

**Report and Minutes of a Meeting of the
PLANNING, FINANCE & COMMUNITY COMMITTEE
held in the Council Chambers, 15 Seymour Street, Blenheim
on TUESDAY 13 JUNE 2017 commencing at 9.00 am**

Present

Clrs T E Hook (Chairperson), M A Peters, J L Andrews, J A Arbuckle, C J Brooks, B G Dawson, M J Fitzpatrick, G A Hope, D D Oddie, L M Shenfield, N P Taylor and Mayor J C Leggett

In Attendance

Messrs M F Fletcher (Chief Financial Officer), D G Heiford (Manager, Economic, Community & Support Services), M J South (Financial Services Manager) and N Chauval (Committee Secretary).

Apologies

Clrs Arbuckle/Brooks:

That the apology for non attendance from Cllr Evans be noted.

Carried**A.16/17.444 Declaration of Interests -**

Cllr Hope declared an interest in Item 11 – 2018-28 Long Term Plan.

ATTENDANCE: Luke Grogan, Harbour Master, Hans Versteegh, Manager Regulatory Department and Kaye McIlveney, Solicitor were in attendance for the following item.

A.16/17.445 Navigation Bylaw 2009 Review L225-10

The report to the Committee provided recommendations on a review of the Navigation Bylaw 2009 and sought approval to commence the special consultative procedure on a proposal following the review. The Statement of Proposal for the Review, and amended Bylaw were attached to the agenda for members' information.

Members were advised that Council is required to review the Navigation Bylaw 2009 by the end of 2017. It was noted that staff have undertaken an assessment of the bylaw and recommend that the 2009 bylaw be repealed and replaced.

Mr Versteegh advised that the amended bylaw has been forwarded to Maritime NZ for review which will affect the dates for the proposed submission period and therefore suggested that recommendations 3 and 4 be withdrawn.

Mr Grogan noted that there has been considerable change to the bylaw in particular amendments made to take into account the Maritime Rules Part 91: Navigation Safety Rules which were promulgated after the bylaws were made. Members were advised of some of the specific changes which had been in the wording but this has been purely to ensure that the bylaw is easier to understand. There has been a reduction in definitions with those remaining have comprehensive explanations. There has also been changes in the personal flotation devices section as harbour masters nationwide are working towards having a nationwide initiative.

It was noted that the bylaw review is an important piece of work and it was suggested that a workshop be organised prior to the next Environment Committee meeting to go through the bylaw in depth and determine a new timeline for submissions. Following discussion members indicated they were supportive of a workshop.

Cllr Shenfield proposed to members that the item lie on the table until the Council meeting scheduled for 7 August 2017 and that members attend the workshop to fully consider the amended bylaw. The recommendation was seconded by Councillor Hope and supported by members.

Following further discussion Cllr Hook proposed that a sub-committee be formed consisting of Cllrs Oddie, Brooks, Arbuckle to hear and deliberate on any submissions made to the bylaw. It was noted that members are not precluded from participating if they wish.

Cllrs Shenfield/Hope:

1. **That the Navigation Bylaw 2009 Review lie on the table until 29 June 2017 Council meeting.**
2. **That a sub-committee consisting of Cllrs Oddie, Brooks and Arbuckle be formed to hear and deliberate on any submissions made.**

Carried

ATTENDANCE: Rick Osborne, Wood Sector Group Chair was in attendance for the following item.

A.16/17.446 Wood Sector Smart & Connected Presentation E100-010-12

The Manager Strategic Planning & Economic Development, Neil Henry, introduced the Chair of the Wood sector Group Rick Osborne to members. A copy of the Wood Sector Strategy was circulated to members for their information.

A powerpoint presentation was shown which identified the sector's achievements and future plans (presentation filed in Trim – Record No. 17107609).

Mr Osborne discussed the achievements of the group in particular the mapping of Marlborough forestry estate with MDC and the forest industry community field day (with MFIA).

Members were advised that the future plans of the group included review of MEP including industry meeting to discuss priorities, developing social licence for consideration by industry with MFIA implementation and input into infrastructure planning including roading and the port.

