



# Ashburton District Council

## AGENDA

A MEETING of the ASHBURTON DISTRICT COUNCIL  
will be held as follows:

**Date:** Tuesday 3 November 2009

**Venue:** Council Chamber  
5 Baring Square West  
Ashburton

**Time:** 12.30 pm

### MEMBERS:

His Worship the Mayor, M B O'Malley  
Cr R C Beavan  
Cr N A Brown  
Cr I J Burgess  
Cr J A Everest  
Cr K L Holmes  
Cr R J Kilworth  
Cr J A Kingsbury  
Cr L J Leadley  
Cr K W P Lowe  
Cr P W Reveley  
Cr J Sparks  
Cr B A Tasker

B LESTER  
Chief Executive

30 October 2009

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# AGENDA

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[Now in open meeting]

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[Now in open meeting]

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[Now in open meeting]

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<b>Timetable</b>	
<b>12.30 pm</b>	<b>Ordinary Meeting Commences</b>
	<b>OPENING PRAYER</b>
<b>3.00 pm</b>	<b>Afternoon Tea</b>

30 October 2009

## ASHBURTON DISTRICT COUNCIL REPORT

FILE NO: 1/3/1  
DATE: 3 November 2009  
REPORT TO: Council  
FROM: Mayor

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### 4.1. MAYOR'S REPORT

#### 4.1.1 CALENDAR

Some of the meetings and functions I have attended since reporting to the last Council meeting on 24 September 2009 ---

- 28 September      Chaired Ashburton Business Estate Project Board meeting  
                          Met with Leader of the Labour Party and fellow MP's – Phil Goff, Ruth Dyson and Damien O'Connor at ADC
- 29 September      Met with Geoff Geering re Mid-South Canterbury Community Trust  
                          Attended Rotary Young Achiever 2009 Judging Panel meeting
- 1-6 October        Mayor on leave out of district
- 8 October            Attended To Hono Tangata Trust meeting  
                          Attended Rotary Young Achiever 2009 Judging Panel meeting
- 9 October            Chaired Canterbury Water Management Strategy meeting, Christchurch
- 11 October          Attended Rural Fire Field Day
- 12 October          Attended meeting re Acton water supply
- 13 October          Met with three senior representatives of N Z Police  
                          Attended RDR Ltd meeting  
                          Attended Rotary Young Achiever 2009 Awards evening
- 14 October          Met with Sue Newman re Guardian column
- 15 October          Chaired Canterbury Water Management Strategy meeting, Christchurch  
                          Attended Opening function for Braided Rivers Bar & Restaurant
- 19 October          Attended Canterbury Regional Transport meeting  
                          Visited Mrs Joan Inkersell on the occasion of her 100<sup>th</sup> birthday
- 20 October          Attended Farmers Store 100<sup>th</sup> Birthday celebration breakfast  
                          Met with L Cooney and A Argyle (two local solicitors)
- 21 October          Attended LGNZ National Council meeting, Wellington  
                          Met with Geoff Henley re CWMS in Wellington
- 22 October          Attended Central – Local Government Forum, Wellington
- 23 October          Chaired Canterbury Water Management Strategy meeting, Christchurch
- 27 October          Chaired Ashburton Business Estate Project Board meeting  
                          Guest speaker at Stadium Trust AGM
- 28 October          Took part in Classic Hits Radio Talkback session  
                          Met with Sue Newman re Guardian column
- 29 October          Attended Upper South Island Presbyterian Support AGM, Ashburton
- 30 October          Guest speaker at Ashburton Breakfast Club meeting
- 31 October          Attended Ashburton A & P Show

- 1 November Chaired Civic Music Council Concert in the Park, Ashburton Domain
- 2 November Met with Jill Quaid  
Met with Chairman and General Manager, ACL Ltd

I have been represented at other functions / events during this time as follows:

Cr Leadley attended:

- 16 October Acted as a Judge for Youth Enterprise Business Awards at Mt Hutt College

**M B O'MALLEY**  
**Mayor**

## **ASHBURTON DISTRICT COUNCIL REPORT**

FILE NO: 1/3/3  
DATE: 3 November 2009  
REPORT TO: Council Meeting  
FROM: Chief Executive

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### **4.2 CHIEF EXECUTIVE'S REPORT**

#### **4.2.1 ASHBURTON BUSINESS ESTATE**

On-site work has started. Prior to this, Council sent a newsletter to those in the area (No 4) to advise them of the programme going forward, and the contact details of key people on site if they have any concerns, issues or questions during the construction period. Our site manager and contractor have also made contact with the immediate neighbouring properties.

The landscaping undertaken to date (large trees) has been very well received. Current work/pricing for the remaining landscaping is being prepared by staff.

#### **4.2.2 POLICE MEETING**

The Mayor and I met with the District Commander David Cliff) and Regional Commander (David Gaskin) along with a member of the Australian Police on 13 October. A wide range of issues were discussed. David Gaskin undertook to look at further development of CCTV monitoring and the options to do this on a live basis.

#### **4.2.3 BROADBAND**

The Government has announced investment in fast broadband to have this available widely throughout the country. A large part of this concept is the use of fibre optic cable. The Ministry for Economic development is leading this incentive, and is seeking input from influencing parties to develop national guidelines and standards. This will include access and trenching in road reserves, as well as identifying any resource management issues.

