



## Otorohanga District Council

# AGENDA

19 April 2016

10.00am

**PLEASE NOTE THE FOLLOWING STANDING APPOINTMENTS FOR THIS DAY:**

9.30am – 10am	Workshop
10.30am – 11am	Waikato District Health Board
11.30am – 12 noon	Hamilton and Waikato Tourism
1pm – 3pm	Workshop with KCB – District Development Strategy

**Members of the Otorohanga District Council**

Mr MM Baxter (Mayor)  
Mr RM Johnson  
Mrs RA Klos  
Mr KM Phillips  
Mrs DM Pilkington (Deputy Mayor)  
Mr R Prescott  
Mr PD Tindle  
Mrs AJ Williams

Meeting Secretary: Mr CA Tutty (Governance Supervisor)



# OTOROHANGA DISTRICT COUNCIL

19 April 2016

Notice is hereby given that an Ordinary meeting of the Otorohanga District Council will be held in the Council Chambers, Maniapoto St, Otorohanga on Tuesday 19 April 2016 commencing at 10am.

13 April 2016

**DC Clibbery**  
**CHIEF EXECUTIVE**

## AGENDA

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**ITEM 287            OTOROHANGA COMMUNITY BOARD MINUTES – 10 MARCH 2016**

**To:                    His Worship the Mayor and Councillors  
                          Otorohanga District Council**

**From:                Governance Supervisor**

**Date:                12 April 2016**

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**Executive Summary**

Minutes of the meeting of the Otorohanga Community Board held on 10 March 2016 as circulated.

**Staff Recommendation**

It is recommended:

That the minutes of the meeting of the Otorohanga Community Board held on 10 March 2016 be received.

**CA Tutty**

**GOVERNANCE SUPERVISOR**

**ITEM 288            KAWHIA COMMUNITY BOARD MINUTES – 18 MARCH 2016**

**To:                    His Worship the Mayor and Councillors  
                          Otorohanga District Council**

**From:                Governance Supervisor**

**Date:                12 April 2016**

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**Executive Summary**

Minutes of the meeting of the Kawhia Community Board held on 18 March 2016 as circulated.

**Staff Recommendation**

It is recommended:

That the minutes of the meeting of the Kawhia Community Board held on 18 March 2016 be received.

**CA Tutty**

**GOVERNANCE SUPERVISOR**

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**ITEM 289            MINUTES OF NGA WAI O WAIPA CO-GOVERNANCE FORUM MEETING 4  
MARCH 2016**

**To:                    His Worship the Mayor and Councillors  
Otorohanga District Council**

**From:                Environmental Services Manager**

**Date:                 19 April 2016**

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**Relevant Community Outcomes**

- Provide for the unique history and culture of the District
  - Promote the local economy and opportunities for sustainable economic development
  - Manage the natural and physical environment in a sustainable manner
  - Foster an involved and engaged Community
- 

**Executive Summary**

The Nga Wai o Maniapoto (Waipa River) Act 2012 required Maniapoto Maori Trust Board, the Regional Council and Territorial Authorities along the Waipa River to enter into a joint management agreement. That agreement which was formally adopted in 3 April 2013 had as its stated purpose, “ *to provide for an enduring relationship between all Parties through the shared exercise of functions, duties and powers and to give effect to the Waipa River Act.*” The Co-Governance Forum resolved that the minutes of their meetings would be formally reported to the Trust Board all the member Councils.

**Nga Wai o Maniapoto (Waipa River) Act 2012  
Section 3(1) Overarching purpose of this Act**

*The overarching purpose of this Act is to restore and maintain the quality and integrity of the waters that flow into and form part of the Waipa River for present and future generations and the care and protection of the mana tuku iho o Waiwaia.*

**Staff Recommendation**

It is recommended that:

The Minutes of Nga Wai o Waipa Co-Governance Forum meeting held at the offices of the Maniapoto Maori Trust Board, 49 Taupiri Street, Te Kuiti on 4 March 2016 be received.

**A Loe  
ENVIRONMENTAL SERVICES MANAGER**

**Attachments**

- a. Nga Wai o Waipa Co-Governance Forum minutes 4 March 2016  
**(Please refer to document included in separate hardcopy)**

**ITEM 290            WAIKATO DISTRICT HEALTH BOARD – RURAL HEALTH SERVICES  
DELIVERY**

**To:                    His Worship the Mayor and Councillors  
Otorohanga District Council**

**From:                Waikato District Health Board Presentation**

**Date:                 19 April 2016**

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**Please refer to documents included in separate hardcopy**

**Document 1** – Presentation / Meeting Agenda

**Document 2** – Rural Services Strategic Planning Update March 2016

**Document 3** – Waikato District Health Board - Rural Health Services Delivery

It is resolved that:

The Waikato District Health Board presentation be received.

**DC Clibbery**  
**CHIEF EXECUTIVE**

**ITEM 291            CIVIL DEFENCE EMERGENCY PLANNING REPORT FOR OCTOBER TO  
DECEMBER 2015**

**To:                    His Worship the Mayor and Councillors  
Otorohanga District Council**

**From:                Local Civil Defence Controller**

**Date:                19 April 2016**

**Relevant Community Outcomes**

- The Otorohanga District is a safe place to live
  - Ensure services and facilities meet the needs of the Community
  - Promote the local economy and opportunities for sustainable economic development
  - Manage the natural and physical environment in a sustainable manner
- 

**Executive Summary**

To provide the quarterly update report on the Civil Defence Emergency Management activity for the period 1 October 2015 to 31 December 2015. This includes emergency management activities under the shared service arrangement between Waipa, Otorohanga and Waitomo District Councils and activities of the Waikato Civil Defence Emergency Management Group including the Joint Committee.

