief Executive  
H Codlin – Group Manager Strategic Development  
M Adye – Group Manager Asset Management  
M Mohi – Chairman – Maori Committee  
C Gilbertson – Governance and Public Transport Manager

## 1. WELCOME/PRAYER/APOLOGIES/NOTICES

The Chairman welcomed everyone to the meeting and called upon Councillor Scott to deliver the prayer. He noted that Councillor Wilson had a previous engagement that he needed to attend and would not be at the meeting. It was also noted that Councillor Kirton needed to leave the meeting at 11.00am and Councillor von Dadelszen needed to leave at 1.00pm.

Chairman Dick allowed Councillor Remmerswaal to talk about an issue of the timing of the Chief Executive's Performance Review being held at a September Council meeting. Councillor Remmerswaal advised that she had a prior commitment that had been scheduled for a long time and could not attend the planned meeting on 7 September and asked if this could be rearranged to another day. Following communication with the consultant involved and Councillor Wilson, it was agreed that the meeting would be scheduled for 14 September at 10.00am.

### **Resolution:**

That the apology from Councillor Wilson be accepted and leave of absence from the meeting be granted.

**Scott/Gilbertson  
CARRIED**

## 2. CONFLICT OF INTEREST DECLARATIONS

There were no conflicts of interest declared.

## 3. CONFIRMATION OF MINUTES OF THE REGIONAL COUNCIL MEETING HELD ON 28 JULY 2010

### **Resolution:**

Minutes of the Regional Council Meeting held on Wednesday, 28 July 2010, a copy having been circulated prior to the meeting, were taken as read and confirmed.

**von Dadelszen/Rose  
CARRIED**

## 4. MATTERS ARISING FROM MINUTES OF THE REGIONAL COUNCIL MEETING HELD ON WEDNESDAY 28 JULY 2010

### **Leasehold Land Report**

Councillor Remmerswaal questioned whether what she had heard was correct in that Michelle Pyke had offered to undertake the leasehold land report free of charge. It was confirmed that this was not the case – the report has been commissioned to Mr Sean Bevan of Economic Solutions but that Ms Pyke had offered to provide some information she had towards the report.

### **Terms of Reference Report**

The Chief Executive advised that the report that had been requested for 25 August Council meeting would now be going to the Environmental Management meeting.

## 5. ACTION ITEMS FROM MEETINGS

The Chief Executive provided a brief update on the action items.

### **Resolution:**

That the Council receives the report "Action Items from Council Meetings".

**Scott/McGregor  
CARRIED**

## 6. CONSIDERATION OF GENERAL BUSINESS ITEMS

1. Leave of Absence
2. Acronyms
3. Twyford Hearings

## 7. AFFIXING OF COMMON SEAL

		Seal No.	Date
1.1	<b>Leasehold Land Sales</b>		
	1.1.1 Lot 182 DP 11149 CT B1/1216 - Agreement for Sale and Purchase - Transfer	2982 2986	26 July 2010 11 August 2010
	1.1.2 Lot 47 DP 4488 CT 55/173 - Transfer	2983	26 July 2010
	1.1.3 Lot 39 DP 9653 CT C2/438 - Agreement for Sale and Purchase	2985	2 August 2010
1.2	<b>Esplanade Strip Agreement</b> Lot 4 DP354642, a 1/3 <sup>rd</sup> share in Lot 5 DP 26841 and a 1/6 <sup>th</sup> share in Lot 6 DP 26841 Computer Freehold Register 222988; and Lot 2 DP 426363 and Lot 1 354642, a 1/3 <sup>rd</sup> share in Lot 5 DP 26841 and a 1/6 <sup>th</sup> share in Lot 6 DP26841 Computer Freehold Register 503779 (riparian strip fenced from grazing)	2984	28 July 2010
1.3	<b>Staff Warrants</b>	2987- 2990	12 August 2010
1.4	<b>Funding Agreement</b> Ministry of Economic Development NZ Cycleways Project	2991	13 August 2010

### Resolution:

That Council:

1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.
2. Confirm the action to affix the Common Seal.

**Rose/McGregor  
CARRIED**

**8. FINANCIAL REPORT FOR 12 MONTHS ENDED 30 JUNE 2010  
DRAFT ANNUAL REPORT 2009/10 - ADOPTION FOR AUDIT**

Mr Drury advised that the purpose of the paper was to provide explanations covering variances both from the reforecasted budgets and from Annual Plan budgets for the year ended 30 June 2010. When the draft of the Annual Report is adopted it will be forwarded to the Audit Office and form the basis of their audit.

Mr Drury then went through key points from his report and answered questions from Council. Chairman Dick questioned whether the Council should do a transfer from the Sale of Land Investment account into the Sale of Land non-investment account that provides funding for some of the major community projects that Council has agreed to. Mr Drury confirmed that any amounts for community projects had been accounted for and included in the budgets. He said he has also received assurance from Council's valuers that in the long term Council is in a good position and is able to meet its requirements and commitments.

