



Masterton Trust Lands Trust

BOARD PACK

for

MTLT (Open)

Monday, 31 August 2020

3:30 pm

Held at:

MTLT Board Room

189 Queen Street, Masterton

AGENDA

MTLT (OPEN)



Name:	Masterton Trust Lands Trust
Date:	Monday, 31 August 2020
Time:	3:30 pm to 5:00 pm
Location:	MTLT Board Room, 189 Queen Street, Masterton
Board Members:	Leanne Southey (Chair), Christine Brewster, John Bunny, Bex Johnson, Frazer Mailman, Sandy Ryan, Gary Caffell, Tom Hullena
Attendees:	Andrew Croskery (GM), Stephanie Rix (Secretary)

1. MEETING OPENING.

1.1 Apologies.

1.2 Late items.

Members to advise of any late items they wish to be considered.

If a Trustee wishes to bring an item to the board meeting, it must be notified to the office by the Monday prior to the board meeting, for inclusion and distribution in the agenda. Items defined as late items (i.e. received after the agenda has been prepared and eligible for consideration by Trustees) are only those items which cannot be left until the following meeting.

1.3 Declaration of interest.

The Chair to ask Trustees present to declare any agenda items in the Open meeting in which they may have either a financial conflict of interest or the appearance of possible bias, and acknowledge the receipt of the record of interest included with the board pack.

Supporting Documents:

1.3.a	Register of Interests - August 2020.pdf	6
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2. MINUTES OF PREVIOUS MEETING.

2.1 Minutes of meeting held 27th July 2020.

Minutes of previous meeting to be confirmed (attached).

Supporting Documents:

2.1.a	Minutes : MTLT (Open) - 27 Jul 2020	8
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2.2 Matters arising.

3. USE OF SEAL.

3.1 Approval of affixing of the common seal.

Seal not used this month.

4. FINANCE.

4.1 Financial reports as at 31st July 2020.

- a. Profit and loss statement - year to date four months ended 31st July 2020 (attached).
- b. Balance sheet - as at 31st July 2020 (attached).

Supporting Documents:

4.1.a	Profit and Loss - July 2020.pdf	12
4.1.b	Balance Sheet - July 2020.pdf	13

5. BORROWING POLICY.

5.1 Special resolution - Borrowing policy.

Pursuant to the special resolution requirements set out in Clause 3 of Schedule 2 of the Masterton Trust Lands Act 2003:

- a. this resolution was first passed at the ordinary meeting held 27th July 2020;
- b. a public notice calling for objections has been published twice since that meeting - no objections have been received.

Confirmation of special resolution:

Pursuant to Clause 17 of the Masterton Trust Lands Act 2003, it is resolved that Borrowing Policy POL114 (attached) be adopted.

The new policy will replace the following policies which will be repealed:

- o Borrowing Policy POL102
- o Bank Covenants Policy POL103
- o Interest Rate Risk Management Policy POL104

Supporting Documents:

5.1.a	POL114 - Borrowing Policy.pdf	14
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6. LATE ITEMS.

6.1 Late items as advised from 1.2 above.

7. GENERAL BUSINESS.

7.1 General business.

8. MOVE INTO COMMITTEE.

8.1 The Chair to move that the meeting moves into committee.

That the public be excluded from the following parts of the proceedings of this meeting, namely:

Finance items, Grant requests, Property items, Staff matters.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of its resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of the resolution
Property items	Commercial sensitivity	7(2)(b)(11)
Finance items	Commercial privacy	7(2)(b)(11)
Grant requests	Privacy	7(2)(a)
Staff matters	Privacy	7(2)(a)

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 7 of that Act.

9. ITEMS TRANSFERRED FROM IN-COMMITTEE.

9.1 Items transferred from In-Committee.

10. CLOSE MEETING.

10.1 Next meeting date.

Next meeting: MTLT (Open) - 28 Sep 2020, 3:30 pm



Masterton Trust Lands Trust

Register of Board Membership Interests

Masterton Trust Lands Act (2003)

