

## **QUEENSTOWN LAKES DISTRICT COUNCIL**

Minutes of a meeting of the Queenstown Lakes District Council held in the Council Chambers, 10 Gorge Road, Queenstown on Friday, 31 October 2008 commencing at 11.00 am.

### **OPENING**

Mayor Geddes read the invocation.

### **PRESENT**

Mayor Clive Geddes; Councillors Cocks, Gazzard, Gilmour, Macleod, Mann, Overton, Perkins, van Uden, J R Wilson and J S Wilson

### **IN ATTENDANCE**

Messieurs Duncan Field (Chief Executive), Stewart Burns (Deputy CEO/General Manager Finance), Roger Taylor (General Manager Regulatory and Corporate), Ken Gousmett (Project Manager); John Strahl (Legal Advisor for Lake View Project), Marty Black (Harbour Master), Mark Burrows (Rawlinsons); Ms Jane Robertson (Governance Officer); two members of the public and two media.

### **APOLOGIES**

There were no apologies.

Mayor Geddes sought leave of absence between 8 and 17 November 2008 and Councillor Overton between 11 and 20 November.

**On the motion of Councillors Macleod and Perkins it was resolved that the requests for leave of absence be granted.**

### **CONFIRMATION OF MINUTES**

**On the motion of Councillors Mann and Cocks it was resolved that the minutes of 26 September 2008 be confirmed as a true and correct record.**

### **MATTERS LYING ON THE TABLE**

#### **One Mile Ltd**

The applications from One Mile Ltd to remove trees from One Mile Reserve and to undertake excavation works within One Mile Reserve remained lying on the table from the previous meeting, pending resolution of the terms and conditions to the Chief Executive's satisfaction. The Chief Executive advised that he was in the process of following up on this matter, pointing out that the Council's resolution delegated him the authority to resolve the issue. He would report the final outcomes to the Council at its next meeting.

## **NOTIFICATION OF URGENT BUSINESS**

No items were raised.

## **PUBLIC FORUM**

There were no speakers.

### **1. MAYOR'S AND CHAIRPERSONS' REPORTS**

#### **Mayor's Report**

Information:

- Hawea Community Association Annual General Meeting
  - Aspen Sister City meeting
  - Trustpower Awards
  - Destination Queenstown Annual General Meeting
  - Sustainable Wanaka workshop
  - CEO Performance Review Panel Meeting
  - Skycity Casino Community Trust presentations
  - Otago Forward meeting
  - Kingston Community Association meeting
  - Meeting to discuss ORC Water Plan
  - Shotover Delta Steering Group meeting
  - Meeting with John Bedkober, NZ Trade and Enterprise International Market Manager for North Asia
  - Rugby World Cup meeting (Dunedin)
  - Meeting with NZ Trade and Enterprise (Dunedin)
  - Shanghai Expo meeting (Dunedin)
  - Small community consultation with Kingston Community Association
  - Destination Queenstown Board meeting
  - Meeting of Wakatipu Transport Strategy Steering Group
  - Opening of NZ Organisation of Quality Conference
  - Small community consultation with Cardrona Community Association
  - Queenstown Airport Corporation Annual General Meeting
  - Council offices workshop
  - Meeting with Mayor of Central Otago District Council
  - Discussion with the Warm Homes Trust
- In addition to the points raised in his report, Mayor Geddes read a letter recently received from Mr Vance Boyd, Managing Director of Queenstown Rafting Ltd. Mr Boyd acknowledged the Council's help during the time of Shotover slip and expressed appreciation for Council appointing the company as agents to undertake remedial action. Mr Boyd had wanted his sentiments to be passed on to the full Council.
  - Further information was sought on the matters discussed with John Bedkober of NZ Trade and Enterprise, the outcomes of the Aspen Sister City meeting, the current status of Otago Forward, the discussions with the Warm Homes Trust and the procedure for appointing the new Chief Executive of DQ. Mayor Geddes also detailed the bid lodged by Otago/Southland to host matches during the 2011 Rugby World Cup.