Mr Drury then took Council through the attachments included with the report.

There was comment made about the consistently high performance and return from the Operations Group and Mr Newman confirmed that this had been happening for the last few years and it was pleasing to see these good results. He said this is largely driven by good operating performance and Mr Hansen should be given credit for this.

In response to a question about outstanding consents debt and the accounts in liquidation, Mr Lew confirmed that some of the debt in this area is because of the Crafar farms being put into receivership and as Council is an unsecured creditor, it is very unlikely to receive any money from this.

Councillors then asked questions and made comment about the remainder of the report including some suggestions for the Right Debate section to include a statement about the Heretaunga Plains Urban Development Strategy; a further statement under Venture Hawke's Bay that attributes some comment around the cycle trail success project; and also the report on Maori Contribution to Council Decision Making needed to be updated.

The Council then congratulated Mr Drury and Mr Peacock on their comprehensive report and said it was a satisfactory end of year outcome and pleasing to see the Council is within budget, giving the Council confidence in the staff's ability to get their budgets accurate and they are very pleased to see these results.

***The meeting adjourned at 10.30am and reconvened at 10.50am***

***Councillor Kirton exited the meeting at 10:51 am.***

**Resolution:**

That the Council :

1. Confirm the decisions to be made are not significant under the criteria contained in Council's adopted "policy on significance"; and Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on those issues without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.
2. Adopt the Draft Annual Report for the period 1 July 2009 to 30 June 2010, subject to any adjustments required by Council, for the purposes of audit, with a view to Council adopting the final report at its meeting on 22 September 2010.
3. Resolve that \$139,014 profit on external work undertaken by Council's Works Group during the year ended 30 June 2010 be used by Council to increase the cash operating balances available to fund general funded operating expenditure.

**McGregor/Scott  
CARRIED**

## 9. SETTING OF 2010/11 RATES

Mr Drury advised that following the adoption of the 2010/11 Annual Plan, the rate requirements have been calculated for the 2010/11 financial year and Council needs to set and assess the rates for the period 1 July 2010 to 30 June 2011.

Mr Drury then clarified the issue around the increase in GST from 1 October to 15%. He said that rate notices would go out with an explanation about the increase in GST.

In response to a comment that it was unfortunate that Council is having a rate rise, and the preference to pass on some of Council's wealth to the people in Hawke's Bay, the Chairman advised that it is a collective responsibility to look at improving the returns from the Investment Portfolio and then use these to offset some of the rate demand which it currently does.

It was also noted that the rates that were in front of Council today for adoption were far below than what was outlined in the Council's 10 Year Plan and that was very pleasing to see. It was also noted that Council's investments have subsidised rates and Council has moved towards a user pays model to make sure the rate demand on rate payers is fair. It was also noted that Council has consulted widely via their Long Term Plan and Annual Plan.

### Resolution:

That the Council:

1. Agree that the decisions to be made on the setting and assessing of rates cover information that has been included in the funding impact statement of the 2010/11 Annual Plan as required by Section 93 of the Local Government Act 2002 and further that such decisions require special consultative procedure under Sections 83 and 84 of the Act, such special consultative procedure having been previously carried out on the 2010/11 Annual Plan.
2. Set and assess the following rates scheduled below for the period 1 July 2010 to 30 June 2011:

### GENERAL FUNDING RATES:

#### 1. General Rate based on land value

Pursuant to Section 13 of the Local Government (Rating) Act 2002 a General Rate of \$7.91 per \$100,000 of land value on the estimate of projected valuation for land value shall be set on the rating units within the region. The General Rate will yield \$1,231,349 (GST inclusive) which is required to meet the statutory functions of the Council.

#### 2. Uniform Annual General Charge

Pursuant to Section 15 of the Local Government (Rating) Act 2002, a Uniform Annual General Charge of \$37.07 (including GST) will be charged on each separately used or inhabited part of a rating unit. The Uniform Annual General Charge will yield \$2,520,271 (inclusive of GST) which is required to meet the statutory functions of Council.

### TARGETED RATES:

#### 3. Subsidised Public Transport Rate

Pursuant to Section 16 of the Local Government (Rating) Act 2002 a rate of \$23.16 per \$100,000 of land value on the estimate of projected valuation for the land value shall be set on the rating units contained within the Napier (excl. Bay View Township) and Hastings residential and commercial areas including Havelock North.

The purpose of the rate is to fund the Subsidised Passenger Transport System (bus services) and the Total Mobility (transport subsidy for disabled persons) which

operate in both cities. The total rate required is \$1,544,694 (GST inclusive).

