

**REPORT OF THE ORDINARY MONTHLY MEETING OF THE
FINANCE AND POLICY COMMITTEE HELD IN THE COUNCIL
CHAMBERS, 29 CIVIC AVENUE, GORE ON TUESDAY 11 MARCH
2008, AT 4:42 pm.**

PRESENT His Worship the Mayor (Mr Tracy Hicks JP), Cr Bolger (Chairperson), Crs Davis, Dixey, Dixon, Gardyne, Grant, Heller, Highsted, McLennan and Sharp.

IN ATTENDANCE The Chief Executive (Mr Steve Parry), General Manager, District Assets (Mr Neil Jorgensen), General Manager, Corporate Services (Mr Russell Duthie), Parks and Recreation Manager (Mr Ian Soper), Roothing Manager (Mr Murray Hasler), Arts and Heritage Curator (Mr Jim Geddes), Library Manager (Mrs Jane Robinson), Corporate Support Officer (Mrs Jo Waddell) and nine members of the public in the Gallery.

APOLOGY Cr Harvey apologised for absence.

1. FINANCIAL REPORT FOR JANUARY (1.1.4)

A financial report for the 7 months ended 31 January 2008 had been circulated from the Management Accountant.

Cr Bolger queried the variance for the depreciation as it was not to the level that was budgeted yet the valuations had increased. Had the valuations not gone up as far as expected or had there been a change in the depreciation rates?

The General Manager, Corporate Services replied the change was in the depreciation rate, mainly in the roading area, where consultants had gone through and looked at the value of the assets and at the profile of the assets use and remaining life and then provided updates to the Council. The calculations were only updated three yearly but the Council had to work on historical data for two of those years so there was some conflict in that sense.

Cr Gardyne noted there was a typo on Page 4, 5 and 6 with the period ending 31 January 2007 which should read 2008. He

advised that sometime in the future he would be requesting a split between rural and urban roading costs. Would that be a problem?

Cr Bolger advised it was separated in the LTCCP.

The Roading Manager added the roading costs could be shown separately in the financial statements.

RECOMMENDED on the motion of Cr McLennan, seconded by Cr Dixey, THAT the financial report for the seven months ended 31 January 2008 be received.

2. HEALTHY HOMES INITIATIVE (18.77)

A memo had been received from the Chief Executive, together with a copy of a Healthy Homes Initiative proposal received from Mr Mike Fairfield of the Energy Efficiency and Conservation Authority (EECA), identifying a funding contribution from the Council of \$30,000 in the current financial year and a similar amount in 2008/09. The proposal outlined the scope of work that would be undertaken in each of the 225 homes and detailed the benefits that could accrue from seeing the project implemented.

Cr Bolger said no provision had been made in the 2008/09 estimates as yet, but it did fit with the LTCCP's community wellbeing.

Cr Sharp thought the Council should adopt the same stance as the Community Trust of Southland had done with the Bluff initiative and lend the funds, to be repaid through the power savings.

Cr Bolger asked if that would fit within the scope of EECA's initiative.

The Chief Executive said the Council could impose that restriction on the scheme, but asked whether the people who would benefit would be able to ensure the savings or would it give them more "breathing space" to enable a better quality of living.

His Worship said it was something to be considered in the future but he felt that the Council should be involved as it was only a part of the initiative and it was important to show leadership. There were very few Councils who were not involved in the initiative already. There could be an option for a Southland wide project but he was supportive of the Council

being involved. It was different to what the Council's traditional mandate was but it should allow it to go through the Annual Plan process to give the community a chance to be consulted.

Cr Sharp was supportive of the initiative but 34% energy savings was a lot that the beneficiaries would be getting and the money could go back to the ratepayer.

His Worship agreed but people were really struggling and it was not as if they had a discretionary dollar. In response to Cr Bolger, he asked the Council to commit a total of \$60,000.

Cr Gardyne said initially the Council's role had been on facilitation and it was just the tip of the iceberg with local government sharing central government initiatives. It was not the local authorities which had huge surpluses. He felt it was premature to consider the recommendation as there were other organisations like the Community Trust of Southland and the Hokonui PHO which could be included. He thought the Council should be considered as a funder as a last resort and asked what other organisations were putting money on the table. It could be funded through power savings. He felt the link between the Council's LTCCP and the recommendation was too brief and he believed it would be better to leave the proposal until the following year to decide whether to be a funder or facilitator. It would also give time for the public to respond rather than giving the money up front and then asking for their opinion.

His Worship disagreed with Cr Gardyne and said it was a unique chance to be involved and his suggestion to be a funder as a last resort was less than charitable. A lot of other funders had been approached at the same time as the Council by EECA and it would be good for the community to see the Council lead the way on it. The building department had received a lot of interest from people asking how to apply for this particular funding. Funding the initiative as a last resort was not a solution in his opinion. The Council had to decide whether it was to be involved or not and the community needed to be involved in that decision. He requested that the Council add the cost of \$30,000 for each of the two years into its Annual Plan.

Cr Gardyne asked for a decision to be deferred until the LTCCP review.

Cr Davis said the submitters would advise the Council whether it should go ahead with the initiative. She was sure there would be plenty of feedback from the community. Whilst she was fully

supportive of a contribution, she wanted to know what other organisations were going to invest before specifying a figure.

His Worship said it had been driven by EECA. The total project would cost about \$500,000 and other big stakeholders were needed before it could go ahead.

