

**Report and Minutes of a Meeting of the  
COMMUNITY & FINANCE COMMITTEE  
held in the Council Chambers, 15 Seymour Street, Blenheim  
on TUESDAY 18 NOVEMBER 2014 commencing at 9.00 am**

**Present:**

Cllrs J C Leggett (Chairperson), J A Arbuckle, J L Andrews, J P Bagge, G S Barsanti, C J Brooks, B G Dawson (until 11.50 am), D D Oddie, T M Sloan, and Mayor A T Sowman.

**Also Present:**

Cllrs T E Hook and P J S Jerram.

**In Attendance:**

Messrs A R Besley (Chief Executive), D G Heiford (Manager, Support Services Department), M F Fletcher (Manager, Corporate Finance Department) and M J Porter (Democratic Services Manager).

**Apologies**

**Cllrs Leggett/Hook:**

**That the apology for absence from Cllr L M Shenfield be received and sustained.**

**Carried**

ATTENDANCE: Annie Percy, Council's HR/Health & Safety Manager, was in attendance for the following item.

**A.14/15.178 Health and Safety Legislation Update**  
**C500-005-11**

The HR/Health & Safety Manager reported that the purpose of the report was to update Members with regard to the proposed changes to current health and safety legislation.

New legislation (in the form of the Health and Safety Reform Bill) has been introduced to Parliament for consideration and is likely to be enacted in 2015. A new regulatory body (WorkSafe NZ) has been set up.

While Council has robust and tested policies in place the new legislation will result in organisation wide reviews of policies, processes and procedures. 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. Further updates will be provided as the legislation progresses through Parliament.

**The Mayor/Cllr Barsanti:**

**That the report be received.**

**Carried**

**A.14/15.179 Blenheim Parking**  
**R800-002-03**

The Manager, Support Services Department, spoke to his report regarding a review of the parking fees and parking areas in Blenheim. It was noted that Council considered the recommendations from Traffic Design Group for Blenheim Parking at the Community and Finance Meeting on 15 July 2014 and requested that staff further investigate implementation options for Council (Minute A.14/15.4 refers).

It was reported that the parking account is in deficit and parking fees and areas have not been reviewed for approximately 8 years. Traffic Design Group have identified that there is adequate parking in the Blenheim CBD for the next 5 to 10 years.

The key areas that have been identified for review to address the financial and other issues are (refer to the agenda for detailed comment): Fund purchase of 2 High Street from other sources; Rates subsidy of the parking account; conversion of free and time restricted carparks to pay and display; continued provision of small free carparks; off street hourly rate; kerb side hourly rate; all day parking rate / option at all pay and display carparks; leased carpark rate; and free Saturday parking. It was noted that if these proposals were implemented the parking account would be addressed within 3 to 5 years depending on the occupancy of the parking areas.

It was noted that there has been some consultation via the Marlborough Chamber of Commerce on parking options with CBD retailers.

It was further reported that 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. The carparking account currently has a deficit of approximately \$300,000 per annum. Funding the purchase of 2 High Street from another reserve will reduce the deficit by approximately \$70,000 per annum. Removing the rates subsidy will increase the deficit by \$150,000. Conversion of carparking areas listed in the report 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. 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.

**Cirs Arbuckle/Sloan:**

1. **That 2 High Street be funded from a reserve.**
2. **That the rates subsidy of the parking account be removed.**
3. **That the following carparks be converted to pay and display: Railway Station (south of iSite); Fire Station; Scott Street; and part of Stadium / Kinross Street (with a balance of approximately 75 P150 carparks for the Stadium to be provided).**
4. **That the kerb side hourly rate be \$1.50.**
5. **That 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. **That the leased carpark rate increase to \$900 + GST.**
8. **That free Saturday parking commence for off-street carparks from 1 December 2014.**
9. **That all other changes be implemented from 1 March 2015.**

**Carried**

NB: Clr Dawson requested that his vote against the above motion be recorded.

## **A.14/15.180 Picton Parking Fees**

**R800-002-03**

The Manager, Support Services Department, spoke to his report regarding increasing the parking fees for the Pay and Display carparks in Picton.

It was reported that the long term parking areas in Picton have been identified as being too cheap and the length of stay too long. 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.

It was noted that the proposed changes to the parking charges in Picton may have positive/negative effects. 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. 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.

**Clr Barsanti/The Mayor:**

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

**Carried**

ATTENDANCE: Peter Taylor, Chairman of MDC Holdings Limited, was in attendance for the following item.

### **A.14/15.181 MDC Holdings Limited – Annual Report for Year Ended 30 June 2014 S400-004-002-13**

The Chairman of MDC Holdings Limited (MDCH) and the Manager, Corporate Finance Department, presented MDC Holdings Limited's Annual Report for year ended 30 June 2014 (as attached to the agenda). A presentation on the qualitative elements contained in the Statement of Intent and the financial performance of its subsidiaries, Port Marlborough NZ Limited (PMNZ) and Marlborough Airport Limited (MAL) was also made (filed in Trim – Record No. 14256728).

It was reported that an unqualified audit opinion has been provided by Audit New Zealand. The net profit after tax was reported as \$1.366 million compared to a budget of \$1.193 million.

At the meeting a concern that it appears that some Councillors do not know what MDCH and PMNZ do and what the shareholder expectations of MDCH, PMNZ and MAL are, was raised. This was explained at the meeting and an invitation to contact Directors was made. Also a question regarding what else is required post terminal expansion at MAL; this was answered at the meeting. A number of other questions regarding Central Government investment in PMNZ and the Taylor Pass development were answered at the meeting.

