

**Report and Minutes of a Meeting of the
COMMUNITY & FINANCE COMMITTEE
held in the Council Chambers, 15 Seymour Street, Blenheim
on THURSDAY 9 OCTOBER 2014 commencing at 9.00 am**

Present:

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

Also Present:

Cirs G I T Evans, T E Hook and P J S Jerram.

In Attendance:

Messrs D G Heiford (Manager, Support Services Department), M F Fletcher (Manager, Corporate Finance Department), M J South (Financial Services Manager) and M J Porter (Democratic Services Manager).

ATTENDANCE: Katrina Lange, Marlborough 4 Fun Manager, was in attendance for the following item.

**A.14/15.121 Marlborough 4 Fun Festivals & Events Trust
Annual Report to 30 June 2014
R300-001-01, C315-09-32**

Marlborough 4 Fun Manager, Katrina Lange, presented the Festivals and Events Trust's annual report for the period 1 July 2013 to 30 June 2014 as per their contract with Council (worth \$140,000 per annum). The contract requires the Trust to report to Council on an annual basis against the expected outcomes. This report covers the first year of its current three year contract with Council.

The contract covers provision of a Summer Concert series; Blenheim Christmas Parade; Senior Citizens Concerts; Calendar of Events/Events Guide; Christmas Festival; Southern Jam Youth Jazz Festival; and Children's Theatre.

The Trust's annual accounts are currently in the process of being audited and will be circulated to Council once received.

The report proposed two changes to the 2014/15 year of the contract. The first proposal being a change to the Christmas Festival; however that was withdrawn at the meeting. The second proposal was in regard to the Summer Concert Series, with a change in the style of the music and to introduce the option of allowing public BYO alcohol, with a winery as a sponsor and offering wine sales.

Members discussed a range of issues with Ms Lange covering the monthly event guide, Senior Citizens Concert, A&P Show, Whites Bay event, and the Follow Me website. The issue of the sale of alcohol at the Summer Concert Series was more widely debated, with a majority of those present disagreeing with the proposal to allow the sale of alcohol at the events.

Cirs Arbuckle/Andrews:

That the report be received and that it be noted that no changes are to be made to the 2014/15 year of the Festivals and Events Trust's Community Based Events Contract with Council.

Carried

NB: Clr Barsanti declared an interest in the above item in relation to discussions on the sale of alcohol at events.

ATTENDANCE: Glen Webster, Council's District Libraries Manager, was in attendance for the following item.

A.14/15.122 Marlborough District Libraries Activity Report – August 2014 L300-018-001-02

The District Libraries Manager presented his report which updated Council on the operations of the library services.

Following discussion by members, two reports are to be provided by the District Libraries Manager; one on website hits and usage, and the other on a comparison of new members vs renewals.

Cirs Sloan/Brooks:
That the report be received.

Carried

A.14/15.123 Sister City Sub-Committee D050-001-S02

The Minutes of the Sister City Sub-Committee meeting held on 14 August 2014 were attached for ratification by the Committee. It was noted that a Mayoral Delegation from Tendo (to celebrate 25 years of the Sister City relationship) arrive on 22 January 2015.

Cirs Barsanti/Arbuckle:
That the Minutes of the Sister City Sub-Committee meeting held on 14 August 2014 be ratified.

Carried

ATTENDANCE: Kaye McIlveney, Council's Solicitor, was in attendance for the following item.

A.14/15.124 Significance & Engagement Policy F270-20-01

The Manager, Corporate Finance Department reported that the purpose of the report was to propose that Council adopt the Significance & Engagement Policy as attached to the Agenda.

It was noted that Council is required to adopt a new Significance & Engagement Policy and that it was proposed that the Policy attached to the agenda was adopted by Council without consultation to meet the 1 December 2014 statutory deadline. A full review of the Policy will be undertaken in 2015 to update the policy.

The Feedback on Decisions Made section (Section Two: Engagement and Consultation, para 18) was discussed and it was agreed that a change be made to the wording to the second sentence *Council will **not necessarily** directly contact everyone who had input or made a submission.* This should now read *Council will **endeavor to** directly contact everyone who had input or made a submission.*

The Thresholds section (Section One: Significance, para 3) was discussed at length, especially in relation to the third bullet point regarding *reducing Council's shareholding in any Council Controlled Organisation and Joint Operating Committee below **90%** of the shareholding held as at 30 June 2012.* It was agreed by the majority that the 90% should be changed to **100%**.

The Mayor/Cir Arbuckle:

- 1. That Council adopt the Significance & Engagement Policy, as amended above, without consultation.**
- 2. That the Policy be reviewed during 2015 with any changes brought back to Council for consideration to update the Policy.**

Carried

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

A.14/15.125 Treasury Management Policies

S300-L15-001-01

The Manager, Corporate Finance Department reported that the purpose of the report was to review Council's Liability Management Policy and Investment Policy for inclusion in the 2015-25 Long Term Plan (LTP).

