

MARLBOROUGH DISTRICT COUNCIL
PO BOX 443
BLENHEIM 7240
NEW ZEALAND

TELEPHONE (0064) 3 520 7400
FACSIMILE (0064) 3 520 7496
EMAIL mdc@marlborough.govt.nz
WEB www.marlborough.govt.nz



12 November 2014

Record No: 14232488
File Ref: D050-001-C01
Ask For: Mike Porter

Notice of Committee Meeting – Tuesday, 18 November 2014

A meeting of the Community and Finance Committee will be held in the Council Chambers, 15 Seymour Street, Blenheim on **Tuesday, 18 November 2014 commencing at 9.00 am.**

BUSINESS

As per Agenda attached.

ANDREW BESLEY
CHIEF EXECUTIVE



**Meeting of the
COMMUNITY AND FINANCE COMMITTEE
to be held in the Council Chambers, 15 Seymour Street, Blenheim
on TUESDAY, 18 NOVEMBER 2014, commencing at 9.00 am.**

Committee	<p>Clr J C Leggett (Chairman) Clr J A Arbuckle (Deputy) Clr J L Andrews Clr J P Bagge Clr G S Barsanti Clr C J Brooks Clr B G Dawson Clr D D Oddie Clr L M Shenfield Clr T M Sloan Mayor A T Sowman</p>
Department Heads	<p>Mr M F Fletcher (Manager, Corporate Finance Department) and Mr D G Heiford (Manager, Support Services Department)</p>
Staff	<p>Mr M J Porter (Democratic Services Manager)</p>

In Public

	Page
1. Sugar-Sweetened Beverages Policy.....	1
2. Health and Safety Legislation Update.....	3
3. Blenheim Parking	5
4. Picton Parking Fees	8
5. Blenheim and Picton CBD Developments	10
6. Sister City Sub-Committee.....	12
7. Proposed List of Items for Inclusion in the 2015-25 LTP Consultation Document	16
8. Land Affected by Natural Calamity Rates Remission Policy	21
9. NZ Local Government Funding Agency	22
10. MDC Holdings Limited – Increase in Issued Capital.....	23
11. MDC Holdings Limited – Annual Report for Year Ended 30 June 2014 (also refer to separate attachment)	24
12. Treasury Management Report for Period Ended 30 September 2014	25
13. Financial Report for Council – Period Ended 30 September 2014	28
14. Debtor’s Overdue Report as at 31 October 2014	33
15. Rates Reports as at 31 October 2014.....	36
16. Decision to Conduct Business with the Public Excluded	42

Public Excluded

17. Debtor’s Overdue Report as at 31 October 2014.....	43
18. Investigations 2014.....	51
19. Insurance Issues 2014.....	53
20. Contract Issues.....	58

1. Sugar-Sweetened Beverages Policy

(The Mayor)

E350-004-002-01

Dr Rob Beaglehole, the Principal Dental Officer from the Nelson Marlborough District Health Board, will be in attendance to give a presentation on this issue.

Purpose

1. The purpose of this report is to consider a proposal that the Marlborough District Council adopt a policy that sugar-sweetened beverages are not offered for sale, or supplied, at any Council-controlled venues or Council-funded events.
2. The policy would ensure
 - the public is provided with healthy beverage choices at Council venues;
 - the Council workplace has easily-available healthy beverage options; and
 - Council is a role model to the community on a matter of public health.

Background

3. New Zealand health authorities have identified sugar-sweetened beverages as a key factor in obesity, Type II Diabetes and tooth decay. Tooth decay is the leading cause of child hospital admissions in New Zealand. Sugar-sweetened beverages are cheap, widely available and heavily advertised to target markets; children and adolescents and low-income groups.
4. The Nelson Marlborough District Health Board (NMDHB) removed sweetened drinks from sale at its hospitals from March 2014, the first District Health Board in the country to do so. Other DHBs are currently considering following suit. The Nelson City Council noted the NMDHB's example and approved a Healthy Beverage Policy in July this year. The NMDHB has now asked Marlborough and Tasman councils to support its stance.

Comments

5. It is proposed the policy be applied as:
 - Internal policy applying to the Council as a workplace;
 - External policy to be the subject of discussion with existing leaseholders etc to seek voluntary compliance; and
 - External policy which will be part of any new lease or concession etc.
6. Eliminating the sale of sugary beverages at Council venues will generate community discussion on the wider issue of diet and health, including Marlborough's poor record of child dental health.
7. The policy would affect various groups; commercial tenants at Council-owned venues, food stalls holding concessions and volunteer groups involved in fundraising activities at events.
8. Discussion with those directly affected would be required to ensure good understanding of the intent of the policy and to seek support for it. Voluntary compliance would be the preferable option.
9. Council may need to take an active role to ensure that healthy alternatives are provided. In Nelson, for example, the Council-controlled organisation Nelmac has offered to provide a water truck at council-funded events in an initiative which is supported by council, NMDHB and Sport Tasman.
10. In the Council workplace the policy would apply to
 - Work-related meetings for staff, elected members, and visitors;
 - Workshops and training events;

- Conferences and visiting speaker events;
 - Council meetings for elected members and staff; and
 - Social functions for staff or visitors funded by council.
11. It is not intended that the policy would apply to hot beverages or to drinks that staff choose to bring onto the premises for personal consumption.
 12. The policy is intended to cover sugar-sweetened drinks only, ie; soft drinks, sports drinks, energy drinks and flavoured milk. Beverages that contain 'no added sugar' will not be affected.
 13. The proposal is a public health initiative where Council is in a position to be a positive role model. The NMDHB reports that the public response to its move has been overwhelmingly supportive.
 14. There will be some members of the public who may not agree that local government has a role in promoting good health within the community.

Summary

15. The underlying purpose of the proposed policy is to increase community understanding and encourage a change in behaviour through the promotion of healthy options rather than placing the emphasis on bans or restrictions. Council is in a position to take a lead in the matter by removing sugar-sweetened beverages from its own venues and events.
16. If Council supports this policy decision, staff will develop an implementation plan and will report progress to this committee.

RECOMMENDED

That Council adopt a policy stating that sugar-sweetened beverages not be offered for sale or supply at any Council-controlled venues or Council-funded events.

2. Health and Safety Legislation Update

(Cllr Leggett) (Report prepared by A Percy)

C500-005-11

Purpose

1. The purpose of this report is to update Councillors with regard to the proposed changes to current health and safety legislation.

Background

2. Following the Pike River tragedy a Royal Commission was formed to investigate the underlying causes of the accident. One of the recommendations from the Commission was that an independent task force be set up to review current health and safety legislation and practices not for just mining. This resulted in the following recommendations:
 - Introduction of new legislation (Health and Safety Reform Bill currently before Parliament)
 - Setting up a new regulatory body (WorkSafe NZ)
3. The proposed new legislation, which is based on the current Australian model, includes a number of significant changes, particularly with regard to:
 - responsibilities of various parties
 - penalties and enforcement
 - placing a duty of care on all involved in work, including directors and officers.
4. The proposed legislation also includes a new concept described as a “person conducting a business or undertaking” (PCBU). This in particular represents a significant strengthening of the requirements on anyone or any entity which engages a person or other business to undertake work for them and is designed to “catch” all work/business activities.
5. In relation to directors and officers, there have been significant submissions from Local Government New Zealand (LGNZ) and others around the responsibilities of elected members and whether or not those in these positions should be seen in a legal sense in the same light as directors.

Discussion

6. The introduction of new legislation will focus staff at all levels of Council on their responsibilities, which are personal and can't be discharged or delegated to another person.
7. LGNZ has submitted to the Select Committee that elected members should be removed from having any duty of due diligence as is the case in Australia. The rationale for this is that LGNZ considers that elected members should not be involved in local authorities' operational management. The LGNZ submission says “elected members are prevented by statute from exercising the kinds of control, or wielding the sort of influence that are enjoyed by company directors”.
8. LGNZ has also asked that the role of volunteers be considered further. Currently the Reform Bill treats volunteers as workers. LGNZ is seeking that Councils be exempt from liability for volunteers who do not carry out regular or ongoing work essential to the Council.
9. Elected members will have a responsibility in regard to budget approvals generally as well as for specific projects to ensure sufficient allowance is made to enable compliance with all health and safety requirements. An example could include cutting costs for a construction project leading to compromise of the ability to meet industry safety standards.
10. Council has long standing policies around health and safety which have been tested by external audit through the workplace safety management programme run through ACC. As safety has been a major focus of Council for many years the introduction of new legislation is not a major shift in policy however it will require a significant review of all policies to ensure compliance and

will lead to organisation wide reviews of implementation, processes and procedures which will involve all staff and include reporting to elected members.

11. The legislation is still in draft form pending consideration in Parliament and is likely to be enacted sometime in 2015 according to latest reports from WorkSafe New Zealand.

Summary

12. New legislation has been introduced to Parliament for consideration and is likely to be enacted in 2015.
13. While Council has robust and tested policies in place the new legislation will result in organisation wide reviews of policies, processes and procedures.
14. The new legislation applies additional responsibilities on all workers and officers. The responsibilities under the proposed legislation are at this time uncertain for elected members.
15. Further updates will be provided as the legislation progresses through Parliament.

RECOMMENDED

That the report be received.

3. Blenheim Parking

(Cllr Shenfield) (Report prepared by D Heiford)

R800-002-03

Purpose

1. The purpose of this report is to review the parking fees and parking areas in Blenheim.

Background

2. Council considered the recommendations from Traffic Design Group for Blenheim Parking at the Community and Finance Meeting on 15 July 2014.
3. The recommendations were noted and staff were requested to further investigate implementation options for Council. (Minute A.14/15.4)
4. There are a number of carparks in Blenheim that have been managed via time restrictions while the parking review was underway. The fees for parking have not been reviewed for approximately 8 years. The reason for this was the impact of the Global Financial Crisis and the decision of previous Councils to support the Central Business District during this time. It was always recognised that this situation would need to be addressed.
5. The parking account is in deficit and will continue to be in deficit if the situation is not addressed.
6. Traffic Design Group have identified that there are currently more than adequate carparks to service the Blenheim CBD.