	Trustee: Leanne Southey	Partner: Peter McKenna
Occupation:	<ul style="list-style-type: none"> Chartered Accountant in Public Practice (Southey Sayer Ltd) 	<ul style="list-style-type: none"> Owner - Screen printing business (Mangan Graphics), Masterton
Interests in Land:	<ul style="list-style-type: none"> 52 Perry Street, Masterton (owned by family trust) 12A McKenna Street, Masterton (part-owned by family trust) 110 Dixon Street, Masterton – leased by Southey Sayer Ltd Unit 8, 392 Queen Street, Masterton – leased by Mangan Graphics Ltd (from MTLT) Apartment 9, Chews Lane, Wellington (owned by family trust) 	
Investments in Companies, Partnerships (not public company):	<ul style="list-style-type: none"> Southey Sayer Ltd Mangan Graphics Ltd (tenant of MTLT) 	
Directorships:	<ul style="list-style-type: none"> Southey Sayer Ltd Academy Trustees Ltd Sadler Oakly Newman Trustees Ltd Dixon Street Trustees Ltd Wairarapa District Health Board 	
Memberships of Community Organisations:	<ul style="list-style-type: none"> Masterton Trust Lands Trust Masterton (Chair) Trade Aid, Masterton (tenant of MTLT) Red Star Squash Club Wairarapa Community Health Board 	

	Trustee: Christine Brewster	Partner:
Occupation:	<ul style="list-style-type: none"> Hairdresser 	
Interests in Land:	<ul style="list-style-type: none"> 46B Essex Street, Masterton 	
Investments in Companies, Partnerships (not public company):		
Directorships:		
Memberships of Community Organisations:	<ul style="list-style-type: none"> Masterton Trust Lands Trust Masterton (Deputy Chair) Wairarapa Justice of the Peace Assn (Member) Masterton South Rotary Club (Member) 	

	Trustee: John Bunny	Partner: Judi Bunny
Occupation:	<ul style="list-style-type: none"> Retired 	
Interests in Land:	<ul style="list-style-type: none"> 97 Manuka Street, Masterton 	
Investments in Companies, Partnerships (not public company):	<ul style="list-style-type: none"> J R Bunny Agencies Ltd Joribee Trust (Trustee) 	<ul style="list-style-type: none"> Trustee
Directorships:	<ul style="list-style-type: none"> J R Bunny Agencies Ltd 	<ul style="list-style-type: none"> Director
Memberships of Community Organisations:	<ul style="list-style-type: none"> Masterton Trust Lands Trust Masterton (Trustee) Wairarapa Justice of the Peace Council (Board member) Wairarapa Rescue Trust (Chair) St. Patricks Church Committee (Chair) M.S.D. – Benefit Review Committee C.A.B. - Volunteer 	

	Trustee: Frazer Mailman	Partner: Marion Mailman
Occupation:	<ul style="list-style-type: none"> Retired 	<ul style="list-style-type: none"> Retired
Interests in Land:	<ul style="list-style-type: none"> 19 Liverpool Street, Masterton 	<ul style="list-style-type: none"> 19 Liverpool Street, Masterton
Investments in Companies, Partnerships (not public company):		
Directorships:		
Memberships of Community Organisations:	<ul style="list-style-type: none"> Masterton District Council (Councillor) Masterton Trust Lands Trust (Trustee) Wairarapa Youth Charitable Trust (Acting Chair) 	

	Trustee: Sandy Ryan	Partner: Dave Ryan
Occupation:	<ul style="list-style-type: none"> • People First NZ 	<ul style="list-style-type: none"> • Self-Employed
Interests in Land:	<ul style="list-style-type: none"> • 19 Ardsley Lane, Masterton • 12B Norwich Avenue, New Plymouth 	<ul style="list-style-type: none"> • 19 Ardsley Lane, Masterton • 12B Norwich Avenue, New Plymouth
Investments in Companies, Partnerships (not public company):		
Directorships:	<ul style="list-style-type: none"> • Concretextra Ltd 	<ul style="list-style-type: none"> • Concretextra Ltd
Memberships of Community Organisations:	<ul style="list-style-type: none"> • Masterton Trust Lands Trust Masterton (Trustee) • Wairarapa Resource Centre (Trustee) • Manaaki ki Wairarapa (Trustee) • Masterton District Council (Councillor) • Lansdowne Residents Assn (Member) 	

	Trustee: Bex Johnson	Partner: Bill Johnson
Occupation:	<ul style="list-style-type: none"> • Self Employed 	<ul style="list-style-type: none"> • Manager, Masterton Club
Interests in Land:	<ul style="list-style-type: none"> • 1 Rewa Place, Lansdowne, Masterton • 1 Gordon Street, Lansdowne, Masterton • 8a Maire Street, Pahiatua • 18 Lake Ferry Road, Lake Ferry • 70A Bannister Street, Masterton 	
Investments in Companies, Partnerships (not public company):		
Directorships:		
Memberships of Community Organisations:	<ul style="list-style-type: none"> • Rotary Masterton South (Member) • Masterton Theatre Company (Member) • Masterton Club (Member) • Masterton Trust Lands Trust Masterton (Trustee) • Masterton District Council (Councillor) • Masterton Community Trust (Trustee) • SPCA Wairarapa 	<ul style="list-style-type: none"> • Masterton Club (Member) • NZMCA (Member)

