



REPORT OF THE ORDINARY MONTHLY MEETING OF THE FINANCE AND POLICY COMMITTEE HELD IN THE COUNCIL CHAMBERS, 29 CIVIC AVENUE, GORE ON WEDNESDAY 11 APRIL 2007, AT 6:35 pm.

PRESENT His Worship the Mayor (Mr Tracy Hicks JP), Cr Bolger (Chairperson) Crs Davis, Dore, Harvey, McFadzien, McIntyre, McLennan, Ogg, and Turnbull.

IN ATTENDANCE The Chief Executive (Mr Steve Parry), General Manager, District Assets (Mr Neil Jorgensen), Parks and Recreation Manager (Mr Ian Soper), Roothing Manager (Mr Murray Hasler), Asset Manager, Utilities (Mr Ross Haslemore), Management Accountant (Mr Luke Blackbeard), Acting Corporate Services Manager (Sue Davidson), Arts and Heritage Curator (Mr Jim Geddes), the Corporate Support Officer (Mrs Jo Waddell) and one member of the public in the Gallery.

APOLOGIES Cr Hellier apologised for absence.

1. FEES AND CHARGES 2007/08 (17.3)

A memo from the Chief Executive had been received, together with a schedule of the Council's fees and charges for 2007/08 which had been reviewed by Council Managers. Most of the amendments proposed took cognisance of inflation, however, there were some additions in building which reflected new areas of activity since the last review.

Cr McLennan moved THAT the revised fees and charges schedule complete with any amendments, additions or deletions agreed to by the Council be adopted and come into force on 1 July 2007.

The recommendation was seconded by Cr Dore.

Cr Harvey asked whether the mobile trader cost was per day.

The Chief Executive replied it was and it could not be changed as it was governed by statute.

Cr Ogg thought photocopying at 20 cents was too cheap and wanted it raised to 50 cents for the first five sheets and 40 cents thereafter.

Cr Turnbull said it was a lot cheaper at Hewson's.

Cr Davis clarified this was for photocopying at the office not the library.

The Chief Executive said to be fair it was not something that was utilised very much.

The General Manager added it cost about 0.7 cents per photocopy.

Cr Davis noted that did not include the lease cost.

The recommendation was put and it was carried.

2. ICE SPORT SOUTHLAND INC – LOAN AGREEMENT (56.78)

A memo had been received from the Chief Executive advising that the \$300,000 interest free loan to Ice Sports Southland was due for repayment on 3 May 2007. To date, Ice Sports had repaid the Council \$90,000 over the past four years and it had been used to assist with funding the Aquatic Centre operating deficits in 2004/05 and 2005/06.

The Finance Executive of ISS had advised the loan would be repaid in full before its due date which meant the Council now had two options on what to do with the funds. The first option allowed for the money to be used to reduce the Council's net public debt. The second option was to retain the \$220,000 as a cash reserve. It was recommended that the first option would serve the ratepayers better.

RECOMMENDED on the motion of Cr McLennan, seconded by Cr Dore, THAT the Council endorse the intended action of utilising \$220,000 from Ice Sports Southland to assist with the repayment of the \$500,000 interest free loan received from the Southland Building Society and note that \$280,000 will need to be borrowed at a market rate.

Cr Bolger said overall the debt would reduce by \$220,000 and it would be \$1 million more favourable than the LTCCP had predicted.

3. FINANCIAL REPORT FOR FEBRUARY 2007 (1.1.3)

A financial report for the eight months ended 28 February 2007 had been circulated from the Management Accountant.

Cr Bolger noted that the short term deposits were \$2,751,000.

The Acting Corporate Services Manager said although the surplus to February was sitting at \$3,080,000, it was because of roading projects yet to be completed. She anticipated that the surplus would be around \$323,000 as shown in the LTCCP. She added that the bank account was not in overdraft and had not been for some time.

The Chief Executive said there had been a query about the interest and dividends at the previous meeting which had been an error and had now been remedied.

The General Manager advised a CAPEX report would be provided at the April Council meeting.

RECOMMENDED on the motion of Cr Sutherland, seconded by Cr Dore, THAT the financial report for the eight months ended 28 February 2007 be received.

4. ST JAMES THEATRE TRUST – FLY TOWER PROJECT (50.17)

A memo had been received from the Chief Executive about the Council's commitment in principle of a \$250,000 grant to the St James Theatre Trust for its fly tower project. As a consequence, the sum of \$250,000 had been provided for in the LTCCP and was to be paid in the 2007/08 year subject to certain conditions which had yet to be specified. A letter from the Trust was circulated with the agenda seeking clarification of the conditions to enable the grant to be uplifted.

Cr Davis asked whether \$50,000 could be paid each year for five years instead of in one lump sum.

Cr Bolger said if that happened it would have to be in this year's budget.

The Chief Executive explained that if the Council chose to "drip feed" the \$250,000 to the Trust it would need to be included in the current year's budget whereas the lump sum of \$250,000 could be left until the 2007/08 year which had appeased the Trust.

Cr Davis said from the Council's point of view it must consider what it wanted to do and what was better for it not the Trust.

RECOMMENDED on the motion of Cr McLennan, seconded by Cr Davis, THAT the Council establish conditions that are acceptable to both parties for the Trust to meet to enable the proposed \$250,000 grant to be uplifted.

The meeting concluded at 6:53 pm.