



**Minutes of a Meeting of the
Marlborough District Council
held in the Council Chambers and via Zoom, 15 Seymour Street, Blenheim
on THURSDAY 24 FEBRUARY 2022 commencing at 9.00 am**

Present

The Mayor J C Leggett (in the Chair), Cllrs J L Andrews, J A Arbuckle, C J Brooks, J D N Croad, B G Dawson, B A Faulls, M J Fitzpatrick, G A Hope, F D Maher, M A Peters, T P Sowman and N P Taylor.

Present via Zoom

Cllr D D Oddie.

In Attendance

Mr M S Wheeler (Chief Executive), Mr M F Fletcher (Chief Financial Officer), Mr D G Heiford (Manager Economic, Community & Support Services), Mr R P Coningham (Manager Assets & Services), Ms G M Ferguson (Consents & Compliance Group Manager), Mr A J Lyall (Property and Community Facilities Manager), Mr H R Versteegh (Environmental Science & Policy Group Manager), Mr R Foitzik (General Counsel), Mr D G Walters (Communications Manager) (via Zoom), Mr S A Donaldson (Planning & Development Engineer), Mr P J Hawes (Environmental Policy Manager) (via Zoom), Mr S J Murrin (Marlborough Roads Manager), Ms C L Lake (Financial Services Manager) (via Zoom), Ms N J Chauval (Committee Secretary) and Mr M J Porter (Democratic Services Manager).

Karakia

The meeting opened with a karakia.

The Mayor welcomed all to the meeting, whether present in the Council Chambers or via Audio Visual link (Zoom) as per Standing Orders and the *COVID-19 Response (Urgent Management Measures) Legislation Act 2020*. The Mayor also advised the meeting was being recorded and that a link to the recording would be loaded to Council's website as soon as practicable following the meeting in accordance with the *COVID-19 Response (Urgent Management Measures) Legislation Act 2020*.

Cncl-0222-234 Declaration of Interests

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Members were reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

A number of declarations were noted in the agenda:

- The various interests as declared under Minute Nos. Cncl-1221-178;
- The interest as declared under Minute No. PF&C-0222-222 (Minute No. PF&C-0222-225); and
- The interest declared at the meeting by Cllr Taylor under Minute No. Cncl-0222-257.

Cncl-0222-235 Annual Plan Budgets 2022-23

F230-A22-03

The Mayor welcomed everybody and introduced the purpose of the budget side of the meeting as per the Agenda. The Mayor also acknowledged the work of Mr Fletcher and his staff and indeed all staff who had worked on reports.

Cncl-0222-236 Budget Summary

F230-A22-03

Mr Fletcher spoke to his report which provided Council with an overview of the budgets proposed for inclusion in Council's 2022-23 Annual Plan (AP). Mr Fletcher also spoke to a short powerpoint presentation (filed in CM – Record No. 2240233).

In summary Mr Fletcher reported that the proposed budgets maintain current levels of service, the proposed rates increase for 2022-23 is 5.37% after removing the increase relating to the Energy Efficiency Voluntary Targeted Rate. This is a 1.06% reduction on the 6.43% rates increase forecast in the Long Term Plan (LTP) for 2022-23. The proposed budgets maintain a continuation of existing levels of service and a capital expenditure programme that mainly focuses on core infrastructure. To reduce the impact on rates, extensive use has been made of the Infrastructure Upgrade and Depreciation Reserves and a \$4.3M allocation from the COVID-19 Rates Relief Reserve. Most of the increase is driven by the cost pressures facing local government as reflected in the Local Government Cost Index (LGCI); Council's capital expenditure programme and consequential increased maintenance, management, depreciation and cost of increased debt; increasing Government requirements; and additional personnel costs. Net debt levels are forecast to be within the \$230M net debt cap set by Council until 2026-27 onwards, where the cap is exceeded by a maximum of \$31M (including Flaxbourne Irrigation) in 2029-30; should the Three Waters reforms not proceed. Should the Three Waters reforms proceed, there will be no exceedances.