In response to a query regarding adding value to our cut timber, Mr Osborne noted that the industry is always open to new ideas and opportunities that will keep progressing the industry into the future.

Cllrs Brooks/Hope:

That the information be received.

Carried

ATTENDANCE: Jane Tito, Smart Business Officer was in attendance for the following item.

A.16/17.447 Smart Business Marlborough Update E100-005-005-02, E100-005-005-05, E100-005-010-01

The report to the Committee provided an update on the activities of Smart Business Marlborough. To highlight this report a powerpoint presentation was shown (presentation filed in Trim – Record No. 17107795).

Members were advised that there were eleven new enquiries for this period covering tourism, service/retail, manufacturing and primary industry which have been progressed.

Ms Tito noted that the role of the Smart Business Coordinator is to bring Council departments together to provide essential service information to new businesses such as planning, building, Assets & Services, reserves and regulatory. It was noted that some of the enquiries could be very brief while others are more complex and therefore more time is spent working with the applicant to ensure a positive outcome. It was suggested that the Council page be used to highlight the success stories and to promote the service being offered.

Mr Henry advised that further work is being undertaken to identify options for establishing a Marlborough film office. This matter was the subject of a submission to the Annual Plan.

It was noted that there was a successful visit by a provincial-level delegation from Ningxia in April. It was agreed to sign a Sister-Region Agreement in September.

Members were advised that the installation of the Only Marlborough Welcome signage remains in progress. It was noted that the installation costs have increased due to new and higher installation standards following the November earthquake.

Ms Tito reported that the image collection is ongoing with recent images in Blenheim and Renwick captured. It was noted that the structure of the website is being revisited in order for these images to be shared in a more user-friendly manner.

Clr Hook advised members that Ms Tito is taking up the position of Reserves and Amenities Manager so this would be her last report as Council's Smart Business Officer. He thanked Jane for the work that she has done in developing the role and the successes that have been achieved. Members wished her well in her new role.

**Cirs Brooks/Arbuckle:
That the information be received.**

Carried

ATTENDANCE: Adi James, Community Advisor – Marlborough Townships was in attendance for the following item.

A.16/17.448 Small Townships Programme Update

R510-022-00

The report to the Committee provided an update on the Small Townships Programme, including the Community Projects Fund. To highlight this report a powerpoint presentation was shown (presentation filed in Trim – Record No. 17107834).

Members were advised that the planning and delivery is well underway for Wairau Valley, Renwick, Spring Creek and Havelock, with Ward being identified as the next township to get involved in the programme. It was noted that the timeframes have allowed for the development of a robust planning process and a high level of community involvement, and quick win projects have been able to be delivered whenever possible.

Ms James outlined the Wairau Valley projects that have been completed and noted the ones that are underway. Members were advised that the information sign is at the printers. Noted the township plan is due to be completed at the end of June. Feedback received from the community has been very positive.

It was reported that Renwick identified four key projects – Renwick commons (town centre), High Street enhancement, Renwick cycling network and Renwick Domain upgrade.

Ms James advised that consultation with Spring Creek residents has been undertaken. A drop in day has been held and visits with the school have occurred.

The final draft route for Havelock community pathway was identified. Ms James noted that they are currently in discussions with adjoining landowners and then will go out to the wider community and final stage will be to apply for a coastal consent before the route and design is finalised.

It was noted that nine projects in four communities have been approved for the 2017 Community Projects Fund with a total cost estimate of \$42,215. Clr Taylor noted this fund has heartened townships like Rai Valley and congratulated the previous Council for its foresight in getting this off the ground as it has made communication with the township much easier and the towns people are really excited about what is happening in their area.

Ms James advised members that the 2017 Community Projects Fund has approved ten projects going ahead in four communities. The fund will be advertised again at the end of 2017 for approval in early 2018.

**Cirs Arbuckle/Taylor:
That the information be received.**

Carried

ATTENDANCE: Jono Underwood, Biosecurity Co-ordinator was in attendance for the following item.

