

NOTICE IS HEREBY GIVEN THAT THE MONTHLY MEETING OF THE FINANCE AND POLICY COMMITTEE, WILL BE HELD IN THE COUNCIL CHAMBERS, 29 CIVIC AVENUE, GORE, ON TUESDAY 8 MAY 2007, FOLLOWING THE CONCLUSION OF THE REGULATORY AND PLANNING COMMITTEE MEETING

**Steve Parry
CHIEF EXECUTIVE**

1 May 2007

A G E N D A

1. Funding of Rural Halls
(Pages 1-3)
2. Community Development Initiatives in the Gore District
(Pages 4-15)
3. Financial Report for March 2007
(Pages 16-19)

FINANCE AND POLICY COMMITTEE AGENDA

MAY 2007

1. FUNDING OF RURAL HALLS

(Memo from Chief Executive – 27.04.07)

One of the subjects raised in submissions to the Council's draft LTCCP last year was the fairness in the way in which rural halls are funded. The basic thrust of the submissions made on the subject was rural ratepayers had to contribute to urban community centres in the form of the likes of the James Cumming Wing, Elderly Citizens Centre and Town Hall in Mataura, yet rural ratepayers were forced to exclusively fund their own halls via a local rate made on a uniform basis within a defined area around the hall concerned. The only deviation from this practice in the rural area is the annual allocation made to rural halls within the Council's grant budget. This allocation of \$7,000 is funded via the uniform annual general charge which means that the majority of this funding is met by urban ratepayers.

Whilst not electing to change the Council's funding policy, the Council did commit itself last year to reviewing the way in which rural halls are funded. This report aims to provide some background information to assist the Council in considering whether it wishes to change the way in which rural halls are funded.

Please therefore find enclosed as Appendix A, a breakdown of the means by which rural halls are funded by neighbouring district Councils. As can be seen from the examples given in the Appendix, the use of a localised separate rate is a popular method of funding rural halls. From this vantage point it would seem that the way in which the Gore District Council funds its rural halls is not out of kilter with the district Councils listed for comparative purposes in the Appendix.

To amend the Council's funding policy in regard to rural halls would require amendment to the LTCCP which would need to be the subject of a separate audit. It is strongly suggested that this would be a very inefficient way of correcting what may only be a modest issue in monetary terms. A review of the Council's funding policy will fall due in any event when the mandatory three year review of the LTCCP occurs in two years time. It suggested that any change to the way in which rural halls are funded take place at that time.

However if relief is being sought particularly by rural hall committees there appears to be a more straight forward way of addressing this issue. The annual grant for rural halls of \$7,000 has been in place for some time and it could well be it needs to be increased to reflect current day needs. Such an approach would give meaningful relief to hall committees that are struggling to maintain large older style buildings that are not enjoying the patronage of earlier years but obviate the need for the Council to go through an expensive and time consuming amendment to both its funding policy and the LTCCP.

RECOMMENDATION

THAT this report be received

AND THAT the Council give consideration to increasing the annual grant made in favour of rural halls.

APPENDIX A

FUNDING POLICY FOR RURAL HALLS OF OTHER DISTRICT COUNCILS IN ZONE 6

1. Central Otago District

Rural halls funded by uniform annual charge as part of the recreation and culture rate for all wards except Earnscliffe/Manuherikia, where it is funded by a separate community halls rate, struck on a uniform basis.

The Council also gives some grants in aid to some other halls not in Council ownership. These grants which in most instances are under \$5k, are funded through the respective wards land value works and services rate.

2. Clutha District

Rural halls are funded by rural ratepayers via a community services rate which is struck on a land value basis. Approximately \$40k is collected via this rate.

The only two exceptions to this are the Clinton and West Otago Community Centres which have their own defined separate rates.

Rural ratepayers also contribute 25% of the cost of the urban halls.

3. Southland District

All community centres and halls (51 in total) are funded locally by a uniform rate per habitable dwelling with a defined hall rating area.

4. Waitaki District

Uniform hall rates per separate habitable dwelling as per Southland.

NOTE: Due to its higher concentration of urban areas, Queenstown Lakes District was not included in this comparative exercise.

