



AGENDA

Ordinary meeting of the

Commercial Subcommittee

**Tuesday 27 June 2017
Commencing at 1.00pm
Council Chamber
Civic House
110 Trafalgar Street, Nelson**

Membership: Mr John Murray (Chairperson), Her Worship the Mayor Rachel Reese, Councillors Luke Acland, Ian Barker, and Mel Courtney and Mr John Peters

Guidelines for councillors attending the meeting, who are not members of the Committee, as set out in Standing Orders:

- All councillors, whether or not they are members of the Committee, may attend Committee meetings (SO 2.12.2)
- At the discretion of the Chair, councillors who are not Committee members may speak, or ask questions about a matter.
- Only Committee members may vote on any matter before the Committee (SO 3.14.1)

It is good practice for both Committee members and non-Committee members to declare any interests in items on the agenda. They should withdraw from the room for discussion and voting on any of these items.

1. Apologies

- 1.1 An apology has been received from Councillors Peters and Reese

2. Confirmation of Order of Business**3. Interests**

- 3.1 Updates to the Interests Register
3.2 Identify any conflicts of interest in the agenda

4. Public Forum**5. Confirmation of Minutes**

- 5.1 27 April 2017 **7 - 12**

Document number M2531

Recommendation

That the Commercial Subcommittee

Confirms the minutes of the meeting of the Committee, held on 27 April 2017, as a true and correct record.

6. Status Report - Commercial Subcommittee - 27 June 2017**13 - 14**

Document number R7945

Recommendation

That the Subcommittee

Receives the Status Report Commercial Subcommittee 27 June 2017 (R7945) and its attachment (A1777192).

7. Chairperson's Report

8. Forestry Update report - June 2017

15 - 29

Document number R7813

Recommendation

That the Commercial Subcommittee

Receives the report Forestry Update report - June 2017 (R7813) and its attachments (A1771554; A1561381); and

Notes the progress undertaken to date on matters relating to the forestry portfolio and the Emissions Trading Scheme.

Recommendation to Council

That the Council

Confirms that block BROOK-22.02 be harvested if economically feasible.

9. Capital Expenditure Programme 2016-17 - Requests for change

30 - 32

Document number R7606

Recommendation

That the Subcommittee

Receives the report Capital Expenditure Programme 2016-17 - Requests for change (R7606).

Recommendation to Council

That the Council

Approves, with respect to project 2570 Smart Building Improvements, that \$48,000 of current year budget be transferred to 2017-18; and

Approves, with respect to project 1198 Civic House capital programme, that \$326,000 of current year budget be transferred to 2017-18.

10. Referred report - Brook Valley Holiday Park Opening - Review

33 - 40

Document number R7919

Recommendation

That the Subcommittee

Receives the report Referred report - Brook Valley Holiday Park Opening - Review (R7919) and its attachment (R7266).

PUBLIC EXCLUDED BUSINESS

11. Exclusion of the Public

Recommendation

That the Subcommittee

Excludes the public from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Commercial Subcommittee Meeting - Public Excluded Minutes - 27 April 2017	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7.	The withholding of the information is necessary: <ul style="list-style-type: none">• Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities.• Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage,

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
			negotiations (including commercial and industrial negotiations). <ul style="list-style-type: none"> Section 7(2)(j) To prevent the disclosure or use of official information for improper gain or improper advantage.
2	Campground review - additional information	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)
3	Public Excluded Status Report - Commercial Subcommittee - 27 June 2017	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities

12. Re-admittance of the public

Recommendation

That the Subcommittee

Re-admits the public to the meeting.

Minutes of a meeting of the Commercial Subcommittee

Held in Ruma Mārama, Floor 2A, Civic House, 110 Trafalgar Street, Nelson

On Thursday 27 April 2017, commencing at 1.07pm

Present: Mr J Murray (Chairperson), Her Worship the Mayor R Reese, Councillors I Barker and M Courtney

In Attendance: Councillors G Noonan and S Walker, Chief Executive (C Hadley), Group Manager Corporate Services (N Harrison), and Administration Adviser (S Burgess)

Apologies: Councillor L Acland and Mr J Peters

1. Apologies

Resolved COM/2017/001

That the Subcommittee

Receives and accepts apologies from Councillor Acland and Mr Peters.

Courtney/Barker

Carried

2. Confirmation of Order of Business

The Chairperson advised of one late item for the public excluded part of the meeting, and that the following resolution needed to be passed for the item to be considered:

2.1 Strategic Property Acquisition

Resolved COM/2017/002

That the Subcommittee

Considers the public excluded item regarding Strategic Property Acquisition at this meeting as a major item not on the agenda, pursuant to Section 46A(7)(a) of the Local Government Official

Information and Meetings Act 1987, to enable a timely decision to be made.

Murray/Courtney

Carried

Attachments

- 1 M2527 - Late Item Memo - Strategic Property Purchase

3. Interests

There were no updates to the Interests Register, and no interests with items on the agenda were declared.

4. Public Forum

There was no public forum.

5. Chairperson's Report

There was no Chairperson's Report.

6. Forestry Advisory Group

Document number R7509, agenda pages 6 - 12 refer.

The Chief Executive, Clare Hadley, presented the report.

Attendance: Her Worship the Mayor joined the meeting at 1.12pm.

Mrs Hadley responded to questions regarding the proposed terms of reference for the Forestry Advisory Group (the Group), officer involvement, delegations, reporting, decision-making processes, strategic context, and the review period for the Group.

Some concern was raised with the level of decision-making power proposed for the Group. Mrs Hadley clarified that the matters the Group would be considering were within the level of officer delegated authority.

It was suggested the terms of reference could be amended to clarify and expand on matters raised by the Subcommittee. It was agreed that the terms of reference and amendments to the Delegations Register would be left to lie on the table.

On the suggestion to have two elected members in the Group to increase governance oversight, it was agreed that Her Worship the Mayor would be added to the proposed Group membership.

Resolved COM/2017/004

That the Subcommittee

Receives the report Forestry Advisory Group (R7509) and its attachments (A1741123 and A1741119); and

Leaves the Forestry Advisory Group Terms of Reference (A1739267) and amendments to the Delegations Register (A1741119) to lie on the table.

