

Time: 9.00am
Date: Tuesday 29 November 2011
Venue: Council Chambers, Waipa District Council, 101 Bank Street,
Te Awamutu

1 PRESENT

Chairperson

His Worship the Mayor AD Livingston

Members

EH Barnes, DG Finn, ML Gower, LWE Hoverd, SDC Milner, GG Scaramuzza (9.09am),
DL Sharpe, GW Simmons, BJ Taranaki, BS Thomas, GRP Webber, VT Wilson

Others

Chief Executive – G Dyet; Group Manager Business Support – K Morris; Group
Manager Service Delivery – B Bergin; Group Manager Organisational Development –
T Hancock; Manager Finance – K Perumal; Manager Water Services – L Kendrick;
Senior Communications Officer – L Nairne; Governance Support Senior – C Shaw

Public and Press - 2

2 APOLOGIES

RESOLVED

1/11/99

*That the apologies from Cr Gower and Cr Barnes for non attendance and Cr
Scaramuzza for lateness be received.*

Cr Webber/Cr Finn

3 DISCLOSURE OF MEMBERS' INTERESTS

There were no new disclosures.

4 VISITORS

John and Betty Fulford joined the meeting at 12.15pm so Council could acknowledge the retirement of John after 22 years of service with the Waipa District Council. They then joined Councillors for lunch.

5 DEPUTATION

Roy Emerson and Jim Carlyle attended the meeting at 10.00am and presented a petition and survey from residents on the Cambridge Covered Pool. They answered questions of interest from Councillors.

Mayor Livingston advised those present that an Extra-ordinary meeting of Council will be held on 6 December 2011 at 11.00am to discuss the funding arrangements and what will be taken forward to Council's Long Term Plan.

[Adjourned at 10.10am for morning tea and reconvened at 10.40am]

6 MINUTES OF PREVIOUS MEETING

RESOLVED

1/11/100

That the minutes of the meetings of the Waipa District Council held on Tuesday 25 October 2011, having been circulated, be taken as read and confirmed as a correct record subject to resolution 1/11/80 last line the number 34 be changed to 33.

Cr Finn/Cr Hoverd

7 LATE ITEMS

There were no late items.

8 CONFIRMATION OF ORDER OF MEETING

RESOLVED

1/11/101

That the order of the meeting be confirmed.

Cr Milner/Cr Sharpe

9 COUNCILLORS' REPORTS FROM CONFERENCES, SEMINARS AND MEETINGS ATTENDED ON BEHALF OF COUNCIL

File: 75-09-06

Cr Finn reported on the recent meeting of the Waikato Regional Civil Defence Emergency Management Group and indicated a report would be forthcoming to Council around the changes that are being implemented through the Waikato Regional Council.

Cr Webber reported that the Regional Land Transport Hearings Committee had been formed and he would be representing Otorohanga and Waipa.

Cr Taranaki advised that she had attended the presentation of the Charter to the Waikato Mounted Rifles Squadron during the Armistice Day celebrations. She also attended the "turning of the sod" for the Cambridge Rotorua Live Rail Club on the Leamington Domain.

Cr Simmons officiated at the Armistice Day in Te Awamutu on behalf of His Worship the Mayor

Cr Hoverd attended the opening of new Te Awamutu playground and said it was well worth while and well attended.

10 USE OF COUNCIL SEAL AND DELEGATED AUTHORITY

File: 01-22-30 Page: No Papers

Council's Delegations Register provides for delegated authority to be exercised on behalf of Council in relation to certain statutory and discretionary functions. Where required, a report is made to Council after the exercise of such authority:

RESOLVED

1/11/102

That the following schedule of documents to which the Common Seal of the Waipa District Council has been applied under delegated authority be received.

Cr Sharpe/Cr Taranaki

Documents Sealed by Chief Executive

Sale and Purchase Agreements

There were no Sale and Purchase agreements.

Other Documents

- a) *Renewal of Lease: Cambridge Netball Association, Leamington Domain*
File: P7762d and 60-20-02
Res: 3/11/43
Lease to formalise continued presence on the Leamington Domain. DoC approval for Council to grant the lease was received on 23.09.11
- b) *Lease to Sports Club/Community Group: Cambridge-Rotorua Live Steamers Inc, Leamington Domain*

File: 01-51-04
Res: 3/11/43
Lease for group to establish and operate a model railway track on a portion of the Leamington Domain. DoC approval was gained for the proposed lease in a letter dated 28 October 2011.
- c) *Bylaw – Fire Control Bylaw 2011*
File: 45-02-07/1
Res: 1/11/84
- d) *Agreement for Stopping and Disposal of Road: Te Awamutu Machinery Ltd, Mahoe Street, Te Awamutu*
File: 90-02-25
Res: 3/11/50
Stopping and disposal of a service lane off Mahoe Street, Te Awamutu to Te Awamutu Machinery Ltd (TML) by way of amalgamation into adjoining land owner's property

