

EXTRAORDINARY COUNCIL MEETING

MINUTES of an Extraordinary Meeting of the **ASHBURTON DISTRICT COUNCIL** held in the Council Chamber, 5 Baring Square West, Ashburton, on Thursday 19 March 2009, commencing at 1.00 pm.

PRESENT: His Worship the Mayor, Mr M B O'Malley; Councillors L J Leadley, R J Kilworth, B A Tasker, R C Beavan, N A Brown, I J Burgess, J A Everest, J A Kingsbury, K W P Lowe, P W Reveley and J Sparks.

Also in attendance Chief Executive, Finance Manager, Property Manager and Committee Secretary.

Nine members of the public attended.

APOLOGY: K L Holmes **Sustained**

The Mayor gave notice that, if required, the commencement of the Environmental Services Committee meeting will be delayed.

Elderly Persons Housing – Rental And Heating Improvements

“That the matter left on the table at the Council meeting of 26 February 2009, be uplifted and the supplementary report be received.”

Kilworth/Leadley **Carried**

The Chief Executive referred to the Finance Manager's report and the supplementary report of the Manager Democracy & Community Services. Mr Lester explained that at the current rental level this area is operating at a shortfall. The 2006-2016 LTCCP showed there would be an increase this year and the survey of residents identified the need for improved heating as a major concern. As part of the proposed upgrade EECA and Housing NZ have been contacted, however EECA is unable to support the project.

Consultation with residents gave a positive response from 58% of those surveyed. A further 10 residents asked for a full upgrade. The Elderly Persons Housing Group met to reconsider the funding options and a revised recommendation for an increase of \$8 (single) and \$8.50 (double) was agreed to, effective 1 July 2009. It is anticipated that the majority of heat pumps will be installed by that date.

The Property Manager reported that an assessment will be made of the privately owned heat pumps and a payment will be made to tenants who installed them. Payment will vary depending on the age and remaining economic life of the heat pumps. Mr Rooney said that the estimate for new pumps was based on 112 units. The lesser cost to purchase existing heat pumps will result in a favourable variance for this budget.

Cr Beavan supported the initiative but questioned the timing, affordability and the process followed. He suggested that legal issues have not been clarified. Cr Beavan asked why this expenditure is being incurred ahead of other expenditure when it is not a landlord requirement, noting that some of the units are not sufficiently insulated and ready for clean heat options. He further stated that the recommendation should instead refer to purchase and installation at a cost of \$228,906.

The Chief Executive explained that Council is required to provide cost effective heating in accordance with its policy of 100% self funded housing. To look at subsidising from rates would require a change in policy.

Mr Lester reported that three prices for the supply and installation of heat pumps were requested in October 2008, however only two prices were received by the time consultation was undertaken. The third quote has been subsequently received. Mr Lester also advised that the consultation forum was well received by tenants who had the opportunity to talk to a WINZ representative about assistance that organisation can provide.

Cr Reveley concurred with these comments and said that he believes Council has been remiss by not changing the LTCCP.

Cr Leadley supported the recommendation on the basis that Council is taking the opportunity to upgrade a Council resource for the benefit of current tenants and tenants of the future. He said that intergenerational equity doesn't apply and Council is now learning that it is paying a penalty for not having been proactive in keeping pace with rent increases.

Cr Kilworth agreed that, in hindsight, Council should have increased the rentals annually, however as landlord Council has a policy to abide with and needs to consider the long term future of the housing units.

The Mayor supported the increased rental but opposed the recommendation to install heat pumps in all of the units. He said that in the current economic climate, Council should not impose heat pumps on tenants who don't wish to have them.

- “1. That heat pumps be installed in all Ashburton District Council Elderly Persons Housing units at a total cost of \$228,906 (GST inclusive);
2. That rentals be increased by \$8.00 per week for single units and \$8.50 per week for double units, effective 1 July 2009; and
3. That rentals be increased by a further \$5.00 per week minimum, effective 1 July 2010 with this level to be reviewed in April 2010 to take cognisance of costs at that time.”

Burgess/Kingsbury

A show of hands gave 9 for and 3 against.

Carried

Cr Beavan recorded his vote against the motion.

The meeting concluded at 1.38 pm.

Confirmed this 9th day of April 2009 by

MAYOR