Staff are working on a response.

#### **4.2.4 SOLID WASTE MANAGEMENT — TRANSWASTE CANTERBURY LTD (TCL)**

TCL own the Kate Valley landfill. The operation of the landfill is contracted to Canterbury Waste Services Ltd. This is a long term contract, with a review after 7 years. In preparation for the review, the Canterbury Waste Subcommittee is proposing to look at current costs and performance. I have been asked to participate in this working group.

#### **4.2.5 ACCIDENT COMPENSATION COMMISSION AUDIT**

The ACC undertook a review of the Council Health and Safety Procedures on 16 October. This looks at Council procedures to minimize work place risks, and understanding of requirements with respect to incidents / accidents. Work place safety is the responsibility of all staff, as well as recognizing our responsibilities with respect to contractors.

The audit provides the ability for Council to achieve a status (primary / secondary / tertiary) which allows for a discount on our employer premiums. I am pleased to advise Council received secondary accreditation which will translate in a discount of around 15%. This is a very pleasing result.

#### **4.2.6 CORONERS COURT**

I was required to attend the inquest into the death of one of the district's volunteer fire brigade members, Mr Barry Keen. Council undertook a review of this incident jointly with the NZ Fire Service. A separate review was undertaken by the Department of Labour. Both reviews report that Council procedures and system were not a contributing factor.

The Coroner reserved his decision which will be forwarded in due course. His concluding comment was that Mr Keen appeared to be in the "wrong place at the wrong time".

#### **4.2.7 GOVERNMENT POLICY ON INFRASTRUCTURE INVESTMENT.**

Government is due to announce a policy in support of infrastructure investment to help support economic growth in November. On 21 October, I received a visit from officials from MAF, Treasury and MED. The discussions were largely around water development, blocks to progress, and Central Government role. It is reassuring that these issues are on their agenda.

#### **4.2.8 ASHBURTON CONTRACTING LIMITED**

The AGM was held on 27 October 2009. Mr Philip Dunstan was reappointed as Director for a further three year period.

#### **4.2.9 ACTON WATER GROUP**

The Water Subcommittee met with representatives of this proposed scheme on 29 October 2009. Discussion included formats for the scheme to have access to the water race system for distribution of irrigation water, and ongoing operating / maintenance arrangement. We will prepare draft agreements and bring back to Council in the short term for consideration.

#### **4.2.10 LOCAL GOVERNMENT REFORM**

The Minister has announced intended changes to the Local Government Act 2002, to be introduced to Parliament late this year or early 2010. This is based on four discussion papers considered by Cabinet. These are unavailable at this time. While the devil is always in the detail, it would appear that the changes are largely window dressing. The indicated changes are:

##### **4.2.10.1 Core Services**

Councils are being encouraged to focus on core services by amending the power of general competence, to have particular regard to the importance of infrastructural services, solid waste services, hazard and disaster management, libraries and recreation, cultural and heritage services, and the performance of regulatory responsibilities and statutory duties.

The notable services not mentioned are social services (including housing for the elderly) and economic and employment development. (Refer to 4.2.7 above). It is unclear how this amendment will affect regional councils.

My quick analysis would indicate that 95% of our expenditure would be on the services considered to be 'core'. There appears to be no intention to restrict the other services. There will be no requirements for referendums.

#### **4.2.10.2 Community Outcomes**

It appears to be an intention to merge the Community Outcome process with the LTCCP process. This may reduce the engagement with wider government, non-government organizations. The LTCCP will become the Long Term Plan. Audit requirements appear to be retained.

#### **4.2.10.3 'Plain English' financial reporting**

This will include funding impact statement showing the source and application of funds (currently we include a simple pie-chart in the Summary Report). There are likely to be requirements to standardize report formats across the sector to better enable comparisons.

#### **4.2.10.4 Water Services**

There is likely to be changes to allow greater flexibility in working with the private sector in delivering water services, with Councils still required to retain control over pricing and policy, but being able to contract the delivery for up to 35 years.

**B LESTER**  
**Chief Executive**

## ASHBURTON DISTRICT COUNCIL REPORT

FILE NO: 0510-69  
DATE: 5 November 2009  
REPORT TO: Council  
FROM: Operations Manager  
SUBJECT: Ashburton Transportation Study

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### **4.6 FORMAL ADOPTION OF THE ASHBURTON TRANSPORTATION STUDY - APRIL 2007**

#### **4.6.1 SUMMARY**

Opus International Consultants were commissioned by Transit NZ (now part of NZTA) and Ashburton District Council to investigate and develop a transportation study for the state highway network and adjacent roads in the Ashburton urban area. The study identified present and future transportation demands within the state highway corridor and adjacent principal roads and recommended measures to optimise the performance of the land transport system.

This study was completed in 2007 and was the subject of a presentation to Councillors.

The purpose of this report is to recommend formal adoption by Council of the Ashburton Transportation Study.

#### **4.6.2 RECOMMENDATION**

“That Council adopts the Ashburton Transportation Study - April 2007”
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#### **4.6.3 BACKGROUND**

Opus International Consultants were commissioned by Transit NZ (now the state highway network operators within the NZTA) and the Ashburton District Council to prepare a transportation study that considered the identification of present and future transportation demand within the study area and recommend measures to optimise the performance of the land transport system. The study focused on the state highway and adjacent local roads in the Ashburton urban area.

