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9 July 2010

Record No:
File Ref: C135-F04
Ask For: Judith North

Notice of Committee Meeting – Monday, 19 July 2010

A meeting of the Community and Financial Planning Committee will be held in the Council Chambers, District Council Administration Building, Seymour Street, Blenheim on **Monday, 19 July 2010 commencing at 1.30 pm.**

B U S I N E S S

As per Agenda attached.

ANDREW BESLEY
CHIEF EXECUTIVE

Marlborough District Council

**Meeting of the COMMUNITY AND FINANCIAL PLANNING COMMITTEE
to be held in the Council Chambers, District Administration Building, Seymour Street,
Blenheim, on MONDAY, 19 JULY 2010, commencing at 1.30 pm**

Committee	Clrs G A Hope (Chairman) G S Barsanti J L Andrews C R Bowers F D Maher G Taylor N W Weetman Iwi representative Mayor A T Sowman (ex-officio)
Department Head	Mr M F Fletcher (Manager, Corporate Finance Department) and Mr D G Heiford (Manager, Support Services Department).
Staff	Judith North (Committee Secretary)

In Public

In Public

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1. Review of Tertiary Education in Marlborough

(Report prepared by A Besley)

Reference (C225-08)

Purpose

1. The purpose of this report is to provide Council with information on tertiary education in Marlborough and to suggest ways in which Council can assist increase the provision of tertiary education in the district.

Background

2. The Nelson-Marlborough Institute of Technology (NMIT) has recently restructured its Blenheim campus. This has led to some concern that NMIT is reducing its level of involvement in Marlborough.
3. As a response to these concerns the MDC and NMIT contracted Dr Neil Barns to conduct an independent review of tertiary education provision in Marlborough. The review has recently been completed and is separately attached to this agenda.
4. The provision of tertiary education in Marlborough is obviously not a core business of Council. However Council does have a strong interest in social and economic development issues in the district and tertiary education is an important component for both these areas.
5. The report prepared by Dr Barns provides interesting background information on the Marlborough district in terms of population and industries. The report also provides information on other tertiary education providers in the district.

Comments

6. The report has concluded that the range and volume of tertiary education opportunities available in Marlborough is lower than they ideally should be; it also identifies low participation rates.
7. The report suggests that a target be agreed between Council and NMIT for Equivalent Full Time Students (EFTS). Currently NMIT has 297.10 SAC funded EFTS (out of a total of some 340 EFTS allocated to providers in the region) and the report suggests a target level of 876 by 2015 be adopted. The report suggests that it is critical that NMIT and Council work in partnership to achieve this ambitious target.
8. Council has been involved in assisting NMIT with various successful tertiary education projects in the past. These include the establishment of aviation training courses at RNZAF Base Woodbourne as well as developing linkages with Lincoln College for the provision of wine related courses in Marlborough. In addition Council was involved in the establishment of the Wine Resource Centre at the Marlborough campus in Budge Street, Blenheim; this facility is used by NMIT. The report envisages that Council would be involved in similar projects in the future. Council has funds available in its economic development budget to allow this to happen.
9. Council can also have a political influence and can support NMIT in negotiations with the Tertiary Education Commission to help obtain EFTS funding into Marlborough. This is the second strategy suggested by the report.
10. Other strategies suggested by the report include the possibility of NMIT working with other tertiary education providers to extend the range of services at the Budge Street campus. Using the 'Marlborough' brand is also recommended as a way to attract students to Marlborough.

11. The report says that the way forward for NMIT is to build on its strengths in terms of aviation, viticulture and wine education with a view to attracting more students to these courses. There is limited potential for local school leavers to fill the potential increase in EFTS numbers. Most students will need to be attracted to Marlborough to participate in specialised courses.

Summary

12. The recent decision by NMIT to reduce Marlborough based management and administrative staffing has been the catalyst for this review. It has led to a feeling in Marlborough that NMIT is trying to minimise its involvement in the district and centralise its activities in Nelson.
13. It is suggested that Council agree with NMIT a target for increasing EFTS in Marlborough as suggested by the report. It is also suggested that Council and NMIT work together on various projects to achieve the target of 876 EFTS by 2015.
14. In addition it is suggested that NMIT be asked to report to Council on a regular basis (at least annually) on progress towards achieving the target.
15. Tony Gray, Chief Executive of NMIT will be present at the committee meeting to make some comments and to answer recommendation questions.

RECOMMENDED

That Council:

- i) **receive the report prepared by Dr Neil Barns;**
- ii) **agree to the target of 876 EFTS in Marlborough at NMIT by 2015;**
- iii) **agree that Council staff work with NMIT on projects as required to achieve this target.**

2. Marlborough Regional Economic Development Strategy (E045-03)

(Report prepared by F Pauwels)

Reference (E045-03)

Purpose

1. The purpose of this report is to update the Committee on Economic Development projects and work undertaken in the 2009 – 2010 year and to outline the recommended projects and focus for 2010-2011.

Background

2. The Council brought the Economic Development function back 'in-house' as from 1 July 2009.
3. An Action Plan listing priority work in each of the main sectors was agreed at the Community and Financial Planning Committee meeting July 2009.

2009 – 2010 projects

4. Aviation Sector

Plan

- 4.1 Assist Safe Air with Air New Zealand Turbo Prop Fleet servicing review.
- 4.2 Work with Safe air on longer term business initiatives.
- 4.3 Financial review of AHC operations and business model and determine longer term development options.
- 4.4 Identify suitable areas for helicopter operations.
- 4.5 Work with Investment NZ to establish business opportunities available in Marlborough.

Achievements

- 4.6 Safe Air was supported in the Air New Zealand Turbo Prop Fleet Review. This was the fourth time AirNZ had undertaken this review and the result was essentially no change or further work for Safe Air.
- 4.7 A project was undertaken with NZTE funding of \$48,000 to assist Safe Air gain United States Defence Force (USDF) maintenance work on Hercules C130 and Orion P3 aircraft based in their Pacific fleet. As a result Safe Air now has Approved Supplier status for this work with the USDF.

MDC and Safe Air staff jointly developed a business case for development of a new two-bay hanger on the airport site. One of the major hurdles to attracting new business especially from the United States is that the current hangers do not fully meet standards required by US customers.

- 4.8 The review of AHC is nearly complete and will come back to the Committee in the near future.
- 4.9 No work was started in the helicopter area.

4.10 Investment NZ has undertaken to financially support further overseas work to quantify the aviation market potential.

Additional items

- External funding of \$49,000 was gained to provide an overview of the aviation sector potential for the Top of the South. Some leads are being followed already by local companies and establishment of an Aviation Sector Leadership Group has been recommended.
- Safe Air gained access to the 'Manufacturing Plus' programme and Pipeline Company status with New Zealand Trade & Enterprise (NZTE). In addition Safe Air was supported in their hosting of representatives from the Lockheed Martin Company.

5. Wine Sector

Plan

- Work with industry to determine infrastructure requirements and timing
- Assist in facilitating networks into key markets through NZTE Beachheads programme

Achievements

- Infrastructure needs have not been started.
- One of the opportunities identified by smaller wineries in the district is to develop further access into the US market. This market is very challenging, well supplied and at present NZ supplies only 0.7% of total consumption yet commands some of the best returns per case. Working with NZTE Council has gained significant funding of \$235,000 to undertake a project to identify opportunities for local Marlborough and Nelson companies for US Distribution.