**Utilities Committee – Councillor Mann**

## Information:

- 2008/09 Capital Programme Implementation to 31 August 2008
- New Zealand Transport Strategy and Government Policy Statement
- Draft Land Transport (Road User) Amendment Rule [2009]
- Remarkables Primary School
- Crane Distribution Limited – Hallenstein Street
- Waste Management Report
- Water and Waste Operations Update Report
- Utilities Capex Projects Status Report
- Arrowtown Water and Wastewater Scheme – Overboundary Connections To Proposed Mill Farm Heights Subdivision
- Water and Wastewater Utilities Concept Design – Marine Parade Wastewater Storage
- Monthly Roothing Report
- Monthly Roothing Capex Report

**Community Services Committee – Councillor Overton**

## Information:

- Monthly Activity Report
- Gibbston Reserve Development
- Proposed Licence – Kayak Adventures, Queenstown Bay
- Tree Policy – Update from Working Party
- Queenstown Cemetery Upgrade
- Civil Defence Emergency Management Documentation
- Walkway Structure Upgrades Wakatipu (Sunshine Bay and Bush Creek)

**Strategy Committee – Councillor Macleod**

## Information:

- Update on Plan Changes Underway
- Urban Growth Boundaries Discussion Document Feedback
- Building Sustainable Urban Communities
- Heritage Incentive Policy
- Draft Plan Change 16: Southern Wanaka Zone
- Inner Links
- Update of Guidance Document: Sustainable Building in the Queenstown Lakes District
- *Public Excluded Item*: Summary of Appeals on Plan Changes 6 (Access Widths), 8 (Car Parking) and 10 (Improving Amenity in the High Density Residential Zones)

**Finance and Corporate Accountability Committee – Councillor J S Wilson**

## Information:

- Property Subcommittee minutes
- Tenders Board minutes
- Queenstown Airport Corporation: 2007/08 Annual Report
- Lakes Environmental Ltd: 2007/08 Annual Report
- Lakes Leisure Ltd: 2007/08 Annual Report
- Queenstown Events Centre Trust: 2007/08 Annual Report
- Lakes Engineering Ltd: 2007/08 Annual Report
- QLDC Holiday Parks: Quarterly Report
- Finance Report for the Period Ended 30 June 2008
- *Public Excluded Item*: Debt Collection Report for the Period Ended 30 June 2008

### **Wanaka Community Board – Chair, Councillor Cocks**

#### Information:

- Consideration of Licence for Lake Wanaka Cycling Club for Lismore Park
  - Consideration of Licence for Wanaka Pony Club and Hawea Gymkhana Club on the Hawea Domain
  - Road Naming – Off Frye Crescent, Albert Town
  - Road Naming – Tenby Street, Wanaka
  - Road Naming – Off Aubrey Road, Wanaka
  - Draft Plan Change 16: Southern Wanaka Zone
  - Scurr Heights Toilet
  - Glendhu Bay to Damper Bay Walkway
  - Scoping Report – Helwick Street and Dunmore Street CBD Upgrade
  - Waste Management Report
  - Aubrey Road Wastewater Reticulation Scoping Report
  - Scoping Road – Tenby Street Stormwater Upgrade
  - Water Utilities September 2008 Report
  - Monthly Roothing Operations Report
  - Monthly Roothing Capex Report
  - Chairperson's Report
  - Service Centre Manager's Monthly Report
- Councillor van Uden noted that a proposed change to the Wanaka Community Board delegations was due to be presented to the Utilities Committee, which, if approved, would allow the Board to approve scoping reports for all infrastructure projects. She asked that, if approved, the Utilities Committee still be made aware of the scoping reports approved by the Board, as this was important to enable Councillors to fulfil their responsibility to serve the district as a whole.