Key Areas

7. The key areas that have been identified for review to address the financial and other issues are:
 - a) Fund purchase of 2 High Street from other sources.
 - b) Rates subsidy of the parking account.
 - c) Conversion of free and time restricted carparks to pay and display.
 - d) Continued provision of small free carparks.
 - e) Off street hourly rate.
 - f) Kerb side hourly rate.
 - g) All day parking rate / option at all pay and display carparks.
 - h) Leased carpark rate.
 - i) Free Saturday parking
8. Detail:
 - a) Fund purchase of 2 High Street from other sources – the cost of 2 High Street was charged to the Parking Account. This area has been operated as a carpark in the interim but with the Blenheim CBD Upgrade proposal this area is to be converted into a riverside community / recreation / green space. The proposal is to transfer the funding of this land from a more appropriate source and repay the parking account. This transaction has a significant positive impact on the deficit in the parking account.
 - b) Rates subsidy of the parking account – the parking account is currently subsidised by approximately \$150,000 per annum by rates. This was a decision made by a previous Council. At that time it was considered that all ratepayers should make a contribution from rates to funding the carparking activity. If the transfer of various parking areas into pay and display carparks is approved this subsidy could be removed and these funds could be used for other purposes.
 - c) Conversion of free and time restricted carparks to pay and display – there are a large number of time restricted and free carparks in the Blenheim CBD and environs. The conversion of a number of these carparks to pay and display could improve income for the parking account. The proposed list is:

- Railway Station Carpark – south of iSite – convert to pay and display. (currently free all day)
 - Fire Station Carpark – convert to pay and display. (currently free all day)
 - Scott Street – convert to pay and display. (currently free all day)
 - Kinross / Stadium – convert part to pay and display / balance (approximately 75 carparks) P150. (currently all P150)
- d) There would be the following free carparks remaining;
- Grove Road (corner of Grove Road and Dillons Point Road) all day parking
 - Blenheim Isite (Railway Station North of Isite) free time restricted parking
 - Park Terrace – free all day parking (6x P60 parks)
 - Stadium 2000 – behind Stadium 2000 off Redwood Street
 - Noel Leeming Carpark – free time restricted P90
 - Countdown Supermarket – free time restricted P120
- e) Off street hourly rate – the proposal is to increase the off street rate from \$0.80 to \$1.00 per hour.
- f) Kerb side hourly rate – there is currently a differential between kerbside (\$1.20) and off street (\$0.80). This differential recognises the convenience value of kerbside carparks, ensures frequent turn over and encourages people to use the off street carparks. The suggestion is to either leave the kerb side as is or increase it to \$1.50 per hour. There would still be the P120 time restriction.
- g) All day parking rate / option at all pay and display carparks – the option of an all-day parking rate at all off street carparks of \$4.00 per day is proposed.
- h) Leased Carpark Rate – increase from \$818.00 + GST per year to \$900.00 + GST per year.
- i) Free Saturday's – to increase Saturday shopping in the CBD, free parking on Saturday's is proposed.
9. If these proposals were implemented the parking account would be addressed within 3 to 5 years depending on the occupancy of the parking areas.
10. Council would need to decide the date that these changes would start. Free Saturday parking could be offered in December 2014.
11. The other changes could be implemented in March 2015.
12. There has been some consultation via the Marlborough Chamber of Commerce on parking options with CBD retailers.
13. Council can charge carparking fees by way of a Council resolution.

Financial Issues

14. The overall financial objective is to make the carparking account financially self-sustaining. If any surplus is made in the future this could be used for CBD parking upgrades.
15. The carparking account currently has a deficit of approximately \$300,000 per annum.
16. Funding the purchase of 2 High Street from another reserve will reduce the deficit by approximately \$70,000 per annum.
17. Removing the rates subsidy will increase the deficit by \$150,000.

18. Conversion of carparking areas listed in paragraph 8.c) above and an increase in off street carparking costs from \$0.80 to \$1.00 per hour will almost bring the carparking account to a breakeven situation in approximately two years.
19. Increasing off street carparking from \$0.80 to \$1.00 per hour and kerbside carparking from \$1.20 to \$1.50 per hour will put the account into a small surplus immediately and will provide ongoing surpluses of approximately \$50,000 to \$100,000 per annum. This would also provide some protection against the impact of inflation and would mean that the fees would not need to be reviewed again in the near future.
20. If an area such as the Fire Station carpark was not metered the impact would be about \$100,000 per annum. It is suggested that if a decision was made to remove this area for example that the kerbside fees would need to be increased to \$1.50 per hour.

Issues

21. There will be people who currently use the free all day parking who will not want to pay for parking. These tend to be CBD workers. This will put more pressure on the remaining free carparks and may also increase the push out into the surrounding suburbs for people to find parking. It is suggested that if these changes are implemented that the impact on adjacent areas be monitored and reported back to Council if there are issues.
22. The pressure on free and time restricted parking may make the job of parking enforcement personnel more challenging.
23. The mitigation of free parking on Saturdays and the \$4 all day parking fee will hopefully alleviate some of these issues.

Summary

24. The parking account is in deficit. Parking fees and areas have not been reviewed for approximately 8 years.
25. Traffic Design Group identified that there is adequate parking in the Blenheim CBD for the next 5 to 10 years.
26. The balance of time restricted, free, off street and kerb side parking has been reviewed to supply the public with options while addressing the parking account deficit.
27. The free parking on Saturdays could be started in December 2014 with the other changes being implemented from March or July 2015.

RECOMMENDED

1. **That 2 High Street be funded from a reserve.**
2. **That the rates subsidy of the parking account be removed.**
3. **The following carparks be converted to pay and display; Railway Station (south of Isite), Fire Station, Scott Street, part Stadium / Kinross Street (with a balance of approximately 75 P150 carparks for the Stadium to be provided).**
4. **The kerb side hourly rate be \$1.20 / \$1.50.**
5. **The off street hourly rate be \$1.00.**
6. **That an all-day parking rate of \$4.00 be offered at all pay and display carparks.**
7. **The leased carpark rate increase to \$900 + GST.**
8. **Free Saturday parking commence from 01 December 2014.**

(A map of current parking areas will be presented at the meeting.)

4. Picton Parking Fees

(Cllr Shenfield) (Report prepared by D Heiford)

R800-002-03

Purpose

1. The purpose of this report is to consider increasing the parking fees for the Pay and Display carparks in Picton.

Background

2. Council considered the recommendations from Traffic Design Group for Picton Parking at the Community and Finance Meeting on 26 August 2014.
3. The recommendations were noted and staff were requested to further investigate consultation and implementation options for Council. (*Minute A.14/15.57*)
4. In Picton the fluctuation in parking demand throughout the year is one of the most marked in New Zealand. The adequacy of supply and management of parking during the busiest months of the year being December through to March are the focus of this item.
5. Council has been approached by a number of business owners who would like to see some specific adjustments to parking in Picton for Summer brought in prior to the 2015 changes.
6. There are currently 235 carparks between the Foreshore (66), Wellington/High Street (54) and Coathangar (115) off street carparks. There are a number of carparks leased at the Wellington/High Street and Coathangar off street carparks.

Key Issues

7. The key issues that have been raised with these areas are:
 - a) Parking duration at Foreshore Carpark – four hours is too long.
 - b) Parking costs for the Coathangar Carpark is too cheap at \$2 per day.
 - c) Parking in the Wellington/High Street carpark is sporadic and an all-day option should be offered.
8. The duration of four hours on the Foreshore (apart from the P60 adjacent to the Isite) was identified as an issue in the survey. A two hour limit was identified as a suitable limit. There is also the option of making this a pay and display carpark and keeping the four hour maximum.
9. Parking costs for the Coathangar Carpark are \$2 per day – this has proved popular with people visiting the sounds and the carpark is full over the summer and holiday periods. This has a negative effect on operators in Picton as day trippers and others cannot get a carpark. Port Marlborough operate an overflow carpark on Memorial Park during the Summer to cater for the increased number of people accessing the Marlborough Sounds.
10. Business owners have suggested a \$1 per hour/\$5 per day tariff be introduced for this area. It is claimed that this will discourage cheap long term parking while still offering this option for those that require it. This rate is in line with the Port Marlborough charge of \$6 per day.
11. The off street carpark between High and Wellington Streets is underutilised by casual parkers. Business owners have suggested that this could be converted to the same tariff as the Coathangar Carpark and promoted as a long term parking option.
12. If these proposals were implemented a wide advertising of the changes and options would need to be undertaken.
13. Council would need to decide the date that this new charging regime would start. Monday 15 December is suggested as a convenient start date.

Issues

14. The proposed changes to the parking charges in Picton may have positive/negative effects.
15. There may be more parking available on the foreshore if the time limits were extended. This would allow more people to access this recreation area but may also deter some from visiting if the time is reduced.
16. Increases in charging for the Coathangar and High/Wellington Street carparks would add some consistency. The price increase may also provide more carparks for day trippers and casual users. Those not wanting to pay the increase may put further pressure on Waikawa Road and other popular "free" parking areas.

Summary

17. The long term parking areas in Picton have been identified as being too cheap and the length of stay too long.
18. Local businesses have suggested changes to the time and tariff for the off street carparks for the 2014/15 Summer period, prior to Council making other changes to Picton parking.
19. There are some risks associated with these changes.
20. The changes could be implemented from December 2014.

RECOMMENDED

1. **That the time restriction for the Picton Foreshore carpark be reduced to two hours.**
2. **That the tariff for the High/Wellington and Coathangar carparks be increased to \$1 per hour/\$5 per day.**
3. **That these changes be implemented from 15 December 2014.**

5. Blenheim and Picton CBD Developments

(The Mayor) (Report prepared by J Lyall)

C315-13-09

Purpose

1. The purpose of this report is to request that Council allocate funding to enable the consultation and concept development process to commence for the Picton Library project and Blenheim's CBD revitalisation project.

Background

Blenheim

2. In the 2014/15 Annual Plan Council consulted on the concept of developing and revitalising the area at the eastern end of High and Wynen Streets in Blenheim. As part of this process a number of organisations and individuals suggested ideas for the development of the area.
3. The next step is to obtain and co-ordinate all of the ideas and develop a concept plan for the wider area including all of Council owned land, such as the High and Wynen Street car parks. This facilitation work will require some urban planning expertise.