The study was carried out in three stages:

Stage 1: Issues identification

Stage 2: Option identification

Stage 3: Option assessment

Each of the stages involved consultation, workshops, data collection and analysis of information collected.

A transportation model was also developed to test future transport scenarios and the different options identified.

As a result of the consultation with stakeholders, the following key issues were identified:

1. Conflicts between State Highway 1, through traffic and local roads;
2. Concern for pedestrian and cyclist safety;

3. Promotion of active forms of transport, including cycling and walking;
4. Intersection and roundabout inefficiencies;
5. Development of industrial zones/areas;
6. Lake Hood development and associated traffic issues;
7. State Highway 1, Ashburton River Bridge capacity and safety;
8. Need for alternative route for 'passing through' traffic, particularly trucks;
9. Tinwald traffic problems;
10. Lack of public transport;
11. Street parking issues; and
12. Impacts of trains and shunting within the town.

The study determined that:

- Most of the Ashburton transportation network is likely to function adequately for the next 20 years. However two main 'conflict' areas were identified:
  - The current bridge does not have the necessary capacity to allow for predicted traffic flow in 2026
  - Conflicts between the needs of traffic on State Highway 1 and local roads results in issues at intersections. These conflicts can result in delays and safety concerns.

In order to address the above, a number of options were identified. These options included physical works, roading hierarchy changes, and management and planning strategies. Some of the options identified aim at increasing capacity while others aim to reduce or shift demand at key times and/or areas.

The physical work options identified were assessed and the options grouped together in an over-arching strategy. The strategy is based on seven broad principles. These are summarised as follows:

1. Provide an integrated approach to land use and transportation planning;
2. Provide safe and efficient access to SH1 in Tinwald;
3. Encourage and enable safe use of alternative modes of transport eg walking and cycling;
4. Provide a ring route encompassing Oak Grove, Walnut Avenue, Chalmers Avenue, a new Ashburton River bridge and a link to Tinwald;
5. Improve links between road and rail for freight operations;
6. Reduce side friction and conflict between through and local traffic on State Highway 1;
7. Provide safe and efficient access to the Ashburton Business Estate and the Riverside Industrial area.

Set out below is a brief summary of the recommendations.

- **Provide safe and effective access to SH1 in Tinwald**

There are no traffic signals located along the state highway in Tinwald. There are currently significant delays for vehicles turning onto the highway with consequential safety concerns which are exacerbated by increased traffic arising from the Lake Hood development.

The recommended option to address this issue is to signalise the Agnes Street/Lagmhor Road/SH1 intersection.

- **Encourage and enable safe use of alternative modes**

A number of specific safety issues and concerns with respect to children cycling to and from the Intermediate and High Schools on Walnut Avenue were identified.

The following projects are recommended in the study:

- upgrade the Walnut Avenue intersections to include traffic signals and appropriate cycling and pedestrian facilities
- suitable cycle facilities between East Street (near Dobson Street) and Walnut Avenue
- investigate a cycle path between Dobson Street/East Street intersection and Walnut Avenue/East Street intersections
- installation of traffic signals on SH1 at Lagmhor Road/Agnes Street intersection
- improve the pedestrian and cycle access across the Ashburton River. Further investigation of the following three options is recommended:
  1. provision of passing bays on the existing pedestrian/cycle path
  2. a new pedestrian and/or cycle way
  3. a new second bridge

- **Provision of a ring route encompassing Oak Grove, Walnut Avenue, Chalmers Avenue and a new Ashburton River bridge**

The alternatives for alleviating congestion and improving route security were investigated.

The existing Ashburton River bridge is the most congested point within the Ashburton transport network.

The provision of a second bridge was assessed as being the best option within the Ashburton Transport network.

A second bridge would help distribute traffic between the new bridge and existing SH1 bridge. This would resolve safety, capacity and route security issues.

At the time the study was prepared the following options were rejected:

- a bypass around Ashburton
- widening the existing bridge

- **Improve links between road and rail freight operations**

The relocation of rail freight activities will have the following benefits:

- no blocking of intersections during rail operations
- improved intermodal truck/rail access at the Ashburton business estate
- reduction in the number of heavy vehicles operating in the centre of Ashburton
- a reduction of nuisances
- improvement to commercial access to rail operations

- **Reduce side friction and conflict between through and local vehicles on state highway arterials**

Upgrading of the Walnut Avenue/SH1/East Street intersections are recommended. Both of these intersections have experienced a high number of crashes and lengthy delays.

The recommended option at these intersections is traffic signals.

There is currently congestion at the SH 1/Moore Street intersection.

The recommended option is the construction of through lanes.

The study considered potential future development in the Riverside Industrial area.

A staged approach to dealing with the traffic impacts is recommended as follows:

- restrict movements at the SH1/Kermode Street intersection
- close Dobson Street/Kermode Street intersection and provide access to Dobson Street via a new link from Kermode Street near Park Street
- provide traffic signals at the Park Street/SH77 intersection

A copy of the Ashburton Transportation Study Executive Summary is **attached**.

The Transportation Study is and will continue to be a key document in terms of land transport planning and has been used to support other planning processes including:

- Regional Land Transport Programme development
- District Land Transport Programme development
- LTCCP programmes
- Annual Plan programmes
- Ashburton Business Estate development
- Consideration of options relating to rail
- The development of submissions on land transport matters

We have recently been advised by the NZTA that the 'land transport landscape' has changed in recent times. The implication being that it may/will be difficult to access funds and implement some of the work programmes.