**On the motion of Mayor Geddes and Councillor J S Wilson it was resolved that the Mayor's and Committee Chairpersons' reports be received.**

## **2. CHIEF EXECUTIVE'S REPORT**

- A report from the Chief Executive dated 13 October 2008 updated the Council on the following matters:
  - IESANZ Awards
  - Runway End Safety Area (RESA) QAC decision
  - My Noodle Limited
  - Five Mile
- Further information was sought about levels of noise protection sought under the conditions attached to the RESA QAC decision, with the Chief Executive confirming that the conditions would be in accordance with the standards contained in the District Plan.

**On the motion of Councillors Perkins and Overton it was resolved that the report be received.**

## **3. ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2008**

- A covering report from Stewart Burns (Deputy CEO/General Manager Finance) dated 16 October 2008 introduced the statutory provisions

relating to the adoption and content of the Annual Report and presented the Council's Annual Report for the year ended 30 June 2008 for adoption.

- Mr Burns joined the table. He noted that the document distributed with the agenda was largely in its final form but circulated a document containing some minor changes to the printed text. He also noted that the Council's auditors had signalled that an unqualified opinion would be issued. Mr Burns then highlighted the key issues within the report, pointing in particular to the infrastructural assets revaluation and annual revaluation of investment properties.
- Councillor Gilmour made a number of suggestions which she considered would make the report of greater interest and relevance to the average reader, suggesting inclusion of works scheduled but not completed, an explanation of additional debt taken on during the year and further detail on staff numbers and salaries. The Chief Executive acknowledged that additional commentary could illuminate the figures but suggested that there were more appropriate media for conveying this information. Mr Burns also noted that the variance analysis already highlighted any material differences between budget and final expenditure. Councillor Gilmour accepted these views but reiterated her view that additional commentary would be beneficial.
- Councillor van Uden expressed a desire for further narration explaining the detail of performance measures, noting that those from the 2006 LTCCP no longer measured should be removed. She also disagreed with comments about improved levels of performance in relation to the horticultural team which had only been in place from the current financial year and the capital programme which she contended needed to be substantiated with figures.

**On the motion of Councillors J S Wilson and Mann it was resolved that pursuant to Sections 98 and 99 of the Local Government Act 2002, the Queenstown Lakes District Council adopts the Annual Report for the year ended 30 June 2008.**

- On behalf of the Council, Mayor Geddes acknowledged the efforts of Mr Burns and the members of the Finance Department in producing the Annual Report within the statutory timeframe.

#### **4. ANALYSIS OF RESOURCE CONSENT HEARINGS – COMMISSIONER DECISIONS**

- A covering report from Roger Taylor (General Manager Regulatory and Corporate Services) dated 20 October 2008 introduced a review of notified resource consent decisions and notification determinations made by hearings Commissioners. This review report had been prepared by Commissioner Jane Sinclair on behalf of the Commissioners' group.
- Mr Taylor joined the table for this and items 5 and 6.
- Councillor Gilmour expressed a desire for more information about the identification and resolution of issues in the District Plan and analysis of emerging trends from developments. Mr Taylor noted the brief for this report had not included these issues but they would be addressed in a

future analysis. He also undertook to clarify the current status of the update to the Rural General map.

**On the motion of Councillors Overton and Macleod it was resolved that the report be received.**

## **5. DIRECTORS' FEES**

- A report from Roger Taylor (General Manager Regulatory and Corporate) dated 17 October 2008 proposed that the Council adopt a policy on setting and reviewing fees for directors of CCOs and CCTOs, recommending that the Council benchmark its directors' fees against the annual survey undertaken by the Institute of Directors, thereby establishing an external measure to ensure the fairness and consistency of remuneration.
- Councillor van Uden disagreed with the adoption of the median quartile, suggesting that the fees within the lower quartile were more commensurate with the Council's expectations of directors and the organisational sizes. She also noted that adoption of the lower quartile would also result in a substantial saving, which whilst not directly impacting upon rates had some impact on community services.
- Councillor Gilmour advised that she was unable to support the level of increase proposed at this time.
- Councillor J S Wilson considered that adoption of the median quartile was necessary to attract high calibre directors who were capable of performing to the Council's expected standard. Mayor Geddes was of the view that the proposed fees were fair and reasonable reward for the effort and responsibility in managing sizeable assets on the community's behalf.