Picton

4. Council made provision in the Long Term Plan to upgrade the existing Library in Picton. The existing building is a dual purpose Council service centre and library. The area dedicated to the current library activity is undersized based on library standards and the population of Picton. It is suggested that a new library would need to be considerably larger with a completely different layout.
5. Recently it was suggested to Council that one option could be to locate the library on a vacant site in Wellington Street. This option should be explored with the Picton community and will require facilitation of ideas into concept form.

Process and Timetable

6. It is proposed that consultation processes with both the Blenheim and Picton projects will commence before the end of this year and will be completed before the end of February 2015. The results of this process will be reported to Council. Decisions will need to be made by Council at this time on the size and scope of the projects.
7. Some initial investigation work such as geotechnical testing will be carried out at the same time.
8. Following the completion of the consultation process it is proposed that concept plans will be developed for the areas. These will include some options for Council to consider.
9. Following the adoption of concept plans for both areas it is proposed that architects, engineers and landscape specialists will need to be engaged. It is envisaged that a registration of interest process for the architects and landscape specialists will be held. Council will then be asked to select the architects and landscape specialists that it considers would best be able to progress these projects.
10. In summary the process is as follows:
 - a) Consultation process using a facilitator for both projects. December 2014 to February 2015.
 - b) Concurrently some specialist investigation work such as geotechnical testing work will be carried out.
 - c) High level concept plans for the areas will be developed by end of April 2015 for Council to consider.

- d) Architects and landscape specialist will be chosen by Council to develop the concept plans into detailed design plans. Initial design work will be carried out between April and June 2015 with more detailed work in the following months.

Comments

11. As part of the development of the Long Term Plan for 2015 to 2025 Council has been prioritising projects across the district. Picton and Blenheim CBD developments are part of these priorities. Part of the process is to engage with the community and seek feedback on how these areas should be developed. This needs to be carried out in a structured and facilitated way to achieve the best outcome.
12. It is suggested that a sum of \$500,000 be provided for both Picton and Blenheim developments to commence these projects. It is proposed that the funding will be provided from reserves that have been identified for the project. The total cost of the Blenheim CBD revitalisation project is estimated to be \$23 million. The cost of the Picton library/community building project is \$6 million.

Summary

13. Council has identified both Picton and Blenheim CBD developments as priorities to commence planning.
14. A sum of \$500,000 is required to facilitate the community discussion and to develop concept plans for the areas. Funding will be provided from Council reserves.

RECOMMENDED

That funding of \$500,000 be approved from Council reserves for the Picton and Blenheim CBD development projects to commence the community consultation and concept development process.

6. Sister City Sub-Committee

(Cllr Barsanti)

D050-001-S02

1. The Minutes of the Sister City Sub-Committee meeting held on 21 October 2014 are **attached** for ratification by the Committee.

RECOMMENDED

That the Minutes of the Sister City Sub-Committee meeting held on 21 October 2014 be ratified.

**Minutes of a Meeting of the
SISTER CITY SUB-COMMITTEE
held in the Kenepuru Room, 15 Seymour Street, Blenheim
on TUESDAY 21 OCTOBER 2014 commencing at 4.00 pm**

Present

Clr Graeme Barsanti (Chairperson), Mayor Alistair Sowman, Margaret Porteous, Jeff Sewell, Wendy Caldwell, Chris Bamber, Stephen Doecke and Jennie Hopkins.

Apologies

Jeff Sewell/Jenny Hopkins:

That the apologies for absence from Clr Jamie Arbuckle, Margaret Western and Mike Porter be received and sustained.

Carried

1. Minutes of the Meeting held on 14 August 2014

E100-003-05

The minutes of the meeting held on 14 August 2014 were noted.

Margaret Porteous/Wendy Caldwell:

That the minutes of the Sister City Sub-Committee meeting held on 14 August 2014 be received.

Carried

2. Matters Arising

E100-003-05

- **Correction to item 3:**
Caitlin Phibbs addressed the meeting, not Ruby Roberts as reported.
- **Item 6: Expanding Sister City relationships:**
Stephen Doecke spoke in response to Clr Barsanti's email to Neil Henry regarding the furthering of relationships. The email spoke specifically of China and possibly USA.
Stephen had sent an email to Neil Henry 11th September in order to clarify that the intention of the meeting discussion had been around creating a **Global Document** for Council in order to create a cohesive template to seeking International Link Partners by the inclusion of ideas from all sectors of the Marlborough Community. The discussion had not centred on creating contacts specifically in China or USA as stated in the email and had therefore misrepresented the intention of the discussion.
Jeff Sewell had also sent an email to Neil Henry on 11th September upon receipt of Clr Barsanti's email to clarify the topic.

3. Correspondence Tabled

E100-003-05

- Mayoral letter from Tendo to Jennie Hopkins regarding forthcoming visit and a tentative programme for the visit.
- Email from Tendo council to Graeme Barsanti.
- Marlborough Wiltshire Visit report by Jeff Sewell previously emailed to committee.
- Email from Chris Godsiff to Stephen Doecke regarding his visit with Marlborough Massachusetts.

4. 2015 Education Exchange to Japan E100-003-04

Clr Barsanti confirmed that expressions of interest for students wanting to undertake a student exchange to Japan had been placed in the newspapers and schools advised. Now awaiting replies.

ACTION: Clr Barsanti to advise the selection panel when replies have been received - closing date 4 November.

5. Tendo Visit 2015 E100-003-04

Jennie spoke to letter received and put programme ideas forward.

Suggested the official dinner be as part of a Sounds cruise with Marlborough Travel. Brancott was also suggested.

Program was to meet party at airport and bus to Scenic Circle hotel where staying. Sometime later walk across to council for formal welcome and gift exchange. Time free. Evening meal at hotel with locals who wish to join them at their expense.

Next day 0900 bus to Harling park then to Brancott for lunch and then to a Marae for a Maori welcome then to boat trip to salmon farm, mussel farm and dinner on cruise. Arrive at Picton 2100 bus to hotel. Next day depends on flight to Auckland.

Sister City Sub-Committee to pick up cost of bus, boat meal and lunch.

ACTION: Council staff with chairman to investigate further.

Suggested an invitation be extended to Marlborough residents fluent in Japanese.

ACTION: Names to be emailed to Clr Barsanti

List of other official Marlborough representatives to be drawn up.

ACTION: Mayor Sowman to collate.

We await final numbers and make-up of the visiting party.

ACTION: Clr Barsanti and Jennie Hopkins to collaborate.

6. Marlborough Wiltshire Visit by Jeff Sewell E100-003-01

Prior to the official meeting there was an interview with The Sun Newspaper and memorabilia exchange to students from MGC from St John's College Marlborough Wilts. Also included was letter exchange from the Mayor of Marlborough Wiltshire to Mayor Alistair. The report appeared in The Sun Friday 24th October.

Discussion about the visit report as tabled held over until next meeting.

7. Marlborough Massachusetts Visit by Chris Godsiff E100-003-01

Formal response held over until next meeting.

ACTION: Stephen Doecke to approach Chris Godsiff to speak to the next meeting.

8. Global Link/Partnership Forum E100-003-01

Round table discussion on the need for a Global Document as a way forward for establishing International Links/Partnerships with centres in other countries. The document to include ideas from all community sectors.

Chris Bamber commented that the education sector had investigated a proposal for a two month student exchange programme with Canada, but that it had not reached implementation stage, not sure why.

Mayor Alistair stated that the document needs to be Global so it can be used as an International template. He also asked the committee to think about what it would include.

Clr Barsanti noted that the Community Forum concept had the backing of Council.

ACTION: All committee members to document thoughts and email to Mayor Alistair – mayor@marlborough.govt.nz and Clr Barsanti by **Tuesday 4th November**.

9. Next Meeting

E100-003-04

Will be a white board meeting.

Tuesday 11th November at 4pm - staff to be invited to help with discussion.

The meeting closed at 5.30 pm.

Record No: 14231089

7. Proposed List of Items for Inclusion in the 2015-25 LTP Consultation Document

(Cllr Leggett) (Report prepared by N Henry)

S300-L15-001-01

Purpose

1. To provide information about the legal requirements and guidance for deciding on which matters should be included in the 2015-25 Long Term Plan 'Consultation Document' (CD).
2. To detail a list of headline matters for potential inclusion in the Consultation Document, and to recommend in principle which of these should be included in the Consultation Document, subject to budgetary decisions.

Background

3. Recent changes to the Local Government Act 2002 (LGA) were enacted in August 2014. One of the new requirements of the Act was that Councils must produce a Consultation Document instead of a full Draft Long Term Plan and summary for the purposes of public consultation. In fact s93A(2):

Specifically prohibits the use of a Draft Long Term Plan as a consultation document.

"To avoid doubt, a draft long-term plan must not be used as an alternative to the consultation document."

Purpose of Consultation Documents

The purpose of a CD is described in s93B with content requirements contained in s93c of the LGA.

"93B Purpose of consultation document for long-term plan

The purpose of the consultation document is to provide an effective basis for public participation in local authority decision-making processes relating to the content of a long-term plan by—

- (a) *providing a fair representation of the matters that are proposed for inclusion in the long-term plan, and presenting these in a way that—*
 - (i) *explains the overall objectives of the proposals, and how rates, debt, and levels of service might be affected; and*
 - (ii) *can be readily understood by interested or affected people; and*
- (b) *identifying and explaining to the people of the district or region, significant and other important issues and choices facing the local authority and district or region, and the consequences of those choices; and*
- (c) *informing discussions between the local authority and its communities about the matters in paragraphs (a) and (b)."*

The LGA gives Councils a reasonable degree of discretion on the matters they feel are the most appropriate and important issues that should be discussed in the CD providing it can demonstrate that it has exercised its discretion and has reasonable grounds for its decision. S93C provides a number of elements for Council to consider in making its decision as to what should be included. The reasonableness of the discretion exercised is one of the matters that will be scrutinised by Audit when the CD is audited prior to its release for public consultation (s93C(4) below. Following adoption by Council, it is proposed the CD will be published in late March/early April 2015 with a four to five week consultation period.

