

Marlborough District Council

Report and Minutes of a Meeting of the COMMUNITY & FINANCIAL PLANNING COMMITTEE held in the Council Chambers, District Administration Building, Seymour Street, Blenheim on MONDAY 22 NOVEMBER 2010 commencing at 1.30 pm

Present

Clrs F D Maher (Chairman), J C Leggett, J L Andrews, J P Bagge, D W R Dew, T E Hook, T M Sloan, G Taylor, Mrs V T P C Ede (iwi representative) and Mayor A T Sowman.

Also Present

Clrs J A Arbuckle, G S Barsanti, G I T Evans, P J S Jerram.

In Attendance

Messrs M F Fletcher (Manager, Corporate Finance), D G Heiford (Manager, Support Services), M J South (Financial Services Manager), A R Besley (Chief Executive) and Ms J R North (Support Services Administrator).

A.10/11.189 Community & Financial Planning Committee Functions ***C135-F04***

In order for individual committee members to utilise their skills and experience by having a particular involvement with individual functions of the Committee's work, Clr Maher recommended the allocation of responsibilities listed below.

| | |
|----------------------|---|
| Francis Maher | Investments and Debt Management MDC Holdings Ltd Marlborough Regional Forestry |
| John Leggett | Financial Reporting: - Monthly - Annual - Summary - Audit Contracts and Risk Management |
| Jenny Andrews | Elderly Grants and Donations |
| Jessica Bagge | Youth Arts, Culture and Heritage Community Development |
| David Dew | LTCCP/Annual Plan Funding Policy Rating |
| Trevor Hook | Economic Development Destination Marlborough Events Research |

Terry Sloan Property
Libraries

Graeme Taylor Sister City

Clrs Maher/Taylor:
That the information be received.

Carried

A.10/11.190 Annual Marlborough District Council Residents' Satisfaction Survey 2010 S360-01

The Committee was informed of the results of the recent 2010 Resident Satisfaction Survey carried out by Research First who randomly selected residents covering the Marlborough area; 623 participated in the survey. A presentation of the report was given by Neil Henry, Economic & Community Policy Manager.

The survey is a key component of the Council's performance management framework that is detailed in the LTCCP and Annual Plan.

Some enhancements were made to this year's survey with comments being gathered from participants on areas of high performance by the Council, in addition to information collected on past performance, and on the nature and quality of contacts made with the Council in the past twelve months.

The average rating for Council services was 6.9 out of 10, and the overall performance score was 6.8. These figures were slightly down on previous years but were within or better than the margin of error for last year's score.

All services scored at least 6 out of 10, which is above the neutral score of 5.5. The highest scoring service for performance was Library Services (8.3), the lowest Rivers and Drainage and Regional Development (6.0).

Clrs Taylor/Andrews:
That the Annual MDC Resident Satisfaction Survey 2010 be received.

Carried

NOTE: Clr Maher declared an interest in Marlborough Research Centre and stood down from the chair; Clr Leggett assumed the chair.

A.10/11.191 Marlborough Research Centre E045-01

Representing the Marlborough Research Centre Trust were MRCT trustees, John Marris, Trust Chair, and Edwin Pitts in respect of the Trust's Annual Report for the 2009/10 year including financial statements for the year ended 30 June 2010.

Mr Marris advised that they were in a satisfactory shape. A deficit of \$222,239 was posted in the 2008/09 financial year due to the global recession affecting the sale of Sauvignon Blanc grapes. There was a turnaround financial surplus of \$17,824 in the 2010/11 financial year.

Their Annual Report stated that it was noteworthy that the Marlborough District Council is now the only local authority in New Zealand directly linked to a research organisation. The Trust acknowledged the Council's continued firm financial commitment to the Centre's research programme dating back to 1984.

The Marlborough District Council's agreement was sought to opt into the Financial Assistance Package (FAP) related to Weathertight Homes by signing a binding heads of agreement with the Crown.

It was reported that a number of New Zealand buildings suffer from weathertightness issues (so called 'leaky building'). The courts have ruled that territorial authorities (councils) are legally liable to contribute to the repair costs of residential dwellings damaged through a lack of weathertightness. Many councils through New Zealand face such claims. The Marlborough District Council is one of those, though its involvement is minor when compared to other councils.