Additional item

- The 'Great Wine Capitals' programme was supported along with other South Island grape regions.

6. Marine Sector

Plan

- Work with marine cluster to assess feasibility of a cruising yacht re-fit business initiative. To include Picton and Havelock marinas.

Achievements

- A project funded by NZTE of \$15,000 was undertaken to identify what the opportunities are to attract more business for the Marine Cluster based at Waikawa and Picton. This sector is forecast to double in value to \$400m for NZ in the next 10 years. The majority of this will be captured in the North island however 5-0% has been estimated as available to the Top of the South region. This research suggested the next step is to develop an international class event concept in conjunction with Nelson and Wellington to attract cruising yachts to the Top of the South region for the January to March period. Both the Nelson and Wellington tourism agencies and yacht clubs are very keen to be involved at this stage.

7. Tourism Sector

Plan

- High priority application into National Cycle Trail Network Fund.
- Encourage establishment of Tourism Sector Leadership Group.
- Work with industry and organisers to resolve events marketing and convention bureau co-ordination.
- Work with tourism sector leaders to develop a plan for attracting Rugby World Cup 2011 visitors to Marlborough

Achievements

- An application to the National Cycle Trail Fund was made. Unfortunately this was not successful with only seven nationwide projects being funded out of over 50 applications. However there appears to be strong community interest from a wide range of interest groups in seeing the Picton to Havelock trail developed.
- A review with the Marlborough tourism sector leaders was undertaken in conjunction with Destination Marlborough which identified amongst other aspects a strong willingness to grow the sector, to identify external industry attitudes to the region, to better understand who the target customers are and to work towards a more unified vision for the region. The next stage is to gather external industry sector views on Marlborough's strengths, weaknesses and what the investment criteria would be for those parties and to consolidate the various industry market research reports.
- Initial work was started in the convention bureau area however this was passed over to Destination Marlborough to attract funding from the private sector. A part-time role was created to coordinate conference events beyond what the convention centre could offer.
- The Rugby World Cup 2011 opportunity was moved forward with the selection and appointment of Susan Witehira to the coordinator role. Susan's focus is on the travelling media, key events coordination, volunteers program and business club.

8. Forestry Sector

Plan

- Work with industry to assess business potential for value-added products.

Achievements

- A Forestry Carbon Footprint Conference was supported which has led to timber from Marlborough being trialled in Austria for a cross-laminated building panel system as well as companies following through on carbon credit opportunities and for Marlborough to claim carbon neutral status. The next steps are to formalise whether Marlborough could in fact claim carbon neutral status as a result of land use change (planting of forestry, grapes and less stock) and a policy change in accounting for ferry emissions. All the various sectors and individual companies could then use this verification as part of their promotion if they wished.

9. Iwi Support

Plan

- Establish with Iwi what their growth objectives are.

Achievements

- Iwi are focused on finalising Treaty Settlements so not able or prepared to discuss growth yet.
- MDC is assisting Ngati Kuia to develop their Iwi Environmental Management Plan (IEMP) in conjunction with Nelson and Tasman Councils. The project planning work and template is well developed. Ngati Toa and Ngati Koata have requested assistance with their IEMPs as well.

10. Education

Plan

- Work with local colleges, government and education specialists to explore a goal of Marlborough being a leading secondary education destination
- Advise industry and educationalists of workforce development study priorities

Achievements

- Initial meetings have been held with the BOT Chair and Principal. It was decided to delay any further work until the new Board were elected and new principal gain a stronger understanding of the schools challenges and possibilities.
- The Workforce Development Study was completed and results presented to the careers advisors group for local secondary schools as well as NMIT.

11. General

Plan

- Investigate central government funding for broadband expansion in the region.
- Identify Government funding sources for core infrastructure and work with Assets and Services Department to ensure applications are made.

Achievements

- Dean Heiford is responsible for the Broadband activities with MDC. Government has \$1.5 billion available for broadband development and is still in the phase of deciding how this money will be utilised.
- Total external agency funding gained to support local sectors in 2009 – 2011 is \$340,000 which is greatly appreciated. Certain funding programmes will cease this year however there are other funding streams available to sectors and individual companies that will continue to be applied for.

Additional items

- A Securities Commission exemption is being sought for non-bank capital raising for small to medium businesses. The agency will be the Marlborough Chamber of Commerce.
- The Video Conferencing equipment funded by NZTE has now been transferred from Marlborough Regional Development Trust to the Chamber of Commerce who will promote this facility to their members.

- The Chamber of Commerce were supported to attend the Marlborough UK Festival where business and travel opportunities in Marlborough NZ will be showcased.
- MDC is supporting Nelson EDA in becoming the Regional Partner for promotion of FRST, TechNZ and NZTE (Government agency) programmes to businesses. If successful this service will include a part time representative based in Marlborough.

Expenditure to Date

Rugby World Cup	\$24,862
Tourism	\$20,043
Aviation	\$28,000
Forestry	\$ 1,000
Wine	\$ 9,426
Marine	\$ 5,000
NZTE Applications	\$ 3,930
TOTAL	\$92,261 (60%)
Budget	\$155,000

External (NZTE) Funding

Aviation	\$48,000
Aviation	\$49,000
Marine	\$15,000
Wine	\$235,000
TOTAL	\$347,000

Economic Development Project List 2010-2011

12. Set out below are the recommended projects for 2010 – 2011. It is important to note that as industry needs change, issues arise and opportunities present themselves this list will evolve and be reviewed over the next 12 months.

13. Aviation Sector

Project description and expected outcomes

- Continue programme with Investment NZ support and networks to quantify Safe Air business potential with US Defence Force.

This will assist in attracting future work, identifying potential strategic partnerships and to provide a stronger case for any new hanger development.

- Active membership of the Top of the South Aviation Sector Group.

This will assist in identifying and pursuing joint business development initiatives across the sector.

14. Wine Sector

Project description and expected outcomes

- Project manage with Nelson Region Economic Development Agency (NREDA) the US Wine Distribution business plan for selected groups of Marlborough and Nelson wineries funded primarily by NZTE.

This will involve targeted use of consultants in USA and NZ and close collaboration with New Zealand Trade and Enterprise and the High-End project.

The outcome expected is a locally owned sales and marketing operation based in the USA driving sales and new market opportunities for local small to medium winery members.

- Investigate infrastructure requirements and timing.

This will ensure MDC is aware of and can plan for industry growth needs.

15. Marine Sector

Project description and expected outcomes

- Work with Waikawa, Nelson/Tasman and Wellington yacht clubs and Tourism agencies to develop up yacht event concept and appoint events manager to lead and gain sponsorship.

This will create a major, international class event for the Top of the South region and attract international and NZ cruising yachts down to this part of the country for both tourism and marine refit business.

16. Tourism Sector

Project description and expected outcomes

- Continue next steps in conjunction with Destination Marlborough to gather external industry sector views on Marlborough's strengths, weaknesses and what the criteria would be for those parties to invest or include the region in their itineraries and promotions. Consolidate the various industry market research reports and complete the Marlborough-specific research.

This will provide a much clearer view and specifics on how we need to work with the industry as well as potential target customers.

- Continue support of the Rugby World Cup 2011 Marlborough initiatives (Business Club, Volunteer program, Key events).

This will ensure Marlborough takes as much advantage as possible of the travelling media, touring supporters and domestic travellers before, during and after the festival.

- Maintain watching brief on NZ cycle trail fund developments.

This will ensure MDC is in the best position to access new programmes.

