Minutes of a Meeting of the
FINANCE (COMBINED WITH INFRASTRUCTURE & COMMUNITY FACILITIES) COMMITTEE
held in the Council Chambers and via Teams, 15 Seymour Street, Blenheim
on THURSDAY, 21 MAY 2026 commencing at 9.08 am

Present

Clr J D N Croad (in the chair), S R W Adams, S J Arbuckle, D A Dalliessi, B G Dawson, C M Dawson, B A Faulls, R J Innes, T P Sowman, B D Stace, M J Taylor, Mayor N P Taylor and Ms Dawn McConnell

Present via Teams

Ms R Niven (Iwi representative)

In Attendance

Mr G K Blake (Chief Information Officer) and N Chauval (Committee Secretary)

Apologies

Clrs Croad/C Dawson:
That the apology for absence from Clrs A R Burgess, G A Hope and J Hyndman be received and sustained.

Carried

Fin-0526-403 Declaration of Interests -

No interests with items on the agenda were declared.

ATTENDANCE: Geoff Blake, Council's Chief Financial Officer, was present for the following item.

Fin-0526-404 Financial Report for the year to 31 March 2026 F275-001-01

Geoff Blake, Council's Chief Financial Officer presented the Financial Report for the year to 31 March 2026 noting that the report outlined the financial performance of the Council for the period 1 July 2025 to 31 March 2026.

Members were advised that overall financial performance was tracking relatively well. Revenue was slightly behind budget at 72% for the year to date, which was largely attributed to timing differences relating to subsidies and grants, as well as reduced development contributions. Expenditure was tracking at approximately 75% of budget, in line with the proportion of the financial year completed.

Capital expenditure remained below budget expectations, with approximately 45% of the annual budget spent. This was attributed to a combination of factors including timing delays, consenting issues, access to land, and general project delivery challenges. It was noted that a number of projects were expected to be carried forward or re-budgeted into future periods.

Mr Blake reported that borrowing levels have increased, with total gross debt rising to approximately $188.4 million, largely due to pre-funding future loan maturities. Net debt remained within expected parameters and treasury management continued to operate in accordance with policy. The average cost of funds was reported at approximately 3.81%.

It was further reported that operational variances existed across a number of areas, including increased infrastructure costs driven by emergency works following weather events, which were largely offset by funding sources. Depreciation costs were also noted as trending above budget due to asset revaluations.

During discussion, elected members noted the level of delivery within the capital expenditure programme and sought clarification on whether budgets were set at achievable levels within the financial year. The Chief Financial Officer acknowledged that there had historically been an element of optimism in capital budgeting and confirmed that both timing issues and delivery constraints contributed to the current position. It was advised that improvements were being implemented through increased scrutiny in budget development, enhanced reporting to the Committee, and improved visibility of project delivery progress.

Members noted the importance of aligning future capital programmes more closely with delivery capacity and highlighted the value of continued focus on improving delivery performance and accountability over time.

Further discussion addressed the distinction between timing-related delays and actual budget overestimation. It was clarified that a number of projects would be carried forward into subsequent financial years where appropriate, while more significant changes would be addressed through re-budgeting processes.

Clarification was also sought regarding borrowing levels and cash flow movements. The Chief Financial Officer explained the distinction between gross and net debt and the impact of pre-funding, term deposits, and banking facilities. It was confirmed that Council's borrowing practices were consistent with sector norms and that sufficient flexibility existed within existing funding arrangements.

The Committee noted that rates collection remained generally consistent with previous years, with a slight increase in arrears largely reflecting higher rates values rather than changes in payment behaviour. It was noted that Council staff engage with ratepayers who may be experiencing financial pressures and aim to support them in putting payment arrangements in place where needed.

Members emphasised the importance of encouraging ratepayers experiencing financial pressures to make early contact with Council and noted that support options, such as payment arrangements, are available. It was suggested that clear communication ahead of the June instalment would help reinforce this message and encourage engagement.

Clrs Croad/Dalliessi:
That the financial report for the year to 31 March 2026 be received

Carried

Fin-0526-405 Marlborough Regional Forestry Committee

D050-001-M01

The Minutes of the Marlborough Regional Forestry Joint Committee meeting held on 1 May 2026 were presented for ratification by the Committee.

Clr Adams/Mayor Taylor:
That the Minutes of the Marlborough Regional Forestry Committee meeting held on 1 May 2026 be ratified.

Carried

ATTENDANCE: Clr Croad withdrew from the Chair following Item 4 and Clr B Dawson assumed the Chair for the remainder of the meeting.

ATTENDANCE: David Craig, Council's Finance Business Partner - Operations, was present for the following item.

Fin-0526-406 Capital Projects Report for the Year to 31 March 2026

David Craig, Council's Finance Business Partner – Operations presented the Capital Projects Report for the Infrastructure and Services, Three Waters, and Property and Community Facilities Departments for the period 1 July 2025 to 31 March 2026. Noting that the purpose of the report was to provide an overview of capital expenditure delivery, including actual expenditure against budget, forecast year-end projections, and key variances, and to give visibility of project progress and associated risks to support decision-making.

Mr Craig advised members of an amendment to the agenda, noting that on page 47, for the Peninsula Road Stopbank project, Kānoa funding has <u>not</u> yet been secured.