Barker/Courtney

Carried

Recommendation to Council COM/2017/005

That the Council

Establishes the Forestry Advisory Group; and

Confirms the members of the Forestry Advisory Group are the Chair of the Commercial Subcommittee, Her Worship the Mayor, Councillor Luke Acland, an independent external forestry expert (Mr Peter Gorman), and two Council officers of which one will be the Group Manager Infrastructure.

Barker/Courtney

Carried

7. Exclusion of the Public

Lee Babe, of Nelmac Ltd, was to be in attendance for item six of the Public Excluded agenda to answer questions and, accordingly, the following resolution was passed:

Resolved COM/2017/006

That the Subcommittee

Confirms, in accordance with section 48(5) of the Local Government Official Information and Meetings Act 1987, that Lee Babe of Nelmac Ltd remains after the public has been excluded, for Item 6 of the Public Excluded agenda (Referred Report: Nelmac Limited draft Statement of Intent 2017/18), as he has knowledge that will assist the Subcommittee;

Notes, in accordance with section 48(6) of the Local Government Official Information and

Meetings Act 1987, the knowledge that Lee Babe possesses relates to the Nelmac Limited draft Statement of Intent 2017/18.

Murray/Courtney

Carried

Resolved COM/2017/007

That the Subcommittee

Excludes the public from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Barker/Courtney

Carried

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Public Excluded Status Report - Commercial Subcommittee - 27 April 2017	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities
2	225 Akersten Street - commercial tenancy	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> Section 7(2)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities
3	Haven Precinct Next Steps	Section 48(1)(a) The public conduct of this matter would be likely to result in	The withholding of the information is necessary: <ul style="list-style-type: none"> Section 7(2)(h) To enable the local authority to carry out,

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
		disclosure of information for which good reason exists under section 7	without prejudice or disadvantage, commercial activities
4	Referred Report: Nelmac Limited draft Statement of Intent 2017/18	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

Resolved COM/2017/008

That the Subcommittee

Excludes the public from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Barker/Her Worship the Mayor

Carried

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Strategic Property Acquisition	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)

The meeting went into public excluded session at 2.01pm and resumed in public session at 5.20pm.

8. Re-admittance of the Public

Resolved COM/2017/009

That the Subcommittee

Re-admits the public to the meeting.

Courtney/Barker

Carried

There being no further business the meeting ended at 5.20pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

REPORT R7945

Status Report - Commercial Subcommittee - 27 June 2017

1. Purpose of Report

- 1.1 To provide an update on the status of actions requested and pending.

2. Recommendation

That the Subcommittee

Receives the Status Report Commercial Subcommittee 27 June 2017 (R7945) and its attachment (A1777192).

Attachments

Attachment 1: A1777192 - Commercial Subcommittee - 27 June 2017 [↓](#)

Status Report - Commercial Subcommittee – 27 June 2017

MEETING DATE	SUBJECT	MOTION	RESPONSIBLE OFFICER	COMMENTS
27 April 2017	Forestry Advisory Group	Resolved COM/2017/004 <u>Receives</u> the report Forestry Advisory Group (R7509) and its attachments (A1741123 and A1741119); and <u>Leaves</u> the Forestry Advisory Group Terms of Reference (A1739267) and amendments to the Delegations Register (A1741119) to lie on the table.	Alec Louverdis	The Forest Advisory Group Terms of Reference was left to lie on the table and is on the agenda for this meeting. Ongoing

Forestry Update report - June 2017

1. Purpose of Report

- 1.1 To provide an update to the Subcommittee on forestry activities since Council adopted the Forestry Review recommendations in September 2016.
- 1.2 To make a decision in relation to harvesting an additional forestry block.

2. Recommendation

That the Commercial Subcommittee

Receives the report Forestry Update report - June 2017 (R7813) and its attachments (A1771554; A1561381); and

Notes the progress undertaken to date on matters relating to the forestry portfolio and the Emissions Trading Scheme.

Recommendation to Council

That the Council

Confirms that block BROOK-22.02 be harvested if economically feasible.

3. Summary

- 3.1 Council adopted a suite of recommendations in September 2016 relating to its forestry portfolio.
- 3.2 One of the recommendations was for a Forestry Advisory Group (FAG) to be set up.
- 3.3 A report was presented at the 27 April 2017 Commercial Subcommittee with proposed Terms of Reference (TOR) for the new FAG as well as the composition of that group.

- 3.4 The Subcommittee resolved to recommend to Council on the matter of membership of the FAG, but left the TOR to lie on the table.
- 3.5 In the absence of the FAG, the chair of the Commercial Subcommittee has requested, by way of a report, a summary of forestry activities.
- 3.6 This report provides that summary for the Subcommittee.
- 3.7 The TOR will again be discussed at the 27 June 2017 Subcommittee meeting.

4. Background

- 4.1 The complete resolutions adopted by Council are as listed below:

Emissions Trading Scheme (ETS):

- 4.2 The adopted recommendations in full are:

1. Deregisters its post-1989 forests from the ETS;
2. Assesses the area of pre-1990 forest land that may be cleared for expansion of the York Valley landfill, and retain sufficient NZUs from its pre-1990 forestry allocation to meet any obligations to surrender NZUs in relation to deforestation;
3. Delays clearing of pre-1990 forest land for landfill expansion until the stands are at least eight years old in order to minimise ETS liabilities;
4. Sells its surplus pre-1990 carbon credits on the open market, or to Council's landfill account.