**Recommendation:**

*That the Civil Defence Emergency Planning report from Andrew Loe Local Civil Defence Controller and Martin Berryman Emergency Management Operations Manager for the period 1 October 2015 to 31 December 2015 be received.*

**Background**

The Local Civil Defence Controller and Emergency Management Operations Manager will now provide a quarterly information report to Council on emergency management activities affecting the Western Waikato Emergency Operating Area (WWEOA) which includes Waipa, Otorohanga and Waitomo District Councils. This report covers activities during the final quarter of 2015.

**Report**

During the reporting period the following significant civil defence emergency management activities were undertaken. Activities will be reported under the headings of the '4 Rs' which highlight the four main tenets of current emergency management planning.

**Reduction**

The focus of the workload for this quarter has been on the readiness and recovery activities. There are no further updates in the reduction area at this time.

**Readiness**

Training and Exercises

### **Civil Defence Centre (CDC - Welfare Centre)**

The Civil Defence Centre training for the establishment and operation of a welfare centre for the identified Council staff has now been undertaken. This course is unit standard assessed. Any new staff who have an interest in the welfare area are also being identified and will be scheduled to complete this course in February/March 2016. The training completed to date is as follows:

District	CDC staff identified to date	CDC staff completed training	Percentage complete
Waipa District	6	4	66%
Otorohanga District	3	2	66%
Waitomo District	7	6	85%

**Table 1: Civil Defence Centre (Welfare) staff training**

The annual Civil Defence Emergency Operating Centre (EOC) training and exercise activities have been programmed for February/ March 2016. Preparation for this training has included identifying all staff from the three Councils and what roles they will undertake in the Emergency Operating Centre (EOC) and then programming dates, places and instructors for each of these. This work has been completed. Resources for these training exercises are currently being prepared.

Across the three Councils the following training has been scheduled:

Training Courses	Staff Numbers
4 x Foundation Training Courses (4hrs) for new staff	35
2 x Intermediate Training Courses (16hrs) Identified Emergency Operating Centre Staff	36
3 x Civil Defence Exercises	70

**Table 2: Staff training courses undertaken**

Welfare

#### **Local Welfare Committee**

There are two local welfare committees chaired by each Council's Local Welfare Manager. The first consists of Otorohanga and Waitomo and the second Cambridge and Te Awamutu. Identifying the main agencies that will be required to have involvement in a welfare support capacity at a Civil Defence Centre has commenced and the Local Welfare Managers will start these meetings in the next few months.

#### **Civil Defence Centre Identification Program (Welfare)**

Following the experience from the Christchurch earthquake and other major emergency events that have taken place since, it has become apparent that not all local halls or school facilities are suitable to be used as a Civil Defence Centre. The Waikato Civil Defence Emergency Management Group (CDEM), using local civil defence professionals, have undertaken a project to identify region-wide all local facilities that may have the resources to support the local community in a civil defence emergency. A review of the appropriate civil defence signage to identify the facility has also been undertaken.



The categories identified are:

**Full Civil Defence facilities** where the evacuees can rest, sleep, be fed and, be supported by external Govt. agencies that have a legislative responsibility in this area.

**Short term Civil Defence facilities** where the evacuees can sit and relax and have light refreshments for a few hours before they return to their homes.

**Assembly and/or Information facilities** where locals can assemble before being transported to a larger civil defence facility and/or use it as a meeting place between locals and a drop off and pick up point for people and resources. In addition it could be used as a place where information is posted and released for locals who don't need to evacuate their homes but have no means of receiving updates from outside their area.

New national signage has been developed and progressive implementation will commence once the size of the project has been fully realised.

To support this project, a region-wide publicity program will be implemented to inform the public where the Civil Defence Centres will be and the use of those facilities in a civil defence emergency situation.

This identification project will commence in the Waipa, Otorohanga and Waitomo Districts in January 2016 and the information will be incorporated into the Intramaps mapping system being used within each of the Councils. It will also be uploaded into a computer program (WEBEOC) used for situational awareness in the respective coordinating centres by Welfare Managers and Local Controllers.

### **Local Marae Preparedness Strategy**

The Regional Welfare Manager and Western Waikato Operations Manager co-presented to 16 representatives of local Marae from the Maniapoto Rohe highlighting the content of the Marae Preparedness Strategy and how it and civil defence emergency management staff can assist. Indications from this group suggested that invites will follow to attend these Marae for kaumātua involvement.

This has not eventuated as yet as discussion within each Marae and their internal discussion still needs to occur before any invitation is extended.

### **Neighbourhood Support/Police/Civil Defence Emergency Management Joint Initiative**

A neighbourhood support, Police and Civil Defence Emergency Management staff joint approach initiative that has commenced in Cambridge has produced a workable package that can be rolled out across the districts.

Meetings have been arranged with all group leaders for early February 2016 where the intent is to release a two page plan template which is identical to the Region-wide Community Response Plan layout, so that each group can effectively plan and look after and organise themselves in the early part of a large civil defence emergency or a police emergency.

Importantly, if neighbourhood support can assist helping people stay in their homes and support one another in certain emergency situations rather than attend civil defence centres then this will reduce the pressure on those welfare centres. It is planned that this process will be rolled out through Te Awamutu and then Otorohanga and Waitomo Districts.

## Community Response Plans

Once the planning process is complete in locations that have agreed to undertake a community response plan a fairly robust plan is produced with good community interaction. However, to achieve the completion of a community response plan it is quite a time-consuming process which is reliant on the speed and interaction of each group. Currently, the approach to developing community response plans is under review coupled with the resourcing required to deliver more plans.

## Response

Other than monitoring Local Severe Weather Warnings there have been no emergency situations.