Given the possible future difficulties in accessing funding for programmed works and the delivery of work programmes, it is proposed that the Transportation Study be formally adopted by Council. The formal adoption of the study by Council will add another level of acceptance of land transport issues and commitment as to how they can/will be addressed. This will assist future discussions and planning with the NZTA.

#### **4.6.4 STATUTORY IMPLICATIONS**

There are no statutory implications relating to approval of the recommendation in this report.

#### **4.6.5 OPTIONS AND RISKS CONSIDERED**

There are two options available to Council.

*Option 1: to formally adopt the Ashburton Transportation Study – April 2007*

This option would further strengthen Council's position with respect to the issues that must be addressed and options to be further investigated and implemented as appropriate.

*Option 2: to not formally adopt the Ashburton Transportation Study- April 2007*

The Transportation Study would continue to be an important part of land transport planning, however the status of the document and land transport planning outputs would be diminished by the fact the study had not been formally adopted by Council.

**The recommended option is Option 1: to formally adopt the Ashburton Transportation Study**

#### **4.6.6 STRATEGIC LINKS**

The formal adoption is consistent with the outcomes and programmes in the Long Term Council Community Plan.

#### **4.6.7 CONSULTATION**

Consultation was carried out with stakeholders during the development of the Transportation Study.

The study was the subject of a presentation to Councillors.

Significant projects have been included in the LTCCP and Regional Land Transport programme arising from the recommendations in the study and have been the subject of consultation through the LTCCP and RLTP development.

Projects will be the subject of future consultation as the projects are further developed and implemented.

There has been no specific consultation on the adoption of the Transportation Study.

#### **4.6.8 FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from the formal adoption of the Transportation Study.

There will be significant financial implications arising from the implementation of the recommendations in the study.

These implications to some extent have already been considered where projects have been included in various documents and programmes.

Projects will be the subject of further consultation and consideration by Council as they continue to be developed, programmed and implemented.

#### **Prepared By**

**R ROUSE  
Operations Manager**

#### **Approved By**

**B LESTER  
Chief Executive Officer**

## ASHBURTON DISTRICT COUNCIL REPORT

**FILE NO:** 0510-71  
**DATE:** 3 November 2009  
**REPORT TO:** Council  
**FROM:** Town Centre Subcommittee  
**SUBJECT:** Purchase of additional second hand parking meters

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### 4.7 PURCHASE OF ADDITIONAL SECOND HAND PARKING METERS

#### 4.7.1 SUMMARY

The Town Centre Subcommittee, at its meeting on 16 October 2009, considered a report and recommendation to purchase 100 second hand Duncan Model 76 parking meters at an estimated cost of \$12,000. The Subcommittee was updated with further information advising that Tauranga City Council has 200 of these meters spare; the meters are offered for sale to Ashburton with the proposal being that only 150 of the meters would incur a charge.

The total budget required is \$18,500 and the funding would be made available from the Parking Reserve Account.

The Subcommittee supported the recommendation to amend the budget to \$18,500.

#### 4.7.2 RECOMMENDATION

- |   |
|---|
| <p>“1. That the Subcommittee’s recommended budget be amended to \$18,500 +GST, from the Parking Reserve account; and</p> <p>2. That Council approves the purchase of 200 parking meters.”</p> |
|---|

Leadley/Kilworth

**Carried**

#### 4.7.3 BACKGROUND

Council has currently 320 metered car parks in the CBD and these provide a return to Council of approximately \$400 each per annum. This revenue, net of costs, accumulates in the parking reserve account. We experienced in 2007 and early 2008 a drop in revenue due to faulty POM meters, and we were not able to obtain any replacement parts for these meters from the original supplier.

Further information has been obtained as follows.

1. Not all of 320 parking meter spaces have meters and at present there are only 225 spaces with meters. The total meter spaces in the streets of Burnett, Cass, East, Havelock, Moore and Tancred is 228. Of these, 225 currently have meters fitted, and the units not fitted are in Burnett St.
2. The extra meters proposed in the areas around the “Braided Rivers” restaurant will bring the total metered spaces to 228.
3. There has been an offer from Tauranga City Council to purchase 200 meters that they have as spare, with the plan being to be charged for only 150 at \$110, = \$16,500. Allowing for additional set up costs, the total budget required would be \$18,500 plus GST.

4. Having an additional 200 Duncan metres would allow us to take all the POM meters out of service and replace these with Duncans, and have spare stock of about 70 meters. This will ensure that revenue will be gathered without interruptions from faulty meters, and meters that do break down can be replaced immediately.
5. It would also provide stock to meter other areas if this was required to ensure metered spaces are available for CBD parking.

The second hand Duncan meters have performed very well, but all the units we purchased have been installed, mainly in East Street. We continue to have problems with the rest of the POM meters, and we cannot obtain parts for these units. We do have a back up service for the Duncan meters should they require replacement parts. This model meter has a very good reputation for mechanical reliability, and water tightness, which are the main problems with the POM meters. It is worth noting that the POM meters are about 10 years old, and are nearing the end of their service life.

