

**Chairperson and Community Board Members**  
WAIKANAE COMMUNITY BOARD

13 SEPTEMBER 2011

Meeting Status: **Public**

Purpose of Report: For Decision

## **MAHARA GALLERY FINANCIAL SUPPORT REQUEST**

### **PURPOSE OF REPORT**

- 1 This report seeks a recommendation from the Waikanae Community Board to the Council regarding the request from Mahara Gallery Trust for \$250,000 to be deposited into the Mahara Gallery Trust's trust account.

### **SIGNIFICANCE OF DECISION**

- 2 The Council's significance policy is not triggered by this report.

### **BACKGROUND**

- 3 At the Waikanae Community Board meeting held 26 July 2011, the Waikanae Community Board passed the following resolution (see Appendix 1):

**That Waikanae Community Board confirms its earlier decision to allocate a total of \$250,000 from the interest on the Waikanae Capital Improvement Fund for the upgrade of the Mahara Gallery.**

- 4 This confirmed its previous decisions to support the Mahara Gallery. This resolution was not a recommendation to Council, so while the intent has been reaffirmed there has been no allocation from the Capital Improvement Fund for this amount.
- 5 The Waikanae Community Board has allocated \$24,000 from the Waikanae Capital Improvement Fund towards the project in 2010/2011 to assist with the development of the design work.
- 6 Council allocated \$700,000 in this year's Annual Plan to progress the upgrades to both the Mahara Gallery and Waikanae Library buildings. The intent of carrying out both building upgrades together is to share facilities available in each building and enhance that entrance to Mahara Place.
- 7 Other Community Boards have signalled their commitment or paid to the project as well, with Otaki indicating \$10,000 and Paraparaumu/Raumati paying \$2,421 from their operating budgets.

### **CONSIDERATIONS**

## Issues

- 8 The Mahara Gallery Trust has written to the Waikanae Community Board thanking them for the support. They also ask that the Board, in order to assist with their application to the Cultural and Heritage Fund, transfer the \$250,000 to their Trust Fund. Their letter, dated 30 August 2011, is attached to this report (see Appendix 2).
- 9 While the Waikanae Community Board has delegation to make grants up to the amount allocated in the Waikanae Capital Improvement Grant account, it does not have authorisation to make payments directly from the fund itself. The process for any allocation from the Waikanae Capital Improvement Fund is to make a recommendation to Council who would then authorise the payment to be made.

## Options

- 10 The Waikanae Community Board has options available, via recommendations to Council, to support the request from the Mahara Gallery Trustees:
  - It can pay now into the trust account without conditions regarding interest earned;
  - It can pay now but with conditions attached related to the interest earned; or
  - Provide a letter from Council pledging the amount and stating this has been allocated for the project;
- 11 The Waikanae Community Board has built up the fund from interest received on the fund. This is used for the allocation of Capital Improvement grants each year. If the Waikanae Community Board recommends to Council that the amount is paid to the Trustees without conditions, then should the project not go ahead then the amount that is returned may not include any interest. It is also more difficult to ensure that the principle would be repaid in full if the project does not succeed.
- 12 Adding conditions to the grant such that interest has to be accumulated and returned with the principle would need to be reflected within an agreement with the managers of the trust account and would be difficult to manage. Providing support in this way has little benefit over Council allocating the amount and managing the money on behalf of the Mahara Gallery Trustees.
- 13 Council can clearly show through a letter pledging the support to the level recommended by the Waikanae Community Board. This money would then be released to pay for project costs as they are incurred. The upgrade to the Gallery building is being project managed by Council and this provides an easy way for Council's project manager to pay bills and keep the project moving, as demonstrated with project progress and costs to date.

## Financial Considerations

- 14 At the Waikanae Community Board meeting held on the 23 Feb 2010, the Waikanae Community Board resolved, and Council later adopted, that:

**... a minimum limit of \$800,000 be kept in the Waikanae Capital Improvement Fund as a principal sum to provide funding for future grant funding or capital projects, and that this amount includes any loans that would be repaid into this fund.**

- 15 The Capital Improvement Fund currently stands at \$1.123million.
- 16 There is sufficient balance within the Waikanae Capital Improvement Fund to allocate up to the \$250,000 requested amount. Should the \$250,000 be allocated and this year's Capital Improvement Grant requests be fully allocated, there will be approximately \$841,000 remaining in the fund.

## Legal Considerations

- 17 There are no legal considerations.

## Delegation

- 18 The Waikanae Community Board has delegation to consider this issue and make recommendations to Council under:

*7.7 Authority to consider and make recommendations to Council on the proposed use of the Waikanae Capital Improvement Fund for the purpose of funding capital projects within the Waikanae Community Board boundary. This is for expenditure over and above the approved annual grant allocations from this fund.*

## Consultation

- 19 There has been consultation with the Mahara Gallery Trustees and the public through the Annual Plan process that identified the upgrade to the Gallery and the Waikanae Library. Council representatives are on the Mahara Gallery Trust.

## Policy Implications

- 20 There are no policy implications from this report.

## Tāngata Whenua Considerations

- 21 There are no issues related to tāngata whenua.

## Publicity Considerations

- 22 The support for this project by the Waikanae Community Board has already been publicised. Updates will be made to the Council web site related to the support provided to the Waikanae Community through the Waikanae Capital Improvement Fund once Council considers the recommendation made by the Waikanae Community Board.

## **RECOMMENDATIONS**

- 23 That the Waikanae Community Board recommends to Council that Council allocates \$\_\_\_\_\_ from the Waikanae Capital Improvement Fund and writes to the Mahara Gallery Trustees pledging that this amount has been allocated for the purpose of the upgrade to the Mahara Gallery in Waikanae.

### **Report prepared and approved for submission by:**

Bernie Goedhart

**GM Corporate Services**

### **ATTACHMENTS:**

- Appendix 1 copy of meeting resolutions  
Appendix 2 Mahara Gallery Letter dated 30 August 2011