4. **Heretaunga Plains Flood Control Scheme**

Pursuant to Section 16 of the Local Government (Rating) Act 2002 a rate on a graduated scale as set in the Schedules shown below shall be set on those rating units that benefit directly or indirectly from the Heretaunga Plains Flood Control Scheme.

(a) **Differential Rate for Flood Protection set on the Estimate of projected valuations of Capital Value comprising all rateable rating units within Hastings District and Napier City**

		Rate \$100,000 of Capital Value	Yield GST Incl \$
<b>Direct Benefit</b>	<b>F1</b>	\$10.30	1,400,966
<b>Indirect Benefit</b>	<b>F2</b>	\$2.52	600,414

**F1: Directly at Risk of Loss**

Rateable land situated in the Heretaunga Plains Control Scheme area which Council considers receives protection from the risk of flooding up to a one per cent Annual Exceedence Probability (AEP) flood and of river alignment.

The benefits of these protection measures, i.e. stopbanking, river control and stability of channel location, are a reduction in the risk of loss of life, limb, land and capital investment such as orchards, vineyards, residential, commercial, industrial and supporting infrastructure situated on the Heretaunga Plains.

**F2: Indirectly at Risk of Loss**

Rateable land situated within the boundaries of the Hastings District and Napier City Councils which Council considers at risk from the indirect effects of river realignment and flood causing loss of infrastructure and general opportunities to the Community.

(b) **Rates for Drainage Maintenance in specific areas on the Heretaunga Plains**

These rates are set on the estimate of projected valuations of Land Value of those rating units that receive direct benefit of the specific drainage maintenance.

Rating units zoned industrial are charged a differential equal to 4 times the normal rate due to the expected rainfall run-off from these rating units, and their comparative land values.

		Other	Industrial	2010/11	2009/10
D1	Napier, Meeanee, Puketapu	\$24.65	\$98.58	\$784,967	\$738,368
D2	Karamu & Tributaries	\$32.23	\$128.91	\$962,221	\$896,479
D3	Raupare, Twyford	\$83.90		\$171,172	\$161,789
D4	Haumoana	\$101.30		\$124,742	\$116,775
D5	Tutaekuri, Waimate, Moteo	\$136.50		\$182,247	\$172,257
D6	Pakowhai	\$194.00		\$126,669	\$118,580
D7	Brookfields, Awatoto	\$172.34	\$689.38	\$137,227	\$130,177
D8	Muddy Creek	\$110.84	\$443.34	\$220,412	\$208,330
D9	Puninga	\$254.50		\$69,137	\$65,347
D2H	Havelock North				
	Karamu Stream Maintenance	\$9.17		\$48,346	\$45,043
	Karamu Enhancement	\$8.58		\$45,196	\$42,109

### Karamu Drainage Maintenance

The Havelock North community is considered to be an exacerbator to the Karamu Drainage Scheme since the rainfall run-off from Havelock North eventually discharges into the Karamu Stream.

The rates are to be set at \$9.17 being a fixed amount per separately used or inhabited part of a rating unit on those properties identified on a specific mapped area of Havelock North. Where two or more rating units are contiguously joined, owned by the same person and used for the same purpose, then only one fixed amount will be payable.

The total amount of the rates is \$48,346 (GST inclusive).

### Karamu Enhancement

The purpose of this rate is to part fund the cost of the environmental enhancement work on the Karamu Stream and its tributaries.

The rates are to be set at \$8.58 being a fixed amount per separately used or inhabited part of a rating unit on those properties identified on a specific mapped area of Havelock North. Where two or more rating units are contiguously joined, owned by the same person and used for the same purpose, then only one fixed amount will be payable.

The total amount of the rates are \$45,196 (GST inclusive).

## 5. Upper Tukituki Catchment Control Scheme Special Rating Scheme

Pursuant to Section 16 of the Local Government (Rating) Act 2002 a rate on a graduated scale as set out in the schedule on the estimate of projected valuation land value of the rating units shall be set within the Upper Tukituki Special Rating area.

Schedule	Rate – per \$100,000 of Land Value									
	F1	F2	F3	F4	F5	F6	UF7	UF8	UF9	UF10
DIFFERENTIALS	(A)	(B)	(C)	(D)	(E)	(F)	(U1)	(U2)	(U3)	(U4)
	\$503.60	\$377.70	\$251.80	\$125.90	\$50.36	\$5.04	\$125.90	\$75.54	\$50.36	\$5.04

The total rates to be assessed are \$645,562 (GST inclusive) which are to be applied to the flood protection works of the Upper Tukituki Catchment Control Scheme.

6. **Poukawa Drainage Special Rating Scheme**

Pursuant to Section 16 of the Local Government (Rating) Act 2002 a rate on a graduated scale as set out in the schedule on the land value of the rating units shall be set within the differential rating area.

