

## CHATHAM ISLANDS COUNCIL

### **Minutes of the Special Meeting of the Chatham Islands Council, held in the Council Chambers, Tuku Road, Waitangi, on Wednesday, 14 October 2009, commencing at 1.35 p.m.**

**PRESENT:** Councillors P R Christiansen, J I Clarke, M Croon,  
A M Gregory-Hunt, N C Ryan, E C Tuck and  
N J Whaitiri.

**IN ATTENDANCE:** General Manager, Owen Pickles  
Corporate Services Manager, Deborah Goomes  
Council Secretary, Lynette Pickles  
Julian Tan, Director, Audit New Zealand

#### **ELECTION OF ACTING CHAIRPERSON:**

The General Manager took the Chair and welcomed Julian Tan to the meeting. The General Manager sought nominations from the floor for an Acting Chairperson.

Cr N C Ryan was nominated by Cr A M Gregory-Hunt, seconded by Cr P R Christiansen. There were no further nominations therefore Cr Ryan took the Chair.

**CARRIED**

**APOLOGIES:** Apologies were received from His Worship the Mayor, Mr P F Smith, and Deputy Mayor, A W M Preece.

**RESOLVED THAT** the apologies from His Worship the Mayor, Mr P F Smith, and Deputy Mayor, A W M Preece, be received.

**E C Tuck / J I Clarke CARRIED**

#### **1. Adoption of the 2008/09 Annual Report**

A copy of the 2008/09 Annual Report and the 2008/09 Annual Report Summary were presented to Council for adoption.

The General Manager advised Council that since circulation of the documents the previous week, there had been some minor adjustments made. He asked Council if there were any questions.

**RESOLVED THAT** the 2008/09 Annual Report be approved.

**N J Whaitiri / J I Clarke CARRIED**

**RESOLVED THAT** the 2008/09 Annual Report Summary be approved.  
**A M Gregory-Hunt / M Croon CARRIED**

Julian Tan was then invited to give his Audit Opinion. He stated that he was very pleased to present the Opinion to Council. There was an Opinion for the Annual Report and also one for the Annual Report Summary. To have them both signed on the same day was a great achievement.

**RESOLVED THAT** Council accept the Audit Report for the 2008/09 Annual Report and Annual Report Summary.  
**J I Clarke / E C Tuck CARRIED**

Julian Tan gave an overview of the work undertaken by Audit New Zealand. He stated that the exercise had gone along seamlessly, with the Auditors working between Council staff on Chatham Island and out-staff at Environment Canterbury.

Julian noted the huge reliance the Council had on external funding, with only 10% of its income coming from Rates and Dues. It would be an on-going battle for the Council to maintain sources of external funding.

The seven needs that the Auditors must report back to the Auditor General on were explained to the Council. There were no major problems found with these needs, hence a clean Audit Opinion could be issued, stating that Council's results for the year were true and correct.

The General Manager advised that the Council had concerns with the cost of the Audit. Julian stated that despite the Council being a very small authority, there were still legislative compliance issues which the Auditors must consider, which all took time. While he was sympathetic about the cost of the Audit Fees, they were bound by the Auditor General's office.

**The Corporate Services Manager departed the meeting at 1.49 p.m.**

**RESOLVED THAT** the audited 2008/09 Annual Report and Annual Report Summary be adopted.  
**J I Clarke / M Croon CARRIED**

The Chairman thanked Julian Tan for his time and attendance at the meeting to present the Audit Opinion. The Chairman stated that he thought it was a first for the Council to have the Audit Director present at the adoption of an Annual Report.

**There was a short adjournment at 2.00 p.m. while the General Manager escorted Julian Tan from the meeting.**

**The meeting recommenced at 2.04 p.m.**

## **2. Staff Housing Solutions**

The General Manager presented a report on possible solutions for the refurbishment or replacement of Staff Houses Nos 2 and 3. Opus Architecture assessed the houses earlier in the year and recommended approximately \$120k worth of work be undertaken on both houses. Clearing the sites and building new became an option because of the high estimated costs to refurbish each house. Mortgages over the properties over a ten year term to pay for the refurbishment would result in repayments per annum of \$35,226.36. This had been allowed for in the Long Term Council Community Plan (LTCCP) and had been included in budgets.