Mr Fletcher, in his background to the report, advised that for each of the two years between Long Term Plans Council is required to prepare an Annual Plan. 2022-23 is the first year since Council adopted its 10 year 2021-31 LTP. As part of the preparation of the LTP, Council undertook a significant review of its operations and policies. Council's review included the levels of service for all its activities; Rating and Revenue Policies including the method of rating, rating areas and its Revenue and Financing Policy; Treasury, debt and investment policies; and key assumptions including legislative impact, inflation, interest rates, NZTA subsidy level, population growth and the economic lives of Council assets. The interest rates assumption has been further reviewed as part of the preparation of this AP and Council has decided to retain the current 4% interest rate. This year's AP has been prepared in an environment that is similar to that which existed when the LTP was prepared, i.e. the Council and the community are facing:

- the continuing impacts of COVID-19 both on Marlborough and the rest of the world. Much of Marlborough's economy is trade and tourism related and therefore reliant on how the rest of the world deals with the impacts of the COVID-19 epidemic. Except for the tourism sector, the Marlborough economy has withstood the economic impacts of COVID well, certainly much better than some of the pessimistic forecasts being made by many commentators 12 months ago;
- increasing impacts of Government Regulation and National Policy Statements. The Taumata Arowai – Water Services Regulator Act was passed in July 2020 and the National Policy Statement (NPS) on Freshwater Management 2020 was also issued in the same year;
- along with further NPSs being in the pipeline, there is also the review of the Resource Management Act 1991 and how the Three Waters will be delivered in the future. As a result of the uncertainty surrounding these developments and reviews, it has been assumed that the status quo will remain for the purposes of preparing this AP. They will be better addressed in the 2024-34 LTP when greater certainty exists. In the interim, Council must keep abreast of any developments and be prepared to provide input/comment;
- higher levels of population growth are currently being experienced compared to the position of 5-10 years ago. Higher levels of growth increase the demand for additional Council infrastructure. While much of the growth component is paid for via Development Contributions in the long term, Council must fund the costs upfront; and
- increasing requests from the community for either increased levels of service or increased financial support.

In addition:

- higher than normal levels of inflation are currently experienced, with forecast CPI increases expected to peak at just over 6%, before returning to more normal levels; and
- supply chain, i.e. the availability of certain materials and the availability of skilled personnel is becoming a real issue.

Mr Fletcher spoke on the budget approach which was detailed in the report.

The prime drivers for rates increases are the Local Government Cost Index (LGCI), capital expenditure and personnel costs. The **LGCI** is forecast each year by BERL and used by the majority of Local Authorities to forecast likely inflation movements. The forecast for 2022-23 is 2.4. One of the other main drivers is financing **Capital Expenditure**. Over the past five years actual Capital Expenditure has ranged from \$36.2M in 2020 (COVID) to \$68.5M in 2021 with an average of \$51.5M. A total budget of \$83.4M (including \$5.0M for the Flaxbourne Irrigation Scheme) was recommended. Detail on how this figure was recommended and the effect on depreciation was included in Mr Fletcher's report. Mr Fletcher advised that with the LGCI forecast to increase by 2.4% and the indicative impact on rates from Capex and Personnel being 4.3% and 2.7% respectively these three factors explain a significant portion of the total rates increase.

There is also a fourth significant driver, Government requirements. The exact dollar values of the additional costs resulting from increasing Government requirements are difficult to quantify as collectively they impact the whole of Council, including for example, the NZ Drinking Water Standards, Traffic Management requirements, National Environmental and Policy Statements, even down to specifying the level of training required by Building Control Officers. There is no indication that the pace of Government reforms and resulting additional costs will slow.

The report covered in detail how the proposed budget impacts upon projected debt. An important point to note was that Council's 2021-31 self imposed debt cap is exceeded from 2026 onwards, this is mainly due to the level of capital expenditure.

The table below identifies the activities that have the greatest impact on the proposed increase in rates and charges and in summary the reasons why. It should also be noted that some of the increase results from the flow on effects of previous years' decisions, particularly if last year expenditure was funded from reserves for one year and this year are fully rate funded and investment in infrastructure intensive activities such as Sewerage, Water and Community Facilities. These projects are now incurring a full year's charge for depreciation, interest on loans and, for some, increased operating costs. Conversely, if budgeted Capital Expenditure has been deferred or delayed, then the corresponding depreciation and interest will not come to charge:

General Roading and Footpaths	995,120	The main increases are increased depreciation costs due to increase in assets in prior years.
Community Facilities	634,572	The increase is due to the employment of the new Regional sports hub facilitator, a feasibility study for Lansdowne Park and repair of the Seddon pool. There are also additional costs for the District's reserves and public conveniences.
Environmental Management	409,067	Additional resources are required for environmental review to keep pace with government (National policy and environmental statements) and the community demand for quality environmental data and monitoring to position Council well for the future.
Democratic Process	98,810	The main increase is due to additional costs related to the October 2022 local body elections.
Solid Waste Management	398,678	The income from the Green waste dump fees has decreased due to lower actual fees than budgeted. There has also been an increase in the operating costs of the recycling collections.
Library	318,302	The main increase is due to increased depreciation costs and internal interest due to the new library building.* ¹
Regional development	100,000	Government funding was previously provided for the Economic Portfolio Manager role. This funding has ceased, with the position continuing.
General Revenues	(300,000)	Increase in the COVID-19 Rates Relief Reserve.
Targeted Rates and Charges:		
Awatere & Riverlands water supplies	332,419	Additional costs due to the Riverlands new water treatment plant including treatment costs.
Energy Efficiency	84,762	an Increase expected in the energy efficiency loan repayments.

Mr Fletcher reported that managers have identified a number of new initiatives with supporting papers which are contained elsewhere in this Agenda. The table below shows the indicative impact on Rates should Council agree to proceed with the proposed initiatives. Similar to previous years, Chris Lake will have her Rates Forecasting Model at the 24 February meeting to provide Councillors with an indicative rates movement at the conclusion of the meeting. NB, the indicative rates movement at the time will include the financial impact of any related staff positions, depreciation and debt servicing costs:

Levels of Service Increases	Total \$	Indicative Rates Impact 2022-23	Comments
Marlborough Convention Centre	113,500	-	Funded from Forestry and Land Development Reserve as was the initial funding.
Marlborough Heritage Trust	170,000	100,000	\$70,000 in 2021-22 Forestry and Land Development Reserve as it relates to current year \$100,000 in 2022-23 rates funding
Small Townships Programme	250,000	9,139	Rates funded debt – first year impact shown
Picton Foreshore Maintenance	100,000	100,000	
Giving effect to NPS for Freshwater Management – Plan preparation	125,000	125,000	Also \$125,000p.a. for 2023-24 and 2024-25 years
Giving effect to NPS for Freshwater Management – Te Mana o te Wai	50,000	50,000	Also \$50,000p.a. for 2023-24 and 2024-25 years
Potential variations to the PMEP to provide for urban growth	150,000	150,000	
Community Facility Structure and Playground funding	831,400	23,396	\$191,400 from the Land Subdivision Reserve and the remainder from Rates funded debt - first year impact shown.
Lansdowne Park Sports hub	70,000	70,000	
Marlborough Roads Staffing	18,000	18,000	
Future Staffing	712,500	712,500	
Three Waters “Greater Good” Funding		(1,358,035)	
Total Rates Impact		0	

The forecast balances (\$M) of Council's discretionary Reserves were highlighted in the report. Further detail on the allocations already approved from these Reserves is shown under Minute Nos. Cncl-0222-240 and Cncl-0222-241.

The Mayor/Clr Peters:

That Council receive the information contained in this Budget Summary Paper and adopt it as supporting information to the 2022-23 Annual Plan.

Carried

Cncl-0222-237 Water and Sewerage Capital Budgets F230-A22-03

Mr Donaldson provided an overview of Water and Sewerage projects and capital budgets over the 2022-32 period.

The report included specific detail on the projects proposed and their capital costs.

Members expressed their appreciation of the quality of Council's work in this area, and the quality of information contained in the report.

Cls Taylor/Hope:

That the water and sewerage budget and programme for the 2022-32 period be received and the information be adopted as supporting information.

Carried

Cncl-0222-238 Road and Footpaths Budget

F230-A22-03

Mr Murrin (via Zoom) provided an overview of major roading expenditure, broken down into three categories: Maintenance; Renewals; and Capital Improvements. It was noted that expenditure is split into subsidised and unsubsidised. Subsidised expenditure attracts a subsidy from Waka Kotahi. The current subsidy for Council's standard roading programme is set at 51%.

It was further reported that the Waka Kotahi subsidised Roothing Programme is funded in a 3-year block and is known as the 2021-24 National Land Transport Programme (NLTP). The 2022-23 year is the second year of the current NLTP.

Mr Murrin further reported that the only major capital improvement proposed in the 2021-31 Long Term Plan were bridge replacements. There is a total of \$7.64M budgeted over 2 years 2025-27 for the High Street Bridge and a further \$7.4M is budgeted in 2027-28 for the Wither Road West Bridge, across the Taylor River.

Cllrs Taylor/Maher:

That the report be received.