## Recovery

Three Recovery Plans and the necessary processes have been prepared as the basis of a Council Recovery Plan. These are currently in a draft form and are being progressively reviewed prior to being forwarded to the Councils for consideration. Once completed and approved by the respective Councils it will become the basis for the Recovery Manager to commence consultation with the various community representatives.

## Waikato Civil Defence Emergency Management Group Joint Committee

The Waikato Civil Defence Emergency Management Group Joint Committee meeting on 16 November 2015 was held at the Waikato Regional Council office in Grey St Hamilton. The minutes of that meeting are attached under separate cover. The first scheduled meeting of the Joint Committee in 2016 was held on 7 March. The minutes of that meeting were not available at the time of writing.

## Waikato Civil Defence Emergency Management Group Plan

The Waikato CDEM Group Emergency Management 2016-2020 Plan is still in preparation with in-depth consultation being undertaken across the emergency management field and other stakeholders before it goes to public consultation next year. The Western Waikato Emergency Operating Area representatives will assist in the development of this new plan.

Andrew Loe

**LOCAL CIVIL DEFENCE CONTROLLER**

Martin Berryman

**EMERGENCY MANAGEMENT OPERATIONS MANAGER**

**ITEM 292            REQUEST TO WAIVE BUILDING CONSENT FEE – KAWHIA COMMUNITY PROJECTS TRUST**

**To:                    His Worship the Mayor and Councillors  
                          Otorohanga District Council**

**From:                Governance Supervisor**

**Date:                19 April 2016**

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**Relevant Community Outcomes**

- Provide for the unique history and culture of the District
- 

**Executive Summary**

To consider a request from the Kawhia Community Projects Trust Inc for a remission of the Building Consent fee associated with the Pou-Maumahara (Remembrance Pillar)

**Staff Recommendation**

It is recommended:

That Council provide a grant of \$720.40 to the Kawhia Community Projects Trust Inc.in respect of the Building Consent fees associated with the Pou-Maumahara (Remembrance Pillar) to be funded from Council's Sundry Grants account.

**Report Discussion**

A request has been received from the Kawhia Community Projects Trust Inc for a remission of the Building Consent fee of \$720.40 associated with the Pou-Maumahara (Remembrance Pillar) to be erected in the Omimiti Reserve on the Kawhia foreshore.

The Chairman of the Trust has advised that this particular project has been some 3 years in the making and has involved the Trust in considerable fund-raising. Major grants have been received from Creative NZ (\$40,250),Trust Waikato (\$8,000), Pub Charity (\$15,000) and Waipa Networks(\$11,150) all of which are earmarked for specific parts of the project and subject to accountability reports. By recognising the value of voluntary contributions the eventual cost of the project is estimated at around \$100,000.

Whilst Building Consent Fees cannot be waived, a grant of corresponding value could be given.

Support from the Kawhia Community Board and the Otorohanga District Council will be recognised in the list of project sponsors.

**Colin Tutty**

**GOVERNANCE SUPERVISOR**

**ITEM 293          HAMILTON & WAIKATO TOURISM  
PRESENTATION**

**To:                  His Worship the Mayor and Councillors  
Otorohanga District Council**

**From:              Chief Executive**

**Date:                19 April 2016**

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**Relevant Community Outcomes**

- Ensure services and facilities meet the needs of the Community
  - Promote the local economy and opportunities for sustainable economic development
  - Recognise the importance of the Districts rural character
- 

**Executive Summary**

Hamilton & Waikato Tourism Chief Executive, Ms Kiri Goulter, will attend the meeting and give a presentation to Councillors regarding their activities.

**Staff Recommendation**

It is recommended that:

The Hamilton & Waikato Tourism presentation be received.

**DC Clibbery**  
**CHIEF EXECUTIVE**

**ITEM 294            APPLICATION FOR TEMPORARY ROAD CLOSURE - TARGA ROTORUA**

**To:                    His Worship the Mayor and Councillors  
                          Otorohanga District Council**

**From:                Engineers Representative**

**Date:                19 April 2016**

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**Relevant Community Outcomes**

- Promote the local economy and opportunities for sustainable economic development
  - Manage the natural and physical environment in sustainable manner
  - Foster an involved and engaged Community
  - Recognise the importance of the Districts rural character
- 

**Executive Summary**

Application has been received from Club Targa Inc for the following road closures within the Otorohanga District, to enable the Targa Rotorua 2016 event and associated activities to proceed. To assist with the stage security, Club Targa have also requested the closures to include 50 metres of each adjoining road, (with the exception of Waipapa Road), from where it intersects with the road being applied for.

**Staff Recommendation**

It is recommended that:

Approval be granted for the following road closures, including 50 metres of each adjoining road, (with the exception of Waipapa Road), from where it intersects with the road being applied for:

Purpose:                Targa Rotorua 2016

Date:                   Saturday, 14 May 2016

Details of Closure:    **Stage Name – Mangare Road**

**MANGARE ROAD** – from the district boundary to its intersection with Pukewhau and Huirimu Roads. Includes intersection with Landing Road.

**PUKEWHAU ROAD** – from its intersection with Mangare and Huirimu Roads to finish at the intersection with Waipapa Road.

**Period of Closure:** 0825 am to 1200 pm

With the following conditions imposed:

1. Emergency services have right of way at all times.
2. Club Targa Inc is to pay an application fee of \$400.00 towards administration of the road closures to Otorohanga District Council.
3. Club Targa Inc is to pay for all advertising costs in appropriate newspapers. Public notice advertisements are to be published in the Te Awamutu Courier.
4. Club Targa Inc is responsible for obtaining public liability insurance (and paying the cost thereof) to a minimum value of \$2,000,000. This is required to indemnify Council against

any damage to property or persons as a result of rally activities during the road closure period.