Staff House No. 1, occupied by the General Manager, had been reasonably well maintained, with the only outstanding issues being the control of dampness. This could be fixed with under floor insulation and double glazing.

Building new would give Council wider opportunities than the replacement of two staff houses. There could be the opportunity to build more than two houses, if the existing houses were removed. Building extra houses could involve Iwi, the Chatham Islands Enterprise Trust, or the Chatham Islands Housing Trust.

Preliminary advice of \$200k to \$250k per house (plus land) was received from two home building companies. To service mortgages on two houses over twenty years would cost approximately \$51,087 per annum. To build new would require public consultation, and if there was no substantive opposition, a variation to the Long Term Council Community Plan.

The General Manager reported that during discussions with Wayne Ward, Chief Executive Officer of the Community Trust of Canterbury, he learned that the Trust had allocated \$20m for community housing, to be allocated on a population basis throughout the region. Approximately \$20k had been allocated to the Chatham Islands, however Mr Ward had intimated that there had been a very low engagement from the Councils in the Community Trust region to utilise the \$20m, and he would be willing to consider proposals that the Council or Chatham Islands Housing Trust might put forward.

The General Manager advised that Mr Ward could not understand why the \$20m they had allocated for housing was not fully subscribed. The General Manager stated that if the Council approached the Community Trust of Canterbury for funding, the Board may offer an interest free loan rather than a full grant, thus allowing the Board to keep intact most of its \$20m. The only guarantee for the Council at the moment would be the \$20k grant.

Cr Croon suggested that the grant could be used as a deposit on the building of the homes, with the remainder of the funding coming from a commercially borrowed loan. She was concerned that if Council waited for grants from various organisations, it could take another couple of years before the project could commence.

The General Manager stated that he had listed a number of recommendations which gave Council some direction going forward. He advised that Council owned an empty section between the Community Flats which could be used to begin the erection of a new home. If this was done progressively, it would avoid having to find accommodation for the existing tenants during the building process.

The General Manager stated that he was encouraged by the response from Iwi at the Workshop held earlier in the day where they showed a willingness to work with Council on the establishment of new homes. He advised that Council could build a minimum of two new homes, but if Iwi and the Housing Trust came on board, there was the possibility of more being built.

Cr Christiansen suggested that there may be others on the Island looking to build new homes. If Council and those people got together, there might be a way of doing a deal with a building company to get all the materials to the Island at the same time, thus cutting costs. The General Manager stated that if a company was contracted by the Council to supply and build the homes, the company could push for more work on the Islands at the time of employment.

Cr Croon asked if there were any other outstanding issues with House No. 1. She was advised that the only real need other than double glazing and insulation, was the stripping down and re-staining of all the internal walls.

Cr Croon suggested that the two existing houses should be offered for removal by tender once Council was committed to a contract to build new.

Cr Tuck asked if the tenants would be advised. The General Manager assured that they would be. Cr Christiansen suggested offering the tenants first option on the homes for removal, but he was advised that they would need to have land available. Council was also legally obligated to advertise by open tender.

The General Manager reminded Council that there was a huge amount of work to be done before building could start, but by adopting his recommendations, Council would be narrowing down the requirements.

**RESOLVED THAT**

1. Council build new houses to replace the existing Staff Houses Nos 2 and 3.
2. Any outstanding issues involving House No. 1 be resolved at the same time as the replacement of House Nos 2 and 3, including under floor insulation and double glazing.
3. The opportunity to build more than two new houses be explored with the Housing Trust and Iwi.
4. Funding opportunities available through the Community Trust of Canterbury be further developed.
5. Funding models be presented to the November Council Meeting.
6. Tendering of House Nos 2 and 3 for removal be advertised at the time of Council committing to a contract for the building of two new homes.

**E C Tuck / J I Clarke CARRIED**

**CLOSURE:**

**Meeting Closure**

There being no further business, the meeting was declared closed at 2.23 p.m.

**CONFIRMED THIS 12th DAY OF NOVEMBER  
2009**

**MAYOR**