Carried

Cncl-0222-239 Capital Expenditure Schedule

F230-A22-03

Members noted the proposed capital expenditure programme for the 2022-23 Annual Plan. Mr Fletcher reported that the majority of the larger items are either commented on in the previous two items; or relate to the Blenheim Library and Art Gallery, Flaxbourne Irrigation, or Solid Waste Management. It was noted that the figures in this schedule differ from those contained in the above items, due to the budget adjustments made to broadly align with the funding envelope agreed in the Long Term Plan.

Cllrs Peters/Croad:

That the information be received and adopted as supporting information.

Carried

Cncl-0222-240 Reserve Balances

F230-A22-03

Mr Fletcher outlined the forecast balances for Council's significant Reserves.

Members noted that budget provision from the Forestry and Land Development Reserve for the Wither Hills woolshed (\$0.31M in 2022-23 and Stoat Eradication (\$).37M in future years) have been surrendered and will be sent back to Assets & Services Committee for further consideration.

It was further noted that the allocation commentary under the Land Sub Reserve should read "\$0.29M Coating netball courts – Lansdowne Park".

Cllrs Peters/Brooks:

That the information be received and adopted as supporting information.

Carried

Cncl-0222-241 Infrastructure Upgrade Reserve

F230-A22-03

Mr Fletcher provided a specific update on the Infrastructure Upgrade Reserve.

Cllrs Arbuckle/Brooks:

That Council receive and adopt this paper as supporting information.

Carried

Cncl-0222-242 Forecast Financial Statements

F230-A22-03

Mr Fletcher explained the forecast Financial Statements reflecting the income, expenditure and funding decisions in the 2022-2023 Draft Annual Plan.

The report included the Statement of Comprehensive Revenue and Expense; Statement of Changes in Net Assets / Equity; Statement of Financial Position; Statement of Cash Flows; and the accompanying Financial Statement Notes.

Cllrs Peters/Arbuckle:

That the information presented be received as supporting documentation.

Carried

Cncl-0222-243 Council Activities

F230-A22-03

Mr Fletcher advised that the purpose of this paper was to present for Council's information each of Council's Activities and provide a guide to the structure of each the Activity Statements. The intention was that this information would be made available to the public during the consultation process as supporting information. The papers were separately attached to the Agenda (filed in CM – Record No. 2232450).

Cllrs Peters/Arbuckle:

- 1. That Council note the availability of the information contained in the separate Activity Attachment.**
- 2. That Council receive and adopt the information as supporting information.**

Carried

ATTENDANCE: The meeting adjourned at 10.49 am and reconvened at 11.08 am.

Cncl-0222-244 Marlborough Events Centre Funding

C600-005-C03-01

Mr Heiford advised that the purpose of the report was to approve funding for the Marlborough Events Centre Audio Visual System upgrade.

In summary it was reported that the Marlborough Events Centre (MEC) has been operated by the Marlborough Civic Theatre Trust (MCTT) since February 2021. Council staff have been working closely with the MCTT staff to transition the MEC to the new management structure while still maintaining existing bookings and pursuing new bookings in the ever-changing COVID-19 / events environment. Council staff have been assisting the Marlborough Civic Theatre Trust (MCTT) to review the operation of and systems at the MEC. Council provided funding in the 2021/31 Long Term Plan for one-off costs of refurbishment of the MEC and ongoing operating costs.

There are two key operating systems in the MEC that are under review, being the Air Conditioning System (shared plant with the Clubs of Marlborough) and the Audio Visual systems. The Air Conditioning system is under review and a short / medium term solution may be an update to the operating systems. This update can be completed from the current maintenance funding allocation. Any capital replacements will need to be brought back to Council for funding consideration. The Audio Visual systems are at end of life and are old technology. The MEC management team have sought designs and quotes for the upgrade of the systems. The preferred supplier is NZ Audio and Video with a price of \$113,500 + GST. The kitchen fit out has been delayed as there have been limited functions due to COVID-19 and there is a selection process for a preferred caterer to be appointed for the MEC. Any kitchen fitout will be done in conjunction with the successful caterer and considering the facilities at the ASB Theatre.

Cllrs Taylor/Fauls:

- 1. That Council approve a budget increase in 2022-23 (from the Forestry and Land Development Reserve) of \$113,500 + GST to cover the upgrade of the MEC Audio Visual System which is required in 2021-22.**
- 2. That Council note that the upgrade will be funded in 2021-22 from the current capital allocation for the MEC Kitchen fitout.**

Carried

Cncl-0222-245 Marlborough Heritage Trust Funding A200-002-10

Mr Heiford advised that the purpose of the report was to review and approve top up funding for the Marlborough Heritage Trust for the 2021-22 and 2022-23 financial years.