It was noted that s102(2)(b) and (c) of the Local Government Act 2002 requires Council to adopt a Liability Management Policy and an Investment Management Policy. The last substantive review of these policies occurred when the 2012-22 LTCCP was prepared. Bancorp, Council's Treasury Management Advisor was engaged to conduct the review. The result of their review was attached to the Agenda. Four substantive changes were recommended to: 2.6 (Interest Rate Risk Management); 2.11 (Borrowing Limits); and 2.8 and 3.5 (Minimum Credit Ratings for New Zealand Registered Banks).

Following discussion on the proposal to amend 2.6 (Interest Rate Risk Management), namely *a formal delegation to the Chair of the Community and Finance Committee is proposed with subsequent reporting to the Committee*; it was further amended to read *a formal delegation to 2 of 3 of the Chair of the Community and Finance Committee, the Deputy Chair of the Community and Finance Committee or the Investments and Debt Management Portfolio holder is proposed with subsequent reporting to the Committee*.

Cirs Arbuckle/Bagge:

That Council agree to the amended Treasury Management Policies as contained in Attachment 1 to the Agenda, including the amendment noted above to 2.6 (Interest Rate Risk Management).

Carried

A.14/15.126 Reserve Funds

S300-L15-001-01

The Manager, Corporate Finance Department reported that the purpose of the report was to brief Council on its current Reserve Funds purposes and the activities to which they relate and consider whether any changes are required for inclusion in the 2015-2025 Long Term Plan.

Cirs Arbuckle/Shenfield:

That Council retain existing Reserves and purpose statements for the 2015-2025 Long Term Plan.

Carried

A.14/15.127 Rates Remission and Postponement Policies

S300-L15-001-01

The Manager, Corporate Finance Department reported that the purpose of the report was to brief Council on its current Rates Remission and Postponement policies and consider whether any changes are required for inclusion in the 2015-2025 Long Term Plan.

Management have again reviewed Rates Remission and Postponement Policies as part of the proposed 2015-25 Long Term Plan and did not see any compelling reason to change them apart from proposed changes to the Residential Land in Commercial or Industrial Areas policy to reflect current practice and consistency with the proposed Urban Residential 2 Greenfield Land In Rural Areas Remission Policy as follows:

~~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**

~~If an application is approved the Following triennial revaluation~~ Council will direct its valuation service provider ~~to inspect the rating unit and to~~ prepare a valuation that will treat the rating unit as if it were a comparable rating unit elsewhere in the District. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this nature.

The extent of any remission shall be determined by the Council or its delegated officer(s) and will be based on valuations supplied by its valuation service provider.

The Mayor/Clr Brooks:

That Council retain the existing Rates Remission and Postponement Policies subject to the proposed changes to the Residential Land in Commercial or Industrial Areas and any amendment decisions made in Minute Nos. A.14/15.128 and A.14/15.129 (immediately following).

Carried

A.14/15.128 Urban Residential 2 Greenfield Land in Rural Areas W045-15-(64-71)

The Manager, Corporate Finance Department reported that the purpose of the report was for Council to decide on a rating remission policy for the recently approved zone titled 'Urban Residential 2 Greenfield Zone' in the Wairau Awatere Resource Management Plan.

It was noted that the zoning change will affect property values and landowners do not wish to see an increase in rates until such time as the land is subdivided. Landowners will face significant rate increases if a remission policy is not applied to the new 'Urban Residential 2 Greenfield Zone' areas. The rates remission policy recommends that rating of all properties located within the new zone continues on the basis of the rating assessment carried out prior to the approval of the new zone until such time as the land is subdivided for residential use.

Clsr Shenfield/Andrews:

That the Rates Remission Policy as below be adopted for the newly created 'Urban Residential 2 Greenfield Zone':

Urban Residential 2 Greenfield Land in Rural Areas

Objective

To ensure that owners of residential rating units situated in rural areas are not unduly penalised by the zoning decisions of Council.