Forestry Portfolio

- 4.3 The adopted recommendations in full are:

1. Receives the report "Nelson City Council's production forests - Assessment of non-monetary values", prepared by The Catalyst Group and Peter Gorman.
2. Notes that the report identifies approximately 140ha of the production forest area that is inappropriate or uneconomic in this use.
3. Agrees to retire this area from production forestry.
4. Agrees that the area retired from production forestry is removed from the portfolio held for investment purposes and alternative land use options are investigated.
5. Agrees that stands that are uneconomic to harvest and Douglas fir/acacia stands are felled to waste or poisoned/felled to waste depending upon what values are present within each stand

6. Agrees to destroy the Douglas fir and acacia stands by June 2017
 7. Agrees to adopt a single species (*Pinus radiata*) forestry operation
 8. Agrees to replant those areas where it is appropriate and economic to continue production forestry (Annex 6)
 9. Agrees to adopt the recommended replanting buffer zones (section 5.3)
 10. Agrees to adopt the recommended thinning/pruning regime (Annex 6)
 11. Agrees to either vary the existing, or apply for a new, herbicide application resource consent
 12. Notes that a forest management plan will be prepared for Council approval that is consistent with the above recommendations
 13. Notes that the forest management plan will include a rolling five-year harvesting plan
 14. Agrees that harvesting may recommence when the harvesting plan is approved.
 15. Agrees to establish a Forestry Advisory Group reporting to the Commercial Subcommittee or its successors with respect to forestry management, comprising 2 Councillors, 2 staff members, and an external forestry expert; with delegated authority to approve forestry and harvesting management strategy and plans, engage contractors, approve budgets and decide any other matters relating to commercial forestry operations.
- 4.4 With respect to recommendation 14, Council resolved on 25 August 2016 that harvesting continue in the Maitai and Roding forestry blocks, pending the appointment of a new contractor, as detailed below.

Maitai forestry block	Area (Ha)	Age
MAIT-0004-05	26.4	28
MAIT-0010-03	17.3	29
MAIT-0009-03	0.6	27
MAIT-0009-02	9.8	29
MAIT-0009-04	2	27
MAIT-0003-03	5.4	28
MAIT-0003-01	1.1	34
MAIT-0003-02	2.3	30
MAIT-0004-03	0.5	33
MAIT-0001-03	7.5	26
MAIT-0001-02	6.4	27

Roding forestry block	Area (Ha)	Age
RODI-0055-02	34.3	28
RODI-0055-04	2.2	26
RODI-0055-06	0.4	25

- 4.5 During planning to harvest Roding stands 55-02 and 55-06, the contractor identified that harvesting 52-01 (adjacent to the two 55 stands) would be beneficial. It was found that locating the logging hauler within block 52-01 would allow better ground clearance in the other stands meaning less ground disturbance and greater efficiency in logging operations in all stands. It would also alleviate health and safety concerns. Stand 52-01 (17.1 Ha – 1989) was identified in the Forestry Review for harvesting in 2018 and after consultation with Peter Gorman approval was given to the contractor to plan and proceed with the harvesting of block 52-01 to ensure minimal delays, allowing planning to continue in those blocks already approved.
- 4.6 Council also resolved in March 2016 to re-tender the forestry and harvesting management contract. That is currently out for tender and closed on 30 June 2016. Evaluations are underway. Award of the new contract is expected around September 2017 and the new contract will take effect around May 2018.
- 4.7 Until a new contractor is appointed, the existing contractor PF Olsen currently continues as Council's forestry contractor.
- 4.8 Block 21/03 – 0.2 Ha is a small block in the Brook Valley consisting of a mix of Douglas Fir and redwoods (which are of considerable aesthetic value) with an understorey of native forest species. These trees directly adjoin the Brook campground. Removing these Douglas fir trees (some of which are very tall) will be very expensive and pose health and safety risks for the logging crews, as well as significant disruption to the amenity value of the area. These Douglas fir trees however pose a relatively low risk of seed dispersal as the area is small and located in the valley bottom. It is proposed not to remove them.
- 4.9 Block 21/04 was harvested last year as part of the logging operations in the Brook Valley. However a small area of old trees adjacent to block 21/04 (namely block 21/05 - 2.2 Ha) was unable to be harvested within the specified timeframe due to its close proximity to the Sanctuary fence and walking tracks and the safety concerns posed for the logging crews. Investigation is underway on determining the feasibility of how best to remove this small area.
- 4.10 Officers have analysed the Forestry Review report in detail. Refer to Attachment 1 for detail of this summary.
- 4.11 Attachment 2 provides maps of all forestry blocks for ease of reference.

5. Update

- 5.1 The progress on those action items (relating to the pertinent adopted recommendations) is summarised in the tables:

Emissions Trading Scheme

Item	Description	Progress
1	Deregisters its post-1989 forests from the ETS	Completed.
2/3	York Valley landfill and pre 1990 forests	Will form part of new forestry management plan and Solid Waste Asset Management Plan.
4	Sells surplus pre-1990 carbon credits on the open market, or to Council's landfill account	Internal transfer (forestry to landfill) complete.

Forestry

Item	Description	Progress
4	Agrees that the area retired from production forestry is removed from the portfolio held for investment purposes and alternative land use options are investigated.	Land Vision (Lachie Grant) has been appointed to assess alternate uses and this will be workshopped with members of the Commercial Subcommittee/FAG.
5 & 6	<p>5 - Agrees that stands that are uneconomic to harvest and Douglas fir/acacia stands are felled to waste or poisoned/felled to waste depending upon what values are present within each stand</p> <p>6 - Agrees to destroy the Douglas fir and acacia stands by June 2017</p> <p><i>Note - Will not be completed by June 2017 as timeframe suggested by report found to be unrealistic.</i></p>	<p>1. With respect to Douglas Fir and Acacia - work has commenced as follows:</p> <p><u>Dougal Fir</u></p> <p>Maitai & Brook blocks poisoning commenced</p> <p>Marsden harvesting to commence (+/- 6 months)</p> <p><u>Acacia (Roding)</u> – poisoning still to be undertaken.</p> <p><u>Acacia (Maitai)</u> – poisoning completed</p>

8. Forestry Update report - June 2017

		<p>2. With respect to harvesting, all recommendations:</p> <p>a) Have been included in the new tender; or</p> <p>b) Included in already commenced (or about to commence) harvesting.</p>
7 & 8	<p>7 - Agrees to adopt a single species (<i>Pinus radiata</i>) forestry operation</p> <p>8 - Agrees to replant those areas where it is appropriate and economic to continue production forestry</p>	Part of new contract.
9 & 10	<p>9 - Agrees to adopt the recommended replanting buffer zones</p> <p>10 - Agrees to adopt the recommended thinning/pruning regime</p>	<p>Current contractor adhering to new requirements.</p> <p>Also included in new tender.</p>
11	Agrees to either vary the existing, or apply for a new, herbicide application resource consent (<i>this item relates to weed spraying in the forestry catchments</i>).	Weed spraying in NCC forests, under both the Nelson Air Quality Plan and the NRMP, is a permitted activity subject to adherence to Appendix AQ7. Current contractor adhering to this and also included in new tender.
12/13	<p>12. Notes that a forest management plan will be prepared</p> <p>13. Notes that this plan will include a rolling five-year harvesting plan</p>	Part of specification out for tender.
14	Agrees that harvesting may recommence when the harvesting plan is approved	Early approval was secured from Council on 25 August 2016 to enable works to progress.
15	Agrees to establish a Forestry Advisory Group reporting to the Commercial Subcommittee or its successors with respect to forestry management.	FAG membership approved by Commercial Subcommittee (Council approval pending). Terms of Reference pending.