Schedule	Rate – per \$100,000 of Land Value		
<b>DIFFERENTIALS</b>	PO1	PO2	PO3
	(A)	(B)	(C)
	\$459.38	\$76.56	\$15.31

The rates of \$25,959 (GST inclusive) are required for the maintenance work in the Poukawa drainage scheme.

7. **Porangahau Flood Control Scheme Special Rating Scheme**

Pursuant to Section 16 of the Local Government (Rating) Act 2002 a rate shall be set for the amount in the dollar on the land value of the rating units within the Porangahau area of the Central Hawke's Bay District being the Porangahau Flood Control Scheme Special Rating Area situated within the Hawke's Bay Region.

Schedule	Rate – per \$100,000 of Land Value
Differentials	\$10.05

The rates of \$32,492 (GST inclusive) are required for maintenance work in the Porangahau Flood Control Scheme.

8. **Paeroa Drainage Scheme Special Rating Scheme**

Pursuant to Section 16 of the Local Government (Rating) Act 2002, a Rate shall be set on the rating units within the Paeroa Drainage Scheme Special Rating Area. Such rate to be set and assessed using the area system of rating on a graduated scale.

Schedule	Rate – Dollars for each Hectare				
<b>DIFFERENTIALS</b>	P1	P2	P3	P3	P5
	(A)	(B)	(C)	(D)	(E)
	62.76	40.79	28.24	21.96	3.14

The rates of \$21,642 (GST inclusive) are required for maintenance work in the Paeroa Drainage Scheme.

9. **Ohuia Whakaki Drainage Scheme Rating Scheme**

Pursuant to Section 16 of the Local Government (Rating) Act 2002 a Rate shall be set on the rating units within the Ohuia Whakaki Drainage Scheme Rating Area. Such rate to be set and assessed using the area system on a graduated scale.

Schedule	Rate – Dollars for each Hectare				
<b>DIFFERENTIALS</b>	A	B	C	D	E
	104.26	83.41	62.56	31.28	10.43

The rates of \$55,972 (GST inclusive) are required for maintenance work in the Ohuia Whakaki Drainage Scheme.

10. **Upper Makara Stream Catchment Control Scheme Special Rating Scheme**

Pursuant to Section 16 of the Local Government (Rating) Act 2002 a rate shall be set on the rating units within the Upper Makara Stream Catchment Control Special Rating Area. Such rate to be set and assessed using the area system on a graduated scale.

Schedule	Rate – Dollars for each Hectare								
	DIFFERENTIALS	UM1	UM2	UM3	UM4	UM5	UM6	UM7	UM8
	(A)	(B)	(C)	(C)	(D)	(D)	(E)	(F)	
	49.25	39.40	29.55	29.55	17.23	17.23	2.46	0.99	

The rates of \$32,486 (GST inclusive) are required for maintenance work in the Upper Makara Stream Catchment Control Scheme.

11. **Esk River and Whirinaki Stream Maintenance Scheme**

Pursuant to Section 16 of the Local Government (Rating) Act 2002 a rate shall be set on all rating units benefiting from the maintenance work in the Esk River and Whirinaki Stream area.

Such rate to be set and assessed using the area basis of rating on a Differential Rating Scheme.

Schedule	Rate - Dollars for each Hectare								
	DIFFERENTIALS	E1	E2	RI1	RI2	RI3			
Esk River	39.45	16.32	39.79	133.71	432.31				
		W1	W2	W3	W4	W5	W6	W7	
Whirinaki Stream	146.81	110.66	357.77	147.23	3.69	44.61	15.83		

The rates of \$21,986 (GST inclusive) will be applied to the maintenance work in the Esk River and Whirinaki Stream Maintenance Scheme.

12. **Te Ngarue Stream Flood Protection Scheme**

Pursuant to Section 16 of the Local Government (Rating) Act 2002 a rate shall be set on all rating units benefiting from the maintenance work in the Te Ngarue Stream area.

Such rate to be set and assessed using the area basis of rating on a differential rating scheme.

Schedule	Rate - Dollars for each Hectare	
	TN	TN1
Differentials	29.15	184.31

The rates of \$2,928 (GST inclusive) will be applied to the maintenance work in the Te Ngarue Stream Scheme.

13. **Kopuawhara Stream Flood Control Maintenance Scheme**

Pursuant to Section 16 of the Local Government (Rating) Act 2002 a rate shall be set on all rating units benefiting from the maintenance work in the Kopuawhara Stream area.

Such rate to be set and assessed using the area basis of rating on a differential rating scheme.

Schedule	Rate - Dollars for each Hectare			
	A	B	C	D
Differentials	136.40	54.56	27.28	6.82

The rates of \$7,708 (GST inclusive) will be applied to the maintenance work in the Kopuawhara Stream Flood Control Scheme.