A.16/17.449 Small-Scale Management Programme for Mediterranean Fanworm (*Sabella spallanzanii*) E315-002-007-01

The report to the Committee sought approval for notification of Small-Scale Management Programme (SSMP) for Mediterranean Fanworm (*Sabella spallanzanii*), or “Sabella” hereafter, under Section 100V of the Biosecurity Act 1993 within the Marlborough District Council area. This declaration will both complement and support similar declarations being considered by Nelson City Council and Tasman District Council. The report was included in the agenda for members’ information.

Members were advised that nationally Sabella is both a notifiable and unwanted organism under the Biosecurity Act 1993 and is of serious concern with respect to potential impacts on aquaculture practises and the natural marine environment. It was noted that Sabella has been detected in small numbers within Picton Marina and on a small number of vessels entering Marlborough waters. It has also been detected in both Tarakohe (Tasman District) and Nelson Haven (Nelson City).

It was noted that the three Top of the South councils, all facing the same issue, have jointly proposed to notify a SSMP for Sabella, while a longer term programme, such as that within the new Regional Pest Management Plan, is being developed.

Members were advised that this will allow for more cohesive management to occur across the Top of the South and also provide for Authorised Persons to utilise appropriate powers of the Biosecurity Act 1993 in implementing the programme.

Members were advised that a workshop was being held (13 June 2017) to determine what the programme would look like.

Clrs Oddie/Fitzpatrick:

- 1. That the information be received.**
- 2. That the Committee approves the notification of a Small Scale Management Programme for Mediterranean fanworm (*Sabella spallanzanii*), as below, effective from the date of notification.**

Carried

Members were advised that item 8 on the agenda, Review of Resource Consent Monitoring Fees & Charges - Resource Management Act 1991, was dealt with at the Council meeting held on 12 June 2017.

A.16/17.450 Energy Efficiency Schemes F270-20-01

The report to the Committee sought an extension to the energy efficiency funding scheme to support ratepayers affected by the 2016 Kaikoura earthquake make their homes weathertight.

Members were aware that Council currently offers an energy efficiency funding service to ratepayers and it is proposed that the energy efficiency funding service to provide assistance to those affected by the 2016 Kaikoura earthquake be extended.

It was noted that Council would be the service provider and provide the weathertight services using approved contractors. Insulation and clean heating services could run concurrently, but not before the process of making the home weathertight has commenced.

Members were advised that ratepayer agreements and a Council service provider contract would be completed on a case by case basis. It was noted that as it is likely that the earliest that this scheme could be in operation is post 1 July 2017, the first rates instalment to repay any amount advanced would occur post 1 July 2018.

It was noted that if the ratepayer receives insurance proceeds or other funding becomes available, these amounts can be used to repay the advance and interest accrued for the service. The Recovery Manager will manage the process with Treasury staff.

**Cllrs Peters/Andrews:
That Council:**

- 1. Agree to extend the energy efficiency funding service to assist ratepayers affected by the 2016 Kaikoura earthquake make their homes weathertight.**
- 2. Authorise the Chief Executive and Chief Finance Officer to approve the ratepayer agreements.**

Carried

A.16/17.451 Section 17A Review

F220-002-020-16

The report to the Committee presented the preliminary analysis undertaken on whether or not a more extensive review should be undertaken on how Council's Activities are delivered.

Members were advised that s17A LGA 2002 requires council to review the cost effectiveness of its activities. It was noted that the review can be undertaken at an Activity Group, Activity, Activity component or contract level. SOLGM's advice is to generally start at an Activity level then reconsider once a preliminary review has been completed.

Mr Fletcher advised members that the Act requires reviews to be undertaken in conjunction with consideration of any significant levels of service and within two years before the expiry of any contract/binding agreement relating to the delivery of the Activity. It was noted that there are exemptions to the Act and these were outlined.

It was noted that while a review is required on an Activity basis, it is also important for Council to have confidence that Activities are being efficiently delivered at a high level. It was reported that this can be done by looking at the level of rates and/or input costs.

Mr Fletcher discussed the activities for possible exemption. He noted that the Three Waters (water supply, sewerage and stormwater) has been the subject of a relatively recent review by Local Government NZ and suggested that a watch is maintained until the outcome of the Havelock North Inquiry Government's response is known.

