



# MINUTES

## Commercial and Strategy Committee Meeting Tuesday, 9 June 2020

Ref: 1344222

**Minutes of Timaru District Council  
Commercial and Strategy Committee Meeting  
Held in the Council Chamber, Timaru District Council, King George Place, Timaru  
on Tuesday, 9 June 2020 at 12.35pm**

**Present:** Cr Peter Burt (Chairperson), Cr Allan Booth (Deputy Chairperson), Cr Richard Lyon, Cr Paddy O'Reilly, Cr Barbara Gilchrist, Cr Sally Parker, Cr Stu Piddington, Cr Steve Wills, Mayor Nigel Bowen

**In Attendance: Community Board Representatives**

Geraldine Community Board – Jan Finlayson

**Council Officers**

Group Manager Commercial and Strategy (Donna Cross), Chief Financial Officer (David Codyre), Chief Executive (Bede Carran), Governance Advisor (Jo Doyle),

**1 Apologies**

**Resolution 2020/16**

Moved: Cr Paddy O'Reilly

Seconded: Cr Sally Parker

That the apologies from Cr Gavin Oliver and Raewyn Hessel of Pleasant Point Community Board be accepted.

**Carried**

**2 Identification of Items of Urgent Business**

There were no matters of urgent business.

**3 Identification of Matters of a Minor Nature**

There were no matters of minor nature.

**4 Declaration of Conflicts of Interest**

Cr Allan Booth declared an interest in Aoraki Development.

**5 Chairperson's Report**

**Resolution 2020/17**

Moved: Cr Peter Burt

Seconded: Cr Barbara Gilchrist

The Chairperson provided a brief report of attendance at Council meetings and workshops.

**Carried**

## **6 Confirmation of Minutes**

### **6.1 Minutes of the Commercial and Strategy Committee Meeting held on 28 April 2020**

#### **Resolution 2020/18**

Moved: Cr Steve Wills

Seconded: Mayor Nigel Bowen

That the Minutes of the Commercial and Strategy Committee Meeting held on 28 April 2020 be confirmed as a true and correct record of that meeting.

**Carried**

## **7 Reports**

### **7.1 LGFA Trust Deed Amendment**

The Committee considered a report on the amendment of specific Debenture Trust Deed documents presented by the Chief Financial Officer.

LGFA is where Council goes to in order to borrow funds. It was set up in 2010 by the National Government to help Local Authorities borrow funds for capital funding needs. The Council is a guarantor to the scheme as it has over \$20 million in borrowing from the scheme. \$20 million is the threshold when borrowers are required to sign on as a guarantor. While the quantum of potential liability is high, the risks as guarantor are considered low given LGFA's credit rating which is the same as the New Zealand government.

Proposed changes to the deed mean council controlled organisations such as TDHL could borrow at the same rates that are available to councils to ensure cheaper debt.

#### **Resolution 2020/19**

Moved: Mayor Nigel Bowen

Seconded: Cr Barbara Gilchrist

That Council resolves that it has considered the following three deeds, approves the entry by Timaru District Council into those deeds, and authorises two elected members to execute those deeds on behalf of Timaru District Council:

- a. Amendment and Restatement Deed (Notes Subscription Agreement)
- b. Amendment and Restatement Deed (Guarantee and Indemnity)
- c. Amendment and Restatement Deed (Multi-Issuer Deed).

**Carried**

### **7.2 Aoraki Development - Draft Statement of Intent**

The Committee considered a report on the updated draft Statement of Intent (SOI) for Aoraki Development and for Council to determine the feedback to be provided to the Aoraki Development Board.

This is an updated SOI that now includes Tourism, and the focus for the next year.

A sustained and extensive promotion of the district was launched on 3 May "Escape to Timaru" around the South Island to protect the \$195m that comes from domestic spend.

The financial matters discussion will be held in the Annual Plan Council meeting on 23 June.

### **Resolution 2020/20**

Moved: Cr Richard Lyon

Seconded: Cr Sally Parker

That the Committee considers the draft Statement of Intent for Aoraki Development & Promotions Limited (AD) and the feedback to be provided to the AD Board.

**Carried**

### **7.3 Aoraki Development and Promotions Limited - Quarterly Report - 1 January 2020 to 31 March 2020**

To present to the Timaru District Council, as shareholder, the Aoraki Development quarterly report for the period 1 January to 31 March 2020. Raeleen De Joux was introduced as the Deputy Chair.

The quarterly report was extended to include March and provide commentary around Covid-19. Feedback from the community is that a significant impact has been felt and is expected to continue in waves. The business community are in support of the chamber and Council for work that has been provided, and Aoraki Development have walked down the main streets of Timaru, Temuka and Geraldine to talk directly with business about the challenges they are facing and assisting where possible.

Many businesses have taken the opportunity to reset and how they can operate to meet the market and look at whether their supply chains are right.

The suffering to the community is expected when the wage subsidy ends or when specific parts are ordered from overseas and can't be delivered as quickly as they usually would.

Generally the Timaru district is in a good place compared to other parts of the country.

During the Covid-19 period, Council, District Health Board, PrimePort, Sanfords and Fonterra came together to take a lead role in promoting a social procurement culture throughout their businesses and to socialised what this would mean for supporting local communities.

The re-ignition panel is setting clear objectives, and receiving good feedback, but it was noted it was important to get youth around the panel table as well. This should be finalised over the next week and will take in all aspects of the community who have been disadvantaged.

### **Resolution 2020/21**

Moved: Cr Barbara Gilchrist

Seconded: Cr Steve Wills

That the Aoraki Development and Promotions Limited (Aoraki Development) quarterly report be received and noted.

**Carried**

**7.4 Timaru District Holdings Limited - Quarterly Report - 31 March 2020**

The Committee considered the TDHL quarterly report for the period 1 January to 31 March 2020 presented by the Chief Financial Officer.

It was reported that most of the content of this report are pre Covid-19 events.

The final paragraph of the letter was corrected to read "still in conditional phase".

The interest amount attributed to the Showgrounds was queried. This was explained as the loan for this property has not be paid as no income has been generated, when the sale is completed the entire debt will be cleared.

**Resolution 2020/22**

Moved: Cr Barbara Gilchrist

Seconded: Cr Steve Wills

That the Timaru District Holdings Limited (TDHL) quarterly report be received and noted.

**Carried**

**8 Consideration of Urgent Business Items**

There were no urgent business items.

**9 Consideration of Minor Nature Matters**

There were no minor nature items.

**The Meeting closed at 1.05pm.**

**Minutes confirmed 21 July 2020.**

**Chairperson  
Cr Peter Burt**