

**REPORT OF THE ORDINARY MONTHLY MEETING OF THE  
FINANCE AND POLICY COMMITTEE HELD IN THE COUNCIL  
CHAMBERS, 29 CIVIC AVENUE, GORE ON TUESDAY 9  
SEPTEMBER 2008, AT 4:43 pm.**

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

**IN ATTENDANCE** The General Manager, District Assets (Mr Paul Withers), General Manager, Corporate Services (Mr Russell Duthie), Parks and Recreation Manager (Mr Ian Soper), Roading Manager (Mr Murray Hasler), Asset Manager, Utilities (Mr Ross Haslemore), Corporate Support Officer (Mrs Jo Waddell) and two members of the public in the Gallery.

**APOLOGIES** Crs Dixon and Grant and the Chief Executive (Mr Steve Parry) apologised for absence.

---

**1. URGENT LATE BUSINESS – MATAURA WETLANDS  
CONSTRUCTION TENDER (9.19.1)**

Cr Bolger raised an item of urgent late business about the Mataura Wetland Construction Tender to be considered in-committee.

**RECOMMENDED on the motion of Cr Bolger, seconded by Cr McLennan, THAT the Mataura Wetland Construction tender be considered as urgent late business, in-committee.**

**2. A & P JOINT MANAGEMENT COMMITTEE AUDITED  
ACCOUNTS (50.12.2)**

A memo had been received from the Parks and Recreation Manager, together with a copy of the audited report of financial performance of the Joint Management Committee for the year ending 30 June 2008.

Cr Bolger queried the increase in insurance and rates from 2007 to 2008 and whether it was a timing issue?

The General Manager, Corporate Services said the Committee had assumed responsibility for insurance premiums.

The Parks and Recreation Manager added it was a timing issue.

**RECOMMENDED on the motion of Cr McLennan, seconded by Cr Gardyne, THAT the information be received.**

2. GORE DISTRICT COUNCIL ADMINISTRATION STAFF  
ACCOMMODATION REQUIREMENTS (37.5)

A memo from the Chief Executive had been received about the proposal to move the Information Technology Department to the Waikaia and Waipahi rooms in the James Cumming Wing. A comprehensive legal opinion had been sought from the Council's solicitor, Mr John Bannerman advising there were no issues with such a move. A copy of the opinion had been circulated. Mr Bannerman was in attendance to answer any questions.

Cr Bolger thanked Mr Bannerman for his report and felt it summed up the Council's question to the right it had to use the two rooms. He believed there was no impediment to stop the Council using the rooms for its staff.

Cr Sharp asked if the Cumming family had been advised.

Mr Bannerman replied they had not been as it was only his opinion.

Cr Gardyne referred to page 4 of the report where it stated "*no sections of the community would be treated differently from other sections in terms of use and charges for the facility*". He asked if there was a conflict if the Council chose to give its staff a favourable position in terms of the use of the facility.

Mr Bannerman said it had always been envisaged that the Council would manage the facility and any income derived from the facility would go to the Council's general fund. He said the Council was the beneficial owner of the facility and he did not think there was any conflict.

Cr Gardyne thought there was a responsibility implied on the Council to continue with the wishes of the High Court ruling.

Mr Bannerman said he had been asked to look at the use of the two rooms and it did not significantly depart from the original facilities that had been envisaged by the late Mr Cumming. The Council would have a moral obligation to ensure the James Cumming Wing was continued to be used for a public purpose. However, if the Council ever chose to change its direction, it



would be required to go through a consultation process under the Local Government Act which would be subject to judicial review by the court. The Council, when it administered property, had a governmental duty to the ratepayers which was different from a trustee obligation. There were no obligations on the Council as a trustee.

His Worship thanked Mr Bannerman for the report and noted the point on page 6 about the Council's moral responsibility with the terms of use of the facility meant it could not be disregarded.

Mr Bannerman said the James Cumming Wing was recognised as a public asset in the Annual Plan and if the Council wished to deviate from that to any major extent, it would need to go through the proper process.

His Worship asked if using the two rooms was a major departure from the terms of use.

Mr Bannerman replied it was not.

His Worship asked about the quantum of money required to build the facility, as he understood the Cumming family had contributed \$130,000 with the balance of \$240,000 being provided by community fundraising and the Council.

Mr Bannerman did not think it mattered as there were lots of groups that contributed to community facilities and did not expect to have any control over how that facility was run.

Cr Gardyne felt it would have been helpful to have the funders contribution of the facility in the report.

Mr Bannerman did not think it made any difference.

Cr Gardyne said it had been a very protracted process to get a settlement agreed to by the High Court and the community for the Wing to be built. He believed it was more of a moral rather than legal responsibility for the Council and he thought the Council should indicate the use of the two rooms for the Information and Technology Department was a temporary measure as opposed to permanent.

