

# **OPEN**

# **MINUTE ITEM**

# **ATTACHMENTS**

**Ordinary meeting of the  
Governance Committee**

**Thursday 3 March 2016  
Commencing at 1.30pm  
Council Chamber**

**Civic House**

**110 Trafalgar Street, Nelson**

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To: The Mayor, Councillors, CEO, Chairman Audit and Risk Committee and the media.

**PLEASE READ THE FOLLOWING FACTS:**

Loose Trafalgar project figure	\$13,000,000
Consultants, legal and transfer of funds from Trafalgar Centre Capital Expenditure Account	1,700,000
Total – including unbudgeted \$4.7M	<u>14,700,000</u>

LTP community accepted figure supported by CEO: \$10,000,000  
Therefore unbudgeted % increase = 47%

Unidentified expenditure on Trafalgar Centre (see Audit NZ)	644,000
New road to Trafalgar Centre (including unbudgeted \$700,000)	3,100,000
Maitai Walkway (including unbudgeted \$700,000)	4,500,000
	<u>\$22,944,000</u>

**Trafalgar Park Seating - unbudgeted, \$900,000**

**Re Significance and Engagement Policy:**

The Local Government Act demands that the following examples be acknowledged and presented to the public for approval:

- a) Amendments to LTP:  
*The community accepted \$10M maximum expenditure on Trafalgar Centre which the CEO confirmed. The unbudgeted \$4.7M is clearly an amendment to the LTP and is far in excess of what the significance policy was designed for.*
- b) Changes to Financial Policy:  
*Clearly changes have occurred without input from the public.*

NCC Significance and Engagement Policy: Schedule One:

- 1) Criteria: Changes of Levels, or delivery of Service Provided by Council  
*The public has been denied use of a very valuable venue known as the Victory Room.*

- 2) Level of Financial Impact: Long Term Financial Impact  
*A 47% increase is extremely significant*
- 3) Building on Previous Decisions: This matter is considered to be significant by other criteria and has not been previously consulted with the community.  
*The Victory Room clearly falls into the above category.*
- 4) Historic Interest: There is a history of generating wide and intense public interest and a reasonable expectation that this will again be so.  
*The Victory Room certainly falls into this category.*

Councillors and staff have resolved to spend very significant unbudgeted amounts without adhering to the requirements of the Act. The Significance and Engagement Policy as described under the Act does not allow for the manipulation that your Council has indulged in e.g. you resolved to spend an unbudgeted amount of \$700,000 on the new access road to Trafalgar Centre before submitting it to the Audit and Risk Committee for their consideration.

The Act also clearly states that if the issue is of wide community interest and that if it is likely to reduce public amenities then Councils must consult with interested parties that have shown interest in the issue.

It is to be noted that the favourable Arup Report on the Trafalgar Centre dated 27 October 2015 was released on the 16<sup>th</sup> November 2015. The Victory Room was demolished between these two dates.

Finally, it is interesting to note that councillors have been quick to become very vocal "experts" on roading but have been deafeningly silent on all the irresponsible behaviour surrounding the Trafalgar Centre.

Kerry Neal  
09.12.15

**Schedule One: Assessing Significance Against Criteria**

Criteria	Higher Significance	Lesser Significance
Change in levels, or delivery, of service provided by Council.	There is a major and/or long term change to services.	There is a medium to low level of change to services.
Level of financial impact.	There is a major and long term financial impact.	There is a medium to low level of impact.
Impact on the community.	The decision would have a major impact on sections or all of the community.	The impact on the community is medium to low.
Decision involves a "strategic asset" as listed in this policy.	The decision involves the sale or transfer of more than 20% of a strategic asset.	The decision does not impact on the Council's ownership of the asset.
Impact on Council debt or level of rates.	The impact is major and/or long term on either debt levels or rates.	The impact is of a medium to low level
Reversibility of decision.	The decision is irreversible and would impact negatively on future generations to a high degree.	The decision is not irreversible, or if it were, the impact on future generations would not be high.
Building on previous decisions.	The matter is considered to be significant by other criteria, and has not been previously consulted with the community.	The decision or action is consequential to, or promotes, a decision or action already taken by Council or the views of the community on this matter are already known.
Historic interest.	There is a history of the matter generating wide and intense public interest and a reasonable expectation that this will again be so.	There is no history of the matter generating widespread interest.

**Pam Neal**

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**From:** "Pam Neal" <pneal@xtra.co.nz>  
**Date:** Thursday, 4 June 2015 4:02 p.m.  
**To:** "Clare Hadley" <Clare.Hadley@ncc.govt.nz>  
**Subject:** Re: Trafalgar Centre

Thankyou for clarifying the situation. Much appreciated  
 Kerry Neal

**From:** [Clare Hadley](#)  
**Sent:** Thursday, June 04, 2015 11:40 AM  
**To:** [Pam Neal](#)  
**Subject:** Re: Trafalgar Centre

I confirm that \$19.6M is NOT the amount contemplated.  
 The Long Term Plan makes provision for \$10M, and that is the amount we are working to.