17. Aquaculture Sector

Project description and expected outcomes

- Work with Marine Farming Association (MFA) and Aquaculture Direct to identify regional industry growth options including increasing the value of the mussel and fin-fish harvests.

This will assist in identifying those industry investment and growth opportunities as well as ensuring the regional planning documents are fully informed of the potential and wishes of the aquaculture sector.

- Ensure MDC is ready to implement new aquaculture policy directions and plan rules.

This will assist in appropriate and timely industry development.

18. Iwi

Project description and expected outcomes

- Provide planner resources as available to assist Ngati Toa and Ngati Koata in development of their Iwi Environmental Management Plans. This will assist in resource and wider planning programmes.

19. General

- Scope out areas where Marlborough should focus its tertiary education strategy to grow to target of 876 EFTS by 2015 (e.g. Aviation Engineering, Avionics, Viticulture, Winemaking).
- Complete due diligence requirements for the Securities Commission for capital raising exemption supplied by Marlborough Chamber of Commerce. This will enable private sector capital raising options for qualified businesses and investors up to \$5m without the major expenses of having to provide a full prospectus.
- Assess the value of each sector and financial flows within/out of district. This will assist in understanding the financial contribution from each sector and how much value is captured in the district. The objective is to identify ways in which more value can be captured in future and not lost out of district.
- Engage URS NZ Ltd to apply the Auckland Regional Council framework to determine whether Marlborough could in fact claim carbon neutral status as a result of land use change (planting of forestry, grapes and less stock) and a policy change in accounting for ferry emissions. This will enable the various sectors and individual companies to use this verification as part of their promotions if they wished.
- Assist Nelson Regional Economic Development Agency in provision of government agency business support services in Marlborough through appointment of local contact. This will assist local business in understanding the availability and processes to access government grants and assistance.
- Evaluate the external developments such as the ETS (Emissions Trading Scheme), market demand on possible forestry plantings in Marlborough.
- Keep up to date with central government's developments in the ultrafast broadband area.

This will ensure Marlborough is positioned to take full advantage of any new infrastructure opportunities.

Summary

20. A wide range of projects have been undertaken in 2009 – 2010 with various sectors in Marlborough. Building relationships with those sectors and individual companies has assisted in identifying the issues and needs facing the sectors and also aspects where MDC can provide appropriate support.
21. The annual budget for this area has been significantly leveraged with external agency funding.
22. Work developed in the last year has led onto a range of specific sector projects for the 2010 – 2011 year.

RECOMMENDED

That the projects' list for 2010-2011 be approved.

3. Aotearoa People's Network Kaharoa (APNK)

(Report prepared by G Webster)

Reference (L270-01)

Purpose

1. The purpose of this report is to update Council on the operation of the Aotearoa People's Network Kaharoa (APNK) service offered by Marlborough District Libraries.

Background

2. A partnership agreement was signed between the National Library of New Zealand and the Marlborough District Council on 22 September 2008 for the provision of the Aotearoa People's Network. The cost of the network would be met centrally from the date of installation for a period of two years. This initial timeframe has now been extended to June 2011. The partnership agreement states that access to the service must be provided to the public at no cost.
3. The Aotearoa People's Network Kaharoa is a collaboration between the National Library of New Zealand, public libraries and business, with initial funding from the Government's Community Partnership Fund. The initial funding included equipment, networking, training and access to web-based tools and services. It is part of the wider Government Digital Content Strategy to unlock the nation's stock of content and build opportunities for New Zealanders to access it.
4. The People's Network is about providing free access to broadband internet services in public libraries so that all customers can benefit from creating, accessing and experiencing digital content. Many customers who have never been into libraries are now using the service.
5. The aim of the People's Network is to have every public library in New Zealand connected to the internet so that all communities, both large and small, can benefit by creating, accessing and experiencing digital content. This aim is however restricted due to the lack of further development funds to expand the service.
6. The People's Network will benefit anyone who has access to a public library. It will open up the digital world to all people and communities by giving them access to the web, providing computers and training. Libraries and their staff will also benefit as they build their skills and knowledge of the online world, becoming online experts, and in turn share this knowledge with their customers.

Current Situation

7. Currently ten APNK computers are available for use in the District Library, and five in the Picton Library and Service Centre. Bookings are essential for all computers and are managed by customers booking their allocated time slot on a number of whiteboards around the library. This allows everyone to see what is currently available.
8. The 10 computers in the District Library are arranged as follows to best cater for demand:
 - Express - All library customers (Limit 15 minutes) x 2 computers.
 - Library members (30 minutes maximum) x 2 computers.
 - All library customers – members and non-members (30 minutes maximum) x 4 computers.
 - Children's Library – under 16 years (20 minutes maximum) x 2 computers.

9. The five computers in the Picton Library and Service Centre are arranged as follows:

- Express (Limit 15 minutes) x 1 computer.
- All library customers – members and non-members (30 minutes maximum) x 2 computers.
- Children/Young Adults – under 16 years (30 minutes maximum) x 2 computers.

At peak usage times demand to access the service exceeds supply and staff actively refer visitors to local internet providers.

10. Wifi (wireless internet) access is available in both libraries whereby customers (members and non-members) can bring in their own laptops and connect to the internet during library opening hours. Changes have been adopted to ensure that the Wifi network is decommissioned on public holidays and is only available when the library is open. The District Library's Wifi automatically disconnects 15 minutes before closing time daily

11. A Help Desk is provided on a daily basis as part of the managed network during library opening hours. The team at APNK deliver a high quality service out of their Christchurch office. All backups and system upgrades are carried out when the libraries are closed ensuring services to customers are not compromised. Through the managed network libraries can offer customers a much broader range of functionality than previously available and at a higher speed. Content filtering is on all machines, restricting access to questionable sites, but this will not stop absolutely everything. The APNK team works with librarians to maintain this filtering and is able to track inappropriate usage if required. The managed network has eliminated all responsibility for the provision of public internet from Council's IT department, which is a saving to Council.

Comment

12. Three submissions to the Draft Annual Plan 2010/2011 were received with concern that the APNK service was being heavily used by overseas tourists. It was also claimed that this service was being subsidised by local ratepayers and that most other tourist areas charged for internet use.
13. Currently the only cost to the Library is the \$300 annual fee for the Wifi connection at both libraries. There are minimal hidden costs around the use of electricity to power the APNK computers and personal laptops, if power is accessed by customers at the library.
14. A large number of overseas visitors use the APNK service. This however is not unusual in a library environment. Many overseas libraries provide a similar free service and do not differentiate between local and visitor use.
15. The New Zealand libraries identified as tourist destinations such as; Taupo, Tauranga, Rotorua, Kaikoura, Wanaka and Queenstown are not providing free internet access and are currently not part of the Aotearoa People's Network Kaharoa. However other tourist destination centres like Motueka, Takaka, Greymouth, and Hokitika provide free internet access through the APNK network. Other large metropolitan libraries have recently commenced providing free internet and Wifi access to their customers such as Christchurch City, and Auckland Public. Hamilton and Dunedin City Libraries provide free internet access through APNK, as part of the managed network which extends from Kaeo in the north to Stewart Island in the south across 39 local authorities. The Dunedin City Council is providing free Wifi in the Octagon on a trial basis for a year and Lawrence, 90 kilometres south of Dunedin was the first in New Zealand to provide Wifi in its main district without a charge to users.

