

Community Funding Subcommittee

Notice of Meeting

A meeting of the Community Funding Subcommittee will be held in the Council Chamber, Forum North, Whangarei on:

**Wednesday
10 September 2014
8.30am**

Subcommittee of:
Planning Committee

Committee
Cr S J Deeming (Chairperson)
Her Worship the Mayor
Cr S M Glen
Cr G M Martin
Cr B L McLachlan

OPEN MEETING

APOLOGIES

CONFLICTS OF INTEREST

Members are reminded to indicate any items in which they might have a conflict of interest.

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Local Government Act 2002 Amendment Act 2012 – Decision Making

Full consideration has been given to the provisions of the Local Government Act 2002 Amendment Act 2012 in relation to decision making and in particular the current and future needs of communities for good quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost effective for households and businesses. Consideration has also been given to social, economic and cultural interests and the need to maintain and enhance the quality of the environment in taking a sustainable development approach.

**Recommendations contained in this agenda may not be final decisions.
Please refer to the minutes for resolutions.**

1. Community Funding - 2014-2015 Performing Arts Fund

Reporting officer Bree Kurtovich (Community Funding Officer)

Date of meeting 10 September 2014

Vision, mission and values

This item is in accord with Council's vision, mission and values statement as supporting community initiatives builds strong communities where people feel safe and able to participate.

Introduction

The Performing Arts Fund was established by the former Forum North Board Trust to assist community groups that are undertaking a major performing arts event which is aligned to Council's Community Outcomes and that benefits the wider community or a sector of the community.

Previously funded events include Opera North's "Opera in the Garden" and Northland Performing Arts Charitable Trust's "4 Star Whetu Wha Dancing Time Machine" performance.

The total funding available from the Performing Arts Fund in 2014-2015 is \$15,000. The maximum amount that can be sought through the Performing Arts Fund is \$5,000. However Council reserves the right to consider grants in excess of this when appropriate.

2014-2015 Applications

The 2014-2015 Performing Arts Fund was advertised on www.wdc.govt.nz and The Leader over a six week period beginning 8 July 2014. This advertising included a workshop to support potential applicants on 28 July 2014.

Applications closed on Friday 29 August 2014. Five applications were received. A summary of these applications is attached (see Attachment 1).

The fund's criteria for eligibility and relevance are outlined in the application form and are utilised to assess the applications. Two applications are recommended to not be funded:

- Whangarei Music Society Incorporated for a pair of concerts in 2015
 - Application costs included \$10,000 of costs which are being waived. The event can run at a surplus without Council funds.
- Whangarei Theatre Company (Incorporated) for "Cinderella", A Pantomime
 - Application included \$12,500 of operational expenses. The event can run at a surplus without Council funds.

The total amount requested from the 2014-2015 Performing Arts Fund is \$23,335. The total amount recommended for disbursement is \$13,000 as detailed:

- | | |
|--|---------|
| • Opera North Incorporated | \$3,000 |
| ○ for Opera in the Garden Concert 2015 | |
| • Waipu Centennial Trust Board, on behalf of the Art n Tartan Committee Waipu Museum | \$5,000 |
| ○ for the 2015 Art n Tartan Wearable Arts | |
| • Northland Craft Trust, acting as umbrella entity for the FOLA Committee | \$5,000 |
| ○ for the 2015 Festival of Light and Art (FOLA) | |

Recommendations

1. That the information be received.
2. That grants from the 2014-2015 Performing Arts Fund to the following applicants be declined:
 - a. Whangarei Music Society Incorporated
 - b. Whangarei Theatre Company (Incorporated).
3. That grants from the 2014-2015 Performing Arts Fund be made to the following organisations:

a) Opera North Incorporated	\$3,000
b) Waipu Centennial Trust Board	\$5,000
c) Northland Craft Trust	\$5,000.