It was noted that there is a feeling within the community that Council would always be the one that provides water and that staff have also conveyed that this would be the case. It was suggested that community expectation is given considerable weight when undertaking future reviews. Mr Fletcher advised that this is a review which doesn't necessarily mean change and noted that there is no indication that the water service would ever be undertaken by private companies.

Following some discussion Cllr Peters suggested the following amendment be made to the recommendation, which was agreed to by members:

- deleting point (a) and adding to point (b) '...as is in the paper, taking account of the work to be undertaken as part of item 11 of this agenda being 2018-2028 Long Term Plan'.

This would then become point 3.

Members were advised that Council staff will continue to look to opportunities to deliver Council services more cost effectively and that a further review would not be required for six years.

**Cllrs Peters/Shenfield:
That Council:**

- 1. Agree to exempt all Activities from further review in accordance with s17A of the Local Government Act 2002 except the Three Waters and Regional Development;**
- 2. Agree to exempt the Three Waters until the outcome of the Havelock North inquiry is known; and**

3. **Agree to commission a further review of the delivery of Economic Development including Marketing & Tourism and Research as is in the paper, taking account of the work to be undertaken as part of item 11 of this agenda being 2018-2028 Long Term Plan.**

Carried

A.16/17.452 2018-28 Long Term Plan

F230-L18-09-05

The report to the Committee identified the matters raised by Council and staff for review as part of Council preparing its Long Term Plan (LTP).

Members were advised that in response to the suggestions received a table was included in the agenda item that summarised the points raised. It was also noted that for point 17, Blenheim Library project, that a more suitable name be used that could better reflect what is actually happening on the site. It was suggested that the Project Control Group come up with possible suggestions.

Following discussion members agreed that a Working Group be established to examine the issues identified by the Committee. It was suggested the following members be appointed to the group: Cllrs Mark Peters (chair), Geoff Evans, Jamie Arbuckle, Laressa Shenfield, Nadine Taylor and Mayor Leggett. It was noted that all councillors are encouraged to attend the workshops.


Clr Peters noted that the first meeting of the group is scheduled for Monday, 26 June 2017 which would be more of a briefing/planning meeting. The subsequent meeting on 15 August would be when more formal papers will be presented. It was noted that the target is to have all work completed by the end of November for sign off prior to Christmas so documents will be available for auditing by February 2018.








It was agreed that all papers prepared for the Working Group be copied to all councillors and that the minutes of the Working Group meetings be reported to the Planning Finance & Community Committee.










**Clrs Hook/Hope:
That Council:**






1. **Agree to the proposed items for further work as identified in the Table below.**
2. **Agree that the Mayor and following Councillors be appointed to the Working Group.**
 - **Clr Mark Peters (Chairman)**
 - **Clr Geoff Evans**
 - **Clr Jamie Arbuckle**
 - **Clr Laressa Shenfield**
 - **Clr Nadine Taylor**
3. **Agree that Councillor Peters as be appointed as Working Group Chairman.**
4. **Agree to the Working Group's working arrangements as:-**
 - (a) **All papers prepared for the Working Group be copied to all Councillors.**
 - (b) **All Councillors are welcome to attend Working Group Meetings.**
 - (c) **The minutes of the Working Group meetings be reported to the Planning Finance & Community Committee.**

Carried

Suggestion	Staff Comment	Revenue & Financing Policies	Level Of Service	Other
1. Gaining an understanding and review the continued appropriateness of General Rating percentage "targets" for each Geographic Rating area.	Undertaking this review would determine whether or not the geographic rating area "targets" for General Rates are still appropriate some 20 years after first being set.			