In summary it was reported that the Marlborough Heritage Trust (MHT) manages and operates the Marlborough Museum and Archives and other assets at Brayshaw Heritage Park and the Edwin Fox. The MHT is funded via operating grants from Council, contracts with Government, entry fees (to the Edwin Fox), donations and the proceeds of fundraising events. It is also heavily reliant on volunteers and donations of heritage items to operate. Council staff have been working closely with the MHT to review and update the operating costs associated with the MHT in relation to major increases in the cost of insurance and the decrease in visitors to the Edwin Fox complex (due to the impacts of COVID-19). Council have initiated a review of the MHT to ensure it is fit for purpose and to understand the future requirements due to the organisation's submissions to the LTP in 2021. The outcome of the review will be presented to Council later in the year. There were several options that will be put forward. All options would require at least a year to implement hence the recommendation of funding for the shortfall in 2021-22 and an increase for 2022-23 to give the MHT certainty while any changes were implemented. Any funding changes required for 2023-24 would be introduced into the Annual Plan process for the year.

The report gave Council two options for the funding proposal (approve or decline the increased annual operating costs for MHT). Members agreed to approve the proposal.

Cllrs Peters/Taylor:

That Council approve the increase to the operating costs grant up to \$70,000 per annum for 2021-22 and \$100,000 for 2022-23, with funding from the Forestry and Land Development Reserve.

Carried

Cncl-0222-246 Small Townships Programme E105-002-01

Mr Lyall advised that the purpose of the report was to consider options for a funding increase in the existing Small Townships Programme (STP).

In summary it was reported that in 2015 Council agreed to funding \$500,000 annually for the Small Township Programme. Operating costs made up personnel, interest and overhead costs were funded from the annual amount. As projects have progressed the operational costs are now consuming approximately half of the annual amount each year. The reduction in the amount of capital available along with the reduction in purchasing power due to inflation over the last 6 years is now starting to impact on the programme momentum. It is suggested that increasing the annual grant by \$250,000 will provide sufficient funding to ensure the programme momentum continues. The cost of funding an additional \$250,000 will cost the Blenheim Vicinity and General Rural areas a total of \$18,275 per annum if debt funded. This equates to a rate increase of 0.09%. It was also suggested that the Small Townships Programme annual funding should be increased in line with the Local Government Cost Index to maintain the purchasing power of the programme.

Cllrs Brooks/Arbuckle:

- 1. That Council increase funding to the Small Township Programme by \$250,000 per annum by debt funding rated across the Blenheim Vicinity and General Rural areas.**
- 2. That Council agree to increase the value of the Small Townships Programme annually by the Local Government Cost Index movement to maintain the purchasing power of the programme.**

Carried

Cncl-0222-247 Giving Effect to the National Policy Statement for Freshwater Management 2020 L225-09-04-01, E360-002-002-02

Mr Hawes (via Zoom) advised that the purpose of the report was to provide a report on the implications of the National Policy Statement for Freshwater Management 2020 (NPSFM) and to seek additional budget approval to enable the statutory planning work required under the NPSFM.

Cncl-0222-249 Potential Rezoning Variations to the PMEP

M100-01-01, E360-002-002-02

Mr Hawes (via Zoom) advised that the purpose of the report was to seek budget approval for additional funding for the Environmental Policy Group as a contingency to enable consideration of potential variations to the PMEP to rezone land for residential purposes.

In summary it was reported that in the 2022-23 year Council may receive requests to rezone land currently zoned Rural Environment in the PMEP for residential purposes. There are risks that the short-term demand for new housing may not be met despite there being sufficient land zoned and serviced for residential purposes in the next 0-3 years. The Housing and Business Capacity Assessment 2021 recommended that the Council therefore be prepared to consider proposals to rezone land not currently zoned for residential purposes as a means of managing the short-term risk of demand exceeding supply. Rezoning would occur through notification of variations to the PMEP. Council has been approached informally by multiple landowners of land currently zoned Rural Environment to discuss the potential to rezone their property for residential purposes.

The resources of the Environmental Policy Group for the 2022-23 year are already heavily committed to resolving appeals to the PMEP, completing the First Schedule process for Variation 1 and 1A and giving effect to the National Policy Statement 2020. To undertake an assessment and, should the proposal be adopted by Council, processing of any rezoning proposal will require external support. Contingency funding of \$150,000 is sought for the Environmental Policy Group budget to enable the engagement of professional services to assess and process any formal requests received. Longer term supply will be informed by a review of the Growing Marlborough Strategy. A budget for this will be developed for 2023-24.

