

POLICY AND DEVELOPMENT COMMITTEE MEETING

on

Thursday 10 September 2009

**Council Chamber
District Council Building
2 King George Place
Timaru**

TIMARU DISTRICT COUNCIL

Notice is hereby given that a meeting of the Policy and Development Committee will be held in the Council Chamber, District Council Building, 2 King George Place, Timaru on Thursday 10 September 2009, at the conclusion of the District Services Committee meeting.

Committee Members:

Cllrs Bowan (Chairman), Barker, Bennett, Coughlan, Lyon and the Mayor.

LOCAL AUTHORITIES (MEMBERS' INTERESTS) ACT 1968

Committee members are reminded that if you have a pecuniary interest in any item on the agenda, then you must declare this interest and refrain from discussing or voting on this item, and are advised to withdraw from the meeting table.

Warwick Isaacs
CHIEF EXECUTIVE

POLICY AND DEVELOPMENT COMMITTEE

10 SEPTEMBER 2009

AGENDA

Item No	Page No	
1		Apologies
2		Identification of Items of Urgent Business
3		Identification of Matters of a Minor Nature
4		Chairman's Report
5	1	Confirmation of Minutes
6	3	Timaru District Holdings Limited - Quarterly Report
7	9	Council Land at 189 Talbot St, Geraldine
8		Standing Committee Recommendations
9		Consideration of Urgent Business Items
10		Consideration of Minor Nature Matters
11	14	Exclusion of the Public
1	15	Confirmation of Minutes
2	17	Property Matter - Temuka
3	23	Re-admittance of the Public

**POLICY AND DEVELOPMENT COMMITTEE
FOR THE MEETING OF 10 SEPTEMBER 2009**

Report for Agenda Item No 5

**Prepared by Peter Nixon
Assistant Chief Executive**

Confirmation of Minutes

Minutes of the Policy and Development Committee meeting.

Recommendation

That the minutes of the Policy and Development Committee meeting held on 21 July 2009, be confirmed as a true and correct record.

TIMARU DISTRICT COUNCIL

MINUTES OF A MEETING OF THE POLICY AND DEVELOPMENT COMMITTEE HELD IN THE COUNCIL CHAMBER, DISTRICT COUNCIL BUILDING, KING GEORGE PLACE, TIMARU ON TUESDAY 21 JULY 2009 AT 10.20AM

PRESENT Clrs Bowan (Chairman), Barker, Bennett, Coughlan,
Lyon and the Mayor

IN ATTENDANCE Clrs Bradley, Jack, Kennedy, Mulvey and Oliver
Assistant Chief Executive (PH Nixon), Chief Financial
Officer (TM Rogers) (for Public Excluded Item 1), and
Personal Assistant (CG Te Au)

1 CONFIRMATION OF MINUTES

Proposed Clr Bennett
Seconded Clr Barker

“THAT the minutes of the Policy and Development Committee meeting held on
16 June 2009, be confirmed as a true and correct record.”

MOTION CARRIED

2 EXCLUSION OF THE PUBLIC

Proposed Clr Bennett
Seconded the Mayor

“THAT the public be excluded on the grounds contained in Section 48(1) of the
Local Government Official Information and Meetings Act:

Writing Off Bad Debts The withholding of the information is necessary
Section 7(2)(h) to protect the privacy of natural persons,
including that of deceased natural persons.”

MOTION CARRIED

3 RE-ADMITTANCE OF THE PUBLIC

Proposed Clr Bennett
Seconded the Mayor

“THAT the public be re-admitted to the meeting.”

MOTION CARRIED

The meeting concluded at 10.25am

Chairman

**POLICY AND DEVELOPMENT COMMITTEE
FOR THE MEETING OF 10 SEPTEMBER 2009**

Report for Agenda Item No 6

**Prepared By Tina Rogers
Chief Financial Officer**

Timaru District Holdings Ltd – Quarterly Report (File F1/38)

The Timaru District Holdings Ltd quarterly report for the period April to June 2009 is attached for the information of the Committee.

