

Minutes of an extraordinary meeting of the Queenstown Lakes District Council held in the Council Chambers, 10 Gorge Road, Queenstown on Thursday 9 October 2014 commencing at 10.00am

Present:

Mayor van Uden; Councillors Aoake, Cocks, Ferguson, Forbes, Gazzard, Gilmour and MacLeod

In attendance:

Mr Adam Feeley (Chief Executive Officer), Mrs Ruth Stokes (General Manager, Operations), Ms Meaghan Miller (Director, Chief Executive's Office), Mr Stewart Burns (Chief Financial Officer), Ms Rachelle Greene (Manager, Sport and Recreation), Ms Jendi Paterson (Recreation Programmes Team Leader), Mr Paul Speedy (Manager, Strategic Projects and Support), and Ms Jane Robertson (Governance Advisor); two members of the media and four members of the public

Apologies

Apologies were received from Councillors Lawton, Perkins and Stammers-Smith.

On the motion of Councillors Gilmour and Ferguson the Council resolved that the apologies be accepted.

Leave of Absence Requests

There were no leave of absence requests.

Conflicts of Interest

Councillor Cocks stated that he had a conflict of interest in relation to item 3 ('Leasing QLDC Holiday Parks') as he was related to a current employee at the Wanaka Camping Ground. He advised that he would leave the meeting for this item.

Confirmation of agenda

The agenda was confirmed without addition or alteration.

Public Forum

1. Mr Jules Tapper

Mr Tapper addressed the Council about the funding issues currently faced by the Otago Air Rescue Trust. It was an essential service but new contract funding had been capped on the previous year's hours and no

further funding was available, leaving the Trust with a shortfall of approximately \$50,000. The current contract had another four years to run and no funding adjustments were possible during this time, meaning that without additional support, the Trust would be operating in deficit. Accordingly, Mr Tapper asked the Council to grant the Trust \$5,000 per year for the next three years to assist in covering this loss. He noted that similar approaches had been made to other major organisations around Queenstown, with some funding commitments already made.

The Mayor advised that whilst she recognised that the Trust provided a very valuable service, the Council's funding mechanisms meant that it was not as able as other organisations to make ad hoc donations as it did not hold 'spare cash'. She encouraged Mr Tapper to continue his public fundraising and also to make a submission to the Council's 2016/26 Long Term Plan.

2. Maree Baker-Galloway, Anderson Lloyd

Ms Baker-Galloway stated that she was acting on behalf of Northlake Investment Ltd (NIL) and wished to address item 1 on the agenda concerning the proposed new Wanaka Pool. She stressed the importance of the Council having the best available information about all the pool proposals before making a decision about consultation, but she had serious concerns about the accuracy of the information presented in the agenda report about the proposed Northlake swimming facility. She detailed the specific concerns which she asserted made the Northlake option appear to be more expensive than a pool facility developed by the Council, and she considered that these flaws were also reflected in the proposed questionnaire. She added that it was untrue to state that there would be a significant delay in hearing the appeal against the Northlake Special Zone, as the Environment Court fixture had been confirmed for March 2015, with a decision expected by June. Because of these major inaccuracies she questioned from where the report's author had accessed the figures in relation to the Northlake pool proposal.

1. **Proposal to Upgrade Swimming Facilities for the Wanaka Ward – Special Consultative Procedure**

A report from Ruth Stokes (General Manager, Operations) assessed different proposals for developing new swimming facilities in Wanaka and sought approval of the Statement of Proposal for the purposes of engaging in consultation.

Ruth Stokes, Stewart Burns and Meaghan Miller joined the table. Mrs Stokes confirmed that the information contained in the agenda report reflected details received in writing from Northlake Investment Ltd.

Mr Burns circulated an updated Appendix C (pool cost models) as there was a minor error in one of the calculations presented in the officer report.

There was considerable further discussion about the operating costs for the Northlake proposal. Staff explained that if there remained a shortfall after calculating the land value and financing costs, it had been assumed that the Council would have to borrow to fund the difference. It was noted that this scenario had to be confirmed with Northlake and staff were asked to ensure this point was ascertained and detailed clearly in the consultation documents before consultation commenced.

The Chief Executive asked whether the cost of transferring the risk to Northlake had been profiled as well as the likely staff input needed into a pool development undertaken on the Council's behalf by Northlake. It was agreed that further details about risk needed to be included in the consultation materials. He added that the documents had been forwarded to the Office of the Auditor General (OAG) with a request that they be reviewed with a particular focus on balance and fairness. He undertook to forward Councillors any feedback received, adding that staff would act upon any concerns that OAG raised.

The following amendments to the consultation materials were also discussed and agreed:

- Check consistency of advantages and disadvantages tables.
- Include cost escalation of \$2M of delay as a disadvantage.
- Additional capital check on Northlake.
- Specify how long Wanaka will be without a public pool if a new pool is built on the current site.
- Check with Northlake the figures on which cost calculations have been made.
- Risk assessment to be expanded.
- Consultation documents will refer readers to the website for more detail.
- Discussion of options in Summary of Proposal to be made more open.
- Minor typos to be corrected.
- Net Present Values to be checked.