Conditions and Criteria

To qualify for remission under this part of the Policy, the rating unit must:

- *Be situated within an area of land that has been zoned 'Urban Residential 2 Greenfield Zone' in the Wairau-Awatere Resource Management Plan (Ratepayers can determine how their property has been zoned by inspecting the Wairau/Awatere Resource Management Plan, copies of which are available from either the District Administration Office or on Council's website www.marlborough.govt.nz).*
- *Remain unsubdivided ie; subdivision title has not been granted.*
- *Continue, for any remaining unsubdivided area, to have a land use that's consistent with the rural character that existed on approval of the new zone on 18 September 2014.*

Application

- *All rating units located within the 'Urban Residential 2 Greenfield Zone' will be rated on the basis of the underlying land being zoned Rural 3.*

- ***Following triennial revaluation Council will direct its valuation service provider to prepare a valuation that will treat the rating unit as if it were a comparable rating unit in zoned Rural 3. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this nature.***
- ***The extent of any remission shall be determined by the Council or its delegated officer(s) and will be based on valuations supplied by its valuation service provider.***

Carried

ATTENDANCE: Stephen Rooney, Council's Operations and Maintenance Engineer, was in attendance for the following item.

A.14/15.129 Rates Remission – Metered Water Charge F270-20-01

The Operations and Maintenance Engineer reported that the purpose of the report was to review and consider changes to the Water Losses Rates Remission Policy.

It was noted that Council has a water remission policy to encourage the quick repair of leaks within properties when identified through quarterly water reading (for the Awatere four monthly). The water credited is generally the volume assessed as being lost through the leak in the three months prior to the meter reading showing leakage and the reading date to when the leak is repaired providing this is before the next quarterly reading. If a cap were considered it might be considered appropriate to set this at a figure between \$3,000 and \$5,000 due to the limited number of remissions above this range currently and this level of water loss is recognisable.

Clrs Barsanti/Oddie:

That the water losses remission policy be retained, but with the following amendments:

- **A property displaying ongoing leakage showing likely system failure of the pipe network within the property will be provided with no more than three remissions for water loss.**
- **The maximum remission for any one water loss will be \$3,000 unless there are extenuating circumstances verified by the Operations and Maintenance Engineer.**

Carried

A.14/15.130 Energy Efficiency Schemes F270-20-01

The Manager, Corporate Finance Department reported that the purpose of the report was to update Council on the Energy Efficiency Schemes offered to ratepayers, and for Council to consider whether it wants to establish a Clean Heat scheme.

It was noted that in August 2010 Council launched its Insulation and Clean Heating and Heat Smart Programme to enable ratepayers to take advantage of Government subsidies. In November 2012 the Solar Water Heating Programme commenced. In September 2013, following the Government ceasing grants to the wider community, applications for the Heat Smart Programme closed. Existing targeted rates will run over a nine year period, unless repaid earlier. In October 2013 the Home Insulation Scheme was offered to the three remaining Heat Smart service providers. The schemes have been operating efficiently and ratepayers have generally been appreciative of the service provided by Council. Applications have slowed since the Government grants ceased. Council borrowings are within the borrowing cap.

Members agreed to establish a Clean Heat scheme without further investigation.

Clrs Dawson/Brooks:

- 1. That the report be received.**
- 2. That a Clean Heat scheme be established.**

Carried

A.14/15.131 Debtors Overdue Report as at 31 August 2014

F220-002-020-13-14

The Debtors' Report as at 31 August 2014 was presented to the Committee for information.

The Property Leases and Licences Debtors' Report as at 31 August 2014, was also presented for the Committee's information.

Cirs Barsanti/Arbuckle:
That the information be received.

Carried

A.14/15.132 Rates Reports as at 31 August 2014

F270-28-14

The Rate Levies Status Report, Rate Arrears Aged Balance Report and Water Billing Debtors Report as at 31 August 2014 were reported on.

It was reported that Council has collected 7.87% of the overall rates levied for 2014-2015 (inclusive of arrears) compared with 7.87% at this time last year.

During August 2014 debt collection action on 249 properties was commenced, with rate arrears still owing from the previous 2013/2014 rating year. These ratepayers have not responded to earlier letters sent. As part of Council's in-house debt collection procedure, a further letter has been sent advising the process that will be followed if rate arrears are not paid. This letter clearly spells out that Council can approach their mortgagee for payment or, if no mortgage is registered, take Court proceedings to recover overdue rates.

Council commenced processing rate rebate applications on 1 August 2014 and designated staff were available for the first six weeks to assist ratepayers to complete their applications. As at 31 August 2014, 1287 applications have been received. This compares with 1293 applications received at the corresponding date last year.

The 30-90 days balance in the Water Billing Debtors report had reduced since July.

Cirs Arbuckle/Brooks:
That the reports be received.

Carried

A.14/15.133 Decision to Conduct Business with the Public Excluded

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Cirs Leggett/Arbuckle:
That the public be excluded from the following parts of the proceedings of this meeting, namely:

- Debtors' Overdue Report and Resource Consent Invoicing Process

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 and Resource Consent Invoicing Process	In order to protect the privacy of natural persons, as provided for under Section 7(2)(a).	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under Section 7 of the Local Government Official Information and Meetings Act 1987.

Carried

The meeting closed at 11.00 am.

Record No: 14220131