

POLICY AND DEVELOPMENT COMMITTEE MEETING

on

Tuesday 24 November 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 Tuesday 24 November 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

24 NOVEMBER 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	5	Timaru District Holdings Ltd Quarterly Report
7		Standing Committee Recommendations
8		Consideration of Urgent Business Items
9		Consideration of Minor Nature Matters

**POLICY AND DEVELOPMENT COMMITTEE
FOR THE MEETING OF 24 NOVEMBER 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 20 October 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 20 OCTOBER 2009 AT 3.00PM

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

IN ATTENDANCE Clrs Bradley, Kennedy, Mulvey and Oliver
Mr L Double (Temuka Community Board)
Chief Executive (WA Isaacs), Customer Services
Manager (JA Ensor), Property Manager (M Ambler),
Chief Financial Officer (T Rogers), and Personal
Assistant (CG Te Au)

1 CONFIRMATION OF MINUTES

Proposed Clr Bennett
Seconded Clr Coughlan

“THAT the minutes of the Policy and Development Committee meeting held on 10 September 2009, be confirmed as a true and correct record.”

MOTION CARRIED

2 2008/09 CARRIED FORWARD FUNDING (File F1/6)
The Committee considered a report from the Chief Financial Officer on expenditure to be carried forward from the 2008/09 financial year.

Proposed Clr Barker
Seconded Clr Bennett

“THAT it be recommended to Council that \$1,619,200 be carried forward and that the 2009/10 budget be amended to reflect this approved expenditure.”

MOTION CARRIED

3 STRATHEONA HUTS WATER SUPPLY (File L2/5)
The Committee considered a report from the Property Manager on the status of the water supply to the Stratheona hut leases.

Proposed the Mayor
Seconded Clr Bennett

“THAT the report be received and noted.”

MOTION CARRIED

4 PROPOSAL TO STOP PART OF NEWLAND ROAD (File L2/5)

The Committee considered a report from the Property Manager on land on Newland Road.

Proposed Clr Coughlan
Seconded Clr Bennett

“THAT the land be declared surplus, and that road stopping procedures be initiated.

THAT on successful completion of legal requirements, the land disposal be negotiated with the adjoining owners, and the land amalgamated with their adjoining title.”

MOTION CARRIED

5 SURPLUS LAND AT BURNHAM ROAD (File P3/21)

The Committee considered a report from the Property Manager on the proposed disposal of land at Burnham Road and a proposed development of a water race system to serve the rural hinterland between the Orari and Rangitata rivers.

Proposed Clr Bennett
Seconded Clr Lyon

“THAT the land be declared surplus.

THAT the Chief Executive be given authority to negotiate the sale with Turley Farms Limited, subject to the terms of sale agreeing that they will not object to the future development of the proposed irrigation system on the site frontage.”

MOTION CARRIED

**6 COMMUNITY DEVELOPMENT RECOMMENDATION (File G3/1)
Funding Applications – Taiko Hall Committee and Gapes Valley Hall Committee**

The Committee considered a report from the Community Development Manager on funding applications towards major upgrades at Taiko Hall and Gapes Valley Hall. \$2,000 to the Taiko hall Committee and \$1,500 to the Gapes Valley Hall Committee have been allocated from the General Grants Fund. It was noted that the General Grants Fund would be seriously depleted if the funds were to be sourced from there.

Proposed the Mayor
Seconded Clr Lyon

“THAT it be **RECOMMENDED** to Council that a \$5,000 grant be allocated from the Contingency Fund to the Taiko Hall Committee towards costs to upgrade the toilet facilities at Taiko Hall, and a \$5,000 grant be allocated from the Contingency Fund to the Gapes Valley Hall Committee towards costs to replace the roof at Gapes Valley Hall.”

MOTION CARRIED

7 EXCLUSION OF THE PUBLIC

Proposed Clr Bennett
Seconded Clr Barker

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

Confirmation of Minutes

Section 7(2)(h)

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

MOTION CARRIED

Note: Mr L Double (Temuka Community Board) left the meeting.

8 RE-ADMITTANCE OF THE PUBLIC

Proposed the Mayor
Seconded Clr Lyon

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

MOTION CARRIED

The meeting concluded at 3.10pm.

Chairman

**POLICY AND DEVELOPMENT COMMITTEE
FOR THE MEETING OF 24 NOVEMBER 2009**

Report for Agenda Item No 6

**Prepared By Warwick Isaacs
 Chief Executive**

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

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

Recommendation

That the report be received and noted.

TIMARU DISTRICT HOLDINGS LTD

P O Box 522
TIMARU

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

Files F1/38 & F1/26/1

6 November 2009

The Chief Executive
Timaru District Council
P O Box 522
Timaru

Dear Warwick

TIMARU DISTRICT HOLDINGS LTD – REPORT TO COUNCIL FOR THE PERIOD JULY TO SEPTEMBER 2009

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

1 Finance **Financial Statements**

The financial statements for the period to 30 September 2009 are attached.

Dividend

TDHL paid a dividend of \$572,700 to the Council on 31 July 2009.

2 Governance

2.1 TDHL

The Board of TDHL continues to meet generally on a monthly basis, either via teleconference or meeting, as required.

2.2 PrimePort Timaru Ltd

Directorships

Sid McAuley and Roger Gower were reappointed to the Board of PrimePort Timaru Ltd for further terms.

Annual General Meeting

The Annual General Meeting of PrimePort Timaru Ltd was held on 22 September, and was attended by TDHL representatives. PrimePort is remaining positive regarding its future, despite the current challenges facing the port.

2.3 Alpine Energy Ltd Directorship

Ian Bowan was reappointed to the AEL Board for a further term.