5. Club Targa Inc is to liaise, and provide evidence of liaison with all operators and businesses that may be affected by the road closures.
6. Club Targa Inc is to consult with all residents of all properties on the roads intended to be closed and also residents on roads connecting with the roads intending to be closed, including any no exit roads. Mail drops to residents are also to be carried out. All mail drops to residents are to be approved by Council staff before distribution to residents commences. The subsequent mail drop to be completed no later than ten full days before the proposed closures.
7. Club Targa Inc is solely responsible for signposting and policing of the roads to be closed, to ensure that only vehicles connected with the rally have access to the road closure areas. This includes arranging the delivery, erection and staffing of all road closure barriers and the removal thereof after closures. All gates and entranceways are to be taped and tape is to be removed thereafter.
8. Signs advising of the road closures are to be erected at the start and end of the closed portions of roads and on each intersecting road two weeks prior to the road closure. All signs are to be removed immediately after the closure. A Club Targa representative is to meet with Council Engineering Staff regarding the required signs format, size, location and quantity of signs for approval before they are manufactured and erected.

### **Report Discussion**

These road closures are proposed pursuant to the Tenth Schedule of the Local Government Act 1974. Club Targa are prepared to comply with the objection provisions contained in the Transport (Vehicular Traffic Road Closure) Regulations 1965, to build on the good relations they have with residents from the affected areas.

**Marion Fleming**  
**ENGINEERS REPRESENTATIVE**

**Item 295            COUNCILLORS REMUNERATION**

**To:                    His Worship the Mayor and Councillors  
                          Otorohanga District Council**

**From:                Finance and Administration Manager**

**Date:                19 April 2016**

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**Relevant Community Outcomes**

- Foster an involved and engaged Community
- 

**Executive Summary**

Advice has been received from the remuneration Authority indicating the proposed levels of Remuneration and changes to the allowance available towards additional duties for Elected Members as from 1 July 2016.

**Staff Recommendation**

It is recommended:

That the Report be received

**Report Discussion**

Background

In 2013 the process around the setting of Remuneration for Elected Members was changed. The Remuneration Authority introduced a system based on a 'Size Index' relative to each Council's population and expenditure, and anticipated hours of governance and representation.

Advice is received annually from the Remuneration Authority on base remuneration for the Mayor, Councillors, Community Board Members and Community Board Chairs. For the 2016/17 year the Authority has indicated an increase in base remuneration of 3%.

In addition to the base remuneration there is also a pool available for additional duties, such as that undertaken by the Deputy Mayor or participating in the District Plan hearing process. This additional pool was set at 150% of the base Council salary and the maximum amount payable for additional duties to any one Councillor was capped at 40%.

Changes to payment for additional duties.

To recognise the concerns reflected in the review and the ability to appropriately address the additional duties of some elected members, the Authority has decided to increase the amount available to supplement base remuneration from 150% of the councillor's remuneration to 200%. Therefore the maximum amount available for Otorohanga District Council for 2016/17 is \$33,784. The Authority has also decided to respond to concerns raised by Councils by removing the 40% cap on the payment to individual councillors for additional duties.

Currently, the remuneration for the Deputy Mayor is capped at 40% over the base councillor's remuneration. With the changes to the limits for additional duties there is no requirement for this cap to be applied as from 1 July 2016.

A declaration to the Remuneration Authority for additional duties is required to be completed by May 16<sup>th</sup> 2016.

**G. D Bunn**  
**FINANCE AND ADMINISTRATION MANAGER**



**ITEM 296            DISTRICT LIBRARIANS QUARTERLY REPORT FOR JANUARY TO MARCH 2016**

**To:                    His Worship the Mayor & Councillors  
                          Otorohanga District Council**

**From:                District Librarian**

**Date:                19 April 2016**

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**Relevant Community Outcomes**

- Ensure services and facilities meet the needs of the Community
  - Foster an involved and engaged Community
- 

**Executive summary**

New student shelvers have been appointed for 2016. The Kōtui software has been updated and a Kōtui library managers' meeting has been held. We offered successful summer holiday reading programmes for teens and pre-teens, and plan to offer a winter reading programme. I have attended the annual APLM meeting. Usage statistics for Otorohanga Library reveal an upwards trend for the quarter.

**Recommendation**

That the District Librarian's Quarterly Report for the period January to March 2016 be received.

**Discussion**

**Staffing**

Two Otorohanga College students have been employed as library shelvers for 2016: Lindsey Houston and Kayla Malan.

Increasing demands are being placed on library staff to provide assistance to library patrons in the use of information technology to carry out the business of their everyday lives. Our online database and digital resources are now more visible thanks to our Kōtui web pages. It is becoming crucial for library staff to be skilled and confident operators of these technologies, in order to maximise the value that the library can offer its citizens.

**Kōtui Updates**

Over the period December to March, a technical maintenance and upgrade programme has been undertaken for the Kōtui consortium. During December, a bibliographic and authority de-duplication process occurred, which greatly reduced the number of duplicate records in the Kōtui bibliographic database.

In February, the Enterprise interface was upgraded to version 4.5 – this has meant that the display of catalogue records and electronic resources records can be shown as interfiled results for people searching the interface. In mid-March, the core Symphony library management system was upgraded to version 3.5.1.1, which is the most recent version of this software.

Also in March, a series of web-based training instruction was offered in the use of BlueCloud Analytics, which is an advanced reporting programme. This programme allows libraries to have

direct access to statistical information and allows the Kōtui office to use it on libraries' behalf. BC Analytics is now regarded as being integral to the Kōtui operation. All of these upgrades have been undertaken as part of our Kōtui membership fee.