Attachment

[Performing Arts Fund 2014-2015 Application Summary](#)

ATTACHMENT 1: Performing Arts Fund 2014-2015 Application Summary

Organisation	Project	Organisation type	Umbrella group?	Funding requested \$	Date of event	location of event	Amount recommended	Purpose of the grant / reason ineligible / notes
Opera North Incorporated	Opera in the Garden Concert 2015	Incorporated Society	No	\$3,000.00	14/03/2015	643 Ngunguru Rd, Glenbervie	\$3,000.00	Annual popular performing arts activity which supports local artist to be involved in opera performance, and local people to experience opera in a garden setting. Generally funded each year by Council's Performing Arts Fund. Shortfall each year is evident.
Whangarei Music Society Incorporated	Pair of concerts: Alumni String Ensemble 2 June 2015 & Michael Houstoun piano and piano masterclass 3 October 2015	Incorporated Society	No	\$5,000.00	2 June 2015 & 3 October 2015	Forum North Exhibition Hall	\$0.00	Budget excludes a \$10,000 discount. This event will run at a surplus without Council funds.
Art n Tartan Committee Waipu Museum	Art n Tartan Wearable Arts	Charitable Trust	Yes - Waipu Centennial Trust Board	\$5,000.00	17-18 July 2015	Coronation Hall or Celtic Barn, Waipu	\$5,000.00	Growing Performing Arts event. Contribution to costs requested - most costs are covered by sponsorships, bar takings & ticket sales, however shortfall exists. Often funded through Creative Communities, but not guaranteed.
FOLA Committee	Festival of Light and Art (FOLA)	Charitable Trust	Yes - Northland Craft Trust	\$7,689.00	25-27 September 2015	Quarry Arts Centre	\$5,000.00	Event will include significant Performing Arts aspects. Performances throughout the three day event, including roaming performing arts troupes from NYT, original music performances and commissioned shows from local and Auckland performers.
Whangarei Theatre Company (Incorporated)	"Cinderella", A Pantomime	Incorporated Society	No	\$2,666.00	14-29 November 2014	WTC Theatre Riverbank Centre	\$0.00	Budget includes operational expenses. This event will run at a surplus without WDC funds.
TOTAL				\$23,355.00		TOTAL	\$13,000.00	

2. Community Loans

Reporting officer Owen Thomas (Community Services Manager)

Date of meeting 10 September 2014

Vision, mission and values

This item is in accord with Council's vision, mission and values statement as it supports the provision of community infrastructure.

Introduction

The purpose of this agenda is to present a current situational report on the number, purpose and amount of loans currently active under Council's Community Loans Scheme.

Background

WDC operates two funds from which it administers loans, they are:

- Community Fund 1: Reserves loan fund
- Community Fund 2: Recreation loan & grant fund.

Both of these funds allow for the provision of loans, however, loans from Fund 1 are only for the development or improvement on reserve land (Council owned land). Loans from Fund 2 can be made to eligible organisations for carrying out developments or improvements on other land (non-council owned land).

An organisation's eligibility is determined under Council's Community Funding Policy and fundamentally loans are only provided to recreational providers. Historically, before the current Community Funding Policy was adopted, loans may have also been administered to groups for community development purposes.

Current situation

Attachment 1 provides a table of current community loans from funds 1 and 2.

Conclusion

The provision of community loans is needed and creates a unique mechanism for recreational providers, within the district, to seek assistance with developments or improvements. This activity assists with the provision of Community Infrastructure, across the district, with limited cost to Council. Changes within the current Community Funding Policy have also assisted with limiting risk when providing loans.

While some legacy issues may have to be addressed, the establishment and management of the Community Funds have created a sustainable mechanism for the provision of Community Funding through the administration of loans. It is recommended that a quantum be defined as to how much Council wishes to administer through this activity, from both funds 1 and 2.

It is recognized that while Community Services reports annually to Council and presents loan applications to both the Community Funding Subcommittee and the Planning Committee it has been some time since a report of this nature has been presented to Council. It is therefore recommended that this report is presented to the Community Funding Subcommittee bi-annually. From time to time there may be loan recipients who are in arrears and it is recommended that when this happens it be presented to the Community Funding Subcommittee by way of confidential agenda item.

Recommendation

1. That the information be received
2. That a current situational report of Whangarei District Council's Community Loans is presented to the Community Funding Subcommittee bi-annually.
3. That when required, loan recipients who are in arrears are reported to the Community Funding Subcommittee by way of confidential agenda item.