2. COMMUNITY DEVELOPMENT INITIATIVES IN THE GORE DISTRICT

(Memo from Chief Executive – 30.04.07)

Over the past couple of years the Council has given spasmodic thought to its role in regard to community development and social wellbeing.

To assist the Council with its deliberations in this area and gain an appreciation as to what others may or may not be doing, I visited three local authorities in the South Island and a further three in the North Island late last year. A copy of my report which has been perused at an earlier workshop on community development is enclosed.

During the two workshops that the Council held on community development in February and April this year a keen desire was expressed to focus on the needs of local youth. The type of needs cited were programmes and entertainment that would assist in the quality of life for our youth.

At the same time Councillors recognised that a vehicle or voice for local youth needs to be provided so that Councillors and Management are not endeavouring to second guess what the needs of our youth might be. In this regard the concept of a youth council was identified as being worthy of exploration.

Towards this end the second workshop held on 16 April involved an informative presentation from Mary Napper, Community Development Officer at the Invercargill City Council about the operation and effectiveness of the Invercargill Youth Council. At this workshop local youth programme providers were also present. These providers were, Mr Richard Pascoe of Sports Southland, Karen McCauley from the Maitua Youth Centre, Kelly Takaroa from Hokonui Whanau Marae, Marty Redhead from the Calvin Church, Harley Ware from the Community Connections Centre and Terry Stott from the Hokonui Runanga. All of these providers who are working at the coal face with local youth expressed support and enthusiasm for a youth council to be established in the Gore district.

The operation of the youth council can be designed to suit local circumstances. However to give those Councillors who were not present at the workshop an appreciation as to what is involved, the following key points governing the Invercargill Youth Council may be of interest:

- The Youth Council has been in operation since 1999.

- It has an annual renewal process by letters being sent out each January to the six secondary schools in the city inviting each institution to nominate six people to be on the Youth Council.
- This relatively high number of representatives from each school is utilised to cover for the likelihood of some students becoming either too busy or moving into permanent employment during the year.
- The first meeting of the Youth Council which is a consensus about the day of the week and time at which future meeting will be held.
- Meetings are normally at three weekly intervals. Every second meeting is formal in nature whilst the other meeting would normally involve a site visit to a facility of interest.
- The Youth Council meets prior to the closure of agendas for the Council's standing committees.
- The Youth Council provides written comment on any matters raised in the agendas for the attention of the Councillors.
- These written comments would normally provide a youth view for the Councillors and this view is presented by Mary Napper at the meetings concerned.
- An Invercargill City Councillor sits on the Youth Council to ensure there is strong linkage between the two entities.
- The Youth Council has a small budget of "a few thousand dollars" to assist with soft drinks and nibbles at its meetings and other incidentals incurred in the course of its business.

In summary Mary Napper reported that the Youth Council in Invercargill was a very positive and effective vehicle/voice for local youth.

The aforementioned youth programme/service providers present at the most recent workshop also expressed interest in developing a Youth Council model in association with the Council. Such a model may well involve not only nominations from local secondary schools but from youth organisations to ensure there is a blend of both secondary school students and

youth who may be in training programmes outside the secondary school environment.

RECOMMENDATION

THAT the Council give consideration to the desirability of establishing a Youth Council in the Gore District.

3. FINANCIAL REPORT

(Memo from Management Accountant – 30.04.07)

Operating Results

For the nine months ended 31 March 2007, the Gore District Council recorded a surplus of \$2,850k. This is favourable by \$410k on the budget result for the same period.

Our performance for the period is summarised in the table below. The full results can be found in the statements at the end of this report.

Operating Results

March							Full Year
Actual	Budget	Variance		Actual	Budget	Variance	LTCCP
\$000	\$000	\$000		\$000	\$000	\$000	\$000
Revenue							
0	0	0	Rates	8,668	8,629	39	8,629
585	387	198	Other	3,325	3,633	(307)	4,793
585	387	198		11,994	12,262	(268)	13,422
Expenses							
38	45	7	Democracy	311	401	90	535
518	698	180	Assets	5,882	6,279	396	8,373
255	349	94	Corporate Services	2,950	3,142	192	4,192
811	1,091	280		9,143	9,822	678	13,099
(226)	(705)	478	Surplus (Deficit)	2,850	2,440	410	323

Variance Explanation

Income

Overall income is unfavourable by \$268k.