Recommendation

That the report be received and noted.

TIMARU DISTRICT HOLDINGS LTD

PO Box 522
TIMARU

Tel (03) 687 7200
Fax (03) 687 7201
E-mail tina.rogers@timdc.govt.nz

Files F1/38 & F1/26/1

7 August 2009

The Chief Executive
Timaru District Council
PO Box 522
Timaru

Dear Warwick

TIMARU DISTRICT HOLDINGS LTD – REPORT TO COUNCIL FOR THE PERIOD APRIL TO JUNE 2009

Timaru District Holdings Ltd (TDHL) is pleased to present this report for the period April to June 2009.

1 Finance

Financial Statements

The Timaru District Holdings Ltd provisional financial statements for the period to 30 June 2009 are attached for information. Audited group financial statements are expected in early September.

Dividend

TDHL paid a dividend of \$520,000 to the Council on 30 June 2009.

2 Governance

2.1 PrimePort Timaru Ltd

Statement of Corporate Intent

TDHL, with the approval of Council, submitted its comments on PPT's draft Statement of Corporate Intent for 2010/12.

2.2 Alpine Energy Ltd

Statement of Corporate Intent

A joint Alpine Energy Ltd shareholders meeting called by Alpine, was held in April, at which the AEL draft Statement of Corporate Intent and AEL's Asset Management Plan were discussed.

The final Alpine SCI was received in June and includes a performance target for ordinary dividends per share of 18.3 cents for each of the 3 years, which equates to \$3,592,400 per annum for TDHL. Dividends received from Alpine Energy for the last 3 years have been \$4.57m in 2008/09, \$4.15m in 2007/08 and \$4.22m in 2006/07. The dividend level is lower than that indicated in the previous years SCI, as a result of increased debt servicing costs following a significant increase in forecast capital expenditure.

Directorship

TDHL with Council's approval, resolved that retiring AEL director Ian Bowan, be reappointed to the AEL Board for a further term, at the AEL Annual General Meeting to be held in July.

LineTrust SC

Communication continues with LineTrust SC on any matters of mutual interest/concern.

3 Reporting

TDHL receives summarised monthly reports from Alpine Energy Ltd and PrimePort Timaru Ltd. In addition, from time to time, more in depth discussions are held with the Chairmen of both companies.

4 Directors' Fees

Directors' fees will not be reviewed this year for TDHL and the companies in which it has an interest, due to the current economic climate.