It will probably be a number of years before any actual upgrading of the town centre occurs, and at this stage there is no certainty as to where parking issues may head. However in the short term we will have to maintain our meter stock in reasonable operating order to ensure that parking usage keeps turning over due to the time limits set on metered spaces. There are also no plans at present to remove the parking meters from the CBD.

Council needs to set up a stock of reliable meters to ensure that the parking operation in the CBD can continue as normal. Because of future uncertainty, the best option for the Council is to purchase additional second hand Duncan parking meters to maintain the service in the CBD.

We have determined two possible sources where we can obtain second hand Duncan Model 76 Eagle CK meters.

#### **4.7.4 OPTIONS**

The options available to the Committee are

1. To purchase additional meters
2. To not purchase Additional meters.

Option one is recommended. The purchase of additional second hand meters will maintain our current level of service in the CBD. If additional meters are not purchased, because our POM meters are giving problems, we will end up with metered sites without operational meters, and this will have a serious impact on revenue gathering, and will create on-site problems for our Parking Enforcement staff.

#### **4.7.5 STATUTORY IMPLICATIONS**

There are no statutory implications

#### **4.7.6 CONSULTATION**

There has been no consultation on this proposal. The purchase of additional second hand meters is seen as a proposal to manage our meter stocks so that the current level of service on metered parking spaces in the CBD can be maintained.

#### **4.7.7 STRATEGIC LINKS**

There are no strategic links.

#### **4.7.8 FINANCIAL**

The cost to purchase 200 replacement second hand meters is estimated at \$18,500, the plan being to be charged for only 150 meters at \$110. Allowing for additional set up costs the total budget required would be \$18,500 plus GST. There has been no budget approval for this project, and it is not identified in the LTCCP. However the source of funding for this purchase normally is met from the Parking Reserve Account which receives the net balance from the annual meter revenue.

This account has ample funds to meet this cost, and the revenue for the last 12 months was the order of \$120,000. If we do not keep all our meters in good operational order, then the annual revenue earned will reduce.

D ROBERTSON  
**Roading and Street Services Manager**

## ASHBURTON DISTRICT COUNCIL REPORT

**FILE NO:** Road Safety  
**DATE:** 29 October 2009  
**REPORT TO:** Council  
**FROM:** Roading and Street Services Manager  
**SUBJECT:** Amendment to the ADC Community Programme, 2009/10

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### 4.8 AMENDMENT TO THE COMMUNITY PROGRAMME, 2009/2010

#### 4.8.1 SUMMARY

Council Approved the Community Programme section (Road Safety) in the subsidised roading section of the LTCCP for years 2009/10 to 2011/12 in June, and the same programme was included in the Regional Land Transport Programme. However, the subsidy for this work has been reduced by the NZ Transport Agency in the final National Land Transport Programme issued on 30 August 2009. This will require Council (and its associated agencies) to reduce the amount of work carried out in this work category for 2009/10.

At this stage no subsidy has been approved for the years 2010/2011 and 2011/12, and we have been advised by NZTA that information for this will be made available later this year.

#### 4.8.2 RECOMMENDATION

1. That the amended Community Programme schedule be approved; and
2. That the amended road safety budget in the LTCCP for 2009/10 be approved.”

#### 4.8.3 BACKGROUND

NZ Transport Agency advised that they were reviewing the funding they would make available through subsidies for Community Programmes in the area of road safety. The detail of the proposed changes to the funding levels, and what type of projects would be supported was not available to Council at the time we set our LTCCP budgets, so these were established along similar lines to the 2008/2009 annual plan for the first three years of the current LTCCP (2009-2012).

NZ Transport Agency have now approved the Community Programme subsidy funding in the NLTP, and for the Ashburton District Land Transport Programme, this has resulted in a reduction in subsidy from the \$95,470 requested to \$75,900, a reduction of \$19,570. This has required Council to review of the proposed Community Programme and the following table is recommended to Council for adoption.

<b>Project description</b>	<b>ADC LTCCP approved plan 2009/10</b>	<b>Revised plan to fit the approved NZTA subsidy funding</b>	<b>Change</b>
<b>ADC projects</b>			
A & P Shows	1,860	1,800	-60
Fatigue Stops	2,475	0	-2,475

Speed/behaviour	3,090	3,000	-90
Youth Crash Forum	3,645	3,600	-45
Restraints/seat belts	1,500	0	-1,500
By foot/cycle	4,260	0	-4,260
Small projects	3,105	2,100	-1,005
Intersection safety	3,645	4,000	355
Driver licensing	2,010	0	-2010
<b>Total for ADC</b>	<b><u>25,590</u></b>	<b><u>14,500</u></b>	<b><u>-11,090</u></b>
<b><u>ADRSC projects</u></b>			
Practical driving skills	<u>3,645</u>	<u>2,000</u>	<u>-1645</u>
<b><u>Ashburton Community Alcohol and Drug Service (ACADS) projects</u></b>			
Alcohol and drug programme	10,463	8,500	-1,963
Recidivist drivers	3,105	3,220	115
<b>Total ACADS</b>	<b><u>13,568</u></b>	<b><u>11,720</u></b>	<b><u>-1,848</u></b>
<b>Total <u>community programme</u></b>	<b><u>42,803</u></b>	<b><u>28,220</u></b>	<b><u>-14,583</u></b>

The overall road safety budget has been restructured in 4.8.8 below.