### **Kōtui Library Managers' Meeting**

A meeting for the managers of libraries in the Kōtui consortium was held in Wellington on Wednesday 18 November, with attendance costs being covered by the Kōtui Board.

To ensure that the membership benefits of Kōtui are maximised beyond simply sharing a library management system, the Managers' group role is to provide direction and priorities for the development of services and to maximise potential for further service collaboration. An Executive committee has been elected to lead the development of these initiatives.

By the end of this financial year, 32 Library services from 34 local authorities will belong to the Kōtui consortium, just over half of the country's 67 local authorities.

### **Programmes & Activities**

#### *Summer Holiday Reading Programmes*

The finale functions for our E.C. Read'N programme, *Get Carried Away with Books*" and our iRead programme were held on 26 and 28 January, respectively.

Eight intermediate-aged children took a trip to Leap at Te Rapa, where they enjoyed a very energetic morning of trampolining, followed by a Macdonald's lunch. The winner of the tablet device (partly sponsored by 100% Otorohanga) was Rick Dykshoorn while Emily Londt won a prize for best reading journal.

Twenty-eight children successfully completed the E.C. Read'N summer reading challenge for children aged 6 to 10 years. These children, and other family members, enjoyed a swim at the Te Awamutu Events Centre followed by a Subway lunch in the Rose Garden. Deputy Mayor Deborah Pilkington presented certificates and prize books to programme participants.

Library staff very much enjoyed following the reading progress of these children over the holiday period. Both programmes seem to fit needs of the different age groups – the younger children appreciate receiving a themed incentive at each report-in.

#### *Winter Warmers*

Our library will this year offer 20 places on the E.C. Read'N's Winter Warmers programme, which runs from 27 June until 5 August. This is a simplified version of the summer reading programme – we hope to conclude with a storytelling evening in the library.

#### *King Country Writers, Poets and Illustrators Group*

Following an inaugural meeting in October 2015, regular monthly meetings of this group were held in the Library. However, owing to expanding numbers, a decision has now been made for the group to convene at Otorohanga's Wintec premises.

### **Association of Public Library Managers' Strategic Meeting, 5-6 April**

The annual Public Libraries' of New Zealand strategic meeting was held in the Walter Nash Stadium at Taita, Hutt City on 5-6 April.

Entitled “Re-Create”, the two day event enabled 87 participants to take part in some lively discussion which will inform a project to develop new strategic priorities for the Association.

Thought-provoking speakers included Auckland demographer Dr Natalie Jackson and Justin Duckworth, Bishop of Wellington.

I observed that a strong emphasis on the delivery of community programming is now prevalent amongst library authorities throughout the country.

The Walter Nash Stadium is a new, multi-purpose venue in Taita, housing an indoor sports complex and community meeting rooms, in addition to library and Council service centre functions.

### **Quarterly Usage Statistics**

#### *Otorohanga Library (January to March 2016)*

	<b>2015/16</b>	<b>2014/15</b>	<b>Notes</b>
Physical Visits	10,783	10,752	<i>0.3% increase</i>
Materials Issued	9,577	9,076	<i>5.5% increase</i>
Digital Downloads	225	219	<i>2.7% increase</i>
Computer Sessions (APNK)	1,699	1,671	<i>1.7% increase</i>
Wifi Sessions	9,666	6,607	<i>46.3% increase</i>
Membership registrations	66	36	

#### *Kawhia Library (January to March 2016)*

	<b>2015/16</b>	<b>2014/15</b>	<b>Notes</b>
Materials Issued	445	633	<i>29.7% decrease</i>
Computer sessions (APNK)	55	70	<i>21.4% decrease</i>
Wifi sessions	2,180	1,367	<i>59.5% increase</i>
Membership registrations	2	8	

**Sarah Osborne**  
**District Librarian**

**ITEM 297            ODC MATTERS REFERRED FROM 15 MARCH 2016**

**To:                    His Worship the Mayor & Councillors  
                          Otorohanga District Council**

**From:                Governance Supervisor**

**Date:                 24 March 2016**

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**1   HIS WORSHIP**

**20 October 2015**

- i. To follow up on the suggestion for a future Council meeting to be held on a local Marae in the District

**2   ENGINEERING MANAGER**

**15 March 2016**

- i. To arrange for staff to investigate the slumping occurring on Haurua Road.

**3   ENVIRONMENTAL SERVICES MANAGER**

**15 March 2016**

- i. To investigate what the correct procedure is for the disposal of Possum Carcasses

**4   COUNCILLORS**

**15 March 2016**

- i. To give consideration to what they wish to see during a Council Tour of the eastern side of the District

**CA Tutty**  
**GOVERNANCE SUPERVISOR**

## **GENERAL**

### **MOTION TO EXCLUDE THE PUBLIC**

“THAT the Otorohanga District Councillors pursuant to Section 48, Local Government Official Information and Meetings Act 1987, resolves that the public be excluded from the following parts of the proceedings of this meeting.

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.”



Otorohanga District Council

# Confidential

# Agenda

19 April 2016

**Members of the Otorohanga District Council**

Mr MM Baxter (Mayor)  
Mr RM Johnson  
Mrs RA Klos  
Mr KM Phillips  
Mrs DM Pilkington (Deputy Mayor)  
Mr R Prescott  
Mr PD Tindle  
Mrs AJ Williams

Meeting Secretary: Mr CA Tutty (Governance Supervisor)

**OTOROHANGA DISTRICT COUNCIL**

19 April 2016

Notice is hereby given that a Confidential meeting of the Otorohanga District Council will be held in the Council Chambers, Maniapoto Street, Otorohanga, as indicated in the Agenda of the meeting of that day

12 April 2016

**DC Clibbery**  
**CHIEF EXECUTIVE**

**CONFIDENTIAL  
AGENDA**

**ORDER OF BUSINESS:**

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MOTION TO RE-ADMIT THE PUBLIC