Specific harvesting actions (refer item 4.4)

Maitai	Progress
MAIT-0004-05	Harvesting commenced April 2017
MAIT-0010-03	Not yet started – completion expected April 18 (*)
MAIT-0009-03	Harvesting commenced April 2017
MAIT-0009-02	Harvesting commenced April 2017
MAIT-0009-04	*
MAIT-0003-03	*
MAIT-0003-01	*
MAIT-0003-02	*
MAIT-0004-03	*
MAIT-0001-03	*
MAIT-0001-02	*
Roding	Progress
RODI-0055-02	Harvesting commenced in Nov 2016
RODI-0055-04	*
RODI-0055-06	Harvesting commenced in Nov 2016

Health and Safety

- 5.2 Two separate Health and Safety Safe Work Observations have been carried out – one in each of the Roding and Maitai catchments. No issues were identified.

Finances

- 5.3 Year to date for April shows that the forestry account is in surplus in the amount of \$78,282 and this reflects the early stages of harvesting with a lot more income expected. The estimate of potential income from harvesting over the next 10 years in the current Asset Management Plan is estimated at around \$6.6 Million.

6. Additional harvesting

- 6.1 PFOlsen and Council's independent expert (Peter Gorman) have identified a further block (as detailed below) to be harvested. This block is 36 years old. The forestry review has identified this block for harvesting, not to be replanted and converted to an alternate use. This will be subject to the Alternate Use review.

Block	Size	Age
BROOK- 0022-02	3.3 Ha	1981

- 6.2 This block has not been previously harvested because of limited access. However, an opportunity has arisen as part of the harvesting of Douglas

fir stand (22.03) adjacent to the block in question that could make harvesting a possibility. The block is located at the end of a long track which would increase roading and logging costs. With a new hauler, harvesting will potentially realise a positive net revenue.

6.3 Approval is sought to add this to the current harvesting programme.

7. Other future Initiatives

7.1 A future consideration officers are investigating for Council's forests is formal Forestry Certification. Certification is a well-established and world-wide recognised environmental initiative with the main objective of demonstrating, via an independent body, that products come from well managed forests providing best practice and realising environmental, social and economic benefits.

7.2 This has become more important as concern worldwide has been raised over environmental issues. Many European, USA and Asian markets are now requiring certification and as a result local saw millers are also requiring certification.

7.3 Benefits of certification include:

- An advantage over those that don't have certification;
- A premium on the market;
- Enhanced reputation on the world market that we care for the environment.

7.4 In New Zealand around 50% of all forestry owners are certified.

7.5 Officers are working on more information to present to the FAG including a presentation from an expert in this field.

8. Conclusion

8.1 This is the first update report on matters relating to Council's Forestry portfolio. Future reports will go to the Forestry Advisory Group once the Terms of Reference have been agreed on.

8.2 All works as per the adopted Council recommendations are well in hand.

8.3 Approval is sought to add another block in the Brook for harvesting.

Alec Louverdis
Group Manager Infrastructure

Attachments

Attachment 1: A1771554 - Forestry Review Summary [↓](#)

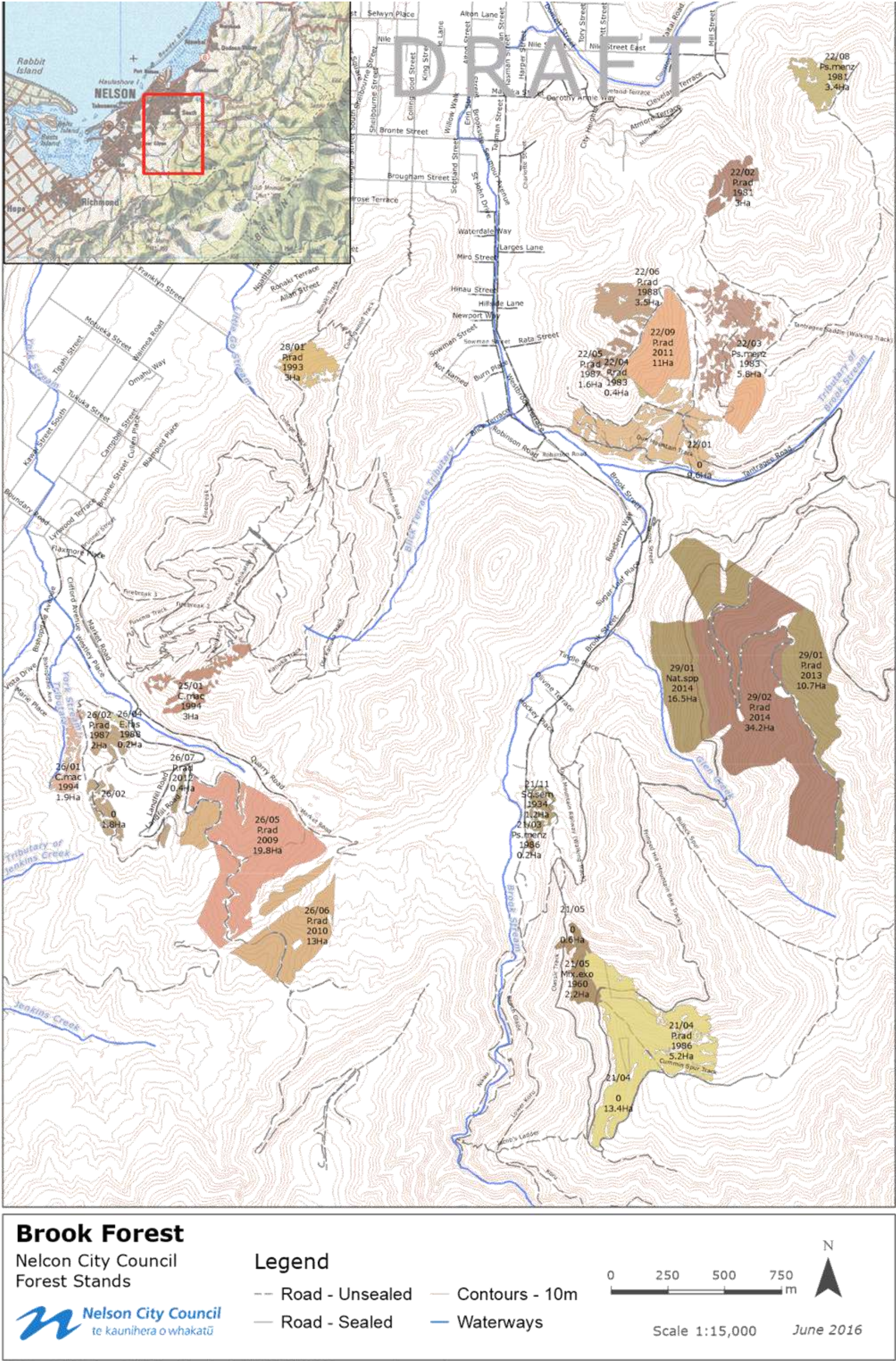
Attachment 2: A1561381 - Location Sketch of Forestry Blocks [↓](#)