The revised programme has been developed by a group workshop of staff from the three organisations, and is seen as the most effective use of the funding provided for this work.

#### 4.8.4 OPTIONS

Option 1: To accept that the reduced funding assistance will require a reduction in project work, and to accept the above revised programme.

Option 2: To accept the reduced funding assistance and reduce the programme, but varying the allocations as set out in the above table

Option 3: Council to approve additional local funding to offset the reduction in subsidy so the original programme can be maintained.

The first option is recommended. With Option 3, Council will require to either approve overspending of this account, or to source funding from other accounts. At this stage, there are no funds available elsewhere in the roading account.

#### 4.8.5 STATUTORY IMPLICATIONS

NZ Transport Agency provides subsidy funding for work complying with the Land Transport Management Act 2003 and amendments. The level of funding for approved projects is determined by the Agency.

#### 4.8.6 CONSULTATION

The proposed Community Programme adopted by Council was available to the public for consultation through the LTCCP process. The above proposed changes to this programme have not been made available to the public for consultation.

#### 4.8.7 STRATEGIC LINKS

Community programmes are identified in the LTCCP and the Transportation Activity Management Plan. The programmes are part of the overall NZ national road safety management which has set targets to improve road safety, reduce crashes, and to reduce injury and fatal incidents arising from road crashes by better education of road users.

#### 4.8.8 FINANCIAL

The change in the level of approved road safety subsidy will require the Road Safety budget to be amended to include this funding change and reduction in Community Programmes. If the recommendation above is adopted, the road safety budget would change as follows

<b>Project description</b>	<b>ADC LTCCP approved plan 2009/10</b>	<b>Revised plan to fit the approved NZTA subsidy funding</b>	<b>Change</b>
<u>Revenue</u>			
ADC Rates	13,270	13,270	0
Sundry Revenue	4,375	4,375	0
NZTA Subsidy	95,470	75,900	-19,570
Total revenue	113,115	93,545	-19,570
<u>Expenditure</u>			
Overheads and staff costs	73,312	65,325 *	-4,987
Community projects	42,803	28,220	-14,583
Total Expenditure	113,115	93,545	-19,570

\* The reduction of projects will mean that lower staff costs will be allocated to this account as less input would be required.

If the Council adopt a variation to the programme other than recommended above, the overall account budget will need to be altered to comply with the chosen option.

At this stage we do not yet have sufficient information to determine the scope of the Community Programme for 2010/11 and 2011/12. The Agency has not indicated what level of subsidy would be available for these years, nor what type of work would be approved in the programmes for these years.

**Prepared By**

D ROBERTSON  
**Roading & Street Services Manager**

**Approved By**

B LESTER  
**Chief Executive Officer**

## ASHBURTON DISTRICT COUNCIL REPORT

**FILE NO:** 0510-26-01  
**DATE:** 29 October 2009  
**REPORT TO:** Council, 3 November 2009.  
**FROM:** Roading and Street Services Manager  
**SUBJECT:** Amendment to the ADC DLTP 2009-12

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### 4.9 AMENDMENTS TO THE ADC DISTRICT LAND TRANSPORT PROGRAMME, 2009-2012

#### 4.9.1 SUMMARY

Council approved the ADC District Land Transport Programme for the three years 2009/10 to 2011/12 in the LTCCP in June, and the same programme was included in the Regional Land Transport Programme. However, the final programme has been reduced by the NZ Transport Agency in the National Land Transport Programme issued on 30 August 2009. The effect of the NLTP approved programme on our DLTP is outlined below. It mainly affects the area of rail and sea freight and local road improvements. An area of major concern is the limitation placed on the group allocation for local road improvements.

#### 4.9.2 RECOMMENDATION

- |  |
|--|
| <ol style="list-style-type: none"><li>1. That the proposed priority order for new and improved infrastructure work for the years 2009/10, 2010/11 and 2011/12 be adopted; and</li><li>2. That the cycleway extension programmed for 2009/10 be deleted from the 2009/10 year and the local share of funds for this work be added to the 2010/11 budget to carry out work on West Street in 2010/11.”</li></ol> |
|--|

#### 4.9.3 BACKGROUND

The District Land Transport Programme, as approved by Council in June 2009 for years 2009/10, 2010/11 and 2011/12, has been uplifted into the Regional Land Transport programme, which in turn was forwarded on by the Canterbury Regional Council to the NZ Transport Agency for inclusion in the National Land Transport programme. The NLTP programme was approved by the Minister of Transport and issued on 30 August 2009.

There are a number of changes between the ADC LTP and the approved NLTP as follows:

- **Transportation Planning:** All projects as requested except the funding assistance for the completion of the parking study has been included in the NLTP. All projects included are approved at category 2 status which is normal, and justification of these projects is underway with NZTA to have these moved to category 1 status so work can proceed. The work to complete the parking strategy has local share which can meet part of the cost, and any additional costs will have to be contained within the current budget.
- **Rail and Sea Freight:** The LTCCP included the a project to relocate the rail freight activities from West St area out to the new Ashburton Business Estate, with \$3,174,000 planned for 2011/12, and \$3,253,000 in 2012/13. The Government has apparently directed that agency to not include any rail freight work in the NLTP and it will be necessary for Council to negotiate direct with the Government for funding assistance for this project.