Content of Consultation Document

93C Content of consultation document for adoption of long-term plan

- (1) *The content of the consultation document for the adoption of a long-term plan must be such as the local authority considers on reasonable grounds will achieve the purpose set out in [section 93B](#).*
- (2) *Without limiting subsection (1), the consultation document must describe—*
 - (a) *each issue that the local authority determines should be included having had regard to—*
 - (i) *the significance and engagement policy adopted under [section 76AA](#); and*
 - (ii) *the importance of other matters to the district and its communities; and*
 - (b) *for each issue identified under paragraph (a),—*
 - (i) *the principal options for addressing the issue and the implications (including financial implications) of each of those options; and*
 - (ii) *the local authority's proposal, if any, for addressing the issue; and*
 - (iii) *the likely consequences of proceeding with the proposal on the local authority's rates, debt, and levels of service; and*
 - (c) *other matters of public interest relating to—*
 - (i) *the proposed content of the local authority's financial strategy (under [section 101A](#)) including, without limitation, the quantified limits on rates, rates increases, and borrowing in that strategy; and*
 - (ii) *the proposed content of the local authority's infrastructure strategy (under [section 101B](#)); and*
 - (d) *any significant changes that are proposed to the way the local authority funds its operating and capital expenditure requirements, including changes to the rating system described in [clause 15\(3\) and \(4\)](#) of Schedule 10; and*
 - (e) *using graphs or charts, the direction and scale of changes to the local authority's rates and debt levels that will result from the proposed content of the long-term plan; and*
 - (f) *using graphs or charts where practicable, the direction and nature of changes to the local authority's levels of service associated with the proposed content of the long-term plan; and*
 - (g) *the impact of proposals on the rates assessed on different categories of rateable land with a range of property values, by the provision of examples as provided for in [clause 15\(5\)](#) of Schedule 10.*

Auditor General's Report

- (4) *The consultation document must contain a report from the Auditor-General on—*
 - (a) *whether the consultation document gives effect to the purpose set out in [section 93B](#); and*
 - (b) *the quality of the information and assumptions underlying the information provided in the consultation document.*

Analysis of Issues and Projects

4. What follows is a table that identifies the majority of key issues/projects that will face Council over the period of 2015-25 LTP with an assessment of how it would meet the criteria in s93C(a) to (c) above and a recommendation on whether or not the item should be further developed for inclusion in the Consultation Document, subject to budgetary decisions. Where an item is marginal against a criterion it as be scored as a “yes”.
5. Draft list of issues for the 2015-25 LTP Consultation Document:

	Proposed project/Issue	Significance and engagement policy	Matter of importance to the public	Change in LOS and/or transfer of ownership of strategic assets	Public interest in context of financial and infrastructure strategies	Significant changes to funding - opex and capex	Include in CD?
Long term issues for Marlborough (Smart and Connected focused response)							
1	Environmental sustainability	No	Yes	No	No	No	Yes
2	Environmental risks	No	Yes	No	Yes	No	Yes
3	Impact of population change on infrastructure and growth	No	Yes	No	Yes	No	Yes
Infrastructure issues							
4	Awatere water upgrade	Yes	Yes (Awatere community)	Yes	Yes	Yes (affected area)	Yes
5	Renwick water upgrade	Yes	Yes (Renwick community)	Yes	Yes	Yes (affected area)	Yes
6	Havelock water treatment	Yes	No (Havelock community)	Yes	No	Yes (affected area)	Yes
7	Blenheim stormwater upgrades	Yes	No	Yes	Yes	No	Yes
8	CBD redevelopment, including Blenheim library/art gallery	Yes	Yes	No	Yes	No?	Yes
9	Picton library upgrade	Yes	Yes	No	No	No	Yes
10	Flaxbourne irrigation	Yes	Yes (Flaxbourne community)	Yes	Yes	Yes	Yes
11	Blenheim sewerage	Yes	Yes	No	Yes?	No	Yes

	Proposed project/Issue	Significance and engagement policy	Matter of importance to the public	Change in LOS and/or transfer of ownership of strategic assets	Public interest in context of financial and infrastructure strategies	Significant changes to funding - opex and capex	Include in CD?
12	Picton sewerage	Yes	Yes	No	No	No	Yes
13	Small township upgrades	No	Yes	No	No	No	Yes
14	A&P Park grandstand/ administration	No	No	No	No	No	No
15	Cycleways	No	No	No	No	No	No
16	Commercial/Industrial sorting facility	No	No	No	No	No	No
17	Blenheim water (reservoirs)	No	No	No	No	No	No
18	Landfill - Bluegums	No	No	No	No	No	No
19	Community facility provision	No	No	No	No	No	No
Other issues							
20	Economic development, tourism, conventions and events review outcome	Yes	Yes	No	No	Yes	Yes
21	Wairau River rating area review	No	Yes	No	No	Yes	Yes
22	Policy Reviews – eg; Development Contributions	Yes	No	No	Yes	Yes	Yes
23	Disaster preparedness	Yes	Yes	No	No	No	Yes
24	NPS Freshwater Management	No	No	No	No	No	No

Summary

- Councils are required to draw up a Consultation Document for purposes of consulting on the 2015-25 Long Term Plan.
- A number of potential issues are considered for inclusion in the Consultation Document, with analysis and a recommendation whether it should be included, subject to budgetary decisions.

RECOMMENDED

That an agreed group of issues are included in the LTP 2015-25 Consultation Document, subject to budgetary decisions.

8. Land Affected by Natural Calamity Rates Remission Policy

(Cllr Leggett) (Report prepared by M Fletcher)

S300-L15-001-01

Purpose

1. To review and consider changes to the current Land Affected by Natural Calamity rates remission policy.

Background

2. Council provides a remission policy – Land Affected by Natural Calamity (Policy), as included in the Long Term Plan 2012-22.
3. A Rates Remission and Postponement Policies paper was presented to the 9 October meeting. Since then issues have been identified requiring some small amendments to clarify the Policy and provide consistency with the changes made to policies at the 9 October meeting.

Review of Current Policy

4. Proposed changes to the Policy are:
 - i. Policy applies once a ratepayer has been detrimentally affected by a natural disaster and the policy criteria have been met.
 - ii. Restricting policy application to all land used for a private residence. This terminology is included in the Funding Impact Statement description of differential rating categories for general-type rates.
 - iii. Replacing “calamity” with disaster.
 - iv. Proposed policy:

- **Residential Land Affected by Natural Calamity/Disaster**

- *Objective of the Policy*

To enable rate relief to be provided where the use that may be made of any land used for a private residence has been detrimentally affected by natural calamity/disaster.

- *Conditions and Criteria*

Council may remit wholly or in part, any rate or charge made and levied in respect of the land, where it considers it to be fair and reasonable to do so.

~~Applications received during a rating year will be applicable from the commencement of the following rating year. All applications must be on the prescribed form and will not be backdated.~~

- *Application*

The extent of any remission shall be determined by the Council or its delegated officer[s].

RECOMMENDED

That the proposed changes to the Land Affected by Natural Calamity rates remission policy be adopted.

9. NZ Local Government Funding Agency

(Cllr Leggett) (Report prepared by M Fletcher)

F290-002-001-14

Purpose

1. The purpose of this report is to present the NZ Local Government Funding Agency's (LGFA) 2013-14 Annual Report.

Background

2. When Council adopted its 2012-22 Long Term Plan it agreed to become a shareholder of the LGFA. As the LGFA is jointly owned by Councils, by virtue of Section 6 Local Government Act 2002 the LGFA is a Council Controlled Trading Organisation (CCTO). As such it is required to deliver to its shareholders an audited annual report. Council owns 400,000 \$1 shares of which 200,000 are uncalled.

Annual Report

3. A full copy of the 2013-14 Annual Report is available on request. The LGFA reported a satisfactory performance for the year to June 2014. The number of eligible borrowers has increased from 40 in 2013 to 43 in 2014, while lending to council members has increased by \$1.2 billion to a total \$3.7 billion at year end. The continued performance of the Agency reflects the increased support from the local authority sector, with Council borrowers representing approximately 90% of local government debt using the LGFA.
4. The following are some of the LGFA's key achievements against its Statement of Intent targets:

Target Description	Target	Achievement
Credit rating	Local currency AA+ Foreign currency AA (the same as the NZ Government)	AA+ AA
Average cost of funds relative to NZ Government Stock (NZGS)	<0.50%	0.85% (*)
Average base on lending margin above LGFA cost of funds	<0.25%	0.15%
Lending to participating councils	>\$3.400 million	\$3.696 million
Surplus before dividend	\$6.640 million	\$6.974 million (**)

(*) While there has been a reduction in the margin for like term bonds, e.g. March 2019 0.05%, the LGFA's relative cost of funds has remained similar to last year (0.84%). The margin has not narrowed to the LGFA target because of the disproportionate amount of longer dated LGFA bonds issued (and hence a wider margin) over the year.

(**) Due to the larger than forecast borrowings by Councils from LGFA the total Net Profit was higher than forecast.

Summary

5. In summary the LGFA's results for the 30 June 2014 financial year have continued to show satisfactory results. Councils' savings are estimated at 0.25%, meaning savings to the sector of approximately \$14 million in interest costs over the last year.

RECOMMENDED

That Council receive the LGFA's 30 June 2014 Annual Report.

10. MDC Holdings Limited – Increase in Issued Capital

(Cllr Leggett) (Report prepared by M Fletcher)

S400-004-001-74

Purpose

1. The purpose of this report is to obtain Council's agreement to increase MDC Holdings Limited's issued capital by \$5M.

Background

2. MDC Holdings Limited (MDCH) has issued capital of \$71M, 100% of which are owned by Council.
3. Of these shares, \$6M are fully paid. The remaining shares remain uncalled and were issued as security for two \$30M debt facilities that are currently held by the BNZ and Westpac. Since the establishment of MDCH there have been progressive increases in issued capital to provide security for increasing debt levels. The last increase was in 2008 when issued capital was increased by \$15M.
4. The current level of debt raised by MDCH is \$55.395M of which \$33.5M is on loan to Port Marlborough NZ Limited (PMNZ) and \$1.29M to Marlborough Airport Limited. The remaining debt is held by MDCH and was used to purchase PMNZ from Council.
5. Based on current forecasts MDCH debt is forecast to be in the \$60-65M range for the next two years, enabling the completion of the Airport Terminal redevelopment and ongoing PMNZ capital expenditure.
6. As a result of the above it is proposed to increase one of the current MDCH \$30M facilities to \$35M. In order to increase debt, the bank will require an increase in security, hence the request to increase the issued capital subscribed to by \$5M.
7. The banks have required the security provided by Council to exceed the face value of the facilities primarily to cover accrued interest.