Shareholders Meeting

AEL shareholders met in July, at TDHL's invitation, to discuss general issues in regard to Alpine. Meetings of shareholders are held from time to time to maintain good communication between all parties.

Annual General Meeting

The Annual General Meeting of Alpine Energy Ltd was held on 23 July 2009 with TDHL representatives attending the meeting.

3 Reporting

Reporting to TDHL continues on a monthly basis via written reports, with more detailed information being provided from time to time, together with discussions between the TDHL Board and the Chairmen and Chief Executives of both companies.

Yours sincerely



Tina Rogers
Company Secretary

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

September Budget	September Actual		2009/10 YTD Budget	2009/10 YTD Actual	2008/09 YTD Actual	Annual Budget	Forecast
		OPERATING REVENUE					
16,667	10,042	Interest	50,000	22,799	38,494	200,000	100,000
718,488	718,488	Dividends - Alpine	718,488	718,488	726,340	3,631,700	3,631,700
0	0	Dividends - PrimePort Timaru	0	0	0	0	0
0	0	Tax Loss Subvention Payment	0	0	0	0	0
129,400	51,228	Subvention (TDC Loan)	388,200	157,100	486,394	1,552,800	750,000
864,555	779,758		1,156,688	898,387	1,251,228	5,384,500	4,481,700
		OPERATING EXPENDITURE					
129,400	51,228	Interest - TDC	388,200	157,100	486,394	1,552,800	750,000
0	0	Interest - External	0	0	0	0	0
104,883	107,969	Interest - RPS	314,650	314,169	317,900	1,258,600	1,258,600
5,500	5,063	Directors Fees	16,500	15,189	14,661	66,000	66,000
0	0	Insurance	5,500	5,390	5,390	5,500	5,400
2,417	908	TDC Administration	7,250	6,245	6,287	29,000	29,000
500	1,794	Professional Fees - Deductible	1,500	1,794	0	6,000	6,000
0	0	Professional Fees - Non Deductible	0	0	16,703	0	0
67	0	Printing & Stationary	200	0	0	800	800
17	0	Tolls & Postage	50	75	217	200	200
300	0	Travel & Entertaining Costs	900	114	628	3,600	3,600
8	3	Bank Fees	25	60	50	100	100
333	0	Advertising	1,000	0	0	4,000	4,000
100	92	General Expenses	300	173	203	1,200	1,200
0	0	Audit Fees	0	0	0	10,000	10,000
243,525	167,056		736,075	500,309	848,433	2,937,800	2,134,900
621,030	612,702	OPERATING SURPLUS/(DEFICIT)	420,613	398,078	402,795	2,446,700	2,346,800
0	0	Prior Period Adjustment	0	0	0	0	0
621,030	612,702	OPERATING SURPLUS/(DEFICIT) BEFORE TAXATION	420,613	398,078	402,795	2,446,700	2,346,800
2,200	600	TAXATION EXPENSE/(BENEFIT)	5,000	(1,900)	3,300	22,100	(7,900)
618,830	612,102	NET SURPLUS/(DEFICIT)	415,613	399,978	399,495	2,424,600	2,354,700

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

	2009/10 YTD Actual
Equity at 1 July	9,096,262
Net Surplus/(Deficit)	399,978
Total recognised revenues and expenses for the period	399,978
Contributions from owners during the period	0
Redeemable Preference Shares	0
Dividends RPS	0
Dividends to Owners	(922,700)
EQUITY AT 30 SEPTEMBER	8,573,540

TIMARU DISTRICT HOLDINGS LIMITED

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

	2009/10 YTD Actual
EQUITY	
Share Capital	1,000,186
Redeemable Preference Shares	0
Retained Earnings	7,573,354
Dividend Declared After Balance Date	0
TOTAL EQUITY	<u>8,573,540</u>
CURRENT ASSETS	
Bank	18,044
General Investment	3,000,000
Intercompany Receivable	1,551,720
Accounts Receivable	6,083
Subvention Receipt	0
Taxation Benefit	0
RWT Refund	0
GST Refund	3,208
TOTAL CURRENT ASSETS	<u>4,579,055</u>
NON CURRENT ASSETS	
Investments	47,728,530
Future Tax Benefit	17,100
Fixed assets	0
TOTAL NON CURRENT ASSETS	<u>47,745,630</u>
TOTAL ASSETS	52,324,685
CURRENT LIABILITIES	
Bank Overdraft	0
Accounts Payable	18,813
Accrued Interest	1,551,720
Provision for Dividend	(0)
Current Portion Term Loans	0
Intercompany Advance	0
TOTAL CURRENT LIABILITIES	<u>1,570,533</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>43,751,146</u>
NET ASSETS	<u>8,573,539</u>

TIMARU DISTRICT HOLDINGS LIMITED

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

	2009/10 YTD Actual
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash was provided from:	
Receipts from Customers	
Subvention Receipt	0
Subvention Receipt Primeport	0
RWT Refund	0
Dividends	2,281,100
Interest	26,828
	<u>2,307,928</u>
Cash was disbursed to:	
Interest TDC	0
Interest RPS	620,390
Payments to Suppliers	51,493
	<u>671,883</u>
NET CASH INFLOW/(OUTFLOW) OPERATING ACTIVITIES	1,636,045
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	0
Share Subscriptions	0
	<u>0</u>
Cash was disbursed to:	
Dividends Paid	922,700
Loans Repaid	0
	<u>922,700</u>
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	(922,700)
NET INCREASE/(DECREASE) IN CASH HELD	713,345
OPENING CASH BALANCE 1 JULY	2,304,699
CLOSING CASH BALANCE 30 SEPTEMBER	<u>3,018,044</u>
Consisting of : Bank	
	18,044
Term Deposits	3,000,000
	<u>3,018,044</u>