14. **Wairoa Rivers and Streams Scheme**

Pursuant to Section 16 of the Local Government (Rating) Act 2002 a rate shall be set on all rating units within the Wairoa District.

Such rate to be set on the capital value.

Schedule	Rate – per \$100,000 of Capital Value
Differentials	\$6.74

The rates of \$116,398 (GST inclusive) will be applied to the maintenance work of the scheme.

15. **Maraetotara Flood Control Scheme (Maintenance)**

Pursuant to Section 16 of the Local Government (Rating) Act 2002 a rate shall be set on the rating units within the Maraetotara Flood Control Scheme Special Rating Area. Such rate to be set on the Capital Value.

Schedule	Rate – per \$100,000 of Capital Value
Differentials	\$9.21

The Rates of \$12,741 (GST inclusive) will be applied to the maintenance of the scheme.

16. **Maraetotara Flood Control Scheme (Loan Repayment)**

Pursuant to Section 16 of the Local Government (Rating) Act 2002 a rate shall be set on the rating units for loan charges for the Maraetotara River Stopbank. Such rate to be set on the Capital Value.

Schedule	Rate – per \$100,000 of Capital Value
Differentials	\$18.60

The Rates of \$17,188 (GST inclusive) will be applied to the loan repayments and interest payments of the scheme.

17. **Central & Southern Area Rivers and Streams Scheme**

These rates are set based on the estimates of projected valuations on the capital values of the rating units within the Taupo District, Hastings District, Napier City, Central Hawke's Bay District and Rangitikei District.

Schedule	Rate – per \$100,000 of Capital Value
Differentials	76.7 cents

The total rate required is \$221,780 (GST inclusive) to fund removal of vegetation, bank stabilisation and land purchase on various rivers and streams.

18. **Bovine Tb Vector Control**

Pursuant to Section 16 of the Local Government (Rating) Act 2002 a rate on all rural rating units containing 4.0468 hectares or more within the Region be set and assessed on the area basis in accordance with the Differential rating system.

Schedule	Rate - cents for each Hectare
Group	50.33

The rates of \$536,399 (GST inclusive) will be applied to Bovine Tb Vector Control work within the Region.

19. **Plant Pest Strategy**

Pursuant to Section 16 of the Local Government (Rating) Act 2002 a rate on all

rural rating units containing 4.0468 hectares or more within the Region be set and assessed on the area basis in accordance with the Differential Rating System determined under the provisions of the Bio-Security Act 1993.

Schedule	Rate - cents for each Hectare
Group	39.30

The rates of \$392,785 (GST inclusive) will be applied to the Plant Pest Strategy within the Region.

20. **Animal Pest Strategy**

Pursuant to Section 16 of the Local Government (Rating) Act 2002 a rate on all rural rating units containing 4.0468 hectares or more within the Region be set and assessed on the area basis in accordance with the Differential Rating system determined under the provisions of the Bio-Security Act 1993.

Schedule	Rate - cents for each Hectare
Group	A B C
	50.60 128.92 0

The rates of \$1,163,247 (GST inclusive) will be applied to the Animal Pest Strategy within the Region.

21. **Clean Heat Administration**

Pursuant to Section 16 of the Local Government (Rating) Act 2002 a rate shall be set on the rating units within the affected airsheds of Napier and Hastings. Such rate to be set on the Land Value.

Schedule	Rate – per \$100,000 of Land Value
Differentials	\$8.98

The rates of \$670,639 (GST inclusive) will be applied to the provision of a financial incentive package to encourage the replacement of open fireplaces and non-compliant wood burners with a more efficient form of heating and insulation.

The aim is to reduce the particles of polluting smoke in the affected airsheds.

22. **Rates to Repay Loans to Homeowners for Clean Heat and Insulation**

Council has resolved to provide/facilitate loan funding to assist homeowners for insulation where this is a shortfall between the cost of insulation (to EECA standards) and the grants available from EECA and other funders. Further, the Council will provide loan funding to homeowners in the identified airshed wishing to install a more efficient form of heating.

The loans for replacement of open fire or non-compliant wood burners will be 50% interest free. The loans for insulation which is available to all ratepayers in the region will be charged interest subject to the prevailing borrowing interest rate. The total loans plus interest will be repaid over 10 years as a fixed amount through a Targeted Differential Rate.

The Differential Rate to apply for each year over a 10 year period is \$10.00 per \$100.00 of borrowings uplifted by individual ratepayers. For example, if a ratepayer borrows \$5,200, then the annual Targeted Differential Rate for that ratepayer would be \$520.00 each year for a 10 year period. The borrowings comprise the loan, interest charge, service fee and Goods & Services Tax.