Attachment

[Table of current community loans from funds 1 and 2 - Trim 14/77313](#)

Attachment 1: Table of current community loans from funds 1 and 2

Fund 1: Loans outstanding as at 30 June 2014

Debtor	Purpose	Amount (\$)
Ngunguru Sports and Recreation Society	Renovation of the complex hall	40,781.25
Sport Northland	Kensington Stadium	43,768.10
FC Whangarei	The erection of a canopy in front of its clubrooms	1,875.00
Northland Hockey	Development of the hockey complex at Kensington Stadium	25,000.00
Northland Cricket	Development of Cobham Oval to attain international accreditation	46,875.00
Northland Hockey (Interest Bearing)	Development of the hockey complex at Kensington Stadium	31,413.87
Marist Club	Installing floodlights to provide for evening sport	49,725.00
Onerahi Bowling Club	Re-laying their bowling greens with artificial turf	21,875.00
Whangarei Cruising Club	Establishing a concrete parking area in front of their clubhouse	12,482.90
Northland Athletics & Gymnasium Stadium Trust	Gymnasium Stadium	105,000.00
TOTAL		378,796.12

Fund 2: Loans outstanding as at 30 June 2014

Debtor	Purpose	Amount (\$)
Northland Badminton	Premises development	140,000.00
Ruatangata Hall	Resurfacing of tennis courts	1,125.00
Waipu Golf Club	Extensions to their existing clubhouse	68,228.41
Whangarei Rugby League	Facility development at Jubilee park	5,288.00
Whangarei Marina Management Trust	Extension of the existing pontoon at the town basin	25,646.36
Northland Rugby Union	Meeting conditions by NZRU to remain in the Air New Zealand Cup competition	34,375.00
Northland Rugby Union (Interest Bearing)	(same as above)	83,404.77
Hikurangi Golf Club	Alteration to their clubhouse's ablution and kitchen areas	1,500.00
Ruakaka Reserve	Upgrading facilities at the Ruakaka camp ground	62,500.00
Waipu Tennis Club	Redevelopment of existing courts to an all weather surface	13,125.00
TOTAL		435,192.54

3. Community Loan Application - One Tree Point Bowling Club Incorporated

Reporting officer Bree Kurtovich (Community Funding Officer)

Date of meeting 10 September 2014

Vision, mission and values

This item is in accord with Council's vision, mission and values statement as it supports a recreation club to provide increased recreational infrastructure for its community.

Introduction

The purpose of Council's community loans is to provide assistance to recreation providers with developing assets for recreation purposes. There is no limit to the amount an applicant can request; however the interest free nature of the loans is generally reserved for the first \$100,000. Both the Council's community funding policy and community funding guide outline the funding conditions of these loans.

The One Tree Point Bowling Club "the club" has applied for \$40,000 interest free community loan toward the costs of installing the all-weather synthetic surface of a second bowling green. If approved this loan would be sourced from Community Development Fund 2. The purpose of this fund is for developing community assets for recreation purposes on land that is not Council owned.

Applicant Details

The One Tree Point Bowling Club is a registered Incorporated Society with premises situated at 35 Pyle Road West, One Tree Point. The club owns the site, comprised of Lot 2 on Deposited Plan 105829 (2,022m²) and Lot 2 on Deposited Plan 50467 (4,611m²). The land was gifted to the club by Whangarei District Council.

The club has a full 36m x 36m sized grass bowling green, bowling clubrooms, a chemical shed, two machinery and storage sheds and 18 covered shelters.

The club has a current membership of around 58, but play is limited to good weather during the summer months. The club identified development of a second, all weather green in its 'Club Plan'. The 30/50 Growth Strategy identifies the wider Ruakaka area (which includes One Tree Point) as a growth node. This was supported by the results of the 2013 Census.

Project Details

For the last seven years the club has been developing the piece of land it was gifted by Council, with aim of it being a full sized synthetic bowling green. The earthworks have been completed, and the surfacing works are in progress, with an expected project end date of November 2014.