Summary

8. MDCH currently has debt facilities totalling \$60M.
9. These facilities are secured by Council's subscription to \$65M of uncalled capital in MDCH.
10. MDCH's debt requirements are forecast to increase to \$65M to enable the completion of, amongst other things, the Marlborough Airport terminal expansion project.
11. To match the additional \$5M of debt a \$5M increase in subscribed uncalled capital is required.

RECOMMENDED

That Council:

1. **Agree to MDC Holdings Limited increasing its issued capital by \$5M to \$76M.**
2. **Agree to subscribe to the additional 5 million \$1 shares issued.**

11. MDC Holdings Limited – Annual Report for Year Ended 30 June 2014

(also refer to separate attachment)

(Cllr Leggett) (Report prepared by M Fletcher)

S400-004-002-13

Purpose

1. The purpose of this report is to present MDC Holdings Limited's Annual Report for year ended 30 June 2014.

Annual Report

2. MDC Holdings Limited's Annual Report for the financial year ended 30 June 2014 is **attached separately**. An unqualified audit opinion has been provided by Audit New Zealand.

Background

3. At its 14 March 2013 meeting the Community and Financial Planning Committee approved MDC Holdings Limited's Statement of Intent. The key financial targets and achievements are contained in the following table:

Target Description	Target	Achievement
Availability of finance	Have adequate cost effective facilities in place by 31 March 2014	Achieved. MDC Holdings Limited Group had debt at year-end of \$52.4 M and debt facilities of \$60 M following the successful renewal of one of its two \$30 M facilities in December 2013.
Net profit after tax	\$1.193 M	\$1.366 M
Ratio of shareholder's funds to total assets	11.4%	13.1%

Comments

4.	Mr Peter Taylor, Chairman of MDC Holdings Limited will make a presentation on the qualitative elements contained in the Statement of Intent and the financial performance of its subsidiaries, Port Marlborough NZ Limited and Marlborough Airport Limited.
----	--

RECOMMENDED

That the MDC Holdings Limited Annual Report for the financial year ended 30 June 2014 be received.

12. Treasury Management Report for Period Ended 30 September 2014

(Clr Dawson) (Report prepared by M South)

T270-01

Purpose

1. The purpose is to present the Treasury Management Report for the period ending 30 September 2014 to Council.

Attachment

2. **Attached** are details of Council's Treasury Management Report for the quarter ended 30 September 2014. Comparative details for the quarter ended 30 June 2014 are shown in italics and shaded.

Market Interest Rate Movements

3. The Reserve Bank of New Zealand again lifted the Official Cash Rate "OCR" another 25 basis points from 3.25% to 3.50% in the July Monetary Policy Statement. However, it left the OCR unchanged at 3.50% in the September Monetary Policy Statement.
4. Bancorp, Council's fund managers, advise that in the last six weeks of the September quarter New Zealand short term interest rates rose but medium to long term swap rates declined in line with moves in offshore bond markets. See 'Current Market Interest Rates' on table **attached**.

Investments

5. Details of Council funds and investments are **attached**.
6. Council maintains an investment portfolio reported as securities in the Treasury Management Report:

Investments – short term	\$6,576,392
Investments – long term	\$4,347,921
Total Investments	\$10,924,313

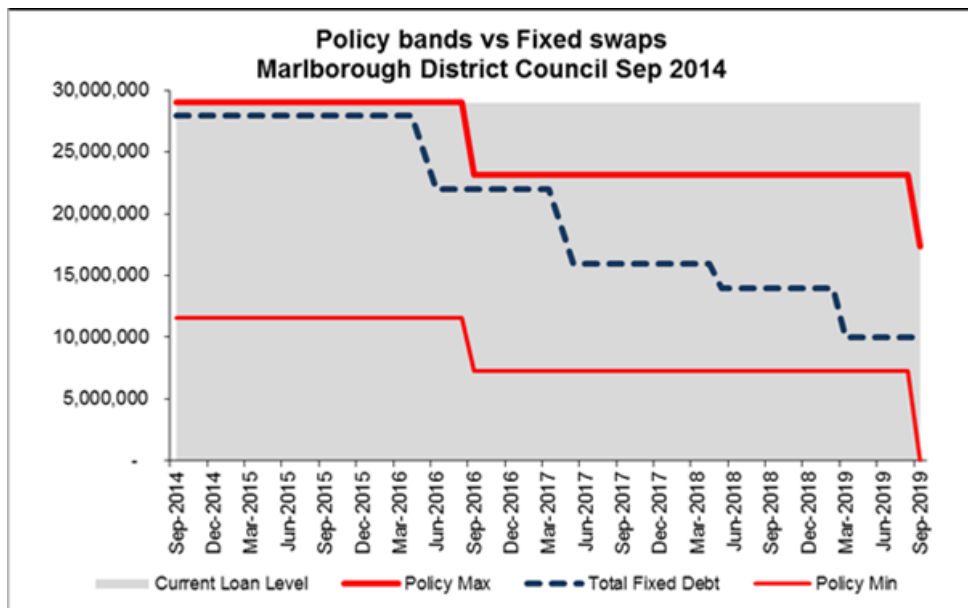
7. The total investments average interest earnings rate of 5.79% is 0.15% greater than the June quarter due to increased interest rates on the BNZ term deposits.
8. During the September quarter the following changes were made to the portfolio:
 - Four BNZ term deposits matured, three were reinvested for 90-91 days at interest rates of 4.87% and 4.88% and one was reinvested for 180 days at 4.97%. The new weighted average interest rate for these four deposits is 4.89%, previously 4.57%.
 - Term deposits continue to provide higher yields than bonds of a similar short term period.
9. Council maintains the investment portfolio considering:
 - Compliance with Council's Treasury Management Policy investment parameters; and
 - The level of investment required to maintain an adequate disaster recovery reserve, as reported in the 26 August 2014 Insurance Renewal and Risk Financing Update Report.
10. Bancorp provide advice on reinvestment of securities and report quarterly on Treasury Management Policy for compliance and investment returns.

Compliance with Council Policy

11. 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.
12. All criteria have been met for the 30 September quarter.

External Borrowings

13. As at 30 September 2014 Council has \$29.124M of external borrowings, of which \$28 M is hedged.
14. The following graph shows Council's current Westpac and Local Government Funding Agency "LGFA" borrowings and fixed rate hedging or borrowings (fixed swaps) measured against Council Treasury Management Policy and hedging parameters (policy bands).



15. MDC Holdings Limited's borrowings as at 30 September 2014 were \$55.845 M.

RECOMMENDED

That Council receive the Treasury Management Report for the period ended 30 September 2014.

**MARLBOROUGH DISTRICT COUNCIL
QUARTERLY TREASURY MANAGEMENT REPORT**

Current Market Interest Rates as at 30 September 2014

Term	Rate quoted from -	September 2014	August 2014	July 2014	June 2014
OCR	Reserve Bank	3.50%	3.50%	3.50%	3.25%
30 days	Reserve Bank	3.67%	3.65%	3.64%	3.43%
90 days	Bank bills	3.73%	3.70%	3.70%	3.63%
Maturity 12/17	NZ Government Bonds- yield	3.87%	3.85%	3.96%	4.08%
Maturity 03/19	NZ Government Bonds- yield	3.95%	3.93%	4.06%	4.19%
Maturity 05/21	NZ Government Bonds- yield	4.13%	4.06%	4.21%	4.41%
Maturity 04/23	NZ Government Bonds- yield	4.33%	4.25%	4.42%	4.64%

Statement of MDC Cash, Investments and External Borrowings as at 30 September 2014

				% Funds	Last Quarter June 2014	
Bank Current Accounts						
- BNZ	Current Funds or (Overdraft)		(601,348)	-5.40%	\$987,899	
	(allowing for unpresented cheques of \$45,612)					
On Call						
- BNZ	Rating					
	AA-	3.25%	805,063	7.23%	\$3,671,859	
	Readily Available Funds		203,715	1.83%	\$4,659,758	
Investments -short term (12 months or less)						
Banks						
- BNZ	AA-	1yr (06/15)	5.20%	53,240	0.48%	\$53,240
- BNZ	AA-	1yr (06/15)	4.88%	200,371	1.80%	\$197,926
- BNZ	AA-	91 days (12/14)	4.88%	2,121,369	19.06%	\$2,097,475
- BNZ	AA-	180 days (02/15)	4.97%	1,077,836	9.69%	\$1,065,615
- BNZ	AA-	90 days (10/14)	4.87%	1,042,808	9.37%	\$1,031,264
- BNZ	AA-	91 days (10/14)	4.87%	1,045,853	9.40%	\$1,034,300
Securities						
- BNZ Bond	AA-	6 years (05/15)	7.98%	1,034,915	9.30%	\$1,034,915
	Investments Available within 1 year	5.38%	\$6,576,392	59.10%	\$6,514,735	
Investments -long term (greater than 12 months)						
Securities						
- Rotorua District Council	UR	8 years (04/16)	8.16%	947,921	8.52%	\$947,921
- Auckland Council	AA	7 years (09/17)	6.52%	500,000	4.49%	\$500,000
- ANZ/National	BBB+	5 years (04/18)	5.28%	1,000,000	8.99%	\$1,000,000
- BNZ	AA-	7 years (12/18)	6.10%	1,400,000	12.58%	\$1,400,000
- Rabobank	AA-	7 years (03/19)	6.10%	500,000	4.49%	\$500,000
	Funds Available > 1 year	6.41%	4,347,921	39.07%	\$4,347,921	
	Total Funds Available	5.79%	\$11,128,028	100.00%	\$15,522,414	
					5.64%	

External Borrowings

Westpac

- Loans less than 12 months	4.95%	1,000,000
- Loans greater than 12 months	6.28%	14,000,000
		15,000,000

Local Government Funding Authority

- Loans greater than 12 months	5.71%	14,000,000
Total External Borrowings		\$ 29,000,000

MDC Holdings Ltd

- Current account (interest charged annually @ 90 day bank bill rate)		124,000
Total Borrowings		\$ 29,124,000

13. Financial Report for Council – Period Ended 30 September 2014

(Cllr Arbuckle) (Report prepared by J Somerville)

F045-06

1. **Attached** is the financial report for Council for the first quarter ended 30 September 2014.
2. The Income and Expenditure Statement reports a deficit of \$1.48M for the year to date. This is \$41K less than the budgeted deficit of \$1.52M.