Further detail was included in the report.

Cllrs Oddie/Brooks:

- 1. That the information be received.**
- 2. That Council make provision for additional funding of \$150,000 for the Environmental Policy Group Budget to enable consideration of potential variations to the PMEP to rezone land for residential purposes.**

Carried

Cncl-0222-250 Community Facilities: Structures and Playground Funding

R510-021-01

Mr Lyall advised that the purposes of the report were to request funding for upgrades to Council's structures to maintain current levels of service and meet safety requirements, and to request funding for improvements and upgrades to Council's regional playgrounds.

In summary it was reported that an independent engineering report had identified remedial works required to a number of Councils bridges, boardwalks, platforms and structures over the next four years. The structures form a critical part of Council's recreational walking and cycling tracks network. The estimated cost for the works is \$363,000 and it was suggested that it could be funded over a 4-year period.

Staff have identified improvements to 6 playgrounds around the region that include asset replacement and improvements due to aged seating and tables, play equipment, safety matting and landscaping. The estimated cost for the works is \$469,000. It was proposed that funding for these projects come from a mix of the Land Subdivision Reserve and rate funded, depending on the size of the growth component of each project.

The report covered in detail Background – Structures, Health and Safety, Proposed Structures Upgrades and Replacements, Background - Regional Playgrounds, and Next Steps.

Cllrs Brooks/Andrews:

- 1. That Council allocate \$191,400 from the Land Subdivision Reserve over the 2023-2027 financial years as per Tables 1 and 2 (below) to fund the growth component of the works required to upgrade the structures, bridges and Reserves to meet level of service safety and demand requirements:**

Table 1

Structure	2023/24	2024/25	2025/26	2026/27	% Growth Driven	Land Sub Account Funding	Debt Funding
Tractor Bridge, Pollard Park, Blenheim			\$35,000		10	3,500	31,500
Summerhouse Footbridge No. 1 Pollard Park, Blenheim			\$14,000		10	1,400	12,600
Summerhouse Footbridge No. 2 Pollard Park, Blenheim			\$9,000		10	900	8,100
Rhododendron Area Footbridge Pollard Park, Blenheim			\$20,000		10	2,000	18,000
Pollard Golf Course Footbridge No. 1, Blenheim			\$25,000		15	3,750	21,250
Humphries Track Footbridge No. 3, Essons Valley, Picton				\$65,000	15	9,750	55,250
Barnes Track Footbridge No. 2, Essons Valley, Picton	\$65,000				15	9,750	55,250
Barnes Track Boardwalk No. 1, Essons Valley, Picton				\$11,000	15	1,650	9,350
Barnes Track Boardwalk No. 2, Essons Valley, Picton				\$9,000	15	1,350	7,650
Barnes Track Footbridge No. 5, Essons Valley, Picton		\$65,000			15	9,750	55,250
Duck Footbridge (over model railway) Foreshore, Picton		\$15,000			10	1,500	13,500
Whitehead Park Bridge, Brooklyn Dr, Blenheim		\$15,000			10	1,500	13,500
Camborne Green Footbridge, Tremorne Ave, Blenheim		\$15,000			10	1,500	13,500
	\$65,000	\$110,000	\$103,000	\$85,000		48,300	314,700
	2023/24	2024/25	2025/26	2026/27			
Debt Funded Component	55,250.00	95,750.00	91,450.00	72,250.00			
Rates Impact	2,019.66	7,539.47	14,382.56	20,366.62			

Table 2

<i>Auckland Street Reserve (Skate Park) - Picton</i>	Cost	% Growth Driven	Land Sub Account Funding	Debt Funding
Basketball area (3 on 3) surface and line marking	20,000	100	20,000	0
Tiered spectator seating	25,000	100	25,000	0
Skateboard/bike concrete spine jump	70,000	100	70,000	0
Total:	115,000		115,000	
<i>Scotland Street Reserve - Picton</i>				
Renew play equipment	80,000	0	0	80,000
New seats/tables	6,000	100	6,000	0
Landscaping upgrade	3,000	0	0	3,000
Total:	89,000		6,000	83,000