Yours sincerely



Tina Rogers
Company Secretary

**TIMARU DISTRICT HOLDINGS LIMITED
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD TO 30 JUNE 2009**

June Budget	June Actual		2008/09 YTD Budget	2008/09 YTD Actual	2007/08 YTD Actual	Annual Budget	Forecast
		OPERATING REVENUE					
16,667	3,976	Interest	200,000	115,267	178,095	200,000	120,000
1,060,080	1,562,612	Dividends - Alpine	3,239,100	4,575,941	4,151,916	3,239,100	4,466,000
200,000	0	Dividends - PrimePort Timaru	200,000	0	285,701	200,000	0
0	0	Tax Loss Subvention Payment	0	0	0	0	0
157,100	61,255	Subvention (TDC Loan)	1,885,200	1,348,524	1,934,211	1,885,200	1,885,200
<u>1,433,847</u>	<u>1,627,844</u>		<u>5,524,300</u>	<u>6,039,732</u>	<u>6,549,923</u>	<u>5,524,300</u>	<u>6,471,200</u>
		OPERATING EXPENDITURE					
157,100	61,255	Interest - TDC	1,885,200	1,394,620	1,934,211	1,885,200	1,885,200
0	0	Interest - External	0	0	0	0	0
94,725	80,400	Interest - RPS	1,136,700	1,245,900	1,226,651	1,136,700	1,261,843
5,500	5,063	Directors Fees	66,000	64,763	62,977	66,000	66,000
0	0	Insurance	6,100	5,390	5,390	6,100	5,400
2,417	14,287	TDC Administration	29,000	28,720	17,106	29,000	29,000
850	0	Professional Fees - Deductible	10,200	3,910	5,681	10,200	5,000
6,250	8,990	Professional Fees - Non Deductible	75,000	61,620	11,978	75,000	60,000
67	800	Printing & Stationary	800	800	800	800	800
17	200	Tolls & Postage	200	426	200	200	500
300	174	Travel & Entertaining Costs	3,600	2,617	2,424	3,600	3,000
8	3	Bank Fees	100	84	85	100	100
333	0	Advertising	4,000	0	0	4,000	0
100	0	General Expenses	1,200	213	497	1,200	500
10,000	12,500	Audit Fees	10,000	12,892	9,490	10,000	10,000
<u>277,667</u>	<u>183,673</u>		<u>3,228,100</u>	<u>2,821,954</u>	<u>3,277,490</u>	<u>3,228,100</u>	<u>3,327,343</u>
1,156,180	1,444,171	OPERATING SURPLUS/(DEFICIT)	2,296,200	3,217,778	3,272,433	2,296,200	3,143,857
0	0	Prior Period Adjustment	0	0	0	0	0
<u>1,156,180</u>	<u>1,444,171</u>	OPERATING SURPLUS/(DEFICIT) BEFORE TAXATION	<u>2,296,200</u>	<u>3,217,778</u>	<u>3,272,433</u>	<u>2,296,200</u>	<u>3,143,857</u>
(900)	(8,700)	TAXATION EXPENSE/(BENEFIT)	20,600	(27,400)	24,200	22,700	(100)
<u>1,157,080</u>	<u>1,452,871</u>	NET SURPLUS/(DEFICIT)	<u>2,275,600</u>	<u>3,245,178</u>	<u>3,248,233</u>	<u>2,273,500</u>	<u>3,143,957</u>

**STATEMENT OF MOVEMENTS IN EQUITY
FOR THE PERIOD TO 30 JUNE 2009**

	2008/09 YTD Actual
Equity at 1 July	8,043,784
Net Surplus/(Deficit)	3,245,178
Total recognised revenues and expenses for the period	<u>3,245,178</u>
Contributions from owners during the period	0
Redeemable Preference Shares	0
Dividends RPS	0
Dividends to Owners	(2,192,700)
EQUITY AT 30 JUNE	<u><u>9,096,262</u></u>

TIMARU DISTRICT HOLDINGS LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE**

	2008/09 YTD Actual
EQUITY	
Share Capital	1,000,186
Redeemable Preference Shares	0
Retained Earnings	8,096,076
Dividend Declared After Balance Date	0
TOTAL EQUITY	<u>9,096,262</u>
CURRENT ASSETS	
Bank	14,699
General Investment	2,290,000
Intercompany Receivable	1,394,620
Accounts Receivable	1,572,724
Subvention Receipt	0
Taxation Benefit	0
RWT Refund	0
GST Refund	2,302
TOTAL CURRENT ASSETS	<u>5,274,345</u>
NON CURRENT ASSETS	
Investments	47,728,530
Future Tax Benefit	15,200
Fixed assets	0
TOTAL NON CURRENT ASSETS	<u>47,743,730</u>
TOTAL ASSETS	53,018,075
CURRENT LIABILITIES	
Bank Overdraft	0
Accounts Payable	40,358
Accrued Interest	1,394,620
Provision for Dividend	306,222
Current Portion Term Loans	0
Intercompany Advance	0
TOTAL CURRENT LIABILITIES	<u>1,741,200</u>
NON CURRENT LIABILITIES	
Timaru District Council	22,180,613
Redeemable Preference Shares	20,000,000
Timaru District Council - Primeport Investment Loan	0
TOTAL LIABILITIES	<u>43,921,813</u>
NET ASSETS	<u>9,096,262</u>