Pursuant to Section 16 of the Local Government (Rating) Act 2002, the 2010/11 rates are \$34,800 (GST inclusive), and are to be set on the rating units that are servicing a loan for insulation or clean heat.

23. **Economic and Tourism Development**

Venture Hawke's Bay, a Regional Council Business Unit, promotes economic and

tourism development and in the past has been funded by the Regional, Hastings District and Napier City Councils. The Regional Council now directly rates all ratepayers in the region for this function.

The basis of rating is as follows:

30% of the total rates are to be funded by the commercial or industrial properties, this rate is based on Capital Value. The remaining 70% is to be collected from residential and rural properties as a Uniform Annual Charge.

Wairoa District ratepayers contribution is to be limited to 5% of the total rate.

Pursuant to Section 16 of the Local Government (Rating) Act 2002 a rate shall be set on all commercial and industrial rating units. Such rate is to be set on the capital value.

Schedule	Rate – Per \$100,000 of Capital Value					
DIFFERENTIALS	Napier	Hastings	Taupo	Rangitikei	Wairoa	Central Hawke's Bay
	\$12.04	\$11.41	0	0	\$15.61	\$12.22

Pursuant to Section 15 of the Local Government (Rating) Act 2002, a Fixed Charge shall be set on all residential and rural rating units.

Schedule	Rate – Per Fixed Charge					
DIFFERENTIALS	Napier	Hastings	Taupo	Rangitikei	Wairoa	Central Hawke's Bay
	\$16.00	\$16.00	\$16.00	\$16.00	\$11.76	\$16.00

The rates of \$1,380,000 (GST inclusive) will be applied for the purposes of economic and tourism development.

24. **Due Dates for Payment of Rates**

The rates are due and payable on or after 1 October 2010. Pursuant to Section 57 of the Local Government (Rating) Act 2002 a penalty charge of 10% will be imposed on the current rates remaining unpaid as at 1 February 2011.

**von Dadelszen/Rose  
CARRIED**

**10. ADOPTION OF THE HERETAUNGA PLAINS URBAN DEVELOPMENT STRATEGY**

Ms Codlin advised that the purpose of this report was to inform Council of the outcome of the hearing of submissions received on the Draft Heretaunga Plains Urban Development Strategy (HPUDS), joint committee recommendations on the submissions, and seek the adoption of HPUDS in accordance with the recommendations of the joint committee.

Ms Codlin noted that Hastings District Council adopted the Strategy on 5 August and Napier City Council on 11 August.

In response to a question around why Waipatiki was included in the Strategy but not most of Central Hawke's Bay, Ms Codlin advised that this area had been included because it was in the northern area of the Hastings District and the prime purpose of this Strategy was to determine the pattern for urban development and containment in outlying settlements and defensible boundaries established and also to preserve soils in the Heretaunga Plains.

Ms Codlin noted that the pressure had been kept on by all parties to ensure the Strategy was completed on time and she acknowledged the project management skills provided by Hastings District Council, she said these were excellent and had a large part to play in the

success of this Strategy.

Councillors congratulated those who worked on this Strategy and said it was a collaborative long term strategy and colleagues from the other Councils also should be congratulated for their work done on this. This has been completed with a limited amount of money and time and Councillor von Dadelszen reiterated what Ms Codlin had said in that the project management skills from HDC were excellent and kept everyone on track. Integration had really worked in terms of land use planning for this Strategy. She said implementation starts with the Regional Council and the other Councils are taking this on board to use. She said she hoped Central Hawke's Bay would come to the party on this in the future. This study had assisted looking at where urban development should be. She said good design guidelines needed to be put in place with a very robust process and positive way of looking at the Heretaunga Plains.

Chairman Dick said that the decision for the Regional Council to do more work on the concept of versatile soils was intended to avoid blanket imposition of what could or couldn't be done across the rural areas.

#### **Resolution:**

That the Council :

1. Agrees that the decisions to be made are significant under the criteria contained in Council's adopted policy on significance and that Council has conferred directly with the community and persons likely to be affected by or to have an interest in the decision through the special consultative procedure set out in Section 82 and 83 of the Local Government Act 2002.
2. Adopts the amended Heretaunga Plains Urban Development Strategy in accordance with:
  - 2.1. the Executive Summary of the Joint Committee's Hearing Report
  - 2.2. the full Joint Committee Hearing Report
  - 2.3. the Joint Committee's Recommended Amendments

**von Dadelszen/Dick  
CARRIED 6/1**

***Mr Mohi vacated the meeting at 11am to attend a meeting on treaty settlements.***

#### **11. MARAEKAKAHO AND NGARURORO MEDIATION OUTCOMES**

Ms Berkett and Mr Lew advised Council of the outcomes of recent mediation held in relation to 50 Environment Court appeals from Te Taiwhenua o Heretaunga on resource consents granted within the Ngaruroro catchment, and appeals from three applicants on four resource consents granted within the Maraekakaho Stream Management Zone. They also sought Council's approval on agreements made at the mediation in relation to the appeals on the four resource consents granted within the Maraekakaho Stream Management Zone.