Suggested Solutions from Submissions

16. The following three solutions were put forward from the Travel Stop Cyber Cafe, supported by the Chamber of Commerce.

17. Limit free internet usage to “New Zealand Library Card” holders. Charge non-New Zealand residents and visitors a subscription of \$10 per month, or \$78 per year if they wish to access the service.

Comment - This would be very difficult to manage and an administration nightmare. Staff would have to constantly monitor usage to ensure that people meet the criteria and question all those who don't. Currently the system we use is self monitoring and takes little staff intervention. However, a recent development for APNK libraries has seen software being provided on an additional annual subscription basis to manage and monitor usage. Some libraries have purchased this model however it does require extra staff to register bookings.

18. Remove the Wifi service completely.

Comment - This would disadvantage the large number of local customers who use this service, including children and young adult who see the libraries as safe, warm environments to meet and utilise services with their friends. It would also create a lot more pressure on the existing APNK computer available in both libraries.

19. Add an additional charge for internet use over and above the subscription fee for non-New Zealander residents and visitors.

Comment - Some visitors to Marlborough already pay the temporary membership which allows them to borrow material from the library as well as use the members APNK computers. To add another layer of charges on top of the subscription would be difficult to manage and add extra pressure on staff particularly at heavy usage times.

Other Options

20. There are some options that Council may wish to consider:

- Status quo until the review of the APNK funding and agreement which will be prior to 30 June 2011.
- Charge for internet access – which means the removal of the APNK network and negotiation of early termination of the agreement.

Summary

21. Council signed an agreement on 22 September 2008 with the National Library for the provision of the APNK network. This agreement will be reviewed by June 2011. A condition of this existing agreement is that all usage must be provided free of charge.
22. A previous report presented to Council on 2 February 2009 was adopted with the recommendation that the APNK services continue to be provided under the current terms and conditions.
23. The APNK service is appreciated by many of the libraries customers (members and non-members). There are concerns from sectors of the community around the lack of space in both facilities when demand for the service is high.
24. Marlborough has a large seasonal workforce and this creates greater demand than what is experienced in many other libraries nationally. This sector often uses the APNK service at the end of their working day or at the weekend. They bring a new dimension to use of libraries and generally library members are very welcoming. Staff actively monitor usage to ensure, to the best of their ability, that all customers are catered for within the constraints of the building.

RECOMMENDED

That the report be received.

4. Marlborough District Libraries Activity Report

(Report prepared by G Webster)

Reference (L270-01)

Purpose

1. The purpose of this report is to update Council on the operations of the Library services.

2. May 2010 Statistics

	Issues	Returns	Reference Enquiries	Door Count	Reserves Placed
District Library, Blenheim	44,150	43,643	1,353	33,951 visits	1,908
Branch Library, Picton	6,179	6,581	580	9,431 visits	391
TOTAL	50,329	50,224	1,933	43,382 visits	2,299 reserves

3. Issues

The issue statistics recorded in May 2010 in the District Library saw an increase of 487 more issues than those recorded in May 2009.

Picton Library and Service Centre recorded 283 fewer issues in May this year, compared with 2009.

Variance- The total issues for the libraries - year to date, are 1,663 fewer than the same period last year.

4. Door Count

The District Library's door count (Visitor Numbers) for May 2010 was up by 656 visits on May 2009.

Picton Library and Service Centre was up by 774 visits on the same May period.

5. Membership

The number of new members recorded joining the libraries in May was:

District Library, Blenheim	160
Branch Library, Picton	<u>35</u>
TOTAL	195

6. Website Site Hits - www.marlboroughlibraries.govt.nz

During the following one month period (1 May – 31 May 2010) the libraries website recorded 1,236 unique visitors accessing the website, with 4,900 pages viewed.

7. Picton Library Happenings

~ **New Zealand Post Children's Book Awards** Festival Week was held from the 10th-15th May. Picton Library staff members Kathryn Mann and Lynnaire Woods were both on the organising committee, with Kathryn being the co-ordinator.

~ Marlborough's visiting author was Doctor Simon Pollard, author of "Dear Alison". Simon spoke at Havelock School and Queen Charlotte College to invited participants on Tuesday 11th May. This was greatly enjoyed by the students who attended.



~ **The inter-school literary quiz** was held on the evening of Wednesday 12th at Marlborough Girls' College. There are twenty-two teams, including two from Picton School.

~ On Saturday the 15th May the **Book Character Hunt** was back by popular demand. Because of inclement weather, it was held from the Marlborough District Library instead of Pollard Park, and around the streets of Blenheim's CBD. Some very good publicity resulted from these

events which were very well organised.

~ Picton BookChat was held on 21st April, with the theme "Think Sign". A 'taster' sign language class was hosted by Hilary Foister - with a little less chat than usual!

~ A senior class from Picton School visited on the 20th April as part of their studies - "Picton's place". Some local picture books were read, and the DVD of historical Picton photographs was screened for all to see.

~ Displays in the library have included: The Year of the Tiger, ANZAC Day, Sign Language Week, and NZ Whales and Dolphins.

8. **April School Holiday Activities**

The April School holidays were celebrated in the children's libraries in Blenheim and Picton with well attended story reading, crafts and activities. The theme for the holidays was – "Fantastic Fairy Tale Fun!" Morning story time sessions were held daily with related craft activities on both Tuesdays and Thursdays. Afternoon sessions were held on both Wednesdays for older children. Bookings were essential to cater for the numbers interested in participating in the craft activities.

9. **PressDisplay**

Recently the Libraries subscribed to PressDisplay, through a library consortium. PressDisplay is an online national and international newspaper database that offers full text newspapers from around the world. With Library PressDisplay users gain access to publications from within the library, from home and around the world on the day they are published. Readers can also translate their newspaper into one of ten major foreign languages.

The Friends of the Marlborough District Libraries have contributed \$1,000 toward the annual subscription. As a result of this subscription the libraries have reviewed the number of physical national papers that are subscribed to on a daily basis. A survey was undertaken in both libraries on the use of the newspaper collections, and as a result some newspapers will be withdrawn once their subscriptions have expired.

RECOMMENDED

That the report be received

5. Treasury Management Report for Period Ended 30 June 2010

(Report prepared by M J South)

Reference (T270-01)

1. **Attached** are details of Council's Treasury Management Report for the quarter ended 30 June 2010. Comparative details for the quarter ended 31 March 2010 are shown in italics and shaded.

2. **Market Interest Rate Movements**

Council's fund managers advise that during the June quarter New Zealand short term interest rates rose and medium to longer term interest rates declined.

The Reserve Bank of New Zealand ('RBNZ') on 10 June 2010 increased the Official Cash Rate by 25 basis points to 2.75%.

3. **Investments**

Details of Council funds and investments are attached.

The average interest earnings rate of 7.18% is 0.3% more than that for the March quarter. The main reason for this is the decrease in the BNZ call account balance from \$3.393 M to \$1.093 M which attracts an interest rate of 3.15%.

The \$1 M Telecom Finance bond matured on 15 April and was used for cashflow requirements and no new bonds were purchased.

Reinvestment of securities as they fall due is based on the recommendation of Bancorp Treasury Services Limited, Fund Managers for Council. In conjunction with Council's Treasury staff, Bancorp's role is to continuously monitor market conditions and Council's specific investments to ensure that the maximum return is achieved consistent with the minimum risk exposure dictated by Council's Treasury Management Policy.