<i>Kowhai Reserve - Renwick</i>	Cost	% Growth Driven	Land Sub Account Funding	Debt Funding
Renew play equipment	35,000	0	0	35,000
Replaces seats/tables	11,000	0	0	11,000
Landscaping upgrade	12,000	0	0	12,000
Total:	58,000		0	58,000
<i>Vorbach Reserve - Renwick</i>				
Renew play equipment and surfacing	90,000	0	0	90,000
Replaces seats/New tables	11,000	60	6,600	4,400
Landscaping upgrade	11,000	0	0	11,000
Total:	112,000		6,600	105,400
<i>Lions Reserve - Renwick</i>				
Improve parking area and entrance	23,000	0	0	23,000
Replace seats/tables	11,000	50	5,500	5,500
Landscaping upgrade	11,000	0	0	11,000
Total:	45,000		5,500	39,500
<i>Havelock Memorial Reserve</i>				
Install new matting (replacing bark)	50,000	20	10,000	40,000
Total:	50,000	20	10,000	40,000
Total All Reserves	469,000		143,100	325,900
2022-23 Rates Impact				11,913

2. That Council note that the closing balance of the Land Subdivision Reserve will be \$634,652.
3. That Council approves the use of \$640,600 of rate funded debt to fund the non-growth component of the works required to upgrade the structures, bridges and Reserves to meet level of service safety and demand requirements.

Carried

Cncl-0222-251 Community Facilities: Lansdowne Park Sportshub – Request for Operational Budget

R510-021-01

Mr Lyall advised that the purpose of the report was to request that a budget be approved to operate the new Lansdowne Park Sportshub building.

In summary it was reported that the Lansdowne Park Sportshub was recently completed as an administration centre for a number of sports codes and clubs to operate from. Staff requested an annual budget of \$70,000 be provided for operating the facility. It was suggested that funding be provided by way of Rates.

Cllrs Fitzpatrick/Croad:

That an annual budget of \$70,000 be established to cover the operational costs of managing the Lansdowne Park Sportshub from 1 July 2022 and that funding be provided from Rates.

Carried

Cncl-0222-252 Wellbeing Funding

D050-007-001-01

Mr Fletcher advised that the purpose of the report was to inform Councillors of the availability of government funding, its use by another Council and how it could be used to partially fund the 2022-23 Annual Plan.

In summary it was reported that Council is due to receive \$23M of "Better Off" funding from the announcements made by Government as part of the Three Waters Reform package. Up to \$5.75M of that package is available

for the period 1 July 2022 to 30 June 2024. The criteria for using this funding appear relatively broad especially if the approach undertaken by Mayor Goff proves correct. To avoid exacerbating the longer-term issues that arise when utilising Reserves to reduce rates, it is proposed that the "Better Off" funding should be applied to improved Levels of Service at this stage. It was further proposed that a strategic review of the long-term use of this funding be undertaken post 30 June 2022.

Further detail was included in the report.

Members noted that \$100,000 has already been budgeted from the Forest and Land Development Reserve, therefore the amount in the resolution differs from that in the agenda by that amount.

Members debated whether the \$1.26M was too conservative or not.

Cllrs Peters/Taylor:

- 1. That Council agree to funding of up to \$1.26M from the Government Three Waters Better Off package; and**
- 2. That Council agree to undertaking a strategic review of how the balance of Three Waters Better funding be spent.**
- [3. This resolution is subject to receiving clear information from Government before proceeding.]**
[added at the Council meeting on 7 April 2022]

Carried

Cncl-0222-253 Marlborough Roding Recovery Update

R800-007-02

Mr Coningham advised that the purpose of the report was to provide an update on the Roding Recovery Project and to approve funding for the next Recovery Stage.

In summary it was reported that the report provided the latest information relating to the roding recovery following the 17 July 2021 storm event, including current roding status, recovery costs and timeline, resourcing, challenges and risks.

The report covered the background in detail along with detail under headings of Roding recovery standards, cost estimates and Waka Kotahi financial assistance, and Future management of the region's high-cost corridors.

Cllrs Maher/Fauls:

- 1. That Council approve the roding reinstatement standard in accordance with the Waka Kotahi emergency works rules (work category 141, effectively replacing to pre-event status).**
- 2. That Council approve expenditure of \$17m for the initial response and recovery up to end June 2022.**
- 3. That Council approve an investigation to consider asset optimisation options for the regions costliest roding corridors.**

Carried

ATTENDANCE: The meeting adjourned at 12.38 pm and reconvened at 1.15 pm.

Cncl-0222-254 Confirmation of Minutes

-

The Mayor/Cllr Taylor:

That the Minutes of the Council Meeting held on 9 December 2021 (Minute Nos. Cncl-1221-178 to Cncl-1221-190) be taken as read and confirmed.