There is still a timing difference in the LTNZ Subsidy. The reason being that while projects for the year have now all been started they have not all been claimed yet. April should see the majority of this slack taken up.

The full rates strike for 2006/07 is included in the operating results giving the Council a large operating surplus. The rates figure will not change much for the rest of the year; therefore the surplus will steadily decrease towards the \$323k predicted at the

end of the financial year. It is intended next year to accrue the rates revenue monthly rather than quarterly as it is at present. This will mean the monthly surplus/deficit will be more accurate from month to month.

The increase in fee revenue of \$135k has been caused by the following:

- A net surplus of \$50k YTD on budget from agency fees collected/paid.
- \$25k increase in Rates penalties received over the budgeted amount
- Parking meter fees have consistently been above budget this year, YTD this is approximately \$31 above the level budgeted.
- Liquor license fees have also been regularly higher resulting in a YTD increase over budget of \$16k

Expenditure

Overall expenditure is favourable by \$678k. A major contributor to this is:

- Grants paid out are behind on budget \$82k (A&P grant of \$60k and Venture Southland of \$15k).
- Civic Buildings fuel cost is down \$28k on budget, This is seasonal because the JCW and Civic centres heating has only been turned on recently, this cost is seasonal but the budget is allocated evenly throughout the year.
- Electricity is down at the Aquatic Centre by \$40k, this will be affected by the seasons.
- Roothing projects are all started now; the expenses associated with those projects will be picked up in April, bringing Roothing in line with Budget.

Assets

- Capex has been minimal in March, more Capex is expected in April.
- Creditors have decreased by \$300k over last month, reflecting the business of February.

RECOMMENDATION

THAT the financial report for the nine months ended 31 March 2007 be received.

Gore District Council
Statement of Financial Performance
1 July - 31 March 2007

Actual	March			Actual	Budget	Variance	LTCCP
	Budget	Variance					
			Revenue				
0	0	0	Rates	8,668	8,629	39	8,629
13	10	3	Petroleum Tax	98	92	5	123
363	171	192	LTNZ Subsidy	1,092	1,538	(446)	2,051
209	203	6	Licenses Fees & Other Revenue	2,116	1,981	135	2,590
0	2	(2)	Interest and Dividends	20	22	(2)	29
585	387	198		11,994	12,262	(268)	13,422
			Expenses				
38	45	7	Democracy	311	401	90	535
204	264	60	Essential services	2,160	2,375	216	3,167
172	267	95	Roads	2,297	2,405	108	3,207
101	113	12	Reserves & Sport Facilities	991	1,014	23	1,352
41	54	12	Property	434	484	50	646
38	50	11	Regulatory	453	446	(8)	594
61	87	25	Aquatic Centres	710	781	71	1,041
52	74	22	Heritage Precinct	636	665	30	887
104	139	35	Administration	1,152	1,250	99	1,669
811	1,091	280		9,143	9,822	678	13,099
(226)	(705)	478	Surplus (Deficit)	2,850	2,440	410	323

**Gore District Council
Balance Sheet
As at 31 March 2007**

Actual		Actual	LTCCP
30 Jun 2006		31 Mar 2007	30 Jun
\$000		\$000	2007
			\$000
	Equity		
137,223	Accumulated funds	140,074	138,388
106,982	Asset Revaluation Reserve	106,980	108,025
244,205		247,055	246,413
	Assets		
	Current Assets		
(16)	Bank	120	41
1,263	Debtors	3,230	900
711	Short Term Deposits	2,442	708
39	Inventory	56	0
1,997		5,848	1,649
	Non current Assets		
68	Investments	68	68
230	Loans to Community Groups	220	0
251,994	Fixed Assets	250,568	255,561
252,292		250,856	255,629
254,289	Total Assets	256,705	257,278
	Liabilities		
	Current Liabilities		
1,496	Creditors	1,072	1,525
	Non Current Liabilities		
8,400	Term Loans	8,400	9,196
188	Landfill Aftercare Provision	178	144
8,588		8,578	9,340
10,084	Total Liabilities	9,650	10,865
244,205	Net Assets	247,055	246,413