Revenue

3. Total Income for the September year to date is above budget by \$0.57M (3%).
4. Comments are provided below on variances greater than \$100,000:
 - a. Flood protection and control works is ahead of budget due to higher than anticipated gravel sales and royalties together with external reimbursement of Omaka river protection works by various property owners above Hawkesbury Road.
 - b. Sewerage revenue is less than budget because of:
 - i. 1st quarter trade waste charges invoiced in October.
 - ii. Slower than anticipated development contributions.
 - c. Resource Consents is ahead of budget due to higher than expected water and coastal permit (mostly mooring applications), landuse applications and consent hearings.
 - d. Compliance income is ahead of the budget as most of the dog and health annual registrations occur in the first quarter of the financial year. The budget spread has since been adjusted to align with actual revenue.
 - e. Harbours revenue is slower than budgeted for the 3 months however Harbour Control Levies of \$280K have since been invoiced in October.

Expenditure

5. Total expenditure is greater than budget by \$0.53M (2%). Comments are provided on variances greater than \$100,000:
 - a. Culture and Heritage costs are ahead of budget mainly due to the uplifting of the full annual grants for the Millenium art gallery and Brayshaw Park. The budget spread has been adjusted for future reporting.
 - b. Community Facilities expenditure is greater than the budget as two quarterly grants each of \$209K for the Aquatic Centre and stadium were funded during the three months year to date.
 - c. Roads and footpaths expenditure is less than anticipated due to:
 - i. Less than budgeted sealed pavement and minor safety improvements expenditure (seasonal with the majority of the work undertaken in autumn).
 - ii. Slower than expected payments for the recently completed Middle Renwick road and Boyce Street roundabouts.
These favourable variances are offset by:
 - iii. Expenditure on emergency reinstatement damage repairs which are already ahead of the full year budget, due to the June storm event.
 - d. Flood protection and control works costs are ahead of budget mainly due to:
 - i. Unbudgeted but fully reimbursed Omaka river protections works (see 4.a above).
 - ii. Vegetation control contracts resulting from spring growth.
 - iii. Investigations relating to the impacts of liquefaction on the Town Branch drainage network.

- e. Sewerage is slower than budget due to:
 - i. Lower treatment costs which are seasonal and we expect the majority of the variance to be corrected by May 2015.
 - ii. Less than expected reticulation maintenance.
- f. Harbours expenditure is less than budget mainly in personnel as the summer harbour patrols commenced at Labour weekend and timing of the new database system involving smartmaps which will be developed early in the new year. The spread has been revised to align with expected timing of actual payments.
- g. Regional Development expenditure is higher than the budget spread because Marlborough Research Centre Trust annual grants were fully uplifted at the beginning of the financial year. The spread has now been adjusted for the next report.
- h. External interest expense is lower than anticipated due to the savings, deferrals and delays in the 2013-14 capital expenditure programme.
- i. Property and other expenditure is ahead of budget mainly due to employee insurance payment and budget spread together with timing of September expenditure subsequently reimbursed in November.

Capital Expenditure

- 6. Budgeted capital expenditure for the year is \$55.4M including \$18.45M of carryovers from the 2013/14 financial year and \$6.925M Council approved expenditure for strategic land acquisitions.

Actual expenditure of \$9.95M to the end of September is \$0.65M ahead of the same period last year (\$9.3M) and \$5.1M less than expected for the year to date.
- 7. At this stage there has been no indication of the amount of deferrals or carryovers to the 2015/16 financial year.

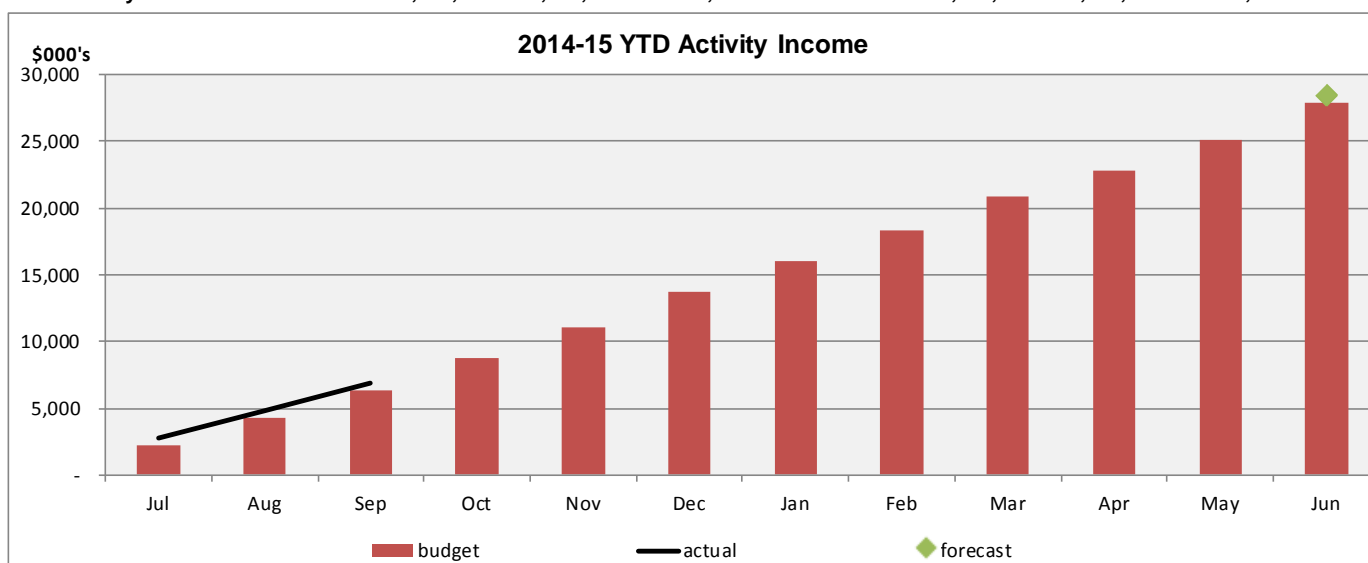
RECOMMENDED

That the financial report for the period ended 30 September 2014 be received.

Income and Expenditure Statement

30 September 2014

Income	year to date				whole year			
	actual	budget	variance	%	forecast	budget	variance	%
Rates (includes metered water)	14,311,675	14,150,037	161,638	1%	57,953,974	57,892,336	61,638	0%
-less remissions	(237,732)	(115,500)	(122,232)	106%	(462,000)	(462,000)	-	-
Rates	14,073,943	14,034,537	39,406	107%	57,491,974	57,430,336	61,638	0%
Rates penalty income	121,573	86,250	35,323	41%	345,000	345,000	-	-
Total Rates	14,195,515	14,120,787	74,728	1%	57,836,974	57,775,336	61,638	0%
Other Income								
Dividends	-	-	-	-	764,000	764,000	-	-
Interest Revenue (external)	139,009	202,000	(62,991)	-31%	808,000	808,000	-	-
Petroleum Tax	82,891	91,750	(8,859)	-10%	367,000	367,000	-	-
Gain on Sale of Fixed Assets	-	-	-	-	828,078	828,078	-	-
Marlborough Regional Forestry	398,250	442,500	(44,250)	-10%	1,770,000	1,770,000	-	-
Property and Other Revenue	562,375	529,896	32,479	6%	2,119,586	2,119,586	-	-
Total Other Income	1,182,525	1,266,146	(83,621)	-45%	6,656,664	6,656,664	-	0%
Activity Income								
Democratic Process	-	420	(420)	-100%	1,680	1,680	-	-
Culture and Heritage	93	-	93	-	93	-	93	-
Community Housing	300,660	288,819	11,841	4%	1,155,276	1,155,276	-	-
Community Safety	58,867	34,327	24,540	71%	137,306	137,306	-	-
Community Support	63,242	52,753	10,489	20%	211,010	211,010	-	-
Library Services	31,887	33,500	(1,613)	-5%	134,000	134,000	-	-
Emergency Management	6,561	12,050	(5,489)	-46%	48,200	48,200	-	-
Community Facilities	236,122	330,666	(94,544)	-29%	1,322,665	1,322,665	-	-
Roads and footpaths	1,453,169	1,469,819	(16,650)	-1%	7,666,754	7,666,754	-	-
Flood protection and control works	1,315,710	936,964	378,746	40%	4a 3,433,520	3,054,773	378,746	12%
Sewerage	23,952	131,975	(108,023)	-82%	4b 2,118,048	2,118,048	-	-
Stormwater drainage	22,152	60,250	(38,098)	-63%	241,000	241,000	-	-
Water Supply	48,141	122,500	(74,359)	-61%	490,000	490,000	-	-
Solid Waste Management	1,142,562	1,117,894	24,667	2%	4,471,578	4,471,578	-	-
Environmental Policy	14,022	-	14,022	-	14,022	-	14,022	-
Environmental Science and Monitoring	18,614	37,750	(19,136)	-51%	151,000	151,000	-	-
Resource Consents	441,120	322,000	119,120	37%	4c 1,407,120	1,288,000	119,120	9%
Building Control	582,755	594,042	(11,287)	-2%	2,376,170	2,376,170	-	-
Compliance	680,227	231,400	448,827	194%	4d 925,600	925,600	-	-
Biosecurity (Pest Management)	3,739	8,000	(4,261)	-53%	32,000	32,000	-	-
Harbours	12,744	118,263	(105,520)	-89%	4e 473,054	473,054	-	-
Regional Development	440,897	411,832	29,065	7%	1,647,329	1,647,329	-	-
Total Activity Income	6,897,236	6,315,225	582,010	9%	28,457,425	27,945,443	511,982	2%