The Government, through the Department of Building and Housing has developed a Financial Assistance Package (FAP) for the owners of such dwellings. In essence this package involves the Government and councils funding 25% each of the costs of repairing a leaky home with the owners being responsible for the other 50%. The intention is to make available to such owners an option whereby they can receive guaranteed money quickly and get on with fixing a leaky building.

It was considered that this council would be better served by accepting the proposal subject to certain matters being resolved than continuing with the existing litigation which is the only present option. Further by opting into the FAP, Marlborough home owners with leaky homes will be able to take advantage of the FAP should they wish and thereby have a choice other than the current litigation option.

Section 97 of Local Government Act 2002 does not apply to the proposed decision and no amendment to the Long Term Council Community Plan is required.

Clrs Maher/Hook:

That Council assess:

- (i) **that the decision is not significant taking into account Council's significance policy; and**
- (ii) **that consultation is not needed since members were well aware of the community views from their own knowledge and from media input and it was also noted that those directly affected have the choice of opting into the scheme or not.**

Carried

Clrs Dew/Hook:

1. That Council agree to opt into the Financial Assistance Package subject to:

- (a) **third party legislation protection being introduced and passed to the satisfaction of the Chief Executive, or if legislation is not passed, an alternative agreement being reached that indemnifies the Council for all liability and associated costs (to the satisfaction of the Chief Executive);**
- (b) **eligibility criteria not being extended beyond the current class of eligible claimant including through the evolution of case law;**
- (c) **eligibility issues around the class of commercial operators who are not accessing High Court or the WHRS Service, being resolved;**
- (d) **insurance issues around existing weathertightness claims in opting into the Financial Assistance Package being resolved;**
- (e) **in all other respects the key features of scheme design for the Financial Assistance Package not being materially changed;**
- (f) **a side agreement being agreed between the Crown and the Council that neither will apply to the FAP for their own housing stock.**

2. **That the Council delegate to the Chief Executive the authority to negotiate and execute both the Heads of Agreement with the Crown and the key operational features of scheme design for the Financial Assistance Package and that the Council agree not to apply for assistance to repair any council owned leaky homes under the Financial Assistance Package.**

Carried

A.10/11.195 Destination Marlborough *E045-02*

Destination Marlborough Trust provided a Business Plan for the ensuing year, and a report on its activities for the past financial year including a report on whether it achieved the outcomes and objectives set out in the Business Plan for the relevant period. A copy of their audited annual accounts will be presented to a subsequent meeting of the Community and Financial Planning Committee.

Tracy Johnston, General Manager along with council appointed trustee, Allan Scott, expanded on their achievements for 2009/10 and commented on major focus points for 2010/11.

Clrs Maher/Andrews:

That Destination Marlborough Trust's 2010/11 Business Plan be received.

Carried

NOTE: The Mayor declared an interest in MDC Holdings Ltd and withdrew from the table.

A.10/11.196 MDC Holdings Ltd – Annual Report 2009/10 *F045-06*

MDC Holdings Ltd's Annual Report for the financial year ended 30 June 2010 was presented by their Chair, Joe Wallace.

Mr Wallace advised they achieved a satisfactory result in challenging economic times.

Clrs Leggett/Dew:

That the MDC Holdings Ltd Annual Report for the financial year ended 30 June 2010 be received.

Carried

A.10/11.197 Marlborough District Libraries Activity Report *L270-01*

The District Libraries report included information on Outreach Programmes; MDC Residents' Satisfaction Survey – July 2010; Website Site Hits; and Friends of the Libraries Fund Raising Event and was presented by District Libraries Manager, Glenn Webster.

Mr Webster drew attention to the MDC Residents' Satisfaction Survey. The most highly rated Council service was the library services. The average rating was 8.6 for public libraries and 8.0 for community libraries, with minimal variation by area. 93% of respondents were satisfied with the public libraries, while 83% were satisfied with the community/school libraries.

Clrs Taylor/Sloan:

That the report be received.

Carried

A.10/11.198 Dillons Point and Grove Road – Land Lease *L045-01*

Jamie Lyall, Executive Projects Manager spoke to his report which sought approval to lease an area of land from the Office of Treaty Settlements (OTS) located to the north of the Grove Road – Nelson Street roundabout.

The site is renown in Blenheim for the sale and purchase of private motor vehicles. The land owner was Transit NZ, however, recently the land ownership was transferred to OTS.