Suggestion	Staff Comment	Revenue & Financing Policies	Level Of Service	Other
<p>Related to this is reviewing whether:</p> <ul style="list-style-type: none"> It is appropriate or practical to look at some high cost items currently apportioned by formula to see if actual costs are able to be allocated directly to the various geographic areas; and It is appropriate that roading should be treated as a network, ie; roads benefit each ratepayer equally. 	<p>It is only after this review is completed that reviews of benefit weighting are worthwhile as the "targets" override the outcome between geographic rating areas, meaning that a weightings review in reality only changes the balance between residential/rural and commercial/industrial.</p>			
<p>2. Completion of the funding review for Economic Development as signalled to 4 May 2017 Committee meeting. This includes a review of the weightings for the current community related activities carried out by the Economic Development team.</p>	<p>Councillor and staff suggestion.</p>			
<p>3. Reviewing the Targeted Tourism Rate.</p>	<p>Staff suggestion.</p>			
<p>4. Review the continued appropriateness of the current rating area boundaries.</p>	<p>The last time this was looked at in depth was in the preparation of the 2012-22 LTP.</p>			
<p>5. Review the weightings for the Harbours Activity.</p>	<p>This could be undertaken once the review of the Geographic Rating area percentages is completed.</p>			
<p>6. Review whether the current Rates Cap of the forecast annual movement in the Local Government Cost Index + 2% remains appropriate. A flat cap maybe more appropriate.</p>	<p>There are pros and cons to both options. The flat cap option would give more certainty to ratepayers, but allowing for annual movement in the index would maintain current levels of service and meet infrastructure demands.</p>			
<p>7. Review the "debt cap" and the possibility of a cap for MDC Holdings Ltd (MDCH).</p>	<p>Council currently has a debt cap of \$100M net debt. As debt raised on behalf on of MDCH, creates an equal asset when it is on-lent, the impact on the Net Debt calculation is \$zero.</p> <p>Council can exercise control over the level of MDCH debt as its approval is required before further debt is raised for on lending the MDCH.</p> <p>Council's AA credit rating is based on the total debt of the total Council group.</p>			
<p>8. Review Council's current 6% interest rate assumption and</p>	<p>The interest rate assumption is a key component to Council's</p>			

Suggestion	Staff Comment	Revenue & Financing Policies	Level Of Service	Other
gain an understanding of how interest charged is used to fund Council's Activities. Aligned with this gaining an understanding of how dividend income is used.	budgeting and is reviewed annually.			
9. Review whether or not it is appropriate for Council to adopt a "Living Wage" policy.	A number of Council's have adopted a "Living Wage" policy.			
10. Examine whether or not the current replacement of approximately 150 street trees per annum is appropriate.	Level of Service related.			
11. Review the current policy that removed many of the rubbish bins from certain areas of Marlborough and identify areas that need them such as Harling Park and Sutherland Stream area where there are no bins at all, including the attachment of Doggy Do stations.	Level of Service related and who pays.			
12. Extend the Small Township Budget to 2028 in the LTP to signal work will continue in this area. The current budget of \$500k per year ends in 2024.	Level of Service and budget related.			
13. Increase the Landscape budget from \$100k to \$120k per year through the LTP process and to be CPI adjusted each year.	Level of Service and budget related.			
14. Identify the costs for Dog Parks at proposed sites for Renwick and Blenheim for inclusion in the LTP and what, if any, other activities can also occur at these sites if they are capped.	Level of Service and budget related and who pays.			
15. Funding for the implementation of the Heritage Strategy, in particular for the implementation of the Strategy for Brayshaw Park because of its potential as a tourist attraction.	Level of Service and budget related.			
16. Review the objectives and outputs achieved from investing in Regional Development including a review of current LTP performance targets/measures and the funding of any recommendations adopted from the Jeffery Report.	Level of Service and budget related.			
17. Review the Significance and Engagement Policy including incorporating a Policy on engagement with Iwi and	A review of this Policy is already well underway.			