	Trustee: Gary Caffell	Partner: Barbara Caffell
Occupation:	<ul style="list-style-type: none"> • Retired 	
Interests in Land:	<ul style="list-style-type: none"> • 2B Second Street, Masterton 	<ul style="list-style-type: none"> • 2B Second Street, Masterton
Investments in Companies, Partnerships (not public company):		
Directorships:		
Memberships of Community Organisations:	<ul style="list-style-type: none"> • Masterton Trust Lands Trust Masterton (Trustee) • Masterton District Council (Councillor) • Masterton Bowling Club (President) 	

	Trustee: Tom Hullena	Partner:
Occupation:	<ul style="list-style-type: none"> • Education Consultant • Project Lead – Nga Pumanawa Tupuna 	<ul style="list-style-type: none"> • Sellar & Sellar (Business Mger)
Interests in Land:	<ul style="list-style-type: none"> • 30 Essex Street, Masterton 	<ul style="list-style-type: none"> • 30 Essex Street, Masterton
Investments in Companies, Partnerships (not public company):		
Directorships:		
Memberships of Community Organisations:	<ul style="list-style-type: none"> • Masterton Trust Lands Trust Masterton (Trustee) • Nga Pumanawa Tupuna • Wairarapa Economic Development Skills Group (WEDS) 	<ul style="list-style-type: none"> • Netball Wairarapa (Treasurer)

	General Manager: Andrew Croskery	Partner: Nic Rivers
Occupation:	<ul style="list-style-type: none"> • General Manager, Masterton Trust Lands Trust 	<ul style="list-style-type: none"> • Wairarapa DHB
Interests in Land:	<ul style="list-style-type: none"> • 136 Blakes Road, Carterton 	
Investments in Companies, Partnerships (not public company):	<ul style="list-style-type: none"> • Te Aute Holdings Ltd 	
Directorships:	<ul style="list-style-type: none"> • Te Aute Holdings Ltd 	
Memberships of Community Organisations:	<ul style="list-style-type: none"> • Wairarapa Rescue Trust (Trustee) 	

MINUTES (in Review)

MTLT (OPEN)



Name:	Masterton Trust Lands Trust
Date:	Monday, 27 July 2020
Time:	3:30 pm to 4:40 pm
Location:	MTLT Board Room, 189 Queen Street, Masterton
Board Members:	Leanne Southey (Chair), Christine Brewster, John Bunny, Bex Johnson, Frazer Mailman, Sandy Ryan, Gary Caffell
Attendees:	Andrew Croskery (GM), Stephanie Rix (Secretary)
Apologies:	Tom Hullena

1. MEETING OPENING.

1.1 Apologies.



Resolution:

That the apology from T Hullena be accepted.
Noted that B Johnson will be arriving late.

Decision Date: 27 Jul 2020
Mover: Sandy Ryan
Seconder: Frazer Mailman
Outcome: Approved

1.2 Late items.

Members were asked to advise of any late items they wish to be considered.

No late items.

1.3 Declaration of interest.

The Chair asked Trustees present to declare any agenda items in the Open meeting for which they may have either a financial conflict of interest or the appearance of possible bias, and acknowledge receipt of the record of interest included with the board back.

None advised.

2. MINUTES OF PREVIOUS MEETING.

2.1 Minutes of meeting held 29th June 2020.

MTLT (Open) 29 Jun 2020, the minutes were confirmed as presented.

**Resolution:**

That the minutes of the meeting held 29th June 2020 be confirmed as a true and correct record.

Decision Date: 27 Jul 2020
Mover: Christine Brewster
Seconder: John Bunny
Outcome: Approved

2.2 Matters arising.

No matters arising.

3. USE OF SEAL.**3.1 Approval of affixing of the common seal.****Resolution:**

That the affixing of the common seal by Trustees/General Manager to the following be approved:

- QUE372 - The Warehouse Limited - Deed recording variation and review of annual rent, and related arrangements.

Decision Date: 27 Jul 2020
Mover: Sandy Ryan
Seconder: Frazer Mailman
Outcome: Approved

4. FINANCE.**4.1 Financial reports as at 30th June 2020.**

The following financial reports were noted:

- Profit and loss statement - year to date three months ending 30th June 2020.
- Balance sheet - as at 30th June 2020.

5. BORROWING POLICY.**5.1 Adoption of new borrowing policy by special resolution.****Special resolution:**

Pursuant to Clause 17 of the Masterton Trust Lands Act 2003, it is resolved that Borrowing Policy POL114 (attached) be adopted.