Liquor Licences

- e) *General Manager Certificate – E S Hongara*
File: 33-26-02
Pol Ref: 1.7.19
- f) *General Manager Certificate – C K Dyson*
File: 33-26-02
Pol Ref: 1.7.19
- g) *General Manager Certificate – K J Luke*
File: 33-26-02
Pol Ref: 1.7.19

- h) *General Manager Certificate – T P Watson*
File: 33-26-02
Pol Ref: 1.7.19

- i) *General Manager Certificate – D L Hohepa*
File: 33-26-02
Pol Ref: 1.7.19

- j) *General Manager Certificate – J D Byett*
File: 33-26-02
Pol Ref: 1.7.19

- k) *General Manager Certificate – NKS Cheema*
File: 33-26-02
Pol Ref: 1.7.19

- l) *On Licence – JohnandPonch Limited trading as Coopers Function Venue & The Woodbox Restaurant*
016/ON/0013/11
File: 33-26-02
Pol Ref: 1.7.19

- m) *Off Licence – Satguru Enterprises Ltd trading as Pirongia Four Square*
016/OFF/0006/11
File: 33-26-02
Pol Ref: 1.7.19

- n) *Club Licence – Ohaupo Rugby and Sports Club*
016/CL/0002/11
File: 33-26-02
Pol Ref: 1.7.19

Planning Documents sealed by Manager Planning & Regulatory, Senior Analyst Planning, Team Leader Consents or Project Planner

There were no Planning documents.

11 COUNCIL PARTICIPATION IN THE LOCAL GOVERNMENT FUNDING AGENCY (LGFA) LIMITED SCHEME

File: 75-14-03

The Council was asked to approve delegations which would enable it to become a participant in the LGFA scheme. The Chief Executive outlined the background to the proposal and reminded Councillors that this proposal had been discussed at its meeting on 30 August 2011. He then invited Group Manager Business Support and Manager Finance to highlight areas of interest in the proposal.

Group Manager Business Support highlighted the Simpson Grierson legal advice included with the agenda report. He tabled an updated recommendation to take account of Simpson Grierson's concerns expressed on page 54 that at least two elected members should be signing the execution documentation. He also noted Simpson Grierson's advice on pages 52 to 54 around Council's obligations under section 101 of the Local Government Act 2002. He confirmed that in the view of officers Council is acting prudently in accordance with section 101(1) but that it was important that Council acknowledges this in today's decision and that the minutes of the meeting record this position. Mr Morris noted that Council had negotiated a lower utilisation rate for new borrowing and this would be only 40% for Waipa as opposed to a 80% threshold which is the standard utilisation expectation for other shareholders. He noted that this assisted in the prudence considerations as it removed a good part of the risk of Council being locked into borrowing from the LGFA at unfavourable rates if that situation, unlikely as it would be in officers view, ever eventuated. Discussion was held around the pricing model of the LGFA and Mr Morris said that the key objective of the LGFA is to secure reduced debt pricing for Council's across the country. He indicated that officers believed that we could achieve around a 30 basis point saving over the market in the short-term and potentially 50 basis points in the longer term by utilising the LGFA rather than other alternatives. He pointed out the table on page 35 which summarised the quantum of the savings at two different levels of borrowing. Mr Morris indicated that Asia Pacific Capital Management had assisted LGFA shareholders in determining likely pricing benefits and that Council officers had sought further assurance from our own Treasury Advisors, Bancorp. He concluded that based on all information seen this proposal has very good potential to give Council good cost savings going forward.

Manager Finance explained that the utilisation commitment is, in the main, to ensure the successful start up of the entity and the delivery of the expected pricing benefits but that there were three exceptions to the standard utilisation commitments which had been negotiated with the LGFA. These were the Auckland Council, and Waipa and Taupo District Councils.

Mr Perumal went on to outline the LGFA's dividend policy, which provided for reduced levels of dividend for a start-up period, and what Council was committing to

in respect of guarantee and uncalled capital responsibilities. He also noted the requirement for Council to subscribe to borrower notes equal to 1.6% of all borrowings. In response to a question, he said the risk of a guarantee call was considered to be very low. However, in the unlikely event that a call is made he noted that any call would also be pro-rated by rates strike of the participating Councils and on current calculations that would mean that Waipa's exposure is only 1.4%. In relation to the uncalled capital commitment he said the total exposure for Waipa would be a maximum of \$100,000, being the level of Council's initial investment.

