

CHATHAM ISLANDS COUNCIL

Minutes of the Ordinary Monthly Meeting of the Chatham Islands Council, held in the Council Chambers, Tuku Road, Waitangi, on Thursday, 27 August 2009, commencing at 2.00 p.m.

PRESENT: Deputy Mayor, A W M Preece (Chairman), and Councillors P R Christiansen, J I Clarke, M Croon, A M Gregory-Hunt, E C Tuck and N J Whaitiri.

IN ATTENDANCE: General Manager, Owen Pickles
Council Secretary, Lynette Pickles

APOLOGIES: Apologies were received from His Worship the Mayor, Mr P F Smith, and Councillor N C Ryan.

RESOLVED THAT the apologies from His Worship the Mayor, Mr P F Smith, and Councillor N C Ryan be received.

E C Tuck / J I Clarke CARRIED

MINUTES: **2.1 Ordinary Meeting, 16 July 2009**

RESOLVED THAT the Minutes of the Ordinary Meeting of the Chatham Islands Council, held on Thursday, 16 July 2009, be confirmed and adopted as a true and correct record.

M Croon / A M Gregory-Hunt CARRIED

MATTERS ARISING: Page 3, Council Dues

Cr Croon asked if all the Dues owed by the new shipper had been paid. The General Manager advised that they had not.

Page 8, Staff Houses

Cr Christensen asked if it was true that the rent on the staff houses was being increased. He was concerned that there was to be a rental increase when the homes were in a sub-standard condition. The General Manager stated that he did not raise the rent but that it was set by Council and was to take effect from 1 January 2010. The increase was \$4.00 per week.

FINANCE:

3.1 NZ Mutual Liability Risk Pool – Need for a Call

A letter was received from New Zealand Mutual Liability Risk Pool advising that it would be making a Call from its members to meet a shortfall in the mutual pool's funds, caused predominantly by the "leaky" building issue. Timing for making the Call had not been finalised, but for the Chatham Islands Council, a Call of \$894 would be required for Fund 6 and for Fund 7, \$5,364.

Cr Gregory-Hunt asked if the Council had to pay. The General Manager advised that Council was obliged to pay, and if they did not, they would not get insurance cover.

RESOLVED THAT

1. The letter from New Zealand Mutual Liability Risk Pool be received.
2. Council meet its obligations if and when a Call is made.

J I Clarke / J I Clarke CARRIED

3.2 Management Report on Audit of 2009-19 LTCCP

Audit New Zealand's Management Report on the audit of the 2009-19 Statement of Proposal and final Long Term Council Community Plan (LTCCP) was presented to Council.

The General Manager stated that the report was a fair account of Council's situation. He noted Audit's concerns about Council's cash flow problems and the continued reliance on Government funding support.

Cr Clarke stated that the Management Report was very good. Cr Gregory-Hunt agreed, adding that the LTCCP was a good presentation too.

RESOLVED THAT the Management Report on the audit of the 2009-19 Long Term Council Community Plan be received.

J I Clarke / A M Gregory-Hunt CARRIED

WORKS & SERVICES

4.1 Downer EDi Works Report – July 2009

RESOLVED THAT the Downer EDi Works Report for July 2009 be received.

M Croon / J I Clarke CARRIED

Cr Preece noted the letter written by Basil Morrison to Downer EDi Works Limited, congratulating the company on the state of the Islands' roads after his visit to the Island. Mr Morrison stated that the Chatham Island gravel network was the best he had seen over his many years of local government experience. Cr Preece stated that it was good to receive that type of comment as too often Council received complaints about the roads.

4.2 Engineer's July 2009 Report

RESOLVED THAT the Engineer's Report for July 2009 be received.

N J Whaitiri / A M Gregory-Hunt CARRIED

Some discussion took place about the merit of cattle stops being erected on Te Matarae Road and the Pitt Island roads. Cr Preece advised that there had been a number of discussions about this in the past and Council had resolved that cattle stops were a better solution rather than imposing the compulsory fencing of roadside boundaries on land owners.

Cr Preece noted that the Waitangi Wharf Road cliff face was looking much tidier. The General Manager advised that it was planned to hydro seed the area in the future once the appropriate treatment had been found.

4.3 Kaingaroa Water Supply

A report was presented on the progress being made towards the Council owning and operating the Kaingaroa Water Supply.

The General Manager advised that everything was lined up ready to happen, but he was still waiting on a signed copy of the Memorandum of Understanding, facilitating the transfer of ownership from Hokotehi Moriori Trust to the Council, to be received from the Trust.