Carried

Committee Reports

Cncl-0222-255 Assets & Services Committee -

Cllrs Taylor/Fitzpatrick:

That the Committee report contained within Minute Nos. A&S-0222-191 to A&S-0222-203 be received and the recommendations adopted.

Carried

Cncl-0222-256 Environment Committee -

Members discussed appointments to a Sub-Committee to hear and deliberate on submissions received for Minute Nos Env-0222-215 and Env-0222-217.

The Mayor/Cllr Brooks:

That Councillors T P Sowman, B A Faulls and J A Arbuckle be appointed as the Sub-Committee to:

- hear and determine any submissions received on the proposed fees and policy through the consultation process in relation to Minute No. Env-0222-215 (Revision of Building Control Fees Financial year 2022-2023); and
- hear and deliberate on any submissions received on the proposed fees in relation to Minute No. Env-0222-217 (Proposed Food Act 2014 Fees 2022/2023).

Carried

The Mayor/Cllr Arbuckle:

That the Committee report contained within Minute Nos. Env-0222-204 to Env-0222-221 be received and the recommendations, as amended above, adopted.

Carried

Cncl-0222-257 Planning, Finance & Community Committee -

Cllrs Peters/Croad:

That the Committee report contained within Minute Nos. PF&C-0222-222 to PF&C-0222-233 be received and the recommendations adopted.

Carried

NB: Cllr Taylor reiterated an interest in Minute No. PF&C-0222-225 (Appeals on the PMEP Decision) and did not take part in discussion nor vote on the issue.

Cncl-0222-258 Fit and Proper Certification under CCCFA

L150-016-12

Mr Fletcher and Mr Foitzik reported that the purpose of the report was to seek Council approval that the Mayor, all Councillors and potentially all members of the Executive Leadership Group apply to the Commerce Commission for a 'fit and proper' certification under the Credit Contracts and Consumer Finance Act 2003 ("CCCFA"). The application costs are \$1055 per application/ person. The total number of persons remaining to be certified is 26 (13 elected members, up to 12 executive leadership members plus one Senior Accounting Officer; the Mayor and the CFO have received certification already). The total application costs therefore come to \$27,430.

In summary it was reported that Council provides energy efficiency funding services to ratepayers for approved works on rating units. This Energy Efficiency Scheme ("Scheme") includes funding options for solar power, solar water heating, home heating and home insulation. The Scheme falls within the definition of 'credit contract' and Council is therefore a financial services provider ("Lender") under the CCCFA. The CCCFA was amended in April 2021 and a new Part 5A added ("the Amendment"). From 1 October 2021, all directors and senior managers of lenders providing consumer credit contracts or acting as mobile traders must be certified as a 'fit and proper person'. The Amendment mean that local authorities are required to secure

certification for any person in a governance role equivalent to a director in a limited liability company and any senior manager. That would include the elected council leader (either a Mayor or Regional Council chair), other elected members, the Chief Executive and their direct reports. The Commerce Commission rejected Council's application to only have the Mayor and its CFO certified and cancelled the Council's registration as a Financial Services Provider. The Commerce Commission advised that, for Council's application to be assessed further, "applications must be submitted from additional persons occupying roles with the Council that are equivalent to a "director", or that are senior management roles".

Further detail was included in the report.

Cllrs Peters/Croad:

1. That Council approves that the Mayor and all Councillors, potentially all members of the Executive Leadership Group and one senior financial services account manager apply for certification as a 'fit and proper' person to the Commerce Commission.
2. That Council approves the allocation of up to \$27,430 from the Forestry and Land Development Reserve.

Carried

Cncl-0222-259 Decision to Conduct Business with the Public Excluded

The Mayor/Cllr Taylor:

That the public be excluded from the following parts of the proceedings of this meeting, namely:

- Confirmation of Public Excluded Minutes
- Levels of Service Increases – Community Facilities: Picton Foreshore
- Levels of Service Increases – Marlborough Roads Staffing Budgets
- Levels of Service Increases – Staffing Budgets 2022-23

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
Minutes	As set out in the Minutes	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.
Levels of Service Increases – Community Facilities: Picton Foreshore	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information, as provided for under Section 7(2)(b)(ii).	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.
Levels of Service Increases – Marlborough Roads Staffing Budgets	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

Levels of Service Increases – Staffing Budgets 2022-23		exists under Section 7 of the Local Government Official Information and Meetings Act 1987.
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Carried

The meeting closed at 2.06 pm.

Confirmed this 7th day of April 2022

J C LEGGETT
MAYOR

Record No. 2246836