- New and Improved infrastructure for local roads: All projects contained in the Council LTCCP for work to construct new, or to improve local infrastructure have been included in the NLTP, but with various limitations on that work proceeding, mainly due to the limitation of funds for NZTA subsidy. These projects are listed below, with a proposed priority ranking

Priority number	Project	NLTP (Total cost)	Status	Funding priority
	<b><u>2009/2010</u></b>			
1	Dobson St extension	\$230,000	Category 2	Possible
2	Elizabeth St Rakaia reconstruction	\$52,920	Category 2	Possible
3	Road widening, Bremners Rd stage III	\$100,000	Category 2	Probable
4	Bridge Replacement #48, Jacobs Stream, Hakatere Heron Rd	\$51,750	Category 2	Possible
5	Bridge Replacement #65, Lower Beach Rd	\$95,680	Category 2	Possible
	<b><u>2010/2011</u></b>			
6	Bridge Replacement #149, Reads Rd	\$49,227	Category 2	Possible
7	Bridge Replacement #30, Double Hill Run Rd	\$86,148	Category 2	Possible
8	Company Rd widening stage 2	\$264,494	Category 2	Possible
	<b><u>2011/2012</u></b>			
9	Bridge Replacement #52, Hinds Gorge Rd	\$101,310	Category 2	Possible
	<b><u>Total Projects</u></b>	<b><u>1,031,529</u></b>		

NZTA have indicated that the group allocation for the subsidy on the above projects is \$100,000 for each of the three years (total \$300,000). At the normal construction subsidy rate of 57%, if all projects are approved we would need subsidy allocation in each year as follows:

1. 2009/2010: Subsidy required \$302,300
2. 2010/2011: Subsidy required \$227,925
3. 2011/2012: Subsidy required \$57,750

The subsidy allocated over the next three years is well short of our required total of \$587,975 (by \$287,975) and there is a distinct possibility that we will not get the total subsidy we have requested. We will, however, continue to apply to have the projects approved, but in order to have some control on which projects proceed, we need to consider a priority order for the work. This has been recommended in column 1 of the above table. A brief description of each project is appended to this report.

If any project does not achieve the required economic assessment levels, then this project will not proceed. The operations Committee will be advised of all NZTA subsidy approvals received.

- User benefits improvement group: The project we included in our DLTP in 2010/2011, **seal extension on Poplar Road**, at a total cost of \$450,000 has been given a status of "Reserve". This means this project has not been given funding approval, and is not likely to be promoted for subsidy funding during 2009/2012.

If Council chooses to stay with current policy and not carry out seal extension unless we receive NZTA subsidy, then this project will need to be pushed out in the LTCCP to 2012/13 or later.

- Walking and Cycling Facilities: Cycle track extension work we have included in the LTCCP is to complete the cycleway along West St out to Will St, and on up East St and these have all been given a status of “Reserve” for 2009-2012. This means this project has not been given funding approval, and is not likely to be promoted for subsidy funding during 2009/2012. This leaves the only options available to Council and that is to complete as much of the cycleway using the local funds, or to not extend the cycleway beyond Havelock St.
  - The programmes for “renewal of local roads” and “operation and maintenance of local roads” has been approved as requested.

The overall subsidise roading budget will vary according to approvals for projects we receive during the course of the next three years..

#### **4.9.4 OPTIONS**

Council has always had a policy of only carrying out new and upgrade work if NZTA subsidy is available. The above projects have all been approved in the LTCCP, so if there is subsidy approved then the work will proceed.

#### **4.9.5 STATUTORY IMPLICATIONS**

NZ Transport Agency provides subsidy funding for work complying with the Land Transport Management Act 2003 and amendments. The level of funding for approved projects is determined by the Agency, and is subject to the individual projects each meeting the economic evaluation criteria as set by the Agency.

#### **4.9.6 CONSULTATION**

The proposed Community Programme adopted by Council was available to the public for consultation through the LTCCP process. Any changes to this programme that may occur due to failure to receive NZTA subsidy have not been made available to the public for consultation.

#### **4.9.7 STRATEGIC LINKS**

Road improvement projects are identified in the LTCCP and supported in the Transportation Activity Management Plan. The NZTA criteria for road subsidy funding are set out in the various policies and standards as set by NZ Transport Agency, and Council must comply with these in order to obtain the NZTA subsidy on roading work.

#### **4.9.8 FINANCIAL**

There will be changes to the subsidised roading budget from time to time as projects are approved or rejected. These changes and their effect will be reported to the Operations Committee as they occur.