4. **Compliance with Council Policy**

Council's Treasury Management Policy sets criteria surrounding credit rating, maximum investment allowed with any one institution and the maximum allowed to be invested with any type of institution.

All criteria have been met for the 30 June quarter.

5. **External Borrowings**

As at 30 June 2010 Council has no short term external borrowings. At the beginning of June borrowings were \$6 M, these were repaid following receipt of the final quarter rates for the year which were payable on 11 June. The decision to undertake these short term borrowings was made because the interest rates being charged were less than the interest rates achieved on investments.

RECOMMENDED

That the Treasury Management Report for the period ended 30 June 2010 be received.

**MARLBOROUGH DISTRICT COUNCIL
QUARTERLY TREASURY MANAGEMENT REPORT**

Current Market Interest Rates as at 30 June 2010

Term	Rate quoted from -	June 2010	May 2010	April 2010	March 2010
OCR	Reserve Bank	2.75%	2.50%	2.50%	2.50%
30 days	Reserve Bank	2.89%	2.71%	2.60%	2.60%
90 days	Bank bills	3.13%	2.98%	2.73%	2.64%
Maturity 11/11	NZ Government Bonds- yield	3.67%	3.67%	3.89%	3.76%
Maturity 04/13	NZ Government Bonds- yield	4.17%	4.38%	4.69%	4.55%
Maturity 12/17	NZ Government Bonds- yield	5.12%	5.33%	5.67%	5.70%
Maturity 05/21	NZ Government Bonds- yield	5.34%	5.55%	5.91%	5.98%

Statement of Cash and Investments as at 30 June 2010

				% Funds	Last Quarter Mar 2010
Bank Current Accounts					
- BNZ	Current Funds or (Overdraft)		(1,731,579)	0.01%	(\$799,507)
On Call					
- BNZ	Rating				
	AA		3.15%	1,092,689	8.33%
	Readily Available Funds		(638,890)	-4.87%	\$2,593,519
Investments -short term (12 months or less)					
Banks					
- BNZ	AA	1yr (06/10)	4.50%	75,517	0.58%
- BNZ	AA	180 days (08/10)	4.88%	164,958	1.26%
Securities					
- Telecom Finance (TCNZ)	A	9 years (04/10)	7.65%	-	0.00%
- Fonterra *	A+	6 years (04/11)	6.87%	497,994	3.79%
	Funds Available within 1 year		2.50%	\$99,579	0.76%
Investments -long term (greater than 12 months)					
Securities					
- Auckland Airport	A-	5 years (07/11)	7.06%	999,078	7.61%
- ASB Bank Ltd	AA-	4 years (11/12)	8.91%	502,919	3.83%
- ASB Bank Ltd	AA	4 years (07/13)	6.56%	1,069,371	8.15%
- BNZ Banking Bond	AA	6 years (09/12)	7.03%	1,019,112	7.77%
- BNZ Bond	AA	6 years (05/15)	7.98%	1,034,915	7.89%
- BNZ	AA	5 years (05/13)	8.54%	1,000,800	7.63%
- Fonterra *	A+	6 years (04/11)	6.87%	-	0.00%
- Fonterra	A+	9 years (04/14)	7.00%	499,029	3.80%
- Fonterra	A+	5 years (04/14)	8.74%	464,358	3.54%
- Bank of America	A	5 years (03/12)	7.55%	499,992	3.81%
- Bank of America	A	5 years (03/12)	8.19%	498,825	3.80%
- ANZ/National	A+	5 years (04/13)	9.66%	1,000,000	7.62%
- ANZ/National	AA-	5 years (09/11)	7.16%	1,000,000	7.62%
- N Z Post	AA-	4 years (01/11)	8.15%	485,266	3.70%
- Morgan Stanley	A	6 years (09/12)	7.10%	1,002,173	7.64%
- Auckland City	AA	4 years (11/11)	8.50%	1,000,000	7.62%
- Rotorua District Council	UR	8 years (04/16)	8.16%	947,921	7.22%
	Funds Available > 1 year		7.84%	\$13,023,757	99.24%
	Total Funds Available		7.18%	\$13,123,336	100.00%
					\$17,352,493

6. Financial Report for Council – Period Ended 31 May 2010

(Report prepared by J Somerville)

Reference (F045-06)

1. Attached is the financial report for Council for the eleven months to 31 May 2010.

Revenue

2. Total Revenue and Rates (RR) for the year to date is currently higher than budgeted.
3. The RR increase has occurred chiefly as a result of:
 - receipt of \$2.5M dividend from MDC Holdings Ltd
 - receipt of \$708K more than budgeted in distribution from Marlborough Regional Forestry
 - higher than expected property rentals and infringement income together with one off revenue from lump sum capital expenditure sewerage contributions, rivers reserve log sales plus subsidy revenue for marine biosecurity investigations and community housing upgrades.
offset by
 - less than anticipated:
 - trade waste charges. These are based on water consumption which has been less than expected.
 - parking collection revenue.
 - Landfill and transfer station fees primarily due to less commercial waste re subdivisions and more recycling since the opening of Resource Recovery Centre.
 - Subdivision/discharge/water/ land use applications and associated inspection fees as a result of the continued economic slowdown and amendments to the Resource Management Act.
 - water and sewerage upgrades levies and connection charges again due to fewer subdivisions.
 - Project Information Memorandum revenue due to government changes to the Building Act. (no longer compulsory to request details)
 - Internal loan interest received is less than expected due to 2008/09 capital expenditure being less than budget which in turn resulted in smaller loan borrowings. Interest on new 2009/10 loans will be calculated and charged in the June period. This decrease is offset by the reduction in borrowing costs below.

Expenditure

4. Overall expenditure is under budget primarily due to lower than expected interest instalments and depreciation on asset additions/revaluations.

Operating expenses are ahead of budget due to:

- a. Increased emergency road reinstatement, traffic services and road network/asset management costs.
- b. Accelerating the development of urban design strategies.

c. Consents and Compliance costs.

In part this is offset by contract savings and less than expected infrastructure maintenance costs for water reticulation and treatment expenses (some relates to timing).

Capital Expenditure

5. Capital expenditure for the eleven months to 31 May is \$37.7M, which is ahead of 2009 capital expenditure by \$5.4M for the same period.
6. Early indications are that there is likely to be capital deferrals and carryovers to 2010/2011 of approximately \$22M.

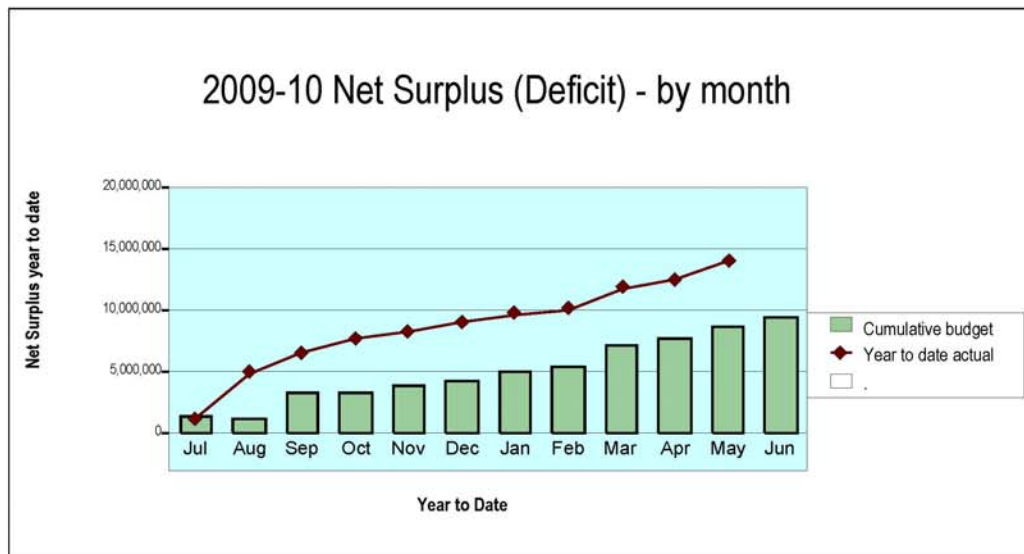
Activities, where significant expenditure is slower than anticipated are:

- Swimming Pools \$6.2M Blenheim Aquatic Centre.
 - Parking \$4.75M Blenheim parking developments.
 - Roads \$1.7M deferral of Northbank Road major rehabilitation works, deferral of Jackson /Old Renwick Road intersection improvements and Maori Ford Bridge. Deferral of cycle lanes and signage.
 - Rivers & Drainage \$1.2M Town branch (Blenheim) –delays re design and location and possible deferral of Kent Street/Waitohi culverts till next summer. Taylor Dam – spillway improvements design to be finalised plus Lower Wairau sedimentation control works delayed. There will also be treatment delays for Seddon.
 - Sewerage projects \$4.3M treatment at the Industrial ponds and deferral of Sheffield pump station upgrade together with Picton sewer outfall re design delays. In Seddon there will also be treatment delays.
 - Stormwater \$.83M Redwood Street connection to Alabama Road, deferral of Picton pipeline renewals and revisit Renwick work in 2011.
 - Water \$2.8M Essons Valley treatment – contract commenced this month, Picton - deferral of capacity upgrades, Awatere - awaiting subsidy outcome and deferral of pump station renewal, Blenheim - capacity upgrade deferral, Havelock - timing of reservoir (tender recently awarded) Renwick - wells and pumps deferred and Riverlands - upgrade to reservoir delayed.
7. There is also expected to be savings of \$2M associated with Blenheim and Picton reservoir's including related pipeline where tender price's came in below budget.

RECOMMENDED

That the financial report for the period ended 31 May 2010 be received.

MARLBOROUGH DISTRICT COUNCIL
2009-10 rbud budgets operating statements



Statement of Financial Performance - May YTD

	May YTD	YTD budgets	YTD variance	2009-10 rbud budgets
Revenues				
User Charges	13,641,470	14,617,619	(976,149)	17,117,933
Subsidies & Grants	6,193,691	5,442,568	751,123	6,642,036
Total Rates and Charges	43,311,652	42,706,885	604,767	47,056,813
Dividends received	2,505,626	538,000	1,967,626	538,000
Other Revenue	11,715,612	10,174,995	1,540,617	15,956,516
	77,368,051	73,480,067	3,887,984	87,311,298
Expenses				
Operating expenses	46,644,976	45,303,459	(1,341,517)	56,481,407
Depreciation	13,372,321	14,192,913	820,592	15,587,862
Interest payments	3,403,371	5,304,222	1,900,851	5,842,874
	63,420,668	64,800,594	1,379,926	77,912,143
Net Surplus (Deficit)	13,947,383	8,679,473	5,267,910	9,399,155

Exception report on operations

The year to date result is favourable \$5,267,910 against budget.

Interest payments favourable as the monthly instalments on internal loans are less than anticipated as a result of reduced capital expenditure in 2008/09 and the flow on effect to total of loans drawn down. Interest revenue is conversely unfavourable.

Other significant variances are explained in the variances by activity statement.

MARLBOROUGH DISTRICT COUNCIL

2009-10 rbud budgets operating statements



The Net Surplus (Deficit) is generated by the following Council Activities:

	May YTD	YTD budgets	YTD variance	2009-10 rbud budgets
Democracy	136,742	155,146	(18,404)	150,000
Arts and Heritage	(77,533)	(78,555)	1,022	(54,900)
Community Housing	138,757	29,850	108,907	31,643
Community Safety	(155,496)	(92,676)	(62,820)	(12,500)
Community Support	83,246	37,265	45,981	(60,500)
Libraries	104,168	24,214	79,954	(9,400)
Emergency Management	(55,125)	(196,523)	141,398	(199,800)
Community Facilities	(7,868)	(393,283)	385,415	(462,641)
Land Transport	761,222	998,887	(237,665)	2,196,671
Rivers and Land Drainage	2,872,769	2,626,215	246,554	2,770,207
Sewerage	1,977,657	595,862	1,381,795	1,037,727
Stormwater	125,964	(103,970)	229,934	146,946
Water	1,375,609	488,845	886,764	1,035,013
Solid and Hazardous Waste	131,981	235,585	(103,604)	109,737
Environmental	(552,574)	(238,343)	(314,231)	(512,100)
Regional Development	(67,959)	(56,092)	(11,867)	(215,643)
Consents and Compliance	(694,203)	280,661	(974,864)	(258,019)
Biosecurity	209,666	11,956	197,710	(140,953)
Animal Control	11,932	(35,324)	47,256	(108,735)
Harbour Control	(323,846)	(492,715)	168,869	302,741
Investment activities	7,169,826	4,167,836	3,001,990	4,195,574
Corporate Overhead	348,925	348,064	861	(545,325)
Direct Management	319,338	300,493	18,845	(71,000)
Plant Operations	114,185	66,075	48,110	74,411
	13,947,383	8,679,473	5,267,910	9,399,155

Comments

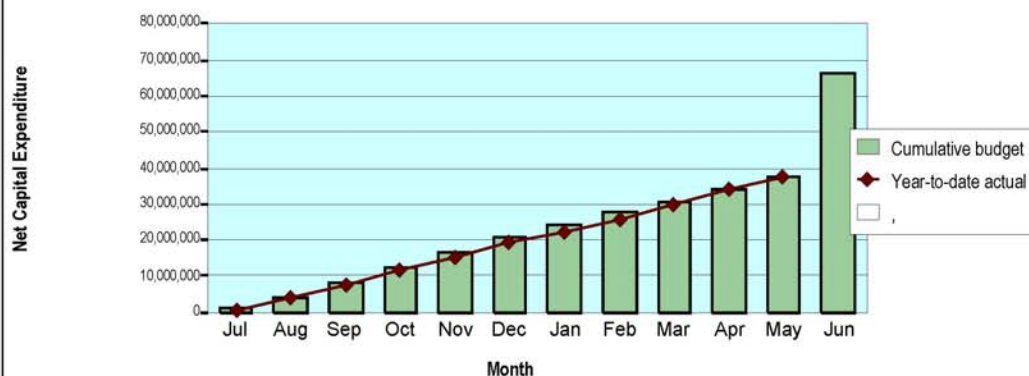
1. Variances for significant activities are mainly due to timing of actual income/expenditure against forecasted spread of annual budget.
2. Significant variances other than timing are as follows:
 - (a) Land Transport - Infringement income ahead of budget offset by less than anticipated Parking collection revenue. Parking contracts, traffic services and emergency reinstatement of roads together with Opus costs relating to network / asset management are also well ahead of budget.
 - (b) Rivers and Land Drainage includes one off log sales felled on river reserve land together with higher than anticipated gravel sales and increased rock recharges.
 - (c) Sewerage - Trade waste revenue less than expected offset by smaller than anticipated interest instalments and depreciation due to reduced 2008/09 capital expenditure /loan requirements for 2008/09. Some one off lump sum capital contributions re Bary/ David St and Grovetown connections have also increased revenue.
 - (d) Stormwater - Includes unbudgeted subdivision receipts and less than anticipated depreciation.
 - (e) Water - Upgrade levies and connection charges less than anticipated offset by less than budgeted internal interest payments and depreciation as 2008/09 capex and loan requirements were less than allowed.
 - (f) Solid & Hazardous Waste unfavourable due to less than expected transfer station and landfill revenue offset by timing of contracts, levy and interest payments.
 - (g) Environmental ahead of budget due to additional expenditure relating to the Urban design strategy and regional policy statement review.
 - (h) Consents and Compliance is unfavourable due to:
 - a reduction in the revenue from building consent inspections being undertaken, together with project information memorandum requests due to government changes to the Building Act.
 - revenue from subdivision, discharge, water and land use applications being less than expected, an indication of the continued economic downturn and due to amendments to the Resource Management Act.
 - higher than anticipated costs due to the Environment Court appeals, frost fan issues, earthquake prone buildings and prosecutions.
 - (i) Investment activities ahead of budget mainly due to the MDC Holdings dividend offset by less than budgeted interest revenue.