Ms Berkett advised that as of today there were only two outstanding draft consent orders waiting to be actioned. Ms Berkett also advised that the costs for these mediation outcomes would probably be in excess of \$100,000, which is significantly less than if the matters proceeded to the Environment Court.

Mr Lew noted the contribution from Mike Glazebrook who led this mediation and said his involvement needs to be acknowledged.

Councillors noted the cost of this would be borne by the ratepayer and hoped that in future the Section 36 charging would lead to a change where these costs would be borne from and hopefully will eliminate this in the future. It was also noted that there was a cost involved with having staff involved to this level in these processes and to try to facilitate an outcome.

**Resolution:**

That the Council :

1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.
2. Receives the report titled 'Maraekakaho and Ngaruroro Mediation Outcomes'.
3. Accepts the outcome of the mediation with regard to the four appeals on the resource consents in the Maraekakaho Stream Management Zone as follows:
  - 3.1. A revised minimum flow of 109 L/s based on the findings of investigations relating to the naturalised MALF for the Maraekakaho Stream Management Zone
  - 3.2. Extending the deadline for the installation of data loggers and telemetry units for one year, to 1 September 2011, to reflect a realistic timeframe given the time it has taken to resolve the appealsand instructs Council's counsel to sign the joint memorandums in support of the draft consent orders.
4. Notes the unbudgeted and unrecoverable expenditure incurred to defend the appeals.

**Gilbertson/Scott  
CARRIED**

**12. SUBMISSION ON DRAFT NEW ZEALAND ENERGY STRATEGY**

Mr Jo Stafford sought Council's approval for the submission prepared by staff on the Draft New Zealand Energy Strategy "*Developing our energy potential*" (NZES) and the Draft New Zealand Energy Efficiency and Conservation Strategy.

Mr Stafford noted that the submissions close on 2 September. There was a comment made that it is important to look at alternative energy sources including solar panels and renewable energy sources in this regard and whether that could be included in the submission. There is also the point made that being able to return unused power back into the grid is important and it was noted that Ravensdown currently does this practice.

**Resolution:**

That the Council :

1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can make decisions on this issue without conferring directly with the community and persons like to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.
2. Approves the draft submission on the Draft New Zealand Energy Strategy.

**Rose/Remmerswaal  
CARRIED**

***Councillor von Dadelszen exited the meeting at 12.36pm.***

***The meeting adjourned at 12.36pm and reconvened at 1.05pm***

### **13. RECOMMENDATIONS FROM ASSET MANAGEMENT AND BIOSECURITY COMMITTEE**

#### **Resolution:**

#### **RURAL PATHWAYS MAINTENANCE**

That Council:

1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.
2. That Council support Option 4 initiative for an enhanced level of pathway maintenance for the remainder of the 2010/2011 financial year subject to the following criteria:
  - 2.1. Surfaces where cattle have access to the pathway are swept on up to a fortnightly basis.
  - 2.2. Costs are managed within the range of \$15,000 to \$25,000 as part of the existing Project 263: Public Access to Rivers budget.
  - 2.3. That River Lessees are encouraged to place the quietest stock in the areas where access to the cycleway exists, with specific emphasis on managing cows with calves away from the cycleway areas wherever possible.
  - 2.4. That a user survey is carried out between March and June 2011 to determine satisfaction levels for a rural pathway.

#### **PLANTATION DRAIN ENHANCEMENT UPDATE**

That Council:

3. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.
4. Receives the report Plantation Drain Enhancement Update.

#### **FUTURE OF PEST MANAGEMENT PROJECT**

That Council:

5. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.
6. Receives the report Future of Pest Management Project.

#### **UPDATE ON CARBON SEQUESTRATION PROJECT**

That Council:

7. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance

of the issue to be considered and decided.

8. Receives the report Update on Carbon Sequestration Project

### **FLOOD CONTROL AND DRAINAGE ASSET AUDIT REPORT 2008/2010**

That Council:

9. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.
10. Receives the Flood Control and Drainage Asset Audit Report 2008/2010.

**Scott/Rose  
CARRIED**

**CARRIED 5/ 1**

**For: McGregor, Remmerswaal, Rose, Scott, Dick**

**Against: Gilbertson**

### **13.i RECOMMENDATION FROM MAORI COMMITTEE**

Mr Mike Mohi advised that the Maori Committee had discussed the upcoming Wild Food Festival at their meeting held yesterday and asked that it came to this Council meeting to be considered for a contribution. Chairman Alan Dick advised that a charitable trust had been established to run the Wild Food Festival which will be alcohol and smoke free. The Festival is being held on Saturday, 13 November. He said it would be difficult for Council to support any underwriting of the event and thought that the best assistance would be through Venture Hawke's Bay or alternatively the Hawke's Bay District Health Board. The Chief Executive was asked to follow this up with Venture Hawke's Bay.