Cr Wilson expressed concerns around the proposal and said that there were too many assumptions being made. He said when the discussion was first held, Council did not have to borrow but now it is 40% and things keep changing. In response, Mr Morris said that one of the key changes that he had highlighted is that there was now a utilisation commitment. This had been advised to the Finance and Corporate Committee's November meeting, shortly after Council officers became aware of it, and had not been identified as a concern. The fact that this had come as a surprise to staff, was the driver of the successful negotiation down to a 40% commitment. He said professional advice had been sought and Local Government New Zealand and the Government were fully behind the LGFA and now a large number of Councils are looking to become involved. He said that in relation to the guarantee, an assessment of the risks had been made and the opinion is that this is a very low risk and even in the worst case scenario Council's exposure is limited to a percentage of around 1.4%.

Cr Scaramuzza agreed with the staff recommendation and said the proposal had been assessed and the risk is low.

Cr Thomas asked whether this proposal would have an effect on the market. In response, Group Manager Business Support said that he anticipated that there would be an effect and in fact, it is already happening. He said there has been a shift in the pricing of Local Government funding and staff attribute this to the pending establishment of the LGFA. He said that the LGFA would have some natural advantages which should see rates reduce further.

RESOLVED

1/11/103

That

- a) *The report of the Manager Finance be received;*
- b) *Council delegates to the Chief Executive and the Group Manager Business Support the authority to agree the terms on which the Waipa District Council participates in the Local Government Funding Agency Limited Scheme as a Principal Shareholding Local Authority; and*

- c) *Council authorises the Chief Executive in conjunction with two elected members to execute such documents and deeds; and make settlement for the shareholding; and for the Chief Executive and Group Manager Business Support to take such other steps on behalf of the Council as they consider necessary or desirable to execute, or take, all in connection with Waipa District Council's participation in the Local Government Funding Agency Limited Scheme as a Principal Shareholding Local Authority. Where such other steps require the execution of documents and deeds Council authorises the Chief Executive in conjunction with two elected members to execute such documents and deeds.*

Cr Scaramuzza/Cr Finn

Cr Wilson requested his vote against be recorded.

12 FINANCE & CORPORATE COMMITTEE RECOMMENDATIONS TO COUNCIL: WEATHERTIGHT HOMES

File: 75-09-01

The Council were asked to consider whether it should become a participant in the Weathertight Homes Financial Assistance Package. The Chief Executive provided background to this proposal and said that the matter had been discussed at the Finance and Corporate Committee on 1 November 2011.

General discussion was held on the matter and it was acknowledged that Council had not had a large number of claims and the Waipa District was at a very low risk of future claims outside of the Financial Assistance Package.

RESOLVED

1/11/104

That Waipa District Council does not become a participant in the Weathertight Homes Financial Assistance Package as introduced by the Weathertight Homes Resolution Services (Financial Assistance Package) Amendment Act 2011.

Cr Webber/Cr Scaramuzza

13 SERVICE DELIVERY COMMITTEE RECOMMENDATION TO COUNCIL - CAMBRIDGE WASTEWATER TREATMENT PLANT PROJECT ADVISORY GROUP

The Chief Executive outlined the requirement for the resource consent for the Cambridge Waste Water Treatment Plant, and its subsequent upgrade. He said funding for the project was provided for in the Long Term Plan and that Council had

indicated the desire to have staff manage this project to live within a \$20million window rather than the \$26million originally signalled.

He said a Project Advisory Group had been in place for some time now and recommendations from the Group had been discussed at the Service Delivery Committee meeting on 1 November 2011.

In response to questions regarding the ability to fit within the \$20million window, the Chief Executive advised that this would provide a challenge for staff. However, he advised that as this is an issue of affordability, staff would do all within their power to manage this project within the budget sum approved by the Council.