MARLBOROUGH DISTRICT COUNCIL

2009-10 rbud budgets operating statements



2009-10 Net Capital Expenditure - by month



	May YTD	YTD budgets	YTD variance	2009-10 rbud budgets
Arts and Heritage	6,893	5,500	(1,393)	25,500
Community Housing	221,996	122,300	(99,696)	122,300
Community Safety			0	122,500
Libraries	239,052	223,000	(16,052)	367,000
Emergency Management	20,125	9,500	(10,625)	18,800
Community Facilities	10,495,199	9,168,395	(1,326,804)	16,552,259
Land Transport	7,226,026	7,008,824	(217,202)	13,560,028
Rivers and Land Drainage	1,006,059	1,173,500	167,441	2,277,000
Sewerage	5,872,318	7,730,257	1,857,939	13,398,549
Stormwater	128,203	94,163	(34,040)	1,264,760
Water	10,833,791	10,908,106	74,315	17,535,522
Solid and Hazardous Waste	522,140	642,452	120,312	802,864
Environmental	48,531	47,998	(533)	49,000
Regional Development	1,650		(1,650)	0
Consents and Compliance	533	533	0	9,200
Biosecurity	3,337		(3,337)	
Harbour Control	129,545	129,545	0	234,000
Investment activities	429,744		(429,744)	(2,601,943)
Corporate Overhead	413,579	376,878	(36,701)	1,756,012
Direct Management	5,448	533	(4,915)	1,500
Plant Operations	139,841	142,300	2,459	362,100
Total	37,744,010	37,783,784	39,774	65,856,951

Exception report on capital expenditure

Community Housing ahead of budget due to bathroom upgrades in the Litchfield and Arthur St complexes. Housing NZ subsidy to recover expenditure has been received and treated as grant revenue.

Expenditure in Investment activities relates to the development of Stage 10 Forest Park. Proceeds from 8 of the 9 section sales have been received in June 2010.

It is expected that due to delays and deferrals of some projects there will be deferrals of in excess of \$22M to the 2010/11 financial year.

7. Financial Report for Support Services Department – Period Ended 31 May 2010

(Report prepared by J Somerville)

Reference (F045-07)

1. Attached is the financial report for the period ended 31 May 2010.

RECOMMENDED

That the financial report for the period ended 31 May 2010 be received.

	May YTD actual	May YTD budget	YTD Variance	2009-10 rbud budget
Total Regional Development				
Total Rates and Charges	818,248	805,288	12,960	878,485
	818,248	805,288	12,960	878,485
Operating expenditures	886,207	861,380	(24,827)	1,094,128
Net Surplus (Deficit)	(67,959)	(56,092)	(11,867)	(215,643)
Asset additions and disposals				
Asset additions	1,650		(1,650)	0

Total Democracy				
Total External Revenues		1,540	(1,540)	1,680
Total Rates and Charges	2,388,728	2,352,889	35,839	2,566,788
	2,388,728	2,354,429	34,299	2,568,468
Operating expenditures	2,251,986	2,199,283	(52,703)	2,418,468
Net Surplus (Deficit)	136,742	155,146	(18,404)	150,000
Asset additions and disposals				

Total Land Development				
Total External Revenues			0	3,000,000
			0	3,000,000
Operating expenditures	23,443	17,469	(5,974)	3,018,499
Net Surplus (Deficit)	(23,443)	(17,469)	(5,974)	(18,499)
Asset additions and disposals				
Asset additions	429,744		(429,744)	
Asset disposals			0	2,601,943

Total Forestry				
Operating expenditures	11	4,703	4,692	4,700
			0	
Net Surplus (Deficit)	(11)	(4,703)	4,692	(4,700)
Asset additions and disposals				

Total Property				
Total External Revenues	4,562,173	4,253,300	308,873	4,541,869
Total Rates and Charges	(384,239)	(378,785)	(5,454)	(413,225)
	4,177,934	3,874,515	303,419	4,128,644
Operating expenditures	1,573,237	1,428,217	(145,020)	1,537,677
Net Surplus (Deficit)	2,604,697	2,446,298	158,399	2,590,967
Asset additions and disposals				
Asset additions	221,996	122,300	(99,696)	122,300

Significant variances other than timing are as follows:

1. Land Development operating expenditure unfavourable due to higher than anticipated annual rates. Unbudgeted asset additions relate to costs associated with the development of Stage 10 Forest Park and will be offset by revenue from the sale of 8 of the sections received in June 2010.
2. Property - Favourable due to increased revenue from rental properties as well as Housing NZ subsidy for community housing capital works. Operating expenditure higher than anticipated due to increased repairs to Community housing units together with insurance of additional community assets (Horton Park stadium etc) not allowed for at time of budget preparation.
Asset additions relates to bathroom upgrades in some Litchfield and Arthur St community housing units.

8. Debtors' Overdue Report

(Report prepared by H Versteegh)

Reference (A135-04)

Purpose

1. The purpose of this report is to inform the Committee of the legal position regarding the process employed by staff to ensure that outstanding debt is taken into account before providing additional building and resource consent services.

Background

2. The Committee at its 26 April 2010 meeting requested a briefing on Council's ability to withhold building and resource consenting services while amounts owed remained unpaid.

Comments

3. There are very limited opportunities that are available to enable staff to refuse to provide additional building and resource consent services to someone who is indebted to Council. However, to put the position in context, the majority of debtors are looking to maintain a healthy ongoing relationship with Council and as such maintain a positive credit record. Turning to the respective statutes:

a. Resource Management Act 1991

- i. Council can refuse to perform an action under the Resource Management Act until the charge relating to that action has been paid in full (s36). The refusal only relates to the charges payable for that action. It does not allow Council to refuse to perform an action until other charges are paid.
- ii. Requiring costs to be paid in advance is possible, but has the risk that full cost recovery is not achieved. The judgement in **Aviation Activities Ltd v MacKenzie DC [1998] NZRMA 337** states "The proper way for the council to insist on costs under s 36(6) and s 36(3) in advance, is to estimate a reasonable amount and then fix the fee at the figure. The council then takes the risk that its incurred costs will exceed the fixed costs. It is not allowed to have its money and charge more later."

b. Building Act 2004

- i. Council can refuse to perform a function or service under the Building Act 2004 unless the appropriate fee, charge or levy is paid. Again, the refusal to undertake a service relates only to the payment of the fee for that service. Similar to the Resource Management Act, it does not allow Council to refuse to perform an action until other charges are paid.
4. Fee reviews undertaken this year have re-examined the "base charge". The "base charge" has been set to ensure that costs are recovered in full for at least 75% of all cases. The "base charge" differs from an estimate in that it retains the ability to charge for additional services.