Identified benefits of this new green are:

- Increased use by Bream Bay College
- Increased use by Bowls Northland for Tournaments
- Able to run winter tournament
- Able to host 'business bowls'
- An expected increase in membership
- An expected increase in income due to increase use of the facilities.

Costs

The new surface will be supplied by Tiger Turf, the only maker of AstroTurf in New Zealand. The total quoted cost of the project is \$130,916.

The project is already in progress, and the club has already paid \$70,726 of the total costs. This has been raised through grants to a total of \$76,500:

- Oxford Sports Trust \$5,000
- Pub Charity \$20,000
- Trust Charitable Foundation \$1,500
- ASB Community Trust \$50,000.

The request from the One Tree Point Bowling Club is that a portion of the remainder of the total cost, \$40,000, be made up by an interest free loan from Whangarei District Council. The club believes it is able to secure the remaining amount payable, \$14,416, through pledges and its own funds.

Security for the Loan

The club has offered the land and buildings, with a rates valuation of \$520,000 as security for the loan. Securing the loan by way of personal guarantees from club members was ruled out by the club.

Financial Assessment

The One Tree Point Bowling Club has requested a loan from Council of \$40,000. This is a partial contribution loan towards a project that is expected to be completed in late 2014, as funds for most of the costs of the project have already been sourced.

Income for the club is primarily through bar sales, subscriptions, donations, tournament entry fees, socials and fundraising activities.

The club's financial statements for the year ending 31 March 2014 show a net cash surplus of \$3,198, and cash assets totalling \$23,967.

The club expects its income to increase once the new green is operational, with net expected additional annual revenue of \$8,620. As such, the club is expected to have sufficient revenue streams to cover the loan repayments of \$5,000 per annum for the next eight years. The club advises that it will set aside all profits from its dinners and social events to pay the loan.

Attachment 1 shows the loan and the respective impact on both the One Tree Point Bowling Club and Council.

Conclusion

The One Tree Point Bowling Club has taken significant steps to get this new green operational. It needs a loan to help it cover the final costs of installation of the new green. The club has a solid financial record and expected increased income; there is little risk to Council in providing this loan and significant benefit to the community to justify approving this request.

Recommendation

1. That the information be received.
2. That the One Tree Point Bowling Club be approved a loan of \$40,000 from the Whangarei District Council's Community Development Fund 2 subject to the following terms and conditions:
 - a) The loan shall be interest free.
 - b) The loan shall be for a period of 8 years.
 - c) Loan repayments shall be made in equal quarterly instalments.
 - d) Security is taken over the assets of the One Tree Point Bowling Club.
 - e) The One Tree Point Bowling Club meets all legal expenses in relation to the loan documentation throughout the term of the loan including its subsequent discharge.
 - f) The One Tree Point Bowling Club will undertake to provide to Whangarei District Council a copy of its audited financial accounts no later than five months after the end of its financial year throughout the term of the loan.

Attachments

[Financial Impact of Loan to One Tree Point Bowling Club](#)

Attachment 1: Financial Impact of Loan to One Tree Point Bowling Club

Name	One Tree Point Bowling Club
Amount	\$40,000
Term	8 Years
Payments PA	4
Interest rate	0%
Repayments	1,250.00
WACC (as at 30 June)	5.62%
CPI for PV (as at 30 June)	1.6%
Annual Repayments	\$5,000
PV of cash flows at WACC	\$46,787.59
PV of cash flows interest free	\$37,475.61
IFRS loss on loan transaction	\$9,311.98

4. Community Funds 1, 2 and 3

Reporting officer Owen Thomas (Community Services Manager)

Date of meeting 10 September 2014

Vision, mission and values

This item is in accord with Council's vision, mission and values statement as it supports the provision of community infrastructure.

Introduction

The purpose of this agenda item is to provide councillors with an overview of Funds 1, 2 and 3 as at the end of the 2013/2014 financial year (30 June 2014). Attachment one provides a report that has been prepared by Council's Finance Department.