Suggestion	Staff Comment	Revenue & Financing Policies	Level Of Service	Other
engagement with the Community in non LTP years.				
18. Review the current Policy of not depreciating the Convention Centre and Halls and whether this is still appropriate.	It would be useful to understand the background behind the current policy.			
19. Review the work undertaken by the Audit and Risk Committee to gain confidence on the adequacy of Council's Reserves, rate of replenishment and reinstatement period bearing in mind recent events and the increase in the Maximum Probable Loss (MPL) value.	A proposed reinstatement period of three years was consulted upon with the Community when the 2015-25 LTP was being prepared. With the better understanding we now have of how long it takes to rebuild from the Christchurch experience and the increase in MPL it is timely to engage with the community again.			
20. Review commercial and industrial water meter rates with a view of improving the consistency between areas of minimum volumes and charges.	Staff suggestion. This piece of work was signalled when the combined water model, which focused mainly on residential properties, was prepared.			
21. Review Council's property portfolio, starting with the establishment of a Policy of when Council should acquire and retain property.	Council is required to review its investments when preparing its LTP.			
22. To confirm the relative priorities of all Councillor/community initiated projects including those already programmed in 2015-25 budgets as per the last LTP review.	This would provide Councillors with an overarching opportunity to review the relative priority of Council projects as compared to looking at them on an Activity by Activity basis.			

ATTENDANCE: Cllr Andrews withdrew from the meeting 10.45 am.

ATTENDANCE: Cllr Dawson withdrew from the meeting 10.55 am.

A.16/17.453 Marlborough Civic Theatre Trust

C600-005-C01-01

The report provided an update to the Committee on the activities of the Marlborough Civic Theatre Trust.

Members were advised that April has been a relatively quiet month for the theatre and that as a result of a number of relatively fixed costs, including interest, personnel costs, depreciation and electricity an increased loss has occurred. However, the loss is less than budgeted for the same period.

It was reported that a year end deficit of \$20,311 is now forecast as compared to the \$27,727 forecast deficit reported to the last Committee meeting. The trend is on the improve, plus the Annie production in May was very successful with ticket sales being approximately 20% up on budget.

Members were advised that the Trust attended a meeting with members of the Clubs' Board with agreement reached in principal about how they could both promote each other's facilities and activities better. They also

discussed ideas for better linking with the Convention Centre and Destination Marlborough. It was noted that these moves will positively contribute towards the outcome sought from the latest Richard Jeffrey's review.

It was noted that planning will now commence for the fit-out of the small theatre following advice of the \$900,000 grant from the Ministry of Culture and Heritage.

It was noted that reports provided to the Committee are very beneficial and Clr Peters moved a recommendation that Council's Chief Financial Officer, Martin Fletcher, be reappointed to attend the Trust meetings and that the Trust take over the production of the Theatre Update Reports to this Committee.

Members were advised that funding has been sought from the Rata Foundation to deal with the 'tag' on the exterior of the building.

Cirs Peters/Brooks:

- 1. That Council request Martin Fletcher to continue to attend Civic Theatre Trust meetings for a further 12 months.**
- 2. That the Trust work towards being able to present the regular update reports to Council.**

Carried

A.16/17.454 Financial Report for Council – Period Ended 30 April 2017 F275-002-17

Mr Fletcher, Chief Financial Officer presented Council's financial report for the period ended 30 April 2017.

The Income and Expenditure Statement reports an operating surplus of \$7.29M for the year to date. This is a \$5.76M improvement on the \$1.53M budgeted. Total Income for the April year to date is ahead of budget by \$6.08M (8%).

Budgeted capital expenditure for the year is \$71.9M including \$22.64M of carryovers from the 2015-16 financial year. Actual expenditure of \$30.02M to the end of April is \$7.61M higher than the same period last year (\$22.41M) and \$29M less than budgeted for the year to date. Investment activities forecast includes the expected costs for development of Stages 4 and 5 Boulevard Park on Taylor brought forward to the 2016-17 financial year and net of stage 5 sales. It was noted that there are indications that there is likely to be deferrals and carryovers to 2017-2018 of approximately \$29.78M in the following activities:

Members queried whether the townships affected by the earthquake are offered information on rates remissions. It was reported that the Support Services team raise availability of the service when they are speaking to affected towns folk. It was noted that QV representatives and Council will be meeting in the communities where the rates remission option will be raised.

Cirs Peters/Brooks:

That the financial report for the period ended 30 April 2017 be received.

Carried

A.16/17.455 Information Package -

Clr Brooks suggested that a verbal update report from Mr Webster on progress being made on the Picton Library be provided.

Cirs Peters/Arbuckle

That the Planning, Finance & Community Information Package dated 13 June 2017 be received and noted.

Carried

The meeting closed at 11.06 am.