**Item 298 OTOROHANGA SWIMMING POOL CONTRACT - EXTENSION REQUEST - CONFIDENTIAL**

**To: His Worship the Mayor & Councillors  
Otorohanga District Council**

**From: Engineering Manager**

**Date: 19 April 2016**

**Reason for Confidentiality**

	<b>Grounds</b>	<b>Reason</b>
	Section 48(1) of the Local Government Official Information and Meetings Act 1987, which permits the meeting to be closed to the public for business relating to the following grounds: -	Subject to sections 6, 8 and 17 of the Local Government Official Information Act 1987, the withholding of the information is necessary to:
	48(1a) 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 for which good reason for withholding would exist.	7(2i) Enable any local authority holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

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**Relevant Community Outcomes**

- Ensure services and facilities meet the needs of the Community
  - Foster an involved and engaged Community
- 

**Executive Summary**

A request has been received from Total Leisure Concepts (TLC) to extend their swimming pool contract by another two years to June 2019. The offer made is to reduce the management fee by \$25,000 per year for 2017/18/19 giving a total cost saving of \$75,000 over these three years.

**Staff Recommendation**

It is recommended:

That the offer from TLC to reduce their management fee by \$25,000 per year for the 2017, 2018 and 2019 financial years be accepted and that their contract to manage the Otorohanga swimming pool and gym complex be extended by another two years from 1 July 2017 to 30 June 2019.

**Report Discussion**

The current swimming pool contract is unique amongst Council contracts because of it has been in effect since 1999 with multiple extensions.

This contract and the extension of it has been subject to much previous discussion by Council and the Otorohanga Community Board. A copy of a report provided to Council at a time of a previous contract extension request is attached. Many of these issues and observations are still considered relevant.

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When the latest two year extension was granted to the contract there was a desire expressed by the Council at the end of this two year period to put the contract out to tender on the open market to ensure that the contract price is competitive. There are associated risks and rewards with this course of action and granting another additional two year extension to the contract effectively delays this risk or reward, and secures the certainty of a \$75,000 saving over three years. There is a school of thought that if the current contract holder is prepared to offer such a discount, the contract must be profitable and hence the opportunity exists to secure a lower tender for the pool contract. The concern with this (as expressed in the July 2011 report) is that previous experience has suggest that it may be prudent to continue with a tried and trusted contractor until such time as a change has to made, which would be driven by impending affordability issues.

At the time of the 2011 report (and the associated 'Swimming Pool – Future Options' report) it was believed that the cost of running the complex would increase at a more rapid rate than the total rates of the District. With this in mind an affordability limits were set, limiting the total activity cost to 4.5% of total rates and contract cost to 2.8% of total rates.

As can be seen by the tables below the actual operating costs have increased more slowly than the rates and with the proposed saving added the total operating cost for 2017 would be only 2.78% of total rates, hence the affordability criteria have been met by a considerable margin. Furthermore the current service provider has a good working relationship with Council staff, which further reduces the risk of continuing with the status quo.

#### Current Budget

Year	2015	2016	2017	2018	2019
Total operating cost	354000	366000	373000	382000	389000
Net operating cost	354000	366000	373000	382000	389000
Total net cost approx	357678	366000	373000	382000	389000
%age of total rates <4.5%	3.08%	3.06%	3.04%	2.97%	2.91%

Pool Contract Costs	253000	253000	253000	259000	265000
%age of total rates <2.8%	2.18%	2.12%	2.06%	2.01%	1.98%
Maximum Values	2.80%	2.80%	2.80%	2.80%	2.80%
Under allowable by	0.62%	0.68%	0.74%	0.79%	0.82%
Percentage under allowable	22%	24%	26%	28%	29%

#### With Proposed Saving

Year	2015	2016	2017	2018	2019
Total operating cost	354000	366000	366000	366000	366000
Net operating cost	354000	366000	366000	366000	366000
TLC Saving			25000	25000	25000
Total net cost approx	357678	357678	341000	341000	341000
%age of total rates <4.5%	3.08%	2.99%	2.78%	2.65%	2.55%

Pool Contract Costs	253000	253000	228000	228000	228000
%age of total rates <2.8%	2.18%	2.12%	1.86%	1.77%	1.70%
Maximum Values	2.80%	2.80%	2.80%	2.80%	2.80%

Under allowable by	0.62%	0.68%	0.94%	1.03%	1.10%
Percentage under allowable	22%	24%	34%	37%	39%

TLC Principal, Ian Richards, has offered the savings as a result of additional funding secured via Bluebridge and Water Safety NZ which he wishes to pass on with the purpose of gaining a further two year extension. This shows both goodwill and engagement with the local community.

The level of service provided by TLC over the last five years has been acceptable with all performance KPI's being achieved on a regular basis and positive feedback from the users of the complex.

Other than a possible further cost saving there are no grounds for not continuing with the contract with TLC for another two years, hence the recommendation to extend the contract and secure the cost saving.

R H Brady  
**ENGINEERING MANAGER**

#### **Attachments**

1. ODC Report – Swimming Pool 'Affordability Limits' and Contract Extension 24 October 2011

## SWIMMING POOL 'AFFORDABILITY LIMITS' AND CONTRACT EXTENSION

**To:** His Worship the Mayor & Councillors

Otorohanga District Council

**From:** Chief Executive

**Date:** 24 October 2011

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### Relevant Community Outcomes

- Ensure services and facilities meet the needs of the Community
- 

### Executive Summary

A request by Total Leisure Concepts for an extension of their contract to operate the Otorohanga Swimming Pool Complex is considered. Concerns in relation to the increasing cost of owning and operating the pool have resulted in a proposal to set an 'affordability limit' for this activity, which will have potential implications for the contract and the future level of service.