Recommendation

That the information be received

Attachment

[Financial statements for Funds 1, 2 and 3 as at 30 June 2014](#)

Attachment 1: Financial statements for Funds 1, 2 and 3 as at 30 June 2014

Community Development Fund 1

Financial Statements for the year 30 June 2014

	2014 Actual	2013 Actual
Income		
Interest received - bank	886.59	899.65
Interest received - loans	6,065.46	9,944.66
Interest received (internal)	115,243.03	115,354.69
Total income	<u>122,195.08</u>	<u>126,199.00</u>
Expenses		
Bank fees	8.80	11.40
Audit fees	-	-
Total expenses	<u>8.80</u>	<u>11.40</u>
Net surplus	122,186.28	126,187.60
Movements in Equity		
Opening balance of reserves	3,933,049.04	3,915,843.05
Plus/(Less) surplus	122,186.28	126,187.60
Plus/(Less) transfer of interest to fund 2	(122,195.08)	(126,199.00)
Plus/(Less) contributions transferred from WDC	20,800.00	17,217.39
Closing balance of reserves	<u>3,953,840.24</u>	<u>3,933,049.04</u>
Balance Sheet		
Assets		
Bank	696.70	63,757.00
Loans to WDC	3,574,347.42	3,544,005.63
Loans to community organisations	378,796.12	325,286.41
Total assets	<u>3,953,840.24</u>	<u>3,933,049.04</u>
Equity	<u>3,953,840.24</u>	<u>3,933,049.04</u>
Community Loan Movements		
Opening balance	325,286.41	428,602.03
Loans granted	150,000.00	34,580.00
Loan repayments	(96,490.29)	(137,895.62)
Closing balance	<u>378,796.12</u>	<u>325,286.41</u>

Community Development Fund 2
Financial Statements for the year 30 June 2014

	2014	2013
	Actual	Actual
Income		
Interest received - bank	508.88	845.82
Interest received - loans	7,990.22	9,977.72
Interest received (internal)	151,748.98	147,447.83
Total income	<u>160,248.08</u>	<u>158,271.37</u>
Expenses		
Grants paid	-	200,000.00
Bank fees	10.20	9.80
Audit fees	-	40.00
Total expenses	<u>10.20</u>	<u>200,049.80</u>
Net surplus	<u>160,237.88</u>	<u>(41,778.43)</u>
Movements in Equity		
Opening balance of reserves	5,186,724.71	5,102,304.14
Plus/(Less) surplus	160,237.88	(41,778.43)
Plus/(Less) interest transferred from fund 2	122,195.08	126,199.00
Closing balance of reserves	<u>5,469,157.67</u>	<u>5,186,724.71</u>
Balance Sheet		
Assets		
Bank	705.00	5,900.56
Loans to WDC	5,033,260.13	4,645,316.07
Loans to community organisations	435,192.54	535,508.08
Total assets	<u>5,469,157.67</u>	<u>5,186,724.71</u>
Equity	<u>5,469,157.67</u>	<u>5,186,724.71</u>
Community Loan Movements		
Opening balance	535,508.08	659,083.42
Loans granted	-	-
Loan repayments	(100,315.54)	(123,575.34)
Closing balance	<u>435,192.54</u>	<u>535,508.08</u>

Community Development Fund 3
Financial Statements for the year 30 June 2014

	2014	2013
	Actual	Actual
Income		
Grants received	10,000.00	10,000.00
Interest received (Internal)	8,633.39	8,150.66
Total income	<u>18,633.39</u>	<u>18,150.66</u>
Expenses		
Bank fees	-	0.40
Audit fees	-	-
Total expenses	<u>-</u>	<u>0.40</u>
Net surplus	<u>18,633.39</u>	<u>18,150.26</u>
Movements in Equity		
Opening balance of reserves	266,353.35	248,203.09
Plus/(Less) surplus	18,633.39	18,150.26
Closing balance of reserves	<u>284,986.74</u>	<u>266,353.35</u>
Balance Sheet		
Assets		
Bank	1,126.72	1,126.72
Loans to WDC	283,860.02	265,226.63
	<u>284,986.74</u>	<u>266,353.35</u>
Equity	<u>284,986.74</u>	<u>266,353.35</u>