**On the motion of Mayor Geddes and Councillor Perkins it was resolved that:**

- 1. The report be received;**
- 2. The policy for annual review of directors fees benchmarked to the Institute of Directors Annual Survey as set out in this report is adopted;**
- 3. Council notes that, following this policy, fees for the 2008/09 year for each of the companies will be**
  - a. Queenstown Airport Corporation - \$104,000;**
  - b. Lakes Environmental - \$114,300;**
  - c. Lakes Engineering - \$40,600; and**
  - d. Lakes Leisure - \$101,600.**
- 4. The boards of Lakes Engineering and Queenstown Airport Corporation are requested to prepare amendments to their Constitutions so that the clauses related to directors remuneration are consistent with the clause in**

**the Lakes Environmental and Lakes Leisure constitutions; and**

- 5. The Mayor and Chief Executive, Chair of Finance Committee are delegated responsibility, on an ongoing basis, to jointly act as the Shareholder at the Annual General Meetings of each of the subsidiary companies within the parameters set out in this policy.**

*Councillors Cocks, Gilmour and van Uden recorded their votes against the motion.*

*The meeting adjourned at 12.56 pm and reconvened at 1.23 pm. Councillors Macleod and Overton were not present when the meeting recommenced.*

**6. STATUTORY REVIEW OF WATERWAYS NAVIGATION AND SAFETY BYLAW 2003 AND SHOTOVER RIVER BYLAW 2003**

- A report from Roger Taylor (General Manager Regulatory and Corporate Services) dated 22 October introduced redrafted versions of the Waterways Navigation and Safety Bylaw 2003 and the Shotover River Bylaw 2003, seeking their adoption for the purposes of undertaking consultation in accordance with the requirements of the Local Government Act 2002.
- Mr Taylor advised that the only change in the redrafted Shotover River Bylaw was the date. He advised of some minor amendments to the draft Navigation Safety Bylaw 2008 circulated with the agenda papers, namely, the definition of 'recreational craft', use of this term instead of 'pleasure craft' in clauses 2.1.4. (a) and (c) in relation to lifejackets, deletion of 'other than rafting' from 'Part 5: Commercial Activities' and removal of Schedule 3 and consequential renumbering of subsequent schedules. Notwithstanding these minor differences, Mr Taylor observed that the redrafted Bylaw was not substantially altered with the only significant point of change around the Maritime NZ requirement that the bylaw provide for speed limit of 5 knots within 200 metres of the shore. Uplifting of the speed limit was permitted by clause 6.5 of the Bylaw and the limit would therefore be altered to 100 metres, the speed restriction currently in place.

*Councillor Macleod entered the meeting at 1.28 pm and Councillor Overton at 1.29 pm.*

- Councillor Macleod expressed concern about conflict between the provisions of the Waterways Navigation and Safety Bylaw and the Council's jetties and moorings policy. She considered that it was necessary to check the consistency between them prior to commencing public consultation.

**On the motion of Councillors Overton and J R Wilson it was resolved:**

- 1. That the draft Shotover River Bylaw 2008 the draft Waterways Navigation and Safety Bylaw 2008 and be adopted, subject to final review of the latter to ensure consistency with the**

**Council's Jetties and Moorings policy, for the purpose of community consultation.**

- 2. That if required, a hearings panel consisting of three Councillors will be convened to hear submissions on the draft bylaws and make a recommendation to Council.**
- 3. That Councillors Cocks, Gazzard and van Uden are appointed to hear submissions (if any) on the Waterways Navigation and Safety Bylaw 2008 and the Shotover River Bylaw 2008.**

**7. BROTHEL CONTROL BYLAW 2008**

- A report from Jane Robertson (Senior Governance Officer) dated 24 September 2008 advised of the special consultative procedure undertaken in respect of the proposed Brothel Control Bylaw 2008, summarised the detail of the submission received and introduced the redrafted Bylaw for adoption.