### Staff Recommendation

It is recommended that:

1. 'Affordability Limits' in respect of the cost of the Otorohanga Swimming Pool activity be established as follows:

The total annual cost of the Swimming Pool Activity shall not exceed 4.5%\* of District Rates, and the cost annual of the contract for operation of the pool complex shall not exceed 2.8%\* of District Rates.

\*Where the basis of calculation is the same as used to determine the '% UAGC cap' as presented in Council's Long Term Plan

These limits will be incorporated into Council's Long Term Financial Strategy.

2. If it is indicated that in any year the 'Affordability Limits' will be exceeded, then the level of service of the Pool activity will be reduced to the extent that is necessary to prevent this occurring.
3. The existing contract for the operation of the Otorohanga Memorial Pool Complex with Total Leisure Concepts Ltd (ODC Contract 552) is extended for an initial term of three years (with an option for a further two years subject to mutual agreement by both parties) subject to the revised conditions proposed by the contractor, which include their making financial contributions totalling \$50,000 towards maintenance works required at the complex, and the removal of annual cost escalation adjustments from the contract.

### Background

The current term of Council's contract with Total Leisure Concepts (TLC) to operate the Otorohanga Swimming Pool Complex (Contract number 552) will end on 30 June 2016.

TLC has previously approached Council on a number of occasions asking that it (Council) considers the potential for extending the existing contract term. These requests are the continuation of a pattern of such requests that has led to repeated extensions of this contract since it was first awarded to TLC in 1999.

As most members will be aware, there has been discussion of operational issues relating to the pool at the times of previous contract extensions, and these discussions have led to the establishment of a set of criteria that has been generally applied when considering extension of other contracts to provide ongoing services. These criteria are:

1. The incumbent contractor has indicated that the extension of contract will result in only a very modest increase of charges to Council
2. The works of the expiring contract have been undertaken to a consistently high standard without significant Council staff input, meeting or exceeding contract requirements.
3. Few if any justified complaints about contractor performance have been received from the public.
4. There is evidence to suggest that conducting an open tender process could result in a significant increase in the cost of the service.
5. There may be very few affordable tenders from high quality service providers because of the location and/or specialised nature of the work.
6. There is a significant risk that awarding the contract to a contractor without strong relevant experience could have significant adverse effects on Council.

It is believed that these criteria are continuing to be met in respect of contract 552, and as such this would permit a further extension of the existing contract to be granted.

In recent years ongoing concern has been expressed by elected members in respect of the substantial and rising cost of pool operations. The current 'leanness' of Council leaves the pool complex as one of the few 'discretionary' activities where cost reductions of sufficient magnitude might be made that would have a significant effect on rating levels, and where the service provided may have limited direct benefit for many of the ratepayers who fund it.

With external pressures continuing to push up the cost of delivering many of Council's core services, all opportunities to offset the associated increases in rates must be considered.

In light of these concerns and issues a relatively comprehensive assessment of the pool activity has been undertaken with a view to determining the most appropriate strategy for the future management of the facility. Details of this assessment have been recently presented in workshops with Council and the Otorohanga Community Board. Key conclusions of this assessment are as follows:

1). The pool facility is considered to be well operated. Whilst the facility is relatively modest, it is believed to satisfy the expectations of most users.

2). The cost of the swimming pool activity has risen dramatically over time, as reflected by the figures below:

<b>Year</b>	<b>1968</b>	<b>1977</b>	<b>1987</b>	<b>1995</b>	<b>2010</b>
Total Operating Cost*	\$2,000	\$9,000	\$25,000	\$94,000	\$310,000
Pool Revenue (approx)	\$1,400	\$2,600	\$8,000	\$15,000	\$40,000
Revenue as % Cost	70%	29%	32%	16%	13%
Net Operating Cost (Contract)	\$600	\$5,400	\$17,000	\$79,000	\$270,000
Total Net Cost (approx)	\$1,000	\$7,000	\$27,000	\$100,000	\$370,000
% of Total Rates <sup>#</sup> (approx)	0.3% <sup>@</sup>	0.7% <sup>@</sup>	0.9%	2.5%	4%

\* excludes interest charges, overheads & revenue offsets

# excluding water and sewerage rates, ie same basis as % UAGC cap calculation

@ Pre-ODC, comparison more difficult, figures indicative only.

There are many reasons for these increases, which include:

- Move from voluntary to paid labour
- Council funded facility development replacing community funded construction
- End of unsupervised pool use and extension of supervised operating hours
- Increased water safety standards requiring more lifeguards, improved water treatment & testing processes
- Increased routine maintenance costs associated with facility improvements
- Increased energy costs
- Employment law changes
- Labour cost increases above general inflation
- Loan charges associated with improvements

Many of these issues are outside of the control of Council.

3). The cost of operating the pool complex is relatively high on a per capita or per user basis, as reflected in the figures below:

<b>Indicator</b>	<b>Otorohanga</b>	<b>NZ Average</b>
Facility Operational Cost	\$370,000	\$427,000
Annual Cost / m <sup>3</sup> of pool capacity	\$317	\$357
Net total cost per resident (District) - Approx	\$39	\$25
Net operational cost per swim (approx)	\$12	\$5.50
Adult Swim Admission Charge	\$3.00	\$3.92
Child Swim Admission Charge	\$1.50	\$2.32
Percentage Operational Cost Recovery (approx)	14%	53%
Swims / annum / m <sup>2</sup> pool area	52	148

The adverse per resident and per user costs (which appear to be amongst the highest for any public swimming pools in NZ) reflect the fact even if operated efficiently, a pool complex in a small rural town will almost inevitably not achieve the same level of utilisation and cost distribution that can be achieved in larger centres, and the more that is invested in the facility, the more difficult it becomes to achieve cost efficiency.

