



MINUTES

Commercial and Strategy Committee Meeting

Tuesday, 24 November 2020

Ref: 1391355

**Minutes of Timaru District Council
Commercial and Strategy Committee Meeting
Held in the Council Chamber, Timaru District Council, King George Place, Timaru
on Tuesday, 24 November 2020 following the Community Services Committee at 10.55am**

Present: Cr Peter Burt (Chairperson), Cr Richard Lyon, Cr Gavin Oliver, Cr Paddy O'Reilly, Cr Barbara Gilchrist, Cr Stu Piddington, Cr Steve Wills, Mayor Nigel Bowen, Allan Booth (Deputy Chairperson – via Video Link)

In Attendance: **Community Board Representatives**
Temuka Community Board – Gaye Broker
Geraldine Community Board – Jan Finlayson

Council Officers

Group Manager Commercial and Strategy (Donna Cross), Chief Executive (Bede Carran), Management Accountant (Sandy Hogg), Strategy and Corporate Planning Manager (Mark Low), Senior Programme Delivery Manager (Ashley Harper), Programme Delivery Manager (Lili Delwaide), Manager of Property Services and Client Representative (Nicole Timney), Property Administration Officer (Phillipa Steans), Museum Director (Philip Howe), Governance Advisor (Jo Doyle)

1 Apologies

Resolution 2020/48

Moved: Cr Barbara Gilchrist
Seconded: Mayor Nigel Bowen

That apologies from Cr Sally Parker and Anne Lemmens of Pleasant Point Community Board be received and accepted.

Carried

2 Identification of Items of Urgent Business

An item of urgent business was identified and is required to be discussed in the Public Excluded section of the meeting regarding the Sale of 37 Sophia Street.

Resolution 2020/49

Moved: Mayor Nigel Bowen
Seconded: Cr Steve Wills

That the sale of 37 Sophia Street be discussed as urgent business in the Public Excluded section of the meeting.

Carried

3 Identification of Matters of a Minor Nature

There were no minor nature items.

4 Declaration of Conflicts of Interest

Cr Stu Piddington advised his Conflict of Interest for the Urgent Matter item and will leave the room for this discussion.

5 Chairperson's Report

The Chairperson reported that he had attended meetings such as Long Term Plan Workshops, Council Meeting, Hearings for District Licencing Committee, a Timaru District Holdings Meeting, meetings with ECan and TDC Governance, Aoraki Trust, Tenders and Procurement and meetings with the Group Manager of Commercial and Strategy.

Resolution 2020/50

Moved: Cr Peter Burt

Seconded: Cr Gavin Oliver

That the Chairpersons report be accepted.

Carried

6 Confirmation of Minutes

6.1 Minutes of the Commercial and Strategy Committee Meeting held on 13 October 2020

Resolution 2020/51

Moved: Mayor Nigel Bowen

Seconded: Cr Paddy O'Reilly

That the Minutes of the Commercial and Strategy Committee Meeting held on 13 October 2020 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

Carried

7 Reports

7.1 Investments and Borrowing Treasury Report for quarter ending 30 September 2020

The Committee was presented on the status of Council treasury activities at 30 September 2020 by the Management Accountant.

Council is still using short term investments with banks as bonds don't have favourable rates at the moment.

There is a fall in borrowing costs so Council may look at more LGFA borrowing to disperse special funds have cash reserves have been used to pay for Opex and Capex instead of debt.

The net debt is increasing, however this is affected by rates instalments and there will be an increase when the rates are paid in December.

Resolution 2020/52

Moved: Cr Barbara Gilchrist

Seconded: Cr Richard Lyon

That the Committee note and receive the report.

Carried

7.2 Aorangi Stadium Trust Annual Report to 30 June 2020

The Committee was presented with the audited Annual Report/Financial Performance of the Aorangi Stadium Trust for the year ending 30 June 2020 by the Management Accountant.

It was noted that this was the first year with the new auditor who found no variations however one benchmark was missed, the sign off on the accounts were not completed within 3 months, however the statutory timeframe was extended with Covid-19.

Resolution 2020/53

Moved: Cr Steve Wills

Seconded: Cr Barbara Gilchrist

That the Committee receive and note the report.

Carried

7.3 Timaru District Holdings Limited - Quarterly Report - 30 September 2020

The Committee was presented with the TDHL quarterly report for the period 1 July to 30 September 2020, on behalf of Council as shareholder. The General Manager of TDHL, Mr Frazer Munro, and the Chief Executive spoke to the report.

This report is a requirement of the Statement of Intent and provides an update on the performance and position of TDHL. The Alpine Energy Dividend was budgeted at zero due to dividend uncertainty, however a \$235k payment was received in September.

