

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 WEDNESDAY 15 APRIL 2009, FOLLOWING THE CONCLUSION OF THE REGULATORY AND PLANNING COMMITTEE MEETING

PLEASE NOTE THE DATE CHANGE

**Stephen Parry
CHIEF EXECUTIVE**

7 April 2009

A G E N D A

1. Financial Assistance towards Swimming Lessons (Pages 1-20)
2. Financial Report for February 2009 (Pages 21-30)
3. Review of Delegations Register (Page 31)
4. BUSINESS TO BE CONSIDERED PURSUANT TO THE LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987:
 - Request to write off debt

FINANCE AND POLICY COMMITTEE AGENDA

APRIL 2009

1. FINANCIAL ASSISTANCE TOWARDS SWIMMING LESSONS

(Memo from General Manager, District Assets and Parks and Recreation Manager – 12.03.09)

Purpose of Report

At the Finance and Policy Committee meeting on 12 August 2008 a memo was considered from the Chief Executive about the possibility of the Council making a financial contribution for swimming lessons for the children in the Gore District. After some discussion around the perceived costs and whether or not council was double dipping with on charging the cost of tuition the following resolution was passed.

“THAT the report be tabled until a further meeting was held with interested parties to get an indication on what the costs involved would be District wide”

- ↳ Attached is a memo from the Chief Executive dated 6 August 2008 and the minutes pertaining to the memo.

This report provides an update on liaison held with the education sector in the community since this matter was considered by elected members last August.

Why Swimming lessons are important?

Water Safety New Zealand provides some chilling facts about the need for swimming tuition.

In 2008, just one in five 10 year-olds could swim 200m – the bench mark for being able to swim and survive in the water.

Only 50% of year 6 kids can swim 25m and just 37% can swim 50m.

25% of children are unable to get across 25m or manage to keep afloat and tread water.

Proficiency in each of these measurements is down on average by 10% from 2001.

Most drownings occur within 200 metres of shore.

120 people are drowned in New Zealand every year.

The downward trend in children's swimming ability will result in New Zealand's drowning rates returning to levels of the 1980s by 2020 if action is not taken.

By 2030 we can expect drowning rates of around 150 – 180 drowning per annum.

Schools are not able to deliver the level of swimming instruction provided in the past due to financial and infrastructure limitations.

School teachers believe the quality of children's swimming skills has steadily declined.

Almost 50% of teachers have not had any swimming/aquatics training in the past six years and many question their ability to teach swimming skills to the level required by the curriculum.

Water Safety New Zealand also makes the following observation about the need for New Zealanders to learn to swim:

The foundation skill for enjoying this country's vast and varied environments and activities safely is the ability to swim and survive. All New Zealanders should know how to swim regardless of their recreational choices. Even those who don't undertake aquatic based activities need to be able to swim and have basic water safety skills. Over the last 15 years, more people have drowned from non recreation incidents, such as accidentally falling into water, than participating in water recreation activities. The ability to swim is an essential life skill.

Swimming within schools

The Ministry of Education states "It is expected that all students will have had opportunities to learn fundamental aquatics skills by the end of year 6. (*Health and Physical Education in New Zealand Curriculum*)

In its 'Curriculum in Action, Bubbles to Buoyancy' documents the Ministry asserts that "soundly based and well planned aquatic education provides the most effective, efficient, and sustainable contribution to safety in an aquatic environment"

This recognises the need for all schools in New Zealand to have an aquatics programme that meets the individual needs of their students. The reality is that nationally most schools (90%-95%) do have some form of aquatics programme, however the quality of the programmes in many, if not most cases, does not produce

students who are competent and confident swimmers. (*Water Safety New Zealand*)

Gore District has continued to subsidise the cost of schools using the aquatic facilities and has further subsidised the cost by 50% in the months of June and July to encourage usage by schools ensuring the best possible opportunities for children learning to swim and learning water safety.

However over the past few years the schools have cut back on the number of sessions they are attending.

Local Statistics 2008

Following on from the swim for life event held on 10 June, it is of great concern that out of 242 children participating in the event between the ages of 8–12 years only 38% of students completed the 200 metre swim.

The remaining 62% of children that did not achieve the 200 metre swim only managed to swim one length without stopping. Some of this would be due to pool fitness, and the rest could have been as a result of not receiving adequate school instruction in aquatics. Some of the students were only able to doggy paddle; some were too frightened to put their head under the water.

Out of the 38% of students that did complete the 200 metre swim, 36% have attended learn to swim classes, swimming club or are attending squad training.