4). There appear to be few opportunities to significantly reduce the cost of operating the pool complex without substantially reducing the level of service provided.

A broad range of potential strategies to reduce the cost of the activity were considered, including increasing revenues, reducing water heating costs, changing management arrangements, sharing resources with other Councils and potential improvement or replacement of the existing facility. None of these strategies appeared likely to substantially reduce costs.

Increasing the level of user charges is not a simple solution to affordability issues, because the level of pool usage is already relatively low, and increased charges may reduce it further.

5). In addition to the limited ability to reduce costs, it appears that the current level of depreciation being charged for the pool is inadequate, and that if long-term operation of the pool complex is envisaged, an appropriate level of depreciation would be approximately twice that currently charged. Such an increase in depreciation charges would increase the total cost of the pool activity by approximately 5%.

#### **Response to Assessment - Proposed Setting of Affordability Limits**

Whilst recognising the value of the Swimming Pool Complex, Council and the Otorohanga Community Board have expressed strong concern at the unfavourable economics of this activity, and have indicated that the strong trend of increasing costs associated with the pool (in both absolute and relative terms) must be arrested in the interests of providing overall affordability for the community as a whole.

After discussion at the recent workshops it was agreed that 'affordability limits' should be established for the pool activity, as percentages of the total rates of the District. It was agreed that these limits should not be exceeded, and that if it appeared likely that these limits would be exceeded in a forthcoming financial year, then the level of service of the Pool activity would be reduced to the extent necessary to prevent this occurring.

There are large relatively fixed costs in the operation of the pool, and as such correspondingly large reductions of level of service are required to give worthwhile cost savings. It is therefore probable that if the 'affordability limits' were to be substantially exceeded, this could only be offset by a radical level of service reduction, such as permanent closure of the indoor pool, and limiting swimming to an extended summer season in the outdoor pool, where the water is heated at the start and end of that season to provide acceptable temperatures.

Such a reduction of level of service (which would replicate the service being offered by Waitomo District Council in Te Kuiti) would clearly be undesirable, and almost certainly contentious, and it would be expected that public consultation would be taken in relation to such a change at that time.

The fact does however remain that Council and the Board felt that a constraint had to be placed on how much was spent on the pool, and that the setting of the 'affordability limit' would both quantify this constraint, and signal it to the community.

It should also be noted that in reaching their position on the pool, Council and the OCB have considered other comparable 'discretionary' services and the opportunities that exist for alternative delivery of these services. In particular the library service was considered, being comparable in overall cost to the Swimming Pool, and being utilised by only some of the ratepayers who fund it.

Like the pool, the library is a service that whilst relatively basic, is very well operated and meets the expectations of most users, and has few apparent opportunities for cost saving without significantly reducing the level of service provided.

The library service does however differ from the pool activity in that it has a much less pronounced trend of increasing costs, and a relatively high level of cost efficiency on a per user or per capita basis, and for these reasons both Council and the OCB expressed satisfaction with this service, and did not feel that constraints needed to be placed upon it at this time.

### **Contract Extension Issues**

As part of their request for a further extension of their contract, TLC offered to make contributions, in total amounting to \$50,000, towards maintenance works required at the complex. This was viewed positively, and would - in the short term at least - largely offset the increase in cost of the pool activity associated with the raised depreciation charges.

It was however still believed necessary to thoroughly consider alternative management options, including conducting an open tender for the pool contract, or bringing operation back 'in-house' using Council employed staff. It has been concluded that whilst these alternative approaches could conceivably generate cost savings, there are also significant risks that there would be unacceptable adverse effects to the level or sustainability of the services.

With the pool representing one of the larger elements of Council's costs, it was felt that it was very important that the agreed level of service was well delivered, and not compromised through introduction of a cheaper but less effective management regime.

TLC has consistently demonstrated the skill required to effectively operate the pool complex, and there are considered to be significant risks in conducting an open tender in which there would probably be limited interest from other contractors with significant relevant experience, because of the small scale and relatively isolated location of the complex.

Whilst it is possible that a small inexperienced contractor might be able to offer a very good and cost-effective service, experience has shown that such contractors may also underestimate the requirements of contracts, resulting in unsatisfactory service delivery that can be difficult and expensive to remedy.

The position of Council and the Otorohanga Community Board in relation to the 'affordability limits' has been discussed with TLC. The contractor expressed the view that a radical change to the level of service at the pool would have a very unfavourable impact on their contract, and that they are therefore keen to work with Council to prevent this occurring.

Towards the end TLC has revised their offer in respect to extending the existing contract. The contractor is now offering that if a potential contract extension of 5 years is agreed (this being a 3 year initial term with a potential further 2 years being subject to mutual agreement of both parties) then the contract price over this period will be fixed, with the only exception being in respect of major 'changes in law' that impose unavoidable additional cost on the contractor.

Such an arrangement does away with the routine annual inflation adjustment of the contract price that has been in place since the contract was first awarded to TLC, and this would be expected to provide very worthwhile savings - particularly over the later years of an extended contract term - relative to what would occur under the current contract structure.

It would be expected that provided no significant unexpected adverse events occur, the contract terms offered by TLC (incorporating the contributions towards maintenance and the elimination of annual cost escalation adjustments) would ensure that the 'affordability limits' are not breached within at least the next 3 to 5 years, and hence a significant level of service reduction would not be needed.

The pragmatic and constructive approach of the contractor in offering these terms is appreciated, and based upon this and consideration of the other options available, it is recommended that the contractor's revised proposal for extension of the contract is accepted.

**Dave Clibbery**  
**CHIEF EXECUTIVE**