**Clrs Sloan/Barsanti:**

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

**Carried**

### **A.14/15.182 MDC Holdings Limited – Increase in Issued Capital S400-004-001-74**

The Manager, Corporate Finance Department, presented a report to obtain agreement to increase MDC Holdings Limited's (MDCH) issued capital by \$5 million.

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

At the meeting a number of questions were posed and answered including what responsibilities are there on the ratepayer and how much is the ratepayer guaranteeing.

**Cirs Barsanti/Arbuckle:**

- 1. That Council agree to MDC Holdings Limited increasing its issued capital by \$5 million to \$76 million.**
- 2. That Council agree to subscribe to the additional 5 million \$1 shares issued.**

**Carried**

NB: Clr Bagge requested that her vote against the above motion be recorded.

## **A.14/15.183 Sugar-Sweetened Beverages Policy E350-004-002-01**

The Mayor spoke to the report proposing that Council adopt a policy that sugar-sweetened beverages are not offered for sale, or supplied, at any Council-controlled venues or Council-funded events. The policy would ensure that: 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.

D Rob Beaglehole, the Principal Dental Officer from the Nelson Marlborough District Health Board, was in attendance to give a presentation on this issue (filed in Trim – Record No. 14257048). An apology from Chris Fleming, the Chief Executive Officer of the Nelson Marlborough District Health Board, for being unable to attend the meeting was noted.

**Cirs Barsanti/Brooks:**

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

**Carried**

NB: Clr Bagge abstained from voting on the above motion.

NB: Clr Dawson requested that his vote against the above motion be recorded.

## **A.14/15.184 Blenheim and Picton CBD Developments C315-13-09**

The Chief Executive presented the report requesting that funds be allocated to enable the consultation and concept development process to commence for the Picton Library project and Blenheim's CBD revitalisation project. It was reported that \$500,000 was requested to facilitate the community discussion, carry out investigation work such as geotechnical testing and to develop concept plans for the areas, with funding being provided from Council reserves.

The report 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, with decisions being made by Council at that time on the size and scope of the projects. Concurrent to this process there will be some specialist investigation work such as geotechnical testing work being carried out. High level concept plans for the areas will be developed by end of April 2015 for Council to consider. 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 made at the meeting included points on the public consultation process, the period of time for consultation, and community involvement.

**Cirs Arbuckle/Oddie:**

**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.**

**Carried**

## **A.14/15.185 Sister City Sub-Committee**

**D050-001-S02**

The Mayor acknowledged the Global Link initiative.

**Cllrs Arbuckle/Bagge:**

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

**Carried**

ATTENDANCE: Neil Henry, Council's Manager Strategic Planning & Economic Development, was in attendance for the following item.

## **A.14/15.186 Proposed List of Items for Inclusion in the 2015-25 LTP Consultation Document**

**S300-L15-001-01**

The Manager Strategic Planning & Economic Development presented a report providing 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) and detailing a list of headline matters for potential inclusion in the CD subject to budgetary decisions.

It was noted that Council is now required to draw up a CD (instead of a full Draft Long Term Plan and summary) for purposes of consulting on Long Term Plans as per s93 of the Local Government Act 2002.

The list of potential issues was discussed at the meeting. It was noted that those issues that budgeting falls outside of the next ten year period will not be included. It was also noted that only major items are being considered to be included in the CD, but that does not stop Council consulting on other issues at any stage.

**Cllrs Arbuckle/Barsanti:**

**That the following group of issues are included in the 2015-25 Long Term Plan Consultation Document, subject to budgetary decisions:**

**Environmental sustainability; Environmental risks; Impact of population change on infrastructure and growth; Awatere water upgrade; Renwick water upgrade; Havelock water treatment; Blenheim stormwater upgrades; CBD redevelopment, including Blenheim library/art gallery; Picton library upgrade; Flaxbourne irrigation; Blenheim sewerage; Picton sewerage; Small township upgrades; Economic development, tourism, conventions and events review outcome; Wairau River rating area review; Policy Reviews – eg; Development Contributions; and Disaster preparedness.**

**Carried**

ATTENDANCE: Murray South, Council's Financial Services Manager, was in attendance for the following six items.

## **A.14/15.187 Land Affected by Natural Calamity Rates Remission Policy**

**S300-L15-001-01**

A report to review and consider changes to the current Land Affected by Natural Calamity rates remission policy was presented to the meeting.

The proposed changes were:

- 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.

**Cirs Bagge/Barsanti:**

**That the changes to the Land Affected by Natural Calamity rates remission policy, as detailed below, be adopted.**

▪ **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].

**Carried**

## **A.14/15.188 NZ Local Government Funding Agency F290-002-001-14**

The NZ Local Government Funding Agency's (LGFA) 2013-14 Annual Report was presented to the Committee.

It was reported that 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.

**The Mayor/Cir Barsanti:**

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

**Carried**

## **A.14/15.189 Treasury Management Report for Period Ended 30 September 2014 T270-01**

Council's Treasury Management Report for the period ended 30 September 2014 was presented to the Committee.

Details of Council funds and investments were provided. 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. Total investments totalled \$10,924,313. 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.

As at 30 September 2014 Council has \$29.124 million of external borrowings, of which \$28 million is hedged.

MDC Holdings Limited's borrowings as at 30 September 2014 were \$55,845,000.

**Cirs Arbuckle/Sloan:**

**That the Treasury Management Report for the period ended 30 September 2014 be received.**

**Carried**



## A.14/15.193 Decision to Conduct Business with the Public Excluded

-

Cllrs Sloan/Barsanti:

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) 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.

### Carried

The meeting closed at 12.20 pm.

Record No: 14259046