#### **Prepared By**

D ROBERTSON  
**Roading & Street Services Manager**

#### **Approved By**

B LESTER  
**Chief Executive Officer**

## **APPENDIX A**

### **Brief description of new and improved infrastructure assets**

1. Dobson St extension: This project is to construct the new road from the ACL yard, past the back of the Warehouse through to Robinson St. This work has been delayed by land purchase but can now proceed.
2. Elizabeth Ave Re construction: This section of road was overlaid with asphalt in 1998. With heavy traffic using the truck stop this has started to fail, and the surface is breaking up. Urgent reconstruction is required and we propose to do this work at the same time as the State Highway work is carried out in Bridge St
3. Bremners Rd widening Stage III: This is the third stage of widening from Glassworks Rd to Northpark Rd. This project could be delayed until 2010/2011 to better fit with NZTA funding schedule.
4. Bridge Replacement #48, Jacobs Stream: This is a very narrow bridge built back in the 1940's. It is very narrow and blocks access up the Hakatere Heron Rd for larger vehicles.
5. Bridge Replacement #65, Ocean View Rd: Replacement of a weight restricted bridge on Ocean View Rd.
6. Bridge Replacement #149, Reads Rd: Replacement of a weight restricted bridge on Reads Rd.
7. Bridge Replacement #30, Double Hill Run Rd: Replacement of a weight restricted bridge on Double Hill Run Rd, which is a dead end road.
8. Company Rd widening, stage 2: This is a project to continue the widening of Company Rd from the proposed entry to the Ashburton Business Estate to Fairton.
9. Bridge Replacement #52, Hinds Gorge Rd: Replacement of a weight restricted bridge on Hinds Gorge Rd, which is a dead end road.

## ASHBURTON DISTRICT COUNCIL REPORT

**FILE NO:** 3/14  
**DATE:** 3 November 2009  
**REPORT TO:** Council  
**FROM:** Finance Manager  
**SUBJECT:** Treasury Policy – Debt Interest Rate Risk

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### 4.10. TREASURY POLICY – DEBT INTEREST RATE RISK

#### 4.10.1 SUMMARY

This report is to further discuss the current status of Council's debt that is at variance with Council's Treasury Management policy.

#### 4.10.2 RECOMMENDATION

“That Council acknowledges that the current debt portfolio is at variance with its Treasury Management policy, and the steps that are to be taken to bring this into line with Council's policy.”

#### 4.10.3 BACKGROUND

As outlined in the Treasury Policy Compliance Update report considered by the Finance and Community Services Committee on 29 October 2009, Council's debt portfolio is currently outside its interest rate exposure ratios.

Council adopted a revised and updated Treasury Management policy as part of adopting the 2009-19 Community plan. This policy contains a number of policies that are designed to minimise Council's risks when both investing and borrowing. Council needs to have regard to both the short and long term costs of its borrowing. When borrowing is done on a fixed rate for a fixed term, Council obtains certainty by minimising the interest rate rise variable over the period of the term, but is locked into that interest rate for that term. This provides the community with a degree of certainty. When borrowing on a floating rate Council gets the current lower interest rate but is subject to the movement in the interest rate and therefore has less certainty as to the interest rate going forward. Interest rate falls will result in a lower cost on the floating rate, but likewise interest rate rises result in increased costs to Council.

Council's Treasury Management policy recognises this and set out limits that recognise these risks and seeks to minimise them, using standard industry practice parameters.

Council's Treasury Management Policy contains the following fixed rate hedging percentages:

	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0-2 years	50%	100%
2-5 years	30%	80%
5-10 years	0%	50%

These parameters recognise that Council should err on the side of caution with its borrowing and that certainty of costs in the short term are important, as well as minimising the risk of adverse interest rate movements.

Hence for 0-2 year debt a minimum of 50% of the debt should be on a fixed rate. The policy recognises that certainty in the short term is essential and allows up to 100% of this debt to be fixed.

As of today Council's debt levels are as follows:

Loan	Face Value	Interest Rate	Maturity
Elderly Housing - Mvn	\$676	3.5%	September 2010
Elderly Housing – Rak	\$2,012	3.5%	March 2016
Wastewater loan	\$3,000,000	9.03%	March 2010
Wastewater loan	\$2,000,000	8.95%	February 2010
Works loan	\$3,368,000	8.15%	July 2011
ACL Capitalisation loan	\$2,000,000	8.15%	October 2011
Westpac loan	\$17,175,000	3.65	Floating to March 2011
	\$27,545,688		

Therefore our actual interest rate exposure in the 0-2 year category is 37% which is less than the minimum of 50%.

As reported earlier the 6 year swap rate at the time of preparing the earlier report was approximately 5.67%. This is still a historically low rate for a 6 year fixed term which will give Council certainty of cost and is well below the 7% interest rate used in the 2009-19 Community Plan, meaning that Council will be locking in a lower interest rate and cost for the immediate future years.

The minimum swap needed to ensure compliance with Council's Treasury policy is \$3.5 million. The short term effect is to increase the interest rate on \$3.5 million by approximately 2% which would result in an increase cost of \$70,000 over a year if and only if retail interest rates remained the same during that period. If the floating interest rates were to rise then the cost would be less, if they rose above the fixed rate then Council would be saving cost.

The Treasury Management Policy delegates to the Finance Manager the responsibility to manage debt within the Council set parameters using interest rate management instruments including forward rate agreements and interest rate swaps. It is therefore intended to enter into sufficient interest rate swaps in the immediate future to ensure compliance with Council policy.

#### **4.10.4 STATUTORY IMPLICATIONS**

There are no statutory implications.

#### **4.10.5 OPTIONS AND RISKS CONSIDERED**

The options and risks are covered in Council's Treasury Management Policy.

#### **4.10.6 STRATEGIC LINKS**

Not applicable.

#### **4.10.7 CONSULTATION**

Consultation on the Treasury Management policy was undertaken as part of the Council's 2009-19 Community Plan.

#### **4.10.8 FINANCIAL IMPLICATIONS**

These have been outlined above.

#### **Prepared By**

P L BRAKE  
Finance Manager

#### **Approved By**

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Chief Executive Officer