Ms Miller sought clarification from the Council on the timeframe for notifying the Special Consultative Procedure, noting that public notices were planned for 11 October. The Mayor expressed the view that this was too tight a timeframe in light of the various amendments sought, although she understood that delaying the public notification would reduce the time available for Councillors to read the submissions before the public hearings. She sought confirmation from the Council of its commitment to finalise its decision before Christmas 2014. Members agreed that it was preferable to delay public notification of the Statement of Proposal for one week to ensure its correctness, acknowledging that this would reduce slightly the time available to read the submissions before the hearing date.

On the motion of Councillors Cocks and Gazzard it was resolved that the Council:

- a. Approve the Statement of Proposal as amended to consult on the proposed upgrade of swimming facilities for the Wanaka Ward; and**
- b. Direct officers to report back to the December 2014 Council meeting on the outcome of the Special Consultative Procedure to upgrade swimming facilities for the Wanaka Ward.**

On behalf of the Council, the Mayor acknowledged the significant additional work undertaken by staff to prepare the written documentation on the Wanaka Pool for the extraordinary meeting.

2. Shotover Country Primary School court extension

A report from Rachelle Greene (Manager, Sports and Recreation) presented and assessed a request from the Ministry of Education to underwrite half the shortfall of \$500,000 to allow the Shotover Country Primary School hall and court extension to proceed. The report concluded that as the district was moving into a shortfall of court area provision and arrangements would be made for community use of the facility, it was appropriate for the Council to approve the underwrite. It would also provide for a cost saving as it would allow plans for a court extension at the Queenstown Events Centre to be deferred for a number of years.

Ms Greene and Ms Paterson joined the table. It was confirmed that funding agencies had been contacted to confirm timelines and applications would be made to the Central Lakes Trust, Community Trust of Southland and Lottery Grants Board.

The Mayor expressed the view that this was a Ministry of Education responsibility but accepted the benefits identified in the report of the Council supporting the project. She urged caution however, in ensuring that expectations were clear about the shared nature of the facility and that all details of community access, maintenance responsibilities and division of administrative costs were clearly defined in the agreement with the School Board of Trustees. She highlighted in particular the need to identify specifically what was covered by the term 'outgoings'. The Mayor asked that staff circulate the proposed agreement to Councillors when it was being finalised.

The resolution was amended to provide two rights-of-renewal of ten years after the initial term of 30 years of community access had expired. Need to show that have a right of renewal after 30 – two ROR of 10 years which aligns with building life.

The Mayor asked that income and expenditure accounts and records of community use of the court be presented to Council on a quarterly basis within the monthly report.

On the motion of Councillors Gazzard and Aoake it was resolved that the Council:

- a. Authorise an underwrite of \$250,000, in addition to the \$1.6million already committed, to the extension of the Shotover Country Primary School hall to progress the delivery of a full sized indoor court facility for the community, noting the Ministry of Education has also committed an additional \$250,000 to the project, and on the basis that the additional funding is to be paid in the 2015/16 financial year.**
- b. Direct officers to apply to third party funders to offset the additional funding required to be underwritten of \$250,000 to the extension of the Shotover Country Primary School hall.**
- c. Authorise the General Manager, Operations to execute agreements with the Ministry of Education for the capital contribution for the Shotover Country Primary School hall extension and the Board of Trustees of Shotover School for community access to the facility that will include, but not be limited to, the following:**
 - i. The grant will be capped at \$1.85m, of which \$1.6m will be paid in 2014/15 and \$250,000 will be paid in 2015/16;**
 - ii. The community will have priority access to the facility after school hours and on weekends for an initial term of 30 years plus 2 x 10 years Right of Renewal;**
 - iii. The school will administer the facility and be responsible for outgoings;**
 - iv. The school will set charges for community use of the facility during priority access times with Council's approval;**
 - v. That the school will apply revenue earned from the use of the facility to the operation of the facility and any surplus will be applied to a sinking fund for the purposes of maintaining and renewing the facility.**

Resolution to exclude the public

On the motion of Councillors Ferguson and Forbes the Council resolved that the public be excluded from the following parts of the proceedings of the meeting:

Item 3: Leasing QLDC Holiday Parks

The general subject of the matters to be discussed while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds under Section 48(a) of the Local Government Information and Meetings Act 1987 for the passing of this resolution is as follows:

General subject to be considered.	Reason for passing this resolution.	Grounds under Section 7 for the passing of this resolution.
3. Leasing QLDC Holiday Parks	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of information is necessary to:</p> <p>(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);</p>	Section 7(2)(i)

The meeting went into public excluded at 11.02am. Councillor Cocks left the meeting at this point.

The meeting came out of public excluded and concluded at 11.07am.

CONFIRMED AS A TRUE AND CORRECT RECORD

M A Y O R

30 October 2014

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