Summary

5. In summary, where a person has outstanding debts, the Resource Management Act 1991 and Building Act 2004 permits Council to require payment upfront for any future services, but this raises a full recovery risk, if the estimate is conservative. With the review of the "base charge"

and that repeat customers want to maintain an ongoing relationship with Council, the risk of default is low. To mitigate this risk Council will continue prompt active debt recovery action before pursuing legal and debt collection agency avenues.

RECOMMENDED

That the information be received.

9. Debtors' Overdue Report as at 30 June 2010

(Report prepared by S Greenhill)

Reference (A135-04)

1. The Debtors Report as at 30 June 2010 is attached for members' information.
2. This report has been updated with the recently completed June balances so there are no payments since month end able to be taken off the 90 days balances.
3. 30 June 2010 total debtors of \$1,757,251 are comparable to the 30 June 2009 total of \$1,707,664.
4. The Current balance includes the Fourth Quarter of the 2009/10 Tradewaste invoices totalling \$320,000 and \$160,000 of Safer Community funding invoices for (Community Max and Youth Transition Funding) of which \$100,000 relates to the 2010/2011 financial year.
5. The 90 days balance has increased primarily because of the Grovetown Sewerage Participation Agreements included in Paying by Agreement.
6. Deferred payment agreements are in place for amounts payable to Council in respect of the cost to access Council's sewer infrastructure. The signed agreements provide for quarterly payments, including interest, over a period of three years. The agreements also provide Council the opportunity of registering a security over the relevant properties. At 30 June 2010 there were four agreements in place and a total amount owed of \$76,833. The first quarterly instalment is due on 1 August 2010. There are no arrears.

RECOMMENDED

That the information be received.

DEBTORS REPORT

Aged Analysis Report	Current Month	Comparison for Previous 5 Months				
	June	May	April	March	February	January
Current	1,070,409.30	989,003.75	861,780.83	1,469,099.42	407,338.60	731,680.27
30 - 90 Days	351,571.08	415,110.64	656,966.50	177,108.56	278,692.06	692,252.97
90 Days	335,270.38	184,677.64	192,063.64	279,651.60	292,300.71	305,217.11
Outstanding Debtors Closing Balance	1,757,250.76	1,588,792.03	1,710,810.97	1,925,859.58	978,331.37	1,729,150.35

Debtors Action Report - Debtors over 90 days with Balance >\$250	June	May	April	March	February	January
With Receivables Management	19,393.06	19,393.06	29,774.14	29,774.14	28,107.28	28,240.96
Paying by Agreement	263,729.00	79,534.59	87,688.81	91,842.08	74,250.26	106,324.90
Work Not Yet Commenced	11,950.00	24,626.30	22,213.80	109,324.80	109,324.80	109,324.80
Awaiting Determination	166,097.31	28,102.00	18,466.22	18,793.60	18,203.48	18,388.85
Payments since month end taken off above amounts		24,573.48	25,061.52	21,380.84	53,809.30	34,054.94
Sub-Total	326,169.37	176,229.43	183,204.49	271,115.46	283,695.12	296,334.45
Various Debtors with Balances <\$250	9,101.01	8,448.21	8,859.15	8,536.14	8,605.59	8,882.66
Over 90 days Outstanding Total	335,270.38	184,677.64	192,063.64	279,651.60	292,300.71	305,217.11

10. Rates Reports

(Report prepared by W Williams)

Reference (R135-15)

1. Attached for members' information are the Rate Levies Status Report and Rate Arrears Aged Balance Report as at 30 June 2010.
2. We have collected 98.48% of the rates levied for 2009-10, leaving a year-end balance of \$797,891.15 (including arrears). This compares to a similar percentage of 98.68% at this time last year with a balance of \$659,631.65.
3. Since the final day for payment of rate instalment four, being 11 June 2010, there were 813 (827) penalty letters posted due to non-payment. The comparable number during June last year is shown in brackets.
4. The additional penalty charge will be added during the first week of July 2010 and follow up letters will be posted to the ratepayers of rate accounts that remain overdue.
5. Rate Instalment One of the new financial year is due to be posted 2 August 2010 and the last day for payment is 10 September 2010.

RECOMMENDED

That the reports be received.

Marlborough District Council

Rate Levies Status Report as at 30 June 2010

Financial Division	Balance b/fwd (01/07/09)	Inst Levy To Q4	Arrears Pen	Install Pen	Adjustments	Cash Received (incl Paid in Advance)	Add back Paid in Advance 30/06/2010	Balance 30/06/2010
Admin Rural	14,187.47	838,999.96	1,678.02	8,907.12	(55,116.16)	(788,352.82)	5,308.61	25,612.20
Blenheim	97,240.41	25,396,830.91	15,098.39	71,816.44	(95,724.69)	(25,328,468.91)	184,211.33	341,003.88
Blenheim Vicinity	29,917.64	10,567,238.19	3,942.91	33,613.47	(64,440.33)	(10,524,388.11)	47,642.62	93,526.39
General Rural	95,867.31	7,981,156.06	12,237.35	48,643.11	(135,802.17)	(7,854,771.64)	28,019.58	175,349.60
Picton	105,260.74	6,510,007.25	11,626.32	31,093.99	(125,108.71)	(6,419,536.07)	43,091.16	156,434.68
Picton Vicinity	1,559.13	406,612.24	619.08	1,602.45	(975.14)	(406,140.26)	2,676.50	5,954.00
Utilities Network	-	10,816.00		31.20		(10,836.80)	-	10.40
Current Year Totals	344,032.70	51,711,660.61	45,202.07	195,707.78	(477,167.20)	(51,332,494.61)	310,949.80	797,891.15

Paid in Advance balance b/fwd	1/07/2009	1/07/2008
	315,598.95	275,349.31

Paid in Advance	
As at 30/06/2010	310,949.80
As at 30/06/2009	315,598.95

Rate Arrears Aged Balance Report as at 30 June 2010

Year	Total Outstanding (01/07/09)	Cash Received (-)	Total Arrears Outstanding 30/06/2010
2008/09	580,227.42	531,765.30	48,462.12
2007/08	41,438.52	23,042.77	18,395.75
2006/07	15,861.47	11,977.97	3,883.50
2005/06	5,266.23	4,928.05	338.18
2004/05	3,001.26	3,001.26	-
Prior 2004	13,836.75	13,836.75 *	-
Total	659,631.65	588,552.10	71,079.55

Rates balance b/fwd	344,032.70
Add back Paid in Advance	315,598.95
Total Arrears	659,631.65

* Statute Barred rates written off in preparation for rating sale on three pieces of abandoned land - this cleared rate arrears on land prior to 2004.

11. Decision to Conduct Business with the Public Excluded

Decided: That the public be excluded from the following parts of the proceedings of this meeting, namely:

- **Debtors' Overdue Report**

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:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
Debtors Overdue Report	In order to protect the privacy of natural persons, as provided for under Section 7(2)(a).	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.