Cr McLennan recommended THAT the Committee, subject to further information being received, consider making a financial contribution to the Healthy Homes Initiative for the Gore District, promulgated by the Energy Efficiency and Conservation Authority.

Cr McLennan stated he was not objecting to putting money forward but wanted more information.

His Worship said there was a timing issue and while there was a window of opportunity, it would not be open for long. He was not sure what further information was required. The Council had had a presentation from EECA and knew it was going to be of benefit to the community. The Council had been asked to be a part of the project and EECA had suggested that two \$30,000 contributions would fit the Council's size and capability and the decision needed to be made now before putting it out to the community to say yes or no.

Cr Bolger added that it could take a month to gather further information which could result in it being too late for inclusion in the 2008/09 estimates.

The recommendation was seconded by Cr Heller.

Cr McLennan said he was very conscious about the estimates and it was a concern that the money would need to be found from somewhere else.

His Worship moved as an amendment, THAT the Council show leadership with the Healthy Homes Initiative and include \$30,000 in the 2007/08 and 2008/09 draft Annual Plans.

The amendment was seconded by Cr Sharp.

Cr Gardyne supported Cr McLennan's recommendation for more information and if it became a timing issue and could not be included in the estimates, it was not the Council's fault, it was EECA's fault. The Council did not know whether the \$30,000 was going to be used to insulate homes or get gobbled up in administration or salaries.

Cr Bolger said that was a good point and he assumed any contribution from the Council would be used for something tangible rather than administration costs.

Cr Heller felt the Council was meeting some social and community wellbeing obligations with grants of over \$340,000 going to various organisations, the \$250,000 interest free loan to the St James Theatre Trust as well as the Smiths City development. He knew that \$30,000 was not a large amount but the Council was already making some social contributions.

His Worship took Cr Heller's comments on board and agreed that the Council was making some social contribution, but there was an opportunity to take some leadership in the community. With some parts of the community suffering, there were people who needed a helping hand and the Council had the opportunity to do that. He felt the Council was missing its opportunity.

Cr Dixon said 225 homes being insulated would be a big help to relieve those residents with unhealthy, cold houses. From the presentation last month, it had been identified how many elderly people died in the winter because of cold homes. He would be quite happy to see the parks and reserves budget slashed to pay for the Council's contribution because people do not live off plants. It was important to look after the community, especially the elderly.

Cr Bolger suggested it could be discussed at the estimates workshop.

Cr Dixey thought the DHB would not be a part of the initiative and he felt the Council had been asked to commit the funds very quickly. He supported the idea but wanted to know who the other parties were.

His Worship noted that the DHB was certainly a part of it via, the Hokonui PHO.

Cr Davis thought there was a lot of uncertainty around the table as Councillors were not aware what the other partners in the scheme had agreed to commit. She asked if it was possible to have that information provided at the March Council meeting so a decision could be made.

The Chief Executive said it could as the Committee was only making a recommendation and it would be subject to further debate at the full Council meeting. He knew that the Southland Regional Council had been approached.

Cr Highsted asked whether there could be some requirement as to a minimum project level so the Council could move forward with some guarantee on what size the project was for its contribution of \$30,000. It would ensure that funds were not uplifted unless the project got all of its other funders on board.

Cr Gardyne called a point of order and thought the amendment was totally opposite to the recommendation.

The Chief Executive did not agree, as Cr McLennan's recommendation was for a request for further information before considering the contribution and His Worship's amendment supported the contribution.

The amendment was put and it was lost.

Cr Bolger asked for the information to be provided at the March Council meeting.

His Worship asked what information was required.

Cr Sharp said the Council needed to know who the other funders were, and also how many homes would be insulated from the Council's contribution of \$30,000 per year for 2007/08 and 2008/09.

Cr Highsted felt a minimum project size needed to be set in the recommendation.

Cr Heller asked what tradesman would be available to insulate homes in the District. He did not see it as something the Council had to look at straight away.

The Chief Executive said EECA had its own contractor to work within the community and the capacity within the economy to deliver the insulation was not an issue.

Cr Sharp said he had been advised the 40% contribution from the government would disappear by June or July.

Cr Bolger invited Hokonui Horizons Co-ordinator Mrs Rachel Eyre to speak to the Council.

The Co-ordinator said the Gore District had the opportunity to get the tender that had already been granted to the Southland region for the insulation of 225 homes. The tender had been awarded to Energy Smart and it had until June to honour the retro-fit of those homes. The government had provided 40% of the cost and the rest needed to be found from local funders. Energy Smart had approached a range of funders, including the

Community Trust of Southland and various Councils. At present, Energy Smart was looking at the Gore District as being the area that was most likely to take up the tender for the 225 homes to be insulated this winter. If the opportunity was not taken, it may go to other homes in the region. The Council had an opportunity now to make a difference but it did not mean it could not be taken up in the future. The tender had already been awarded for the 225 homes but 60% of the funding was still required to be found.

Cr Sharp asked when the funding was to be made available.

The Co-ordinator said it was due to start in April with 225 homes being retro-fitted in Eastern Southland if the funding could be found locally through the Council and other agencies.

In response to Cr Gardyne, the Co-ordinator advised that Energy Smart had been awarded the contract by EECA. Energy Smart was a private company.

Cr Gardyne felt EECA should be contributing more than 40% of the cost. It was presumptuous of the Government to assume that stakeholders were going to come on board with 60% of the cost.

The recommendation was put and it was carried.

The meeting concluded at 5:13 pm