Mr Mohi then gave a verbal update from the Maori Committee meeting and noted the excellent presentations that had been given by staff at this meeting.

#### **Resolution:**

That the Council :

1. Agrees that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on this issue without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.
2. Explores avenues to assist and support the staging of Kai in the Bay, a Maori and Wild Food Festival to be held on Saturday, 13 November 2010.
3. That the verbal report be received.

**Gilbertson/Scott  
CARRIED**

**Rose/McGregor  
CARRIED**

### **14. 2009/10 HUMAN RESOURCES REPORT - OVERVIEW**

Mr Viv Moule presented the update to Council on the overview of some of the key human resources matrix reported each year as part of the internal annual human resources report. He noted key highlights from this report including the organisation has a good degree of institutional knowledge due to the average tenure in the organisation. Councillors thanked

Mr Moule for the excellent report.

**Resolution:**

That the Council :

1. That the Council receives the overview of the 2009/10 Human Resources Report.

**Gilbertson/McGregor  
CARRIED**

**15. CHAIRMAN'S MONTHLY REPORT (TABLED)**

The Chairman briefly updated Council on recent meetings he had held with Wine Country Tourism that involved the Chief Executive, Sam Orton and Chairman on opportunities for Wine Country Tourism to work with the Regional Council and Venture Hawke's Bay on regional tourism opportunities.

He noted that any involvement needed through a commitment for funding from Wine Country Tourism. This will be further discussed by the Council at their September meeting.

The Chairman then updated Council on meetings held in relation to East Coast rail line and noted there had been a meeting in Gisborne where it was agreed that in order to maintain the rail line it has to become viable in the medium term. He advised that Kiwi Rail had said they do not want to close the line but if a key customer was not identified operations might be scaled back on this line. He said a further meeting held on Tuesday, 24 August and the outcomes from that meeting included the need for clear cohesion of position from all parties and the acknowledgment that it is important both regions retain rail operation.

**Resolution:**

That the Chairman's report for 28 July to 24 August 2010 be received.

**Rose/Gilbertson  
CARRIED**

**16. MONTHLY WORK PLAN LOOKING FORWARD**

**Future Scenarios**

The Chief Executive advised that the future scenarios project had been due to be launched at the next Embracing Future Breakfast meeting but was not ready.

**Freshwater Governance**

The Chief Executive advised that three pieces of work had been identified that need to be undertaken at the recent Chief Executive's Environment Forum, these were:

- 1 National Strategy Statement around freshwater in New Zealand (this had never been done
2. Infrastructure – supply and demand management
3. Flexibility and planning for flexibility – around resource management plan processes.

**Land and Water Forum**

The Chief Executive advised a report to Nick Smith and David Carter will be publicly launched on 4 September.

**Resolution:**

1. That Council receives the Monthly Work Plan Looking Forward report.

**Scott/McGregor  
CARRIED**

**17. GENERAL BUSINESS**

**Leave of Absence**

Councillor Remmerswaal requested and was granted her leave of absence request.

**Resolution:**

That Councillor Remmerswaal be granted leave of absence from 6 – 10 September.

**Rose/McGregor  
CARRIED**

**Acronyms**

A plea was made to try to explain acronyms the first time they are used at the beginning of reports.

**Twyford Hearings**

Councillor Scott advised that the Twyford Hearings were being held during the week of 30 August.

**18. CONFIRMATION OF PUBLIC EXCLUDED MINUTES OF MEETING HELD ON 28 JULY 2010**

**Resolution:**

That the Council exclude the public from this section of the meeting being Agenda Item 18 Confirmation of Public Excluded Minutes of Meeting held on 28 July 2010 with the general subject of the item to be considered while the public is excluded; the reasons for passing the resolution and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution being as follows:

GENERAL SUBJECT OF THE ITEM TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION	GROUNDS UNDER SECTION 48(1) FOR THE PASSING OF THE RESOLUTION
Council's Investment Portfolio - Future Issues Port of Napier Ltd Strategy	7(2)(h) Enable the local authority holding the information to carry out, without prejudice or disadvantage, commercial activities	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.

**McGregor/Gilbertson  
CARRIED**

***The meeting went into public excluded session at 2.15pm and out of public excluded session at 2.20pm***

**Closure:**

There being no further business the Chairman declared the meeting closed at 2.20pm on Tuesday, 30 June 2009.

Signed as a true and correct record.

**DATE:** .....

**CHAIRMAN:** .....