TIMARU DISTRICT HOLDINGS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE PERIOD TO 30 JUNE 2009**

	2008/09 YTD Actual
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash was provided from:	
Receipts from Customers	
Subvention Receipt	1,888,115
Subvention Receipt Primeport	0
RWT Refund	0
Dividends	4,308,962
Interest	119,651
	<u>6,316,728</u>
Cash was disbursed to:	
Interest TDC	1,934,211
Interest RPS	1,254,467
Payments to Suppliers	160,214
	<u>3,348,892</u>
NET CASH INFLOW/(OUTFLOW) OPERATING ACTIVITIES	2,967,836
CASH FLOW FROM INVESTING ACTIVITIES	
Cash was provided from:	
Proceeds Sale Fixed Assets	0
Proceeds Sale Investments	0
	<u>0</u>
Cash was disbursed to:	
Purchase of Fixed Assets	0
Purchase of Investments	0
	<u>0</u>
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	0
CASH FLOWS FROM FINANCING ACTIVITIES	
Cash was provided from:	
Loans Raised	0
Redeemable Preference Share Issue	10,000,000
Share Subscriptions	0
	<u>10,000,000</u>
Cash was disbursed to:	
Dividends Paid	2,192,700
Loans Repaid	10,000,000
	<u>12,192,700</u>
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	(2,192,700)
NET INCREASE/(DECREASE) IN CASH HELD	775,136
OPENING CASH BALANCE 1 JULY	1,529,563
CLOSING CASH BALANCE 30 JUNE	<u>2,304,699</u>
Consisting of : Bank	14,699
Term Deposits	2,290,000
	<u>2,304,699</u>

**POLICY AND DEVELOPMENT COMMITTEE
FOR THE MEETING OF 10 SEPTEMBER 2009**

Report for Agenda Item No 7

Prepared by **Matt Ambler**
 Property Manager

Council Land at 189 Talbot Street, Geraldine (File P3/11)

Purpose of Report

The purpose of the report is to seek the Committee's decision on the request to sell or grant right of way access over Council land.

Background

The applicant owns the property adjoining the south side of the Council land at the address in question. The initial enquiry made was to purchase that portion of driveway adjoining the boundary Council land, and is separated by a fence from the recreation area. The legal boundary between the two properties, which is depicted on the attached aerial photograph, straddles the driveway. The driveway is used for commercial vehicles.

The Council land does not have any reserve connotations attached to it, so can be surveyed for either a boundary adjustment or for the creation of an easement.

A report was presented to the Geraldine Community Board at its meeting of 15 July 2009 recommending that the land be sold to the adjoining owner and it be amalgamated with his title, (copy attached). The Board recommended:

"That the Board recommends that the land be retained."

Options

Three options have been identified in respect of the application. These are as follows:

- Do nothing and the status quo remains.
- Create an easement over the existing driveway by survey, with responsibility for maintenance resting with the adjoining owner. Both the adjoining owner and Council would have access.
- Sale of the land in question.

The retention of the land does allow for a future recreational well being should the development of a river walkway come to fruition. However Council does not own land beyond the recreational space depicted on the photograph. The adjoining owner is looking to do a redevelopment of his adjoining property in the future. There is the potential for future congestion of movements. If pedestrian/cycle access to the river is considered, a separate entrance through the recreation area may be safer.

Identification of Relevant Legislation, Council Policy and Plans

Not Applicable.

Assessment of Significance

This matter is not deemed significant under the Council's Significance Policy.

Consultation

Following the Board's recommendation, the adjoining owner said that while he has a preference for ownership, an easement will be an agreeable outcome.

Environment Canterbury is aware that there had been historical interest from community groups in establishing a walkway, but currently there are no consents or plans in place to construct the access.