An update was requested on the South Stafford Street buildings, but Mr Munro advised there was nothing to note at this stage.

Resolution 2020/54

Moved: Cr Paddy O'Reilly

Seconded: Cr Barbara Gilchrist

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

Carried

7.4 Overview of 2020/2021 Capital Work Programme - Dashboard

The Committee was provided with an overview of the 2020/2021 capital work programme and an update on its current status by the Senior Programme Delivery Manager and Programme Delivery Manager.

The schedule has been included the report this time and includes contracts that are valued above \$400k, e.g. Temuka Pool, plus has added those at tender as at 6 November. There are \$22 million worth of tenders out in the market place at the moment.

The tendering programme fits with what the Market can deliver and two pipelines, one in December and one in January, the basis that market need to know who won and who can bid for others.

There is concern about possible delays of product delivery towards the end of the financial year.

The Committee commented on the clarity of the reports and the ease of understanding on how the projects are tracking.

Resolution 2020/55

Moved: Mayor Nigel Bowen

Seconded: Cr Barbara Gilchrist

That this report be received and noted.

Carried

7.5 Progress Report: Theatre Royal and Heritage Facility Development and Social Housing Ventilation Compliance projects

The Committee was presented with the progress of the two key property projects: the Theatre Royal and Heritage Facility Development project and the Social Housing Ventilation Compliance project.

The Group Manager Commercial and Strategy, Manager of Property Services & Client Representative, Museum Director and the Property Administration Officer presented the reports.

Theatre Royal and Heritage Facility Development

The agreement for the shovel ready funding is expected to be finalised this week.

The architectural team have engaged with various stakeholders and has developed a draft return brief that will come to Council. This will form the basis of the design work.

It was noted that this is currently behind schedule by a month but this will not affect overall construction time frames. The decommissioning plan is currently being arranged.

The timeline for the concept and visuals was questioned and whether there were any pictures available yet and discussions about what it would look like.

Group Manager Commercial and Strategy advised that the return brief from the architect while it didn't include designs or drawings of the facility, was quite detailed and contains a number of images such as a visual representation of the project site and how this will sit within the wider precinct. The first design is expected in February with two options for consideration. The initial timeframes were noted indicative and these will be confirmed with firm dates.

Social Housing Ventilation Compliance

After initial delays, this project is going well and is expected to be completed by the 30 June 2021 timeline.

The delays were due to availability of the range hoods and bathroom fans. Good feedback has been received from tenants.

Resolution 2020/56

Moved: Cr Steve Wills

Seconded: Cr Richard Lyon

That this report be received and noted.

Carried

7.6 Long Term Plan 2021-31 - Strategic Direction Engagement

The Committee was provided with an overview on the upcoming engagement on the Long Term Plan (LTP) 2021-31 strategic direction by the Strategy and Corporate Planning Manager.

The “Thriving Together” brand for the Longer Term Process has produced a ‘light’ engagement given the restricted timeframes. This provides an opportunity for the community to feed into the plan and identify any areas that have been missed.

The primary tool will be the Council Website which will go live this week and run through until mid December. A 5 minute questionnaire can be completed online and a brochure is to be produced.

Resolution 2020/57

Moved: Cr Barbara Gilchrist

Seconded: Mayor Nigel Bowen

That the Committee endorse the LTP 2021-31 strategic direction engagement process as outlined.

Carried

8 Consideration of Urgent Business Items

Sale of 37 Sophia Street, to be heard in the Public Excluded section of the meeting.

9 Consideration of Minor Nature Matters

There were no minor nature matters.

10 Exclusion of the Public**Resolution 2020/58**

Moved: Cr Paddy O'Reilly

Seconded: Cr Richard Lyon

That the public be excluded from the following parts of the proceedings of this meeting on the grounds under section 48 of the Local Government Official Information and Meetings Act 1987 as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
11.1 - Proposed Social Housing Trial	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	To protect a person's privacy
11.2 – Sale of 37 Sophia Street	s7(2)(b)(ii) and s7(2)(h) - The withholding of the information is necessary 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 and The withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities	Commercial sensitivity and To enable commercial activities.

Carried

Resolution 2020/59

Moved: Cr Gavin Oliver

Seconded: Cr Barbara Gilchrist

That the meeting moves out of Closed Meeting into Open Meeting.

Carried

11 Public Excluded Reports

11.1 Proposed Social Housing Trial

12 Readmittance of the Public

The Meeting closed at 12.14pm.

Minutes confirmed 2 February 2021

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**Cr Peter Burt
Chairperson**