Important considerations for decision making	
1. Fit with Purpose of Local Government	The FAG and regular updates will support the effective and efficient management of Council's productive forests.
2. Consistency with Community Outcomes and Council Policy	The FAG aligns with the following outcomes: - Our Council provides leadership Our Council is supported by an innovative and sustainable economy.
3. Risk	The FAG has been set up to specifically reduce the risk to Council.
4. Financial impact	This report is an update report to the Commercial Subcommittee until the FAG's terms of reference have been adopted.
5. Degree of significance and level of engagement	This update report is of low significance.
6. Inclusion of Māori in the decision making process	Maori have not been consulted as part of this report.
7. Delegations	The Commercial Subcommittee has delegated authority to deal with forestry matters but has no powers to decide - that rests with Council or with the FAG if the draft Terms of Reference are approved.

Attachment 1 – Forestry Review Summary

Stands to be harvested and replanted with pine	<u>Maitai</u> 1.01; 1.02; 1.03; 2.01; 2.03; 2.04; 3.01; 3.02; 3.03; 3.04; 3.05; 4.05; 4.11; 8.02; 9.02; 9.04; 10.03 <u>Marsden</u> 42.05; 42.07; 42.08; 42.10; 42.11 <u>Roding</u> 51.01; 51.02; 51.03; 52.01; 52.02; 52.04; 55.01; 55.02; 55.04; 56.01; 56.04; 56.05; 56.06; 56.07 <u>Brook</u> 29.01; 29.02
Stands to be felled or poisoned/felled to waste and regenerated with natives	<u>Maitai</u> 1.04; 2.02; 4.13 <u>Roding</u> 55.03
Stands to be harvested only if economic and then investigate alternate use	<u>Maitai</u> 4.08; 4.09; 5.01; 5.02 <u>Marsden</u> 44.01 <u>Brook</u> 22.03
Stands to be harvested and then investigate alternate use	<u>Maitai</u> 4.03; 4.04; 4.12; 7.02; 8.01; 9.03 <u>Roding</u> 53.01; 53.02; 53.04; 53.05; 54.02; 55.06 <u>Brook</u> 22.02; 22.04; 22.05; 22.06; 22.08; 22.09; 26.04; 28.01
Stands to be poisoned/felled and then investigate alternate use	<u>Maitai</u> 10.01 <u>Marsden</u> 42.06 <u>Brook</u> 25.01
Stands to be harvested and then regenerated with natives	<u>Maitai</u> 10.02 <u>Brook</u> 21.04
Stands currently clear but investigate alternate uses	<u>Marsden</u> 41.01 <u>Brook</u> 22.01
Stand with no work planned	<u>Brook</u> 21.05; 21.11
Currently clear but regenerate with natives	<u>Brook</u> 21.05
Landfill	<u>Brook</u> 26.01 (Macrocarpa) – harvest when landfill moves and convert to alternative use. 26.02 – (pine) - harvest when landfill moves and convert to alternative use 26.05 (pine) – only harvest areas not destroyed by future landfill 26.06 (pine) - only harvest areas not destroyed by future landfill 26.07 (pine) – harvest and convert to alternative use