Other Considerations

There is currently no known consideration being given to the establishment of a river walkway, as the land behind the Council land is not in our ownership. River reserve is generally the domain of the Crown or Environment Canterbury.

Funding Implications

There are no identified funding implications. The cost of survey for creating an easement of sale would be the responsibility of the adjoining owner.

Conclusion

The holding of the land by Council for a future access link to a walkway along the river is the Geraldine Community Board recommendation. The creation of such a walkway would be on Environment Canterbury land, and is viewed as a future possibility. Such a future link should be considered through the recreational area, which is separately fenced from the driveway. Disposal of the land would rationalise the boundary and keep the two uses separate.

Recommendation

That the Committee considers the recommendation of the Community Board and decides whether the land be disposed of, or an easement be agreed to with the adjoining owner required to meet the costs.



Legend

- Area of Interest
- Council_Property

GERALDINE COMMUNITY BOARD
FOR THE MEETING OF 15 JULY 2009

Report for Agenda Item No *

Prepared by **Matt Ambler**
 Property Manager

Council Land at 189 Talbot Street, Geraldine (File P3/11)

COPY

Purpose of Report

The purpose of the report is to seek the Board's recommendation on the proposed disposal of the subject land to the adjoining owner, on the basis that it be amalgamated with the adjoining title.

Background

The subject land is depicted hatched yellow on the attached plan. The land is part of the Council land opposite Kennedy Street. The parcel of land is physically separated from the recreation space area by a pipe and wire fence, and is largely covered by the access driveway serving the property at 193 Talbot Street.

The adjoining owner approached Council to see whether the hatched area could be purchased.

The Council land is on a fee simple title. It is proposed that the land boundaries be adjusted by survey, subject to agreeing a value for the land, and it be amalgamated with the adjoining property.

Options

There are two options:

- One is to do nothing, and the status quo remains. However, this option does not benefit the Council in relation to a piece of land that is not a useable part of the recreational space, and the adjoining owner can use at no cost.
- Subject to approval of the recommendation, the most reasonably practicable option for achieving the objective is for the land to be disposed of and amalgamated.

The land would have to be amalgamated with the adjoining land, as it is not of sufficient size or shape to meet planning rules.

The disposal of the portion of land would not unduly affect any identified community outcomes, or well being factors. Access to the river appears to be gained via a track from the rear of the recreational space area.

Identification of Relevant Legislation, Council Policy and Plans

The only identified requirement is the need to meet planning rules, and has been referred to in the previous section.

Assessment of Significance

This matter is not deemed significant under the Council's Significance Policy.

Consultation

Internal consultation has been conducted with potentially affected units. No issues have been raised.

The site has been inspected to confirm that there are no perceived public issues. Walking access is retained to the river from the Council land.

Other Considerations

There are no other considerations relevant to this matter.

Funding Implications

Subject to approval being granted to dispose of the land, there will be a boundary adjustment survey completed, and disposed of at negotiated market value.

Conclusion

The piece of land does not have an identified Council use, and the proposed sale does not affect any community outcomes, and is seen as an opportunity to legitimize the existing situation. The driveway is effectively a part of the adjoining property, and the adjoining owner wishes to acquire the land at an agreed value.

Recommendation

That the Board recommends to the Policy and Development Committee that the disposal should proceed at an agreed market value, subject to completing the necessary survey and amalgamation with the adjoining property.

POLICY AND DEVELOPMENT COMMITTEE
FOR THE MEETING OF 10 SEPTEMBER 2009

Report for Agenda Item No 11

Prepared by **Peter Nixon**
 Assistant Chief Executive

Exclusion of the Public

Recommendation

That the Board resolves to exclude the public on the grounds contained in Section 48(1) of the Local Government Official Information and Meetings Act:

Confirmation of Minutes

Section 7(2)(a)

The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons.

Property Matters – Temuka

Section 7(2)(h)

The withholding of the information is necessary to enable the Council to carry out, without prejudice or disadvantage, commercial activities.