The new policy will replace the following policies which will be repealed:

- Borrowing Policy POL102
- Bank Covenants Policy POL103
- Interest Rate Risk Management Policy POL104

Pursuant to Clause 3 of Schedule 2 of the Masterton Trust Lands Act 2003, this special resolution will be publicly notified.

Decision Date: 27 Jul 2020

Mover: John Bunny
Seconder: Christine Brewster
Outcome: Approved

6. LATE ITEMS.

6.1 Late items as advised from 1.2 above.

No late items.

7. GENERAL BUSINESS.

7.1 General business.

No general business.

8. MOVE INTO COMMITTEE.

8.1 The Chair to move that the meeting moves into committee.



Resolution:

That the public be excluded from the following parts of the proceedings of this meeting, namely:

Finance items, Grant requests, Property items, Staff matters.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of its resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of the resolution
Property items	Commercial sensitivity	7(2)(b)(11)
Finance items	Commercial privacy	7(2)(b)(11)
Grant requests	Privacy	7(2)(a)
Staff matters	Privacy	7(2)(a)

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 7 of that Act.

Decision Date: 27 Jul 2020
Mover: Leanne Southey
Seconder: Christine Brewster
Outcome: Approved

The meeting moved into Committee at 3.35pm.

Open meeting resumed at 4.35pm.

9. ITEMS TRANSFERRED FROM IN-COMMITTEE.

9.1 Items transferred from In-Committee.

Resolution - School events grant:

That a school event grant of \$1,000 be approved to Wairarapa Maths Association for the Matharapa maths competitions.

Moved: C Brewster

Seconded: F Mailman

APPROVED

Resolution - Tenant apprentice scholarship:

In response to the recent Government announcement that apprenticeship fees will be free from 1st July 2020 to 31st December 2022, it was resolved:

To extend the criteria for the tenant apprentice scholarship to include industry training fees, essential work gear/tools, travel and other associated training costs (subject to evidence of expenditure being provided).

Moved: L Southey

Seconded: B Johnson

APPROVED

10. CLOSE MEETING.

10.1 Next meeting date.

Next meeting: MTLT (Open) - 31 Aug 2020, 3:30 pm

Meeting closed at 4.40pm.

Signature: _____

Date: _____

Profit & Loss
Masterton Trust Lands Trust
April 2020 to March 2021

	Apr-20 Actual \$	May-20 Actual \$	Jun-20 Actual \$	Jul-20 Actual \$	YTD \$
Income					
Interest Income - Tenant Fit-out Loans	100	98	95	92	385
Other revenue	-999	84	87	3,075	2,247
Recoveries	47,920	48,543	52,292	51,459	200,214
Rent	433,978	432,585	432,575	430,369	1,729,507
Covid-19 Rent Relief	-127,269	-79,903	-11,717	-8,562	-227,451
Covid-19 Wage Subsidy	14,059	-7,030	-7,030	0	-1
Total Income	367,790	394,377	466,302	476,433	1,704,901
Gross Profit	367,790	394,377	466,302	476,433	1,704,901
					0
Less Operating Expenses					0
Administration Costs	12,151	33,858	44,014	52,758	142,781
Property costs	109,023	118,067	183,197	144,648	554,935
Total Operating Expenses	121,174	151,925	227,211	197,406	697,716
Operating Profit	246,616	242,452	239,091	279,027	1,007,185
Non-operating Expenses					
Interest cost	58,366	113,449	40,281	45,793	257,889
Grants					
Civic Grants					
Concessional rent grants	51,755	51,755	51,755	51,755	207,020
Education grants	-2,000	1,000	49,750	1,000	49,750
Total Grants	49,755	52,755	101,505	52,755	256,770
Total Non-operating Expenses	108,121	166,204	141,786	98,548	514,659
Net Profit	138,494	76,248	97,305	180,479	492,526

Balance Sheet

Masterton Trust Lands Trust As at 31 July 2020

31 JUL 2020

Assets

Bank

Transaction account	294,963
Grant - project reserve	60,143
Maintenance Reserve	333,917
MTLT Maintenance TD4	300,000
MTLT Maintenance TD 1004	350,000
Total Bank	1,339,023

Current Assets

Accounts Receivable	119,105
Provision for doubtful debts	(25,000)
Total Current Assets	94,105

Fixed Assets

Land & Buildings (Investment Portfolio)	72,228,227
Property, plant & equipment	192,609
Property, plant & equipment - accumulated depreciation	(33,894)
Trust Office	825,000
Total Fixed Assets	73,211,942

Total Assets **74,645,070**

Liabilities

Current Liabilities

Accounts Payable	127,531
ANZ term loan	22,490,280
GST payments & receipts	34,823
Interest Accrued	45,793
Roundings	-
Total Current Liabilities	22,698,427

Total Liabilities **22,698,427**

Net Assets **51,946,643**

Equity

Current Year Earnings	492,527
Retained earnings	51,454,116

Total Equity **51,946,643**

POLICY TITLE: BORROWING POLICY
Masterton Trust Lands Trust (the Trust)

Policy Reference: POL114

Adopted: To be adopted by special resolution on
31st August 2020



POLICY OBJECTIVES

To ensure that borrowing is managed in a prudent, effective and efficient manner, and in compliance with statutory requirements.