Downer EDi Works had agreed to vary the operating contract for the Waitangi water supply to include the Kaingaroa scheme. The cost to the consumer would be uniform with the Waitangi scheme, currently being \$575.53 per connection per annum.

Cr Tuck asked if all the houses in "the camp" would be charged a connection fee. The General Manager advised that they would be charged.

RESOLVED THAT

1. The report on the Kaingaroa water supply be received.
2. The Waitangi Water Maintenance Contract be varied to include Kaingaroa.
3. The cost of water at Kaingaroa be uniform with Waitangi at \$575.53 per year and that it be collected through the rating system.

N J Whaitiri / J I Clarke CARRIED

COMMUNITY SERVICES:

5.1 Staff Houses

The General Manager reported that at the July 2009 meeting, the Council had requested that the he obtain a view from the Chatham Islands Housing Trust on how Council should deal with the upgrade of the staff houses Nos 2 and 3. Council also requested that a local builder confirm if the price estimates quoted by the Quantity Surveyor from Opus for repairs and refurbishments for the two houses were reasonable.

As the builder's confirmation had not been received at the time the Agenda was put together, the General Manager tabled an Addendum to this item at the meeting.

The local builder, James O'Neill indicated that the bottom line cost of \$120k per house was a reasonable estimate. He further stated that due to the recession, there were some sharp prices available for new kitset houses. The Chatham Islands Housing Trust's view was that new houses should be erected on the front part of the sections to replace the existing two houses, which would allow space for additional developments, either now or in the future, to the rear.

The General Manager did some 'rough' costings which put the cost of new versus repairs at less than \$7k per house per annum, based on mortgage finance being available.

Cr Gregory-Hunt asked if Council would advertise the existing houses for removal if it built new. She felt it would be difficult to obtain finance for removing a house from its existing site. Cr Christensen thought that the houses would be difficult to move. Cr Preece advised that they could be moved OK and thought that there may be spare land owners in the community keen to undertake the removal.

Cr Tuck preferred the option of selling the two houses as is and subdivide off the back of the sections, thus giving Council some finance towards building two new houses on the subdivided block. Cr Preece did not like the idea of having two new houses 'stuck out the back' of old houses. Crs Croon and Clarke agreed.

Cr Croon suggested tendering the two houses for removal, building two new houses and subdividing off the back sections for future housing. Cr Clarke suggested tendering the two houses for removal and building four new houses on the two vacant sections.

Cr Christensen asked if there was a need for staff housing. The General Manager advised that Council had already agreed that there was a need. Cr Preece stated that with the review of the Council and the Enterprise Trust on-going, there could potentially be the need for new work space and new houses for staff. Cr Croon agreed, stating that there was also the condition of the hall to be dealt with.

The General Manager suggested that a Special Meeting of Council be called in September to discuss all the options available. He had made some preliminary enquiries with McRaeway Homes and Initial Homes, and was waiting on advice from Council's Banking Advisor on financial options. Cr Croon wanted to see a total solution before any decisions were made.

RESOLVED THAT the General Manager obtain all the relevant information regarding the cost of building new houses, and the cost of financing the project, then call a Special Meeting of Council to discuss the options.

A M Gregory-Hunt / J I Clarke CARRIED

REGULATORY:

6.1 Update from Environment Canterbury

The report for July 2009 from Environment Canterbury was presented, covering the progress of the various activities being undertaken on behalf of the Chatham Islands Council. A copy of the Chatham Islands Border Quarantine and Biosecurity Progress Report for the year ending June 2009, prepared for Environment Canterbury by SPS Biosecurity Limited, had been appended to the Agenda.

RESOLVED THAT the July 2009 report on the various activities undertaken by Environment Canterbury be received.

E C Tuck / A M Gregory-Hunt CARRIED

The General Manager advised that a Workshop would be held in mid-October on biosecurity and border control issues. Environment Canterbury was looking to employ a local person to undertake the work on the Island and Council would have the opportunity during the Workshop to prioritise tasks for that person.

The General Manager stated that the SPS Biosecurity Report was a well written document. He noted that the report prepared for the year ending June 2008 was the most read document on Council's website and the most 'asked for' document across the office reception counter.

The General Manager was concerned to read in the Minutes from a Conservation Board Meeting held earlier in the year, that the Board was still concerned that the Council was not meeting its obligations. He had made numerous offers for himself or members of Council to speak to the Board on any concerns they had but no invitation had been forthcoming. Cr Croon stated that she would like to know what the Board's issues were.