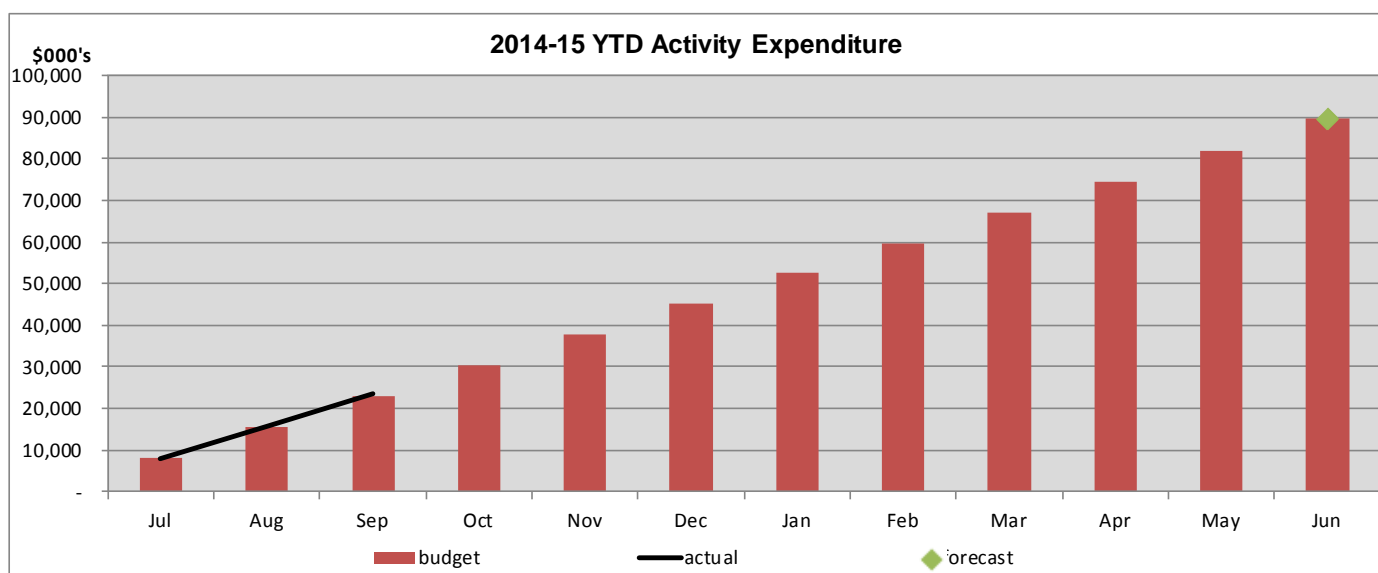


Total MDC Income	22,275,276	21,702,158	573,118	3%	92,951,062	92,377,443	573,620	1%
-------------------------	-------------------	-------------------	----------------	-----------	-------------------	-------------------	----------------	-----------

Income and Expenditure Statement

30 September 2014

Expenditure	year to date				whole year				
	actual	budget	variance		forecast	budget	variance		
Activity Expenditure									
Democratic Process	633,543	718,697	85,154	12%		2,872,516	2,872,516	-	-
Culture and Heritage	441,801	161,177	(280,624)	-174%	5a	691,810	691,810	-	-
Community Housing	391,281	429,841	38,560	9%		1,451,272	1,451,272	-	-
Community Safety	74,050	60,196	(13,854)	-23%		240,726	240,726	-	-
Community Support	357,196	419,911	62,716	15%		1,434,587	1,434,587	-	-
Library Services	556,769	467,742	(89,027)	-19%		1,775,298	1,775,298	-	-
Emergency Management	228,855	197,990	(30,865)	-16%		784,392	784,392	-	-
Community Facilities	2,442,629	2,204,048	(238,580)	-11%	5b	8,430,765	8,430,765	-	-
Roads and footpaths	5,235,736	5,349,126	113,390	2%	5c	19,395,809	19,395,809	-	-
Flood protection and control works	1,563,635	1,147,594	(416,041)	-36%	5d	4,557,342	4,557,342	-	-
Sewerage	2,446,472	2,616,198	169,726	6%	5e	10,239,679	10,239,679	-	-
Stormwater drainage	408,997	451,011	42,015	9%		1,839,044	1,839,044	-	-
Water Supply	2,156,288	2,133,664	(22,625)	-1%		8,216,063	8,216,063	-	-
Solid Waste Management	1,710,973	1,734,538	23,565	1%		6,939,443	6,939,443	-	-
Environmental Policy	258,897	337,414	78,518	23%		1,349,656	1,349,656	-	-
Environmental Science and Monitoring	661,745	737,143	75,398	10%		3,420,877	3,420,877	-	-
Resource Consents	566,136	599,925	33,790	6%		2,398,364	2,398,364	-	-
Building Control	685,284	699,778	14,494	2%		2,795,240	2,795,240	-	-
Compliance	617,840	582,864	(34,975)	-6%		2,330,126	2,330,126	-	-
Biosecurity (Pest Management)	265,689	195,959	(69,730)	-36%		1,395,220	1,395,220	-	-
Harbours	271,292	428,093	156,801	37%	5f	1,487,189	1,487,189	-	-
Regional Development	1,496,793	1,378,629	(118,164)	-9%	5g	5,474,421	5,474,421	-	-
Total Activity Expenditure	23,471,898	23,051,537	(420,361)	-2%		89,519,840	89,519,840	-	-
Includes Internal Interest	1,689,798	1,801,352	111,554	6%		7,205,410	7,205,410	-	-
	21,782,100	21,250,185	(531,915)	-3%		82,314,430	82,314,430	-	-

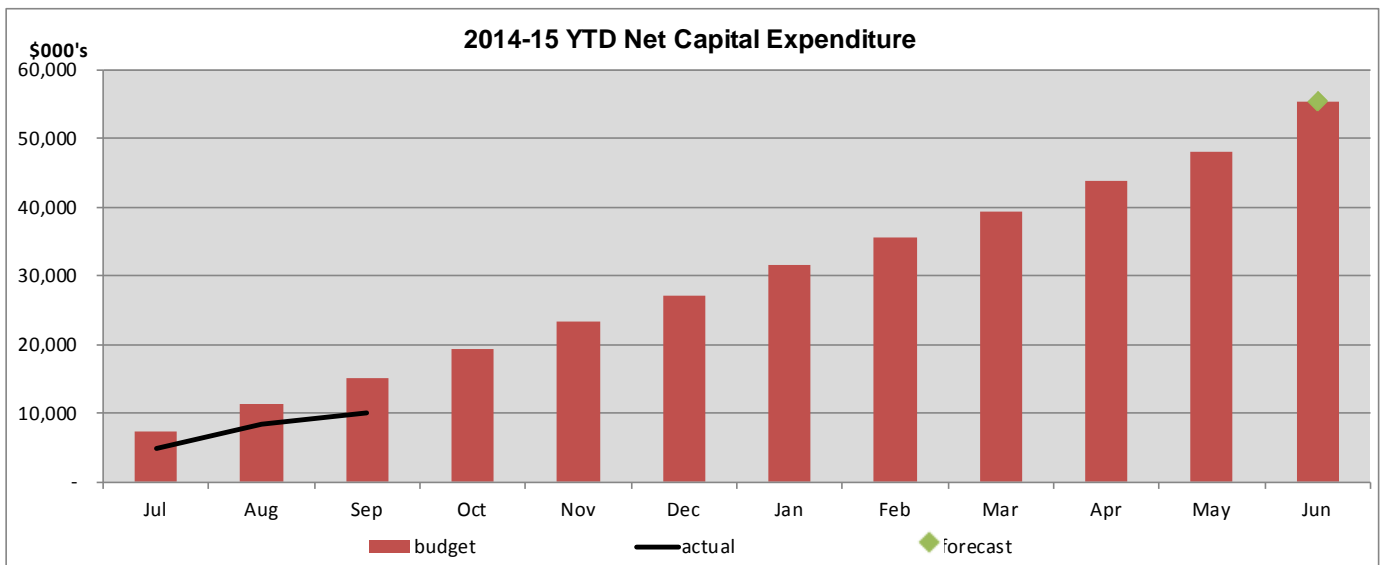


Other expenditure										
Interest expense (external)	319,366	584,213	264,847	45%	5h	1,795,895	2,336,850	540,955	23%	
Property and other expenditure	1,658,797	1,393,842	(264,955)	-19%	5i	2,405,103	2,405,103	-	-	
Total other expenditure	1,978,163	1,978,054	(109)	-0%		4,200,997	4,741,953	540,955	11%	
Total MDC expenditure	23,760,263	23,228,239	(532,024)	-2%		86,515,428	87,056,383	540,955	1%	
SURPLUS	(1,484,987)	(1,526,081)	41,094	-3%		6,435,635	5,321,060	1,114,575	21%	

Capital Expenditure Statement 30 September 2014

Net capital expenditure

	year to date				whole year		
	actual	budget	variance		forecast	budget	variance
Democratic Process	-	-	-	-	-	-	-
Culture and Heritage	-	12,500	12,500	100%	50,000	50,000	-
Community Housing	-	133,125	133,125	100%	532,500	532,500	-
Community Support	3,273	3,000	(273)	-9%	12,000	12,000	-
Library Services	519,395	967,706	448,311	46%	3,872,067	3,872,067	-
Emergency Management	14,615	7,364	(7,251)	-98%	31,450	31,450	-
Community Facilities	566,002	585,863	19,861	3%	4,584,559	4,584,559	-
Roads and footpaths	972,515	2,072,153	1,099,638	53%	9,728,948	9,728,948	-
Flood protection and control works	85,698	572,670	486,973	85%	2,143,777	2,143,777	-
Sewerage	273,527	1,131,401	857,874	76%	6,692,736	6,692,736	-
Stormwater drainage	354,747	500,852	146,105	29%	2,081,814	2,081,814	-
Water Supply	526,869	1,479,407	952,538	64%	7,954,518	7,954,518	-
Solid Waste Management	77,714	447,885	370,171	83%	1,791,540	1,791,540	-
Environmental Science and Monitoring	23,584	37,500	13,916	37%	150,000	150,000	-
Consents and Compliance	-	1,625	1,625	100%	6,500	6,500	-
Harbour Control	87,295	129,732	42,437	33%	559,153	559,153	-
Regional Development	(93,802)	40,736	134,538	330%	218,941	218,941	-
Investment activities	6,349,990	6,550,000	200,010	3%	12,590,000	12,590,000	-
Corporate Overheads	190,982	397,724	206,742	52%	2,407,541	2,407,541	-
Total Net Capital Expenditure	9,952,402	15,071,243	5,118,840	34%	55,408,044	55,408,044	-



14. Debtor's Overdue Report as at 31 October 2014

(Cllr Arbuckle) (Report prepared by S Greenhill)

F220-002-020-13-14

Purpose

1. To present the Debtors report as at 31 October 2014 and the Property Leases and Licences Debtors report as at 30 September 2014.