A1771554



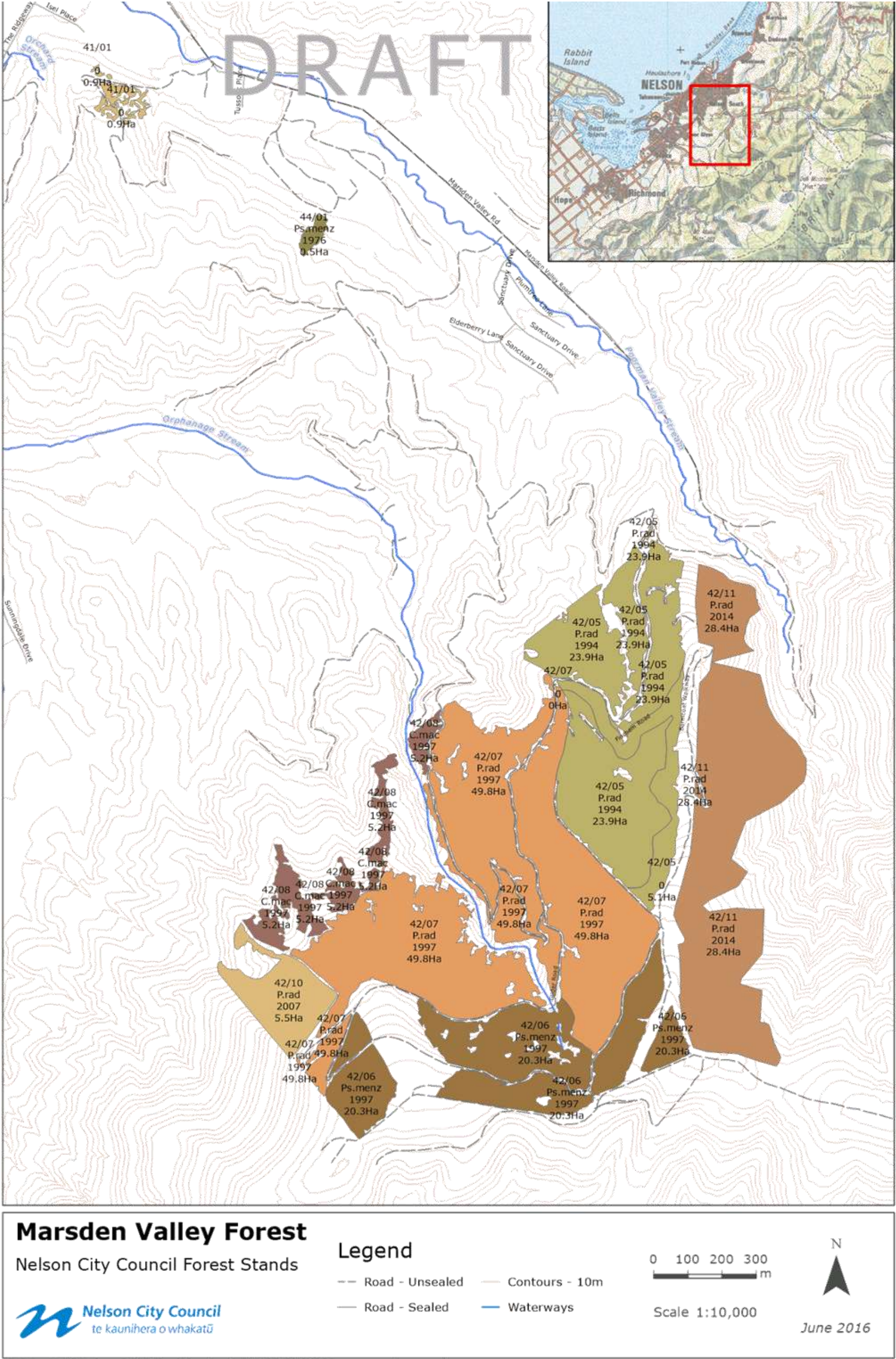
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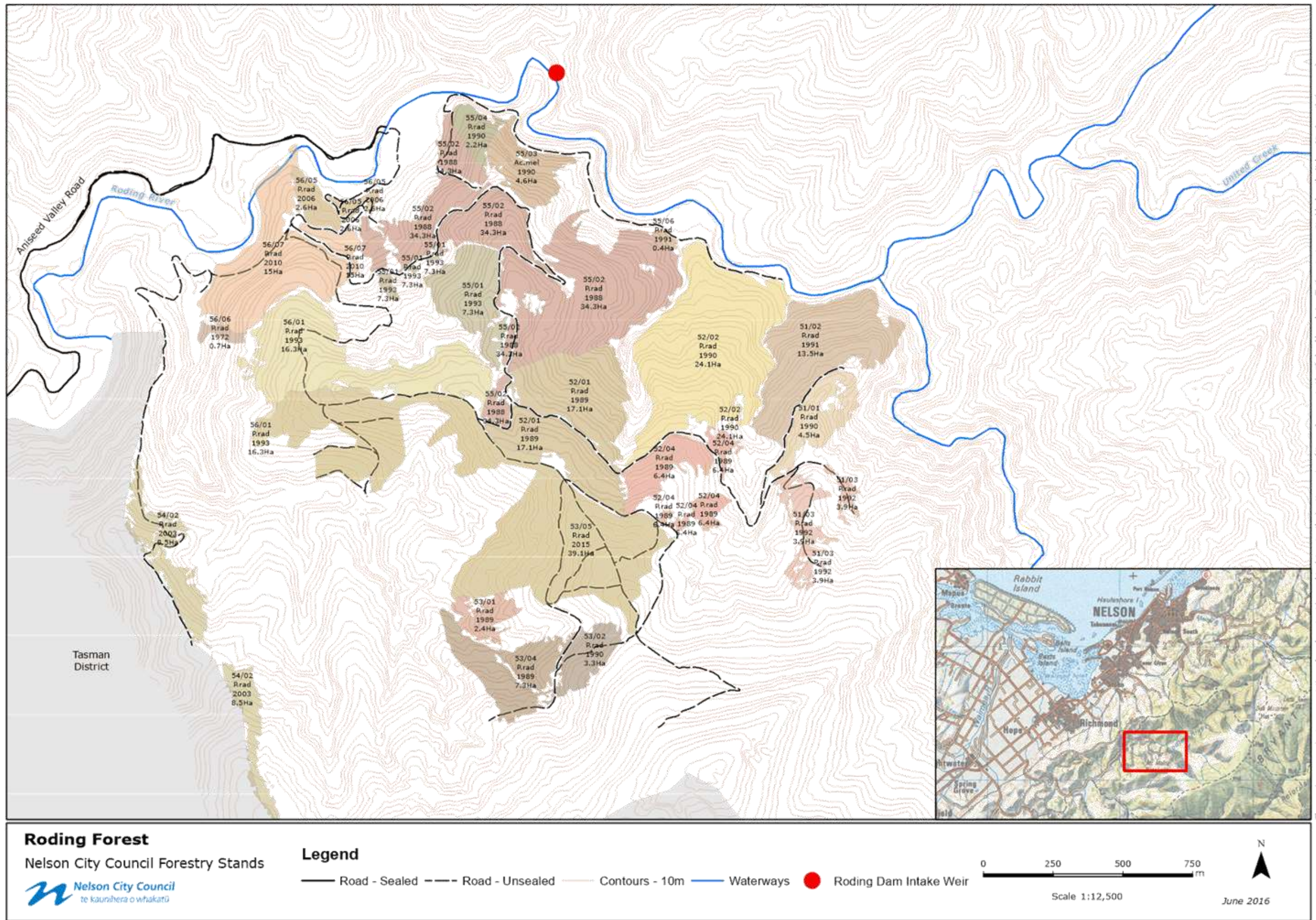
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Capital Expenditure Programme 2016-17 - Requests for change

1. Purpose of Report

To seek approval for changes to capital projects and/or expenditure for projects within the Commercial Subcommittee's areas of responsibility.