STATUTORY OBJECTIVES

1. To ensure compliance with the Masterton Trust Lands Act 2003, specifically clauses 16 and 17:
 - Clause 16 - Power to borrow
 - (1) The Trust may from time to time borrow money for the purposes of the Trust, as defined in sections 7 and 9, either with or without security.
 - (2) For the purpose of securing the repayment of money so borrowed, and the interest thereon, the Trust may appropriate and pledge as security its revenues or any part thereof, or mortgage or charge any of its property.
 - (3) The power to borrow conferred by this section is to be exercised so that the borrowing of the Trust is at all times maintained within prudent levels.
 - Clause 17 - Borrowing policy
 - (1) The Trust must adopt a policy in respect of borrowing.
 - (2) The policy adopted under subsection (1) must set out the Trust's policies, in respect of the management of borrowing.
 - (3) The policy under subsection (1) is to be adopted by special resolution and may be amended from time to time by special resolution.
2. To ensure compliance with the Local Government Act 2002 as it applies to the Trust.

GENERAL OBJECTIVES

- Minimise the Trust's costs and risks in the management of its external borrowings.
- Minimise the Trust's exposure to adverse interest rate movements.
- Arrange and structure external long-term debt funding for the Trust at an acceptable cost from debt lenders. Optimise flexibility and spread of debt maturity terms within the funding risks established by this policy.
- Monitor and report on financing / borrowing covenants and ratios under the obligations of the Trusts lending / security arrangements.
- Maintain appropriate liquidity levels and manage cashflows to meet known and reasonable unforeseen funding requirements.
- Meet at least once per annum with the Trust's primary debt lender to review the Trust's debt profile.

BORROWING POLICY

1. The borrowing of the Trust will at all times be maintained at prudent levels.
2. The Trustees will operate so that the Trust will maintain a Debt to Debt plus Equity percentage of no more than 40% (based on the schedule of properties that excludes community property).
3. Loan maturities will be spread to manage adverse interest rate movement.
4. The ratio at which net rental income bears to interest costs will be no less than 2 to 1 as calculated by the Trust's funder against the schedule of properties that the funder has registered security over (net rental income to be based on the schedule of properties that excludes community property).
5. Community property will not be provided as security for borrowing.
6. All terms, covenants and reporting requirements of facility agreements entered into by the Trust will be complied with. No terms, covenants or reporting requirements will contradict paragraphs 1-4 of this Borrowing Policy.

This policy was confirmed by special resolution of the Trust Board (31st August 2020). The resolution procedure was as required at Schedule 2, Clause 3 of the Act.

NOTES TO ACCOMPANY BORROWING POLICY *(not part of policy)*

Debt to Debt plus Equity percentage

The "Business Plan & Six Year Strategic Plan 2019/20 – 2024/25" Objective # 4 is to reduce the debt to debt plus equity percentage to less than or equal to 30% by 2024/25. This remains the target percentage and should guide all financial decision making.

Schedule 1 – Community Property

For the purpose of identifying property that will not be provided as security to debt lenders the following schedule is provided:

Prop Ref	Address	Current Tenant
BRU010	Corner Bruce and Dixon Streets	Aratoi, i-Site, Entice Café
QUE013	13 Queen Street and Corner Bruce Street	ConArt Gallery & Studios
QUE015	15 Queen Street	Te Patukituki O Wairarapa
DIX022	22 Dixon Street	Educational Centre
DIX146	146 Dixon Street	Harlequin Theatre
QUE365	365 Queen Street	SPOT Youth Centre
QUE366	367 Queen Street	Vacant
QUE367	369 Queen Street	Vacant
COR137	Pownall Street, Hillcrest Street and Cornwall Place	Wairarapa College Farm
HIL001	Hillcrest Street, Corner Pownall Street	Millennium Reserve / ex Trout Hatchery

❖ As at 29 June 2020.

❖ Subject to change.

Reviewed:

21st July 2003; 30th January 2017, 31st August 2020