Sent from my iPad

On 4/06/2015, at 11:33 am, Pam Neal <pneal@xtra.co.nz> wrote:

Mrs Hadley, your response to my questions is appreciated. However your reply to point 8 makes me more than a little nervous. It infers that \$19.6M is the amount contemplated. I sincerely hope that this is a misunderstanding on my part. It is to be remembered that the original \$10M is under the heading of "The Trafalgar Centre Capital Expenditure Account" and as such, makes any reference to the northern end improvements incidental.

I look forward to your assurance that we are talking \$10M as per the Long Term Plan, not \$19.6M.

Kerry Neal

**From:** [Clare Hadley](#)  
**Sent:** Wednesday, June 03, 2015 11:08 AM  
**To:** [Pam Neal](#)  
**Subject:** RE: Trafalgar Centre

Good afternoon Kerry – please forgive my brevity, but the answers to your questions are set out below

- 1 The \$250k is brought forward from the first year of the LTP, as per the report.
- 2 Yes
- 3 It will be
- 4 We did not publish a draft LTP (as legislation directed). There was a Consultation Document, and activity summaries; the Trafalgar Centre has always appeared under Parks and Recreation.
- 5 Yes
- 6 Consultation has previously been extensive around \$10m
- 7 The \$9.6m merely recognises the balance of prior funding set aside
- 8 The 2012 LTP had a project for the Northern extension. The reopening is a different project, reflecting changed circumstances, and \$10M was the amount resolved by Council for this project.

## TRAFALGAR CENTRE FACTS

Initially Nelson City Council shocked everyone into believing that our valuable civic centre was seriously sub-standard. They are now spending a big chunk of YOUR money to cover up how wrong they were. The following are the facts:

- The final report states, "That the ground under the Trafalgar Centre is unlikely to liquefy - below 9m depth, no liquefaction is predicted."

NCC's engineer, Louverdis, originally wrongly claimed, quote: "That the piles were definitely 3m deep and that all the engineers and peer reviewers were highly experienced people and were well aware of the 3m depth." He also originally claimed that the piles would punch through the liquefiable material. He describes himself as a deep piling expert!

- It is confirmed from the same report that the piles are bedded in firm gravels.
- The main hall and Victory Room foundations are made up of 97 concrete piles, approximately 11 metres deep, in five rows, some single, some double and some triple.
- The foundation beams are secured to the piles with 582 twenty millimetre diameter reinforcing rods.
- Consultants are currently overseeing the installation of massive concrete slabs under the building at ground level because they believe the building might separate from the piles.
- The east side of the Trafalgar Centre is secured to the west side at ground level by steel cables encased in concrete. Additional ties are being installed.
- All the badly based assumptions in the original reports have been reassessed and in the main discredited. Facts extracted from the Trafalgar Centre specifications have proved the assumptions to be wrong. These specifications were not referred to by the consultants.
- It was originally stated by the consultants that the piles would each support 1 ¼ tonne only. It is now accepted that the piles will support on average approximately 50 tonne each.
- Several elements of the structure were deemed to be sub-standard on the basis of "desk top analysing". Facts have proved them wrong.
- The impressive internal stairs that have served us well for 43 years are now deemed, under the Health and Safety Act, to be too steep and are to be replaced at great cost.
- The massive southern end stage curtains that were installed recently are now declared a fire risk and require replacing. OVER →

- The southern end was never completed. It was signed off by NCC staff unlawfully. It is currently undergoing fire-proofing measures.
- The relatively new southern end foundations, which were considered sub-standard, are now accepted as adequate. This means no additional work is required below ground.
- The building was closed because a lawyer was asked to give an opinion on badly based reports. Nelson ratepayers are now suffering the financial consequences, amounting to many millions of dollars, through councillors acting on bad advice. If Nelson City councillors had responded to facts instead of irresponsible advice from their senior staff, our civic centre would never have been forced to close. Our next councillors must call to account all those who have been responsible for such a disaster.
- All suggestions that in the event of a moderate earthquake, the building would distort due to inadequate foundations, and thereby render the arches suspect, have in large measure been dismissed.
- The current councillors have let us down. They claimed that they couldn't acknowledge the facts because they had to listen to the "experts". These same councillors have since been heavily involved in designing the new northern end, forgetting to make provision for management staff facilities.
- The northern end, including the Victory Room, was demolished primarily because of the desire by councillors to create a new image. The integrity of the northern end was maligned by seriously conflicting consultants' reports.
- The new road leading to the Trafalgar Centre, costing \$3.2M, is part of the new image, not a necessity.

We, the people, cannot be expected to continually accept cover-ups of all the nonsense that has occurred. First, we were told that due to the belief that there was little in the way of foundations, the building would suffer a catastrophic failure. When that fallacy was exposed, we were then told it didn't really matter what the foundations were as the ground was likely to move apart and split the building down the middle with the result that the roof would collapse. Now we have been told that even if the building was on a solid block of concrete, it would not make any difference to its performance in an earthquake. These statements have become intolerable.

Improvements can be made to any building of any age - essentially that is what is currently happening to the Trafalgar Centre.

This sorry saga is a complex story that isn't finished yet. However, if you would like to read details of the above points you can do so by going to:  
[www.nelsonresidents.co.nz](http://www.nelsonresidents.co.nz)

***Kerry Neal is solely responsible for compiling the above record.***