2. Recommendation

That the Subcommittee

Receives the report Capital Expenditure Programme 2016-17 - Requests for change (R7606).

Recommendation to Council

That the Council

Approves, with respect to project 2570 Smart Building Improvements, that \$48,000 of current year budget be transferred to 2017-18; and

Approves, with respect to project 1198 Civic House capital programme, that \$326,000 of current year budget be transferred to 2017-18.

3. Requests for Change – Budget Underspend

Project 2570 Smart Building Improvements

- 3.1 Budget provision of \$50,000 in 2016-17 was available to investigate energy efficiency improvements for council owned buildings. Lighting efficiencies were identified for Civic House, and are on hold pending the outcome of the Civic House accommodation concept design to be completed during 2017-18. As a result, there is \$48,000 unspent budget in the current year. Approval is sought to carry forward \$48,000 into 2017-18 to contribute towards the energy efficient components of the potential future Civic House accommodation upgrade.

Project 1198 Civic House capital programme

- 3.2 Budget provision of \$426,308 in 2016-17 was available for renewals and upgrades to Civic House. The majority of these are on hold pending the outcome of the Civic House accommodation concept design to be completed during 2017-18, and there will be \$326,000 unspent budget in the current year. Approval is sought to carry forward \$326,000 into 2017-18 to continue with renewals and upgrades aligned with the potential future Civic House accommodation upgrade.

4. Conclusion

- 4.1 The approvals sought for budget carry forward will enable future works to improve facilities at Civic House to proceed.

Arlene Akhlaq

Project Management Adviser

Attachments

Nil

Important considerations for decision making	
1. Fit with Purpose of Local Government	The proposed change in budget phasing relates to maintenance of a corporate facility which is necessary to assist Council in meeting its responsibilities of the Local Government Act 2002.
2. Consistency with Community Outcomes and Council Policy	The recommendations in this report amend the phasing of the Long Term Plan budget, and relates to development of a corporate facility which is necessary to assist delivery on all community outcomes and council policy.
3. Risk	The recommendations in this report reduce risk by assisting with adequate budget provision for future works.
4. Financial impact	No additional budget is requested.
5. Degree of significance and level of engagement	Re-phasing these budgets is of low significance as it is a change of timing to planned and approved expenditure, therefore no engagement is required.
6. Inclusion of Māori in the decision making process	Māori have not been consulted on the specifics in this report.
7. Delegations	The Commercial Subcommittee has responsibility for ensuring that the capital works programme within the property portfolio support the return on investment targets, and has the power to make a recommendation to Council on any matter within this area of responsibility.

REPORT R7919

Referred report - Brook Valley Holiday Park Opening - Review

1. Purpose of Report

- 1.1 To refer a report from the Sports and Recreation Committee to the Commercial Subcommittee.

2. Recommendation

That the Subcommittee

Receives the report Referred report - Brook Valley Holiday Park Opening - Review (R7919) and its attachment (R7266).

3. Background

- 3.1 At its meeting on 30 May 2017 the Sports and Recreation Committee received the report Brook Valley Holiday Park Opening - Review (R7266) and its attachment (A1753220) and referred the report to the Commercial Subcommittee for the inclusion in the campground review.

4. Discussion

- 4.1 The Brook Valley Holiday Park Opening – Review report (R7266) is a public report and is included in the public part of the agenda. A report on the campground review referred to in the resolution of the Sports and Recreation Committee has been placed in the public excluded part of the agenda in accordance with section 48(1)(a) and section 7 of the Local Government Official Information and Meetings Act 1987. The reason for withholding information in this report under this Act is to enable the local authority to carry out, without prejudice or disadvantage, commercial activities and to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).

- 4.2 Subsequently, the Brook Valley Holiday Park Opening – Review report is to be received on the understanding that the information is available to members when considering the campground review as requested by the Sports and Recreation Committee.

Options

- 4.3 The Subcommittee may choose to whether to receive the report or not.

Penny Langley

Manager Administration

Attachments

Attachment 1: A1777031 - Report R7266 - Brook Valley Holiday Park Opening - Review [↓](#)



Brook Valley Holiday Park Opening - Review

1. Purpose of Report

- 1.1 To consider whether the Brook Valley Holiday Park remains open following review of the summer trade (16 December, 2016– 31 March, 2017)

2. Recommendation

That the Committee

Receives the report Brook Valley Holiday Park Opening - Review (R7266) and its attachment (A1753220); and

Refers the report to the Commercial Subcommittee for the inclusion in the campground review.

3. Background

- 3.1 The Brook Valley Holiday Park (BVHP) was closed to casual campers in February 2014. The future direction of the holiday park has been waiting on the Brook Reserve Management Plan, which was adopted in principle only, by Council on 15 October 2015.
- 3.2 At the Council meeting on 15 December 2016, recommendations were put to Council to consider the options and costs associated with the potential opening of the BVHP.
- 3.3 Three options were presented: 1. Limited opening (camp sites only) 2. A full reopening (camp sites and cabins) 3. The camp remains closed to casual campers.
- 3.4 Council resolved to support a full reopening of the BVHP, (option 2) being all camp sites and cabins.
- 3.5 Council approved an unbudgeted capital expenditure of \$16,000, and \$38,000 operational expenditure.

- 3.6 A rate of \$10 per night for freedom campers, was approved.
- 3.7 Council requested a review be undertaken at the end of the first quarter, 31 March 2017.

4. Discussion

- 4.1 The BVHP was fully opened on 16 December 2016, following the resolution by Council.