Background

2. This report reports on the levels of debt relating in the main to the following revenue streams:
 - Building Consent Fees
 - Resource Consent Fees
 - Development Contributions
 - Licences
 - Tradewaste
 - Water and Sewerage Connections
3. The Debtors Report as at 31 October 2014 is **attached** for Councillors' information.
4. The Current Balance includes a large one off annual invoice of \$322,000 for harbour levies to Port Marlborough and the first quarter invoicing (\$570,665) and the annual invoicing (\$119,118) of Tradewaste totalling \$689,783. (October 2013: \$439,984 included only first quarter invoicing)
5. The Property Leases and Licences Debtors Report as at 30 September 2014 is also **attached** for Councillors' information. Current and Total balances fluctuate monthly depending on individual leases and invoicing periods, e.g. monthly, quarterly, six monthly or annual.

RECOMMENDED

That the information be received.

DEBTORS REPORT AS AT 31 OCTOBER 2014

Aged Analysis Report	Current Month		Comparison for Previous 5 Months			
	October	September	August	July	June	May
Current	2,122,134.03	1,170,218.24	857,698.38	1,021,967.71	1,399,670.33	1,252,377.82
30 - 90 Days	330,689.02	243,354.58	289,445.60	365,936.94	207,143.99	295,346.12
90 Days	400,618.90	368,794.77	374,554.22	383,618.49	380,539.77	369,444.70
Outstanding Debtors Closing Balance	2,853,441.95	1,782,367.59	1,521,698.20	1,771,523.14	1,987,354.09	1,917,168.64

Debtors Action Report - Debtors over 90 days with Balance >\$250						
	October	September	August	July	June	May
With Receivables Management	7,514.44	2,414.16	2,414.16	2,685.33	2,685.33	2,685.33
Paying by Arrangement	66,560.50	34,366.29	39,497.39	41,454.70	38,827.67	39,117.27
Negotiating Payment Arrangement	-	-	-	13,043.35	13,043.35	298,732.39
Debts in Dispute	324,208.07	324,208.07	324,208.07	324,622.07	324,208.07	10,895.03
Payments since month end taken off above amounts	1,907.00	7,776.45	7,677.45	1,180.00	1,100.00	17,482.13
Sub-Total	400,190.01	368,764.97	373,797.07	382,985.45	379,864.42	368,912.15
Various Debtors with Balances <\$250	428.89	29.80	757.15	633.04	675.35	532.55
Over 90 days Outstanding Total	400,618.90	368,794.77	374,554.22	383,618.49	380,539.77	369,444.70

Property Leases and Licences Debtors Report as at 30 September 2014

Aged Analysis Report	Current Month	Comparison for Previous 5 Months				
	September	August	July	June	May	April
Current	79,297.09	163,223.40	84,304.31	49,174.41	71,065.53	50,492.32
30 Days	18,462.36	18,341.28	15,967.92	18,400.50	11,751.04	1,783.79
60 Days	10,851.37	869.23	7,848.04	1,077.30	(1,161.50)	10,314.95
90 Days	24,678.74	24,225.16	16,353.79	15,784.42	17,191.55	18,542.76
Outstanding Debtors Closing Balance	133,289.56	206,659.07	124,474.06	84,436.63	98,846.62	81,133.82
60 and 90 days Overdue Balance	35,530.11	25,094.39	24,201.83	16,861.72	16,030.05	28,857.71

15. Rates Reports as at 31 October 2014

(Cllr Arbuckle) (Report prepared by W Williams)

F270-28-13

Purpose

1. To present the Rate Levies Status Report, Rate Arrears Aged Balance Report and the Water Billing Debtors Report as at 31 October 2014.

Rate Levies Status Report and Rate Arrears Aged Balance Report

2. **Attached** for information are the Rate Levies Status Report and Rate Arrears Aged Balance Report as at 31 October 2014.
3. We have collected 24.89% of the overall rates levied for 2014-2015 (inclusive of arrears) and this compares with 24.92% at this time last year.
4. Since 10 September, the final day for payment of rates instalment one, there were 808 (883) penalty letters posted due to non-payment. Of these 283 (331) required follow up in October.
5. Debt Management - **Attached** for information are the Debt Management Report Properties with Registered Mortgages and the Debt Management Report Properties without Registered Mortgages. These reports provide a summary of action taken and results achieved so far this rating year.
6. Rates instalment two has been posted and is due for payment by 10 December 2014.

Water Billing Debtors Report

7. **Attached** for information is the Water Billing Debtors Report as at 31 October 2014.
8. The current balance of \$87,113 includes the four monthly water billing for Awatere (October 2013: \$73,443).

RECOMMENDED

That the report be received.

Rate Levies Status Report as at 31 October 2014

Financial Division	Balance B/Fwd (01/07/14)	Inst Levy To Q1	Arrears Pen	Instal Pen	Adjustments	Cash Received (incl Paid in Advance)	Add back Paid in Advance 31/10/2014	Balance 31/10/2014
Blenheim	210,139	8,168,311	27,836	19,994	(108,637)	(9,745,884)	1,836,887	408,646
Blenheim Vicinity	40,089	3,168,186	5,672	9,142	(69,651)	(3,719,456)	635,942	69,925
General Rural	154,387	2,385,490	16,205	11,942	(40,169)	(2,829,016)	523,397	222,235
Picton	117,002	1,997,272	9,240	9,771	(45,808)	(2,289,772)	405,058	202,763
Picton Vicinity	6,638	141,670	897	647	(2,355)	(187,250)	49,304	9,552
Sounds Admin Rural	21,595	262,756	2,240	3,116	(12,284)	(341,143)	98,266	34,545
Utilities Network	-	3,814	-	-	-	(14,071)	10,257	-
Current Year Totals	549,850	16,127,499	62,090	54,612	(278,904)	(19,126,593)	3,559,111	947,666

Rate Arrears Aged Balance Report as at 31 October 2014

Year	Total Outstanding (01/07/2014)	Cash Received (-)	Total Arrears Outstanding 31/10/2014	Postponed Rates included in Total Arrears 30/06/2014
2013/14	885,680	459,830	425,850	12,425
2012/13	98,850	29,385	69,465	6,184
2011/12	27,291	2,933	24,358	5,168
2010/11	17,224	794	16,430	4,868
2009/10	12,449	1,456	10,993	5,319
Prior 2009	5,552	200	5,351	947
Total	1,047,047	494,599	552,448	34,910

Rates balance b/fwd	549,850	
Add back Paid in Advance	497,196	Paid in Advance 1/7/2013
		435,552
Total Arrears Actual	1,047,047	

Water Billing Debtors Report as at 31 October 2014

	Current Month	Comparison for Previous 5 Months				
	October	September	August	July	June	May
Aged Analysis Report						
Current	87,113.42	327,658.71	35.86	(136.46)	765,275.73	4,424.16
30 - 90 Days	36,789.18	(2,234.75)	111,205.51	156,241.19	80.84	32,998.17
90 Days	16,576.46	22,997.42	10,499.88	12,295.36	32,290.48	20,614.71
Outstanding Debtors Closing Balance	140,479.06	348,421.38	121,741.25	168,400.09	797,647.05	58,037.04

Debtors Action Report - Debtors over 90 days Balance >\$250						
	October	September	August	July	June	May
Paying by Arrangement	-	-	-	-	-	-
Negotiating Payment Arrangement	20,912.85	26,573.22	12,519.79	15,904.19	26,627.13	30,337.84
Payments since month end taken off above amounts	-	618.77	3,006.52	-	10,635.55	1,183.68
Sub-Total	20,912.85	27,191.99	15,526.31	15,904.19	37,262.68	31,521.52
Various Debtors with Balances <\$250 or Credit Balances	(4,336.39)	(4,194.57)	(5,026.43)	(3,608.83)	(4,972.20)	(10,906.81)
90 days Outstanding Total	16,576.46	22,997.42	10,499.88	12,295.36	32,290.48	20,614.71

Debt Management Report Properties with Registered Mortgages

Arrears 2014 254 Ratepayers being:	2013	Oct 2014
252 with arrears as at 30 June 2014 and; 2 brought forward from 2013.	Carried forward to 2014 shown in bold	
Paid	258	78
Arrangement made for repayment	2	42
Notice of Default sent to Mortgagee	0	113
Notice of Demand sent to Mortgagee	0	0
No mortgage registered - Court action required (Refer Properties Without Registered Mortgages Report)	15	12
Action still to be taken	0	9
Mortgagee sale in progress	0	0
Still to pay (from above)	17	176
Total	275	254

Debt Management Report

Properties without Registered Mortgages

Unencumbered Properties 2014 35 Ratepayers being: 12 transferred from October 2014 on the previous Properties with Registered Mortgages report and; 23 brought forward from 2013	2013 Carried forward to 2014 shown in bold	Oct 2014
Paid following receipt of letter outlining the consequences of non-payment, letter giving notice of Court proceedings or as a result of Court action	32	1
Arrangement made for repayment	2	2
Awaiting response or further information required		8
Lodged with agent to commence recovery action through the Court after receiving no response to our letter advising Council will seek Judgment or our phone call where possible	3	3
Notice of Claim filed and/or served on the ratepayer	1	1
Enforcement of Judgment	2	2
To commence legal proceedings when debt becomes over three years old or more than \$3,700	15	18
Still to pay (from above)	23	34
Total	55	35

16. 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
- Investigations 2014
- Insurance Issues 2014
- Contract Issues

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 Investigations 2014 Insurance Issues 2014	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.
Contract Issues	To enable the Council, as holder of the information, to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) as provided for under Section 7(2)(i).	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.