The General Manager advised that he would send a copy of the SPS Biosecurity Report to the Conservation Board with an offer for himself or Council Members to attend a Board Meeting to discuss any issues the Board might have.

6.2 Whangatete Bridge Resource Consent

A letter was received from Council's Resource Management Consultant, Paul Whyte, advising that Mr Michael Garland, Hearings Commissioner, had considered the resource consent application for Whangatete Bridge on a non-notified basis, and had granted consent pursuant to Section 104 of the Act. A copy of the Planning Report and Decision was presented to Council.

Cr Christensen referred to point 6.7, 'Cultural Effects', and asked what would happen if artefacts were uncovered during construction. The General Manager advised that work would stop immediately and the New Zealand Historic Places Trust would be notified.

RESOLVED THAT the resource consent application Planning Report and Decision for the Whangatete Bridge be received.

P R Christensen / J I Clarke CARRIED

6.3 Chatham Islands Marine Biosecurity Partnership

A letter from Biosecurity New Zealand, inviting the Chatham Islands Council to join the Chatham Islands Marine Biosecurity Partnership, was presented to Council, along with the Terms of Reference for the Partnership. The Council had earlier agreed to be involved in the Partnership on a 'we have no money basis'.

The General Manager advised that a meeting had been set down for 4th September 2009 in Wellington to accommodate him. He would be on his way to Palmerston North for the Society of Local Government Managers Conference and had suggested that day as being suitable for him to be able to attend. He suspected that any further meetings he took part in would be via telephone conference.

Crs Tuck and Christensen stated that it was important that the Council was involved.

RESOLVED THAT the information on the Chatham Islands Marine Biosecurity Partnership be received.

N J Whaitiri / E C Tuck CARRIED

6.4 CIET Wind Farm Resource Consent

The General Manager reported that the application for resource consent for a Wind Farm by the Chatham Islands Enterprise Trust had all but run its course. The applicant and submitters were currently negotiating consent conditions and if agreement could be reached, there would be no need to hold a hearing. Instead, a report with the agreed conditions would be presented to the Council for approval, but the issue of 'Members Interest' would arise for either a hearing or negotiated decision.

As some Councillors had already declared an interest and removed themselves from the process, Council needed to decide whether to form a Hearings Committee made up of available Councillors and delegate it the power to act, or to engage an independent Hearings Commissioner.

Crs Preece, Tuck and Gregory-Hunt declared an interest and took no part in the discussion.

The General Manager stated that His Worship the Mayor, Patrick Smith, and Councillors Croon, Clarke, Christensen and Whitiri, could form a Hearings Committee, with only three required for a quorum.

RESOLVED THAT His Worship the Mayor, Mr P F Smith, and Councillors M Croon, J I Clarke, P R Christensen and N J Whitiri, be appointed to a Hearings Committee for the application for resource consent for a Wind Farm by the Chatham Islands Enterprise Trust.
E C Tuck / M Croon CARRIED

LATE ITEM:

Late Item – “Road Works – Owenga”

RESOLVED THAT Council consider the late item “Road Works – Owenga” to enable the Council to respond to the New Zealand Historic Places Trust by the 31 August 2009 deadline.

A M Gregory-Hunt / E C Tuck CARRIED

A letter had been received from the New Zealand Historic Places Trust raising concerns about Council activities on the roads near Owenga. The letter was essentially a stop work notice until further archaeological works were undertaken.

The General Manager reported that GPS co-ordinates had since been supplied to identify the area of concern, being the site of the fire that occurred in Owenga in 2005. Bone samples taken from the site had since been identified as being sheep bones and sea shells. As the area of concern was beyond the road sealing project, these works were not affected.

Cr Preece advised that the site was an old rubbish dump where a peat fire occurred which explained the soil disturbance.

Despite this explanation, the Historic Places Trust still decided that the stop work should not be lifted, and further stated that there were additional sites west of the Owenga village which also required investigation.

An archaeologist would be visiting the Island to determine any damage to archaeological deposits in the Owenga area, this to be at no cost to the Council.

RESOLVED THAT the letter from the New Zealand Historic Places Trust be received and acknowledged.
M Croon / E C Tuck CARRIED

CLOSURE:

Meeting Closure

After consideration of the In Camera Agenda and there being no further business, the meeting was declared closed at 3.30 p.m.

CONFIRMED THIS 8th DAY OF OCTOBER 2009

MAYOR