Mr Bannerman agreed it was not irreversible.

His Worship said there would not be any structural changes made to the rooms and they could be used by the public again if there was a change to the Council building. Using the two rooms was not a substantial deviation from the main purpose of



the facility and would not have an impact on individuals or the community.

Cr Highsted referred to the Executive Summary about the Council's proposal and prudent management of its assets. The Council had an accommodation issue and he believed it was a prudent way to solve it.

Cr Bolger thought it would be different if the Council was not paying a rental for the rooms. The facility could not have come about without contributions from the wider community.

**Cr Bolger moved THAT the legal opinion from Mr Bannerman be received,**

**AND THAT the Council affirm its earlier endorsement of the Information and Technology Department moving to the Waikaia and Waipahi rooms in the James Cumming Wing.**

**The recommendation was seconded by Cr McLennan.**

Cr Gardyne would like the recommendation to include acknowledgement of the original intent of the determination of the High Court and that it was noted, that the rooms were part of the complex.

Cr Bolger clarified that Cr Gardyne wanted the rooms to remain as part of the James Cumming Wing.

Cr Gardyne agreed and if in the future the rooms were no longer required for Council purposes, they would revert back to the original use.

Cr Davis said it was already on record and would be there for future Councils to look at. She did not think the recommendation needed to specifically mention Cr Gardyne's suggestion.

Cr Heller asked how much rental the Council would be paying for use of the rooms.

The Parks and Recreation Manager replied the Council would not pay rent.

Cr Bolger apologised for his assumption as it was incorrect.

Cr Sharp asked about the occupancy of the rooms.

The Manager said the rooms had earned revenue approximately \$5-6,000 per annum which had been included in the original report.

**The recommendation was put and it was carried. Cr Gardyne voted against the recommendation and asked for his vote to be recorded.**

3. FINANCIAL REPORT FROM GORE AND DISTRICTS COUNSELLING CENTRE (50.20)

A memo had been received from the General Manager, Corporate Services, together with a copy of the audited Financial Statements of the Gore and District Counselling Centre to 31 March 2008, in response to the Council's request for additional information.

Cr Bolger noted the revenue was down by about \$22,000. Was that because of a contract change?

Cr Dixey agreed there had been changes to the contract and an expected grant from the government had not eventuated as yet thus resulting in delays. Counselling services had also decreased. It was hoped to raise funds for the organisation which was proving difficult.

Cr Bolger said the Counselling Centre was a real asset to the community and agreed it was always difficult to get access to government funding.

His Worship said it was an incredible asset to the community. He was concerned that it was struggling and hoped it would keep the Council updated on how its situation was progressing.

Cr Sharp was concerned about the financial report as it had been stated at the submissions hearing that the Centre's revenue had increased by 50%, but there was a reduction of \$33,000 in revenue and it did not stack up.

Cr Dixey said the system had now changed and the money was paid direct to the Centre from Work and Income rather than from the client.

His Worship added the Centre had a philosophy that nobody would be turned away and there were a number of clients who could not afford to pay for the service.

**RECOMMENDED on the motion of Cr McLennan, seconded by Cr Davis, THAT the financial statements of Gore and District Counselling Centre to 31 March 2008, be received.**

4. REQUEST FROM ICE SPORTS SOUTHLAND TO ACT AS GUARANTOR (56.80)

A memo had been received from the General Manager, Corporate Services, together with a letter from Ice Sport Southland requesting the Council to act as guarantor for a loan from the Southland Building Society to assist with facility upgrades within the ice rink structure.

Cr Highsted asked for an addition to be included to seek confirmation from the Southland Building Society that it was reliant on the guarantee for the extent of the outstanding loan. Banks were known for getting security and sitting on it. It was good practice to get the bank to confirm its extended reliance on the guarantees.

**RECOMMENDED on the motion of His Worship, seconded by Cr Davis, THAT the Council agree to act as guarantor on behalf of Ice sports Southland, to the extent of \$35,000,**

**AND THAT confirmation be sought from the Southland Building Society that its reliance on the guarantee for the outstanding loan would reduce as the loan balance reduced.**

Cr Gardyne asked about the interest rate, and would it be reflected in the interest rate charge given the extra security through the guarantee.

Cr Highsted confirmed the bank would get a more favourable interest rate through the guarantee but it could be subject to loans sometimes, so it was a discipline on the bank to make sure it was limiting itself to what the Council was guaranteeing. When the loan reduced, the guarantee reduced.

Cr McLennan said Ice Sports Southland had been one group able to generate the amounts of money required and he could not see any problem with the Council being a guarantor.

The meeting concluded at 5:12 pm.