An approach was made to OTS to lease the land as it was believed that the current activity on the site does not add to the visual amenity at a major state highway junction and entry point to Blenheim. The leasing of this land would enable the existing car sale activity to be removed and the area tidied up in preparation for the Rugby World Cup.

OTS has offered a three year lease of the site commencing 1 January 2011. A nominal rent of \$1.00 per annum has been negotiated. Council would be responsible for all outgoings. It was hopeful that in the future the lease term can be extended.

Clrs Dew/Maher:

That Council agree to enter into a lease with Office of Treaty Settlements subject to the District Solicitor's approval of the terms and lease conditions.

Carried

A.10/11.199 Major Council Projects - Update *F045-06*

The Executive Projects Manager updated the Committee on four major Council projects i.e. London Quay Waterfront Development; Alfred Street Parking Building; Marlborough Aquatic Centre Redevelopment; and Boulevard Park on Taylor subdivision stage 1B.

The London Quay waterfront development project is now in maintenance phase; retentions will be released over the next six months.

The Alfred Street parking building project is progressing well and is presently on budget and schedule. Likewise the Marlborough Aquatic Centre redevelopment project.

Council subdivision works are managed through MDC Holdings Limited as this allows all transactions to be managed commercially.

The Board has decided to not commence the construction works of the second stage of Boulevard Park on Taylor subdivision. This will be revisited in March 2011. Marketing of the development will continue through First National Real Estate.

Clrs Taylor/Hook:

That the information be received.

Carried

A.10/11.200 Treasury Management Report for Period Ended 30 September 2010 *T270-01*

Council's Treasury Management Report for the quarter ended 30 September 2010 was presented to the Committee by the Financial Services Manager, Murray South.

Clrs Legget/Sloan:

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

Carried

A.10/11.201 Financing Arrangements

S360-00

The Committee was updated on Council's debt financing arrangements by the Manager, Corporate Finance. At its 16 September 2010 meeting, Council agreed to the Manager, Corporate Finance, subject to the maximum value of options (a) and (b) below being \$40M in total –

(a) establishing a Bank facility in Council's name up to the value of \$40M; and/or

(b) issuing bonds progressively up to the value of \$40M.

It was reported that currently the pricing for Bank facilities is more favourable than bonds. Following advice from Bancorp, four banks were approached to price a \$30M facility for either two or three year terms. The most favourable price was received from "Westpac" on both a total cost and the important "line fee" component. The "line fee" is the percentage charged for having the facility in place and is not based on how much of the facility is being used. Documentation was currently being prepared.

Clrs Bagge/Maher:

That Council receive this update on its debt financing arrangements.

Carried

ATTENDANCE: Clr Barsanti withdrew from the meeting (4.40 pm).

A.10/11.202 Financial Report for Council – Period Ended 30 September 2010

F045-06

The Corporate Finance Manager presented Council's financial report for the period ended 30 September 2010.

The income statement reported a surplus of \$0.256M for the year to date. Whilst actual expenditure was close to budget, revenue had been slower than anticipated resulting in the surplus being \$0.957M less than forecast.

Total income and rates for the September year to date period was below budget by \$0.876M (4.5%). Overall expenditure was ahead of budget by \$0.08M (0.4%).

Budgeted capital expenditure for the year was \$59.5M including \$25M of carryovers from the 2009/10 financial year. Actual expenditure of \$5.96M to the end of September was less than expected for the year to date by \$1.65M.

Early indications are that there is likely to be deferrals and carryovers to 2011/2012 of approximately \$10.5M. Infrastructural activities, where the majority of the expenditure is budgeted, were on track and likely to utilise most of this year's budget.

Clrs Dew/Hook:

That the financial report for the period ended 30 September 2010 be received.

Carried

A.10/11.203 Debtors Overdue Report as at 30 September 2010

A135-04

The Debtors' Report as at 30 September 2010 was presented to the Committee for information.

September balance includes first quarter tradewaste charges which were less than the June quarter. Both 30 – 90 Days and 90 Days balances had reduced since August.

| 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 Destination Marlborough – Trustees Grants Sub-Committee Community Representation Rangitane Railway Land Lease Investigations 2010 Insurance Issues 2010 | 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. |

Carried

The meeting closed at 5.20 pm.

Record No: 10254244