RESOLVED

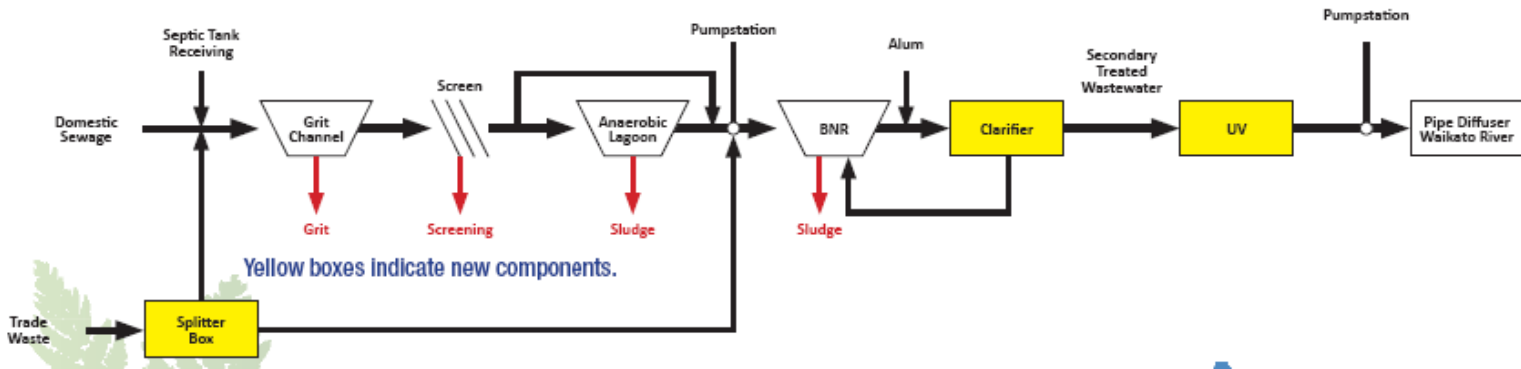
1/11/105

That:

- a) *That the Project Advisory Group for the Cambridge Wastewater Treatment Plant Consents Project consider options for the beneficial re-use of sludge/bio-solids, and that existing and future sludge/bio-solids remain on site for potential re-use for site restoration following the upgrade to the Wastewater Treatment Plant; and*
- b) *The Committee recommend to Council the approval of the following recommendations from the Project Advisory Group for the Cambridge Wastewater Treatment Plant Consents Project :*
 - *that the Cambridge Wastewater Treatment Plant Consent and Upgrade Project be rescheduled into the 2012-22 Long Term Plan as per the following: \$7 Million 2016/2017, \$7 Million 2017/2018 and \$6 Million and 2020/2021;*
 - *that Waipa District Council continue to investigate the opportunity and possibility of a Sub-Regional Wastewater Solution that will service the Cambridge Community and cater for growth as per Waipa 2050 and Future Proof. Waipa District Council to complete this investigation and study by 1st July 2012;*
 - *that the Terms of Reference is amended to include the review of Sub-Regional Wastewater Investigations and Studies. Frequency of meetings to change from monthly to quarterly (3 months);*
 - *to support Treatment Option 1G - which is to utilise the majority of existing assets in the upgrade (as below):*

Preferred Treatment Plant Upgrade Option – Liquid Stream

- *Option - BNR Existing, Anaerobic Pond*
- *Capital cost \$25 – 26 Million (inclusive of \$2.4 million to desludge existing units).*
- *Operational and Maintenance Cost \$1.4 Million per annum*



- to support Treatment Scenario 3 (the highest quality treated wastewater quality scenario considered – similar to Te Awamutu, Hamilton and Waikato) which will be delivered by preferred option detailed above;
 - to discontinue the use of the Rapid Infiltration Beds, subject to public consultation;
 - to decommission existing wetlands;
 - the use of a “land passage” or some form of land contact prior to direct River discharge;
 - Solids Disposal to be finalised, following consultation;
 - Assessment of Disposal to Land Alternatives to be finalised, following consultation.
- c) The Cambridge Wastewater Treatment Plant 35 year discharge consents application be lodged by Council with the Waikato Regional Council by the end of November 2011.

Mayor Livingston/Cr Finn

14 CAMBRIDGE COMMUNITY BOARD (CCB): RECOMMENDATION TO COUNCIL

That the Cambridge Community Board recommend to Council that the annual levy to support the New Zealand Community Boards' Executive Committee be paid to Local Government New Zealand.

Council were advised that payment of this annual levy is currently being processed.

15 TE AWAMUTU COMMUNITY BOARD (TACB): RECOMMENDATION TO COUNCIL

That the Te Awamutu Community Board recommend to Council that the annual levy to support the New Zealand Community Boards' Executive Committee be paid to Local Government New Zealand.

Council were advised that payment of this annual levy is currently being processed.

**16 COUNCIL SUBMISSION ON THE DEPARTMENT OF INTERNAL AFFAIRS
DISCUSSION DOCUMENT ON THE LOCAL AUTHORITIES (MEMBERS
INTERESTS) ACT 1968**

File: 01-33-07

The submission outlining Councils position was included in the agenda.

RESOLVED

1/11/106

That the letter to the Department of Internal Affairs dated 15 November 2011 providing feedback on the Local Authorities (Members Interests) Act 1968, be received.

Cr Taranaki/Cr Thomas

There being no further business the meeting closed at 11.00am.

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Mayor