Current Operation

- 4.1.1 The day to day running of the camp is by a Camp Manager, employed by Council. The Camp Manager is supported by one other person, who is currently on contract from Nelmac. The manager and staff member provide backup for each other as required, and undertake all administrative and cleaning duties.
- 4.1.2 Nelmac provides maintenance services (mowing, recycling and refuse collection)
- 4.1.3 Nelson Cleaning Services were engaged to manage the extra cleaning of the ablution blocks and cabins. This was as a result of the increase of visitors, following the December 2016 reopening.
- 4.1.4 There was limited marketing, due to the short notice to open the camp, therefore the demand to use the camp during this period could be considered relatively light.
- 4.1.5 Currently there are 19 semi – permanent residents in the camp.

Budget Allocation

- 4.1.6 Council allocated \$16,000 (CAPEX) in December 2016. The camp purchased two new washing machines and fridge, upgraded the electrical safety on the camp power boxes and purchased smoke detectors, to ensure electrical compliance and safety. The cost of this upgrade totalled \$13,937.

Council allocated \$38,000 operational expenses in December 2016, for the cost of extra security, required during the holiday period.

Security

- 4.1.7 Security manned the camp 24 hours a day from 26 December 2016 to 7 January 2017. The security was scaled back to nights only (7pm–7am) from 7 January – 7 February 2017. As from 7 February security was returned to just their nightly routine visits. The decision to scale back security service was based on the drop off of visitors to the camp, therefore a limited risk to staff, residents and visitors.
- 4.1.8 Security reported that there were no serious incidents throughout the holiday period.

Visitor Statistics & Income

- 4.1.9 The BVHP was limited to marketing through the Council website, Rankers (online travel reviews) Campermate (travel app) and the I- site.
- 4.1.10 Visitor numbers from 16 December 2016 to 31 March 2017; Total visitors included 596 persons, staying 668 nights. A total income of \$15,320 was achieved over the quarter. Refer to Attachment 1 A1753220
- 4.1.11 The BVHP was open to freedom campers. Figures would suggest that the uptake by freedom campers was minimal, however it is difficult to determine if a visitor to the camp is a freedom camper, or otherwise.

Operational expenses

- 4.2 The cost of cleaning increased as a result of the cabins being open and extra demand on the toilets and kitchen facilities. The cost of cleaning 16 December 2016 – 31 March 2017, was \$6,384.
- 4.3 The cost of rubbish removal also increased. The cost of rubbish removal 16 December 2016 – 31 March 2017 was \$3,837.
- 4.3.1 The total cost of security during the period, totalled \$17,402
- 4.3.2 The income received from cabins alone totalled \$5,070. All other income was derived from car, tent or campervans.

5. Options

- 5.1 It is recommended that The Brook Valley Holiday Park should remain open pending decisions about the campgrounds in Nelson. The Commercial Subcommittee will consider the 17a review of campgrounds at its meeting on 27 June 2017.

Option 1: BVHP park remains open (Status Quo)	
Advantages	<ul style="list-style-type: none"> The camp offers an alternate affordable option for camping in Nelson City. Freedom campers are welcome The potential for increased income could be realised through future marketing. Public perception is likely to be positive.
Risks and Disadvantages	<ul style="list-style-type: none"> The camp is old, therefore further expenditure may be required to ensure it is maintained. The condition of the facilities may not meet user/customer experiences Increased operational costs expected to maintain, and clean the camp. Reputational damage to Nelson City Council due to offering unsatisfactory facilities An expected additional cost to market the camp

Option 2: BVHP closes to casual campers	
Advantages	<ul style="list-style-type: none"> • No further impact on existing budget. No increase in budget required. • No additional staffing resources • No advertising or marketing required.
Risks and Disadvantages	<ul style="list-style-type: none"> • The facilities remain underutilised • Negative public opinion

6. Conclusion

- 6.1 The Brook Valley Holiday Park is considered a viable alternative to camping in Nelson. The camp performed reasonably well over the holiday period, as an asset and provided the basic necessities for campers. The cabins were presented in a clean and functional state. The realisation of the impact of visitors to the camp is difficult to ascertain due to minimal advertising and little marketing.
- 6.2 Operational costs to allow the BVHP to remain open haven't been included in the draft 2017/18 annual plan.
- 6.3 Further organisational decisions are required to determine the future status of the Brook Valley Holiday Park, therefore the Camp should remain as the status quo, pending a wider review of Nelson City Council camp grounds.

Gary Alsop

Team Leader Facilities

Attachments

Attachment 1: A1753220 - Brook Valley Holiday Park statistics - Summer period

Important considerations for decision making	
1. Fit with Purpose of Local Government	Campgrounds are local infrastructure that provide, a service to the semi – permanent residents and visitors to Nelson. The services provided at the Brook Valley Holiday Park are of an appropriate standard for the levels of use, thus provided cost - effectiveness.
2. Consistency with Community Outcomes and Council Policy	<p>The recommendation is consistent with the Community Outcomes of Council to ensure we are meeting with the current and future needs of our community. In particular,</p> <p>“Our communities have access to a range of social, educational and recreational facilities and activities where we have high quality and accessible recreation, education, health and community facilities.”</p>
3. Risk	The risk is reputational. 1. The risk to not keep the camp open could result in a negative response from the community. 2. The facility may not meet the standards of what could be expected by users.
4. Financial impact	The impact of remaining open in the short term will have minimal impact on the current budgets.
5. Degree of significance and level of engagement	This matter is of low significance because the camp is already open. No further consultation would be required. Consultation has already occurred during the development of the Brook Reserve Management Plan.
6. Inclusion of Māori in the decision making process	No specific consultation has been undertaken with Maori
7. Delegations	The Sports and recreation Committee has the responsibility for campgrounds including the Brook Valley Holiday Park.

Statistics for the Brook Valley Holiday Park

Month	Nights	Adults	Child	Income
December	115	115	18	\$ 3,365.00
January	269	216	27	\$ 6,223.00
February	180	130	3	\$ 3,335.00
March	104	83	4	\$ 2,397.00
Total	668	544	52	\$ 15,320.00

Breakdown of statistic below only capture type of accommodation for the February and March period only. Type of accommodation wasn't captured for Dec/Jan.

Breakdown of accommodation February /March only

Type	Nights	Persons
Cabin	27	42
Campervan	26	50
Car	17	19
Caravan	9	37
Tent	50	132