**On the motion of Councillors Perkins and Cocks it was resolved:**

- 1. That the Queenstown Lakes District Council Brothel Control Bylaw 2008 be adopted and enacted in the form submitted as part of this report.**
- 2. That the Bylaw be publicly notified in accordance with section 157 of the Local Government Act 2002.**
- 3. That the Bylaw come into effect on 9 November 2008, at which point the Brothel Control Bylaw 2003 and Brothel Control Bylaw Amendment No 1 2004 shall be revoked.**

**8. QUEENSTOWN AQUATIC CENTRE**

- A report from Ken Gousmett (Project Manager) dated 21 October 2008 provided a final project cost report for the Queenstown Aquatic Centre and sought approval of additional expenditure of \$624,700 over the original budget of \$17,854,270. The report discussed the reasons for the cost increase, noting that the additional expenditure had been already largely committed under the construction contract.
- Mr Gousmett and Mark Burrows (Rawlinsons) joined the table. Mr Gousmett also remained at the table for items 9 and 10.
- Mr Gousmett noted that whilst the over-expenditure represented only 3.5% more than the approved budget, he was somewhat disappointed with the sum involved. He also acknowledged that the \$200,000 contingency allowance had not been sufficient, but pointed out that the lump sum

contract had not allowed for inflation, which during the period of construction had been an average of 4%.

**On the motion of Councillors Macleod and Gazzard it was resolved:**

- **That this report be received; and**
- **That the additional expenditure of \$624,700 (or 3.5%) over the approved budget at the time of tender acceptance, (August 2006) be approved.**
- Mayor Geddes observed that the Queenstown Aquatic Centre had been an extremely complex and difficult project and acknowledged Mr Gousmett's work in co-ordinating it, noting that the result was an outstanding community asset.

**9. FRANKTON MARINA AND QUEENSTOWN MARINA DEVELOPMENT LTD: EXTENSION OF TIME**

- A report from Ken Gousmett (Project Manager) dated 20 October 2008 sought approval of a request for a further extension of time for the Memorandum of Understanding (MOU) between Council and Queenstown Marina Development Ltd (QMDL). The report noted that the MOU did not allow a time extension to exceed 12 months and accordingly, any further extension needed to be undertaken by way of a variation. A draft variation extending the expiry date from 27 October 2008 to 27 February 2009 was appended.
- Councillors van Uden and Gilmour declared a conflict of interest because they had submitted on the resource consent application by QMDL and withdrew from the table for the remainder of the discussion on this item.
- Mr Bryce Jack (Mac Todd) joined Mr Gousmett at the table.
- There was further discussion about the appeals made, with the likelihood that most could be settled via mediation. The Chief Executive confirmed that QMDL remained committed to the project.

**On the motion of Councillors Mann and Macleod it was resolved:**

1. **That this report be received; and**
2. **That Council approves the Variation to the Memorandum of Understanding; the revised expiry date of the Memorandum of Understanding now being 27 February 2009.**

*Councillors Gilmour and van Uden returned to the table.*

**On the motion of Councillors Overton and Macleod it was resolved that the public be excluded from the following parts of the proceedings of the meeting:**

**Item 10: Lake View Project**

And

On the motion of Councillors Mann and Gilmour it was resolved that the following persons remain because of their knowledge and expertise of matters in the following agenda items:

Item 10: Mr John Strahl

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.
10. Lake View Project	<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>(b) Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information;</p> <p>(c) Protect information which is subject to an obligation of confidence;</p> <p>(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);</p>	<p>Section 7(2)(b)(ii)</p> <p>Section 7(2)(c)</p> <p>Section 7(2)(i)</p>

***This resolution is made in reliance on Section 48 [1] [a] of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982 as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above with respect to each item.***

*The meeting went into non public at 2.16 pm.*