It was reported that the revised forecast capital expenditure for the year had decreased from $99.5 million reported at the second quarter to approximately $87 million. Actual expenditure to 31 March 2026 was reported at approximately $52.5 million. Overall capital expenditure was noted as 45% of the annual budget, reflecting that while progress had improved compared with the previous year, delivery remained behind the planned programme.

It was acknowledged that delivery for the remainder of the financial year would be influenced by seasonal conditions, with favourable weather in the final months being critical to achieving forecast expenditure levels. The Committee was advised that capital programmes within Property and Community Facilities and Three Waters were each tracking at approximately 31% of budget, while Infrastructure and Services was tracking at 54%.

The report highlighted key areas of activity across the programme. Within Property and Community Facilities, major works included the London Quay revitalisation, public conveniences programme, A&P Park Pavilion project, and the fitting out of the Arthur Street building.

Within roading, expenditure continued to be driven largely by emergency reinstatement works and renewal programmes. It was noted that professional services costs associated with network and asset management would be allocated across renewal activities at year end, impacting final capital expenditure totals.

Within Three Waters, progress was reported on a number of pipeline renewals and upgrades, including Blenheim water chlorination, pump station works, and water main renewals. Some elements of this programme remained subject to risks including site conditions, with groundwater issues affecting aspects of the Purkiss Street works.

Flood protection work, particularly the Peninsula Road Stopbank project, was identified as a significant contributor to forecast expenditure, with substantial activity scheduled in the final months of the financial year. The Committee was advised that expenditure on this project was expected to increase as rock supply and construction activity progressed.

During discussion, members acknowledged the improved level of detail and transparency provided in the report and the value of the project-level information, particularly in relation to significant or high-risk projects. Members noted that the information supported the governance role of the Committee by enabling greater scrutiny of delivery performance and variances.

Questions were raised regarding variances within specific budget lines, including reserves expenditure and elements of the roading programme where delivery was below budget. In response, Mr Craig clarified that some budget lines represented provisional allocations for works not yet approved or triggered, particularly those associated with subdivision activity, and noted that changes had been made in the Annual Plan process to improve the accuracy and transparency of these provisions in future years.

Further discussion addressed variances within the roading programme, with clarification provided that a number of smaller renewal activities were grouped under broader categories and that delivery remained dependent on weather conditions and programme timing. It was noted that forecast levels of expenditure were expected to be achieved, with active monitoring of construction contracts and a significant volume of work currently underway or committed.

Members discussed the timing of capital expenditure delivery toward the end of the financial year and sought clarification on the achievability of the forecast position. It was noted that, based on current contract commitments and costs yet to be recognised, the year-end forecast was expected to be largely achieved, subject to normal delivery risks.

The Chair acknowledged the quality and comprehensiveness of the report and noted that further enhancements, such as providing additional non-financial progress indicators for key projects, could assist in strengthening governance oversight. Officers agreed to consider how project progress reporting could be expanded, particularly for watchlist projects.

Clrs Croad/Stace:
That the capital projects report for the year to 31 March 2026 be received.

Carried

ATTENDANCE: Wayne Oldfield, Marlborough Roads was present for the following item.

Fin-0526-407 Titoki Street Rārangi Road Maintenance

PN256616#03, R800-006-002-02

Wayne Oldfield, System Manager for Marlborough Roads, noted that the report was seeking approval for Titoki Street, Rārangi, to be added to the Council's road asset database as a road and managed and maintained by Council.

It was noted that the report outlined the background to Titoki Street, which had been dedicated as a legal road as part of the Chaytor subdivision in the early 1980s but was never formed. The Committee was advised that, over many years, adjoining residents had undertaken maintenance of the road, with Council providing intermittent support through grading and minor works in response to ongoing community requests.

Mr Oldfield explained that the road had become an anomaly, being legally designated but not formally formed or maintained by Council, which had resulted in uncertainty among residents regarding maintenance responsibilities.

It was noted that the road was used by residents and for service access, including postal and waste collection, and that Council had recently taken the opportunity to seal the road using savings within the roading programme. The sealing work, at a cost of approximately $38,000, attracted subsidy and had been well received by the local community.

The Committee was informed that formalising the road within the Council maintenance network would ensure a consistent level of service, remove the need for residents to manage maintenance responsibilities, and reduce service requests and administrative matters. It was further noted that ongoing maintenance costs could be accommodated within existing budgets.

During discussion, members expressed support for the proposal and acknowledged the positive outcome achieved through the recent improvements to the road. It was noted that the community had responded favourably to the sealing of the road and that the upgrade had resolved a long-standing matter.

A further matter was raised regarding similar situations elsewhere, and it was agreed that comparable cases, where roads have an unusual status, would be reviewed for potential inclusion in the Council network.

Clrs Adams/Croad
That Council formally assume responsibility for the maintenance of Titoki Street from Ngaio Street to Rarāngi Beach Road.

Carried

Fin-0526-408 Information Package

A request was made for long-term data on library usage, particularly for the Blenheim Library since its opening. It was confirmed that this data can be provided, with a full trend analysis to be shared at a future meeting.

Clrs B Dawson/Croad
That the Finance (combined with Infrastructure & Community Facilities) Information Package dated 21 May 2026 be received and noted.

Carried

Fin-0526-409 Decision to Conduct Business with the Public Excluded -

Clrs B Dawson/Adams:
That the public be excluded from the following parts of the proceedings of this meeting, namely:

- **Committee Minutes**

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 and Committee Reports	As set out in the Minutes and Reports	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 10.45 am.

Record No: 26115973