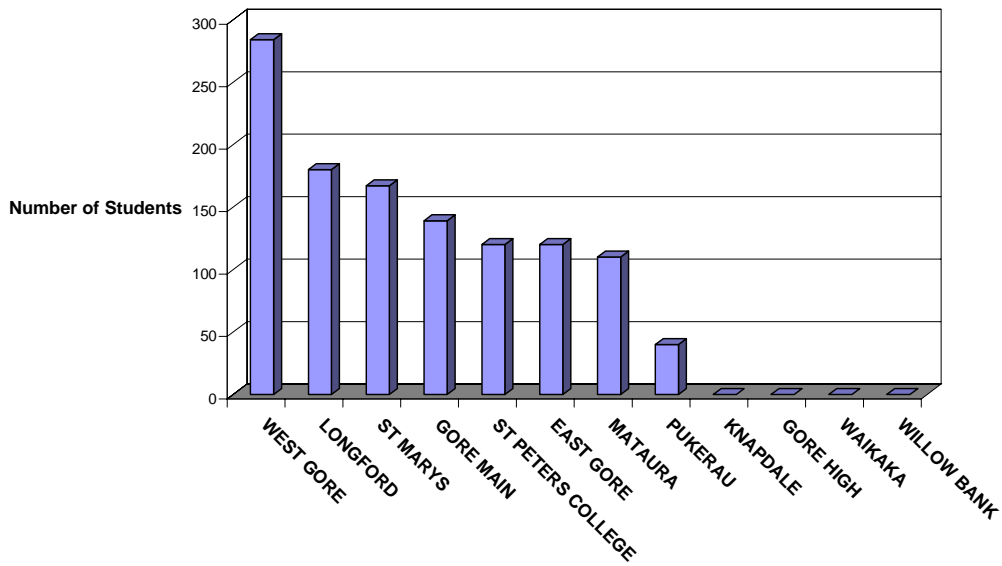
Gauging the District Needs

Given gaps in our knowledge about swimming in local schools the Aquatic Services Manager took a proactive approach by surveying the district schools to gauge the need and volume of support required when considering swimming lessons for pupils. This approach has enabled an estimation of costs for swimming lessons district wide.

The following graphs profile the survey results:

Graph 1

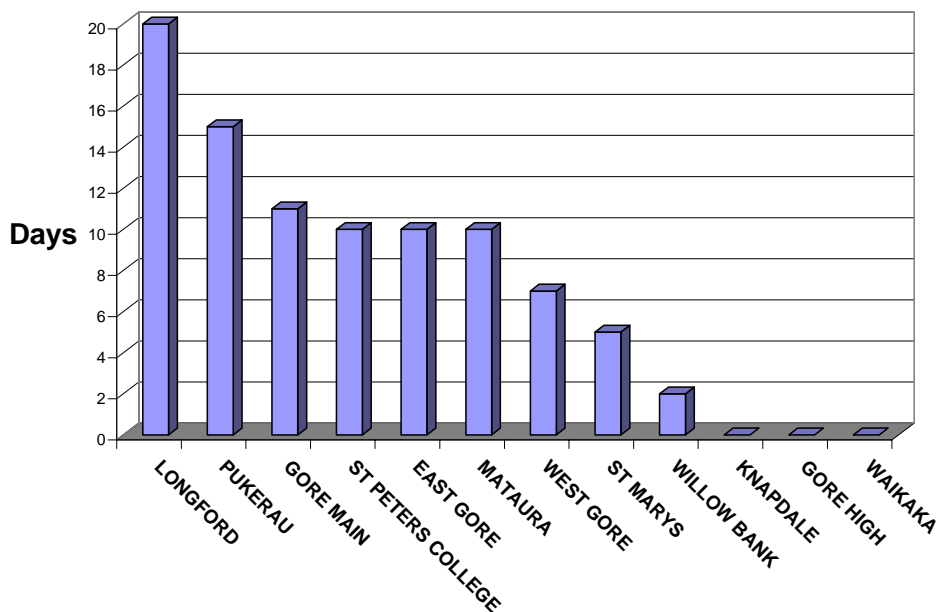
Schools Using Pools



Graph 1 shows approximately three quarters of the schools surveyed are using either Gore or Matura pool. The survey identified that 1 school was considering lessons for year 9 students. There are 4 schools who own their pool, 3 of which are currently being used however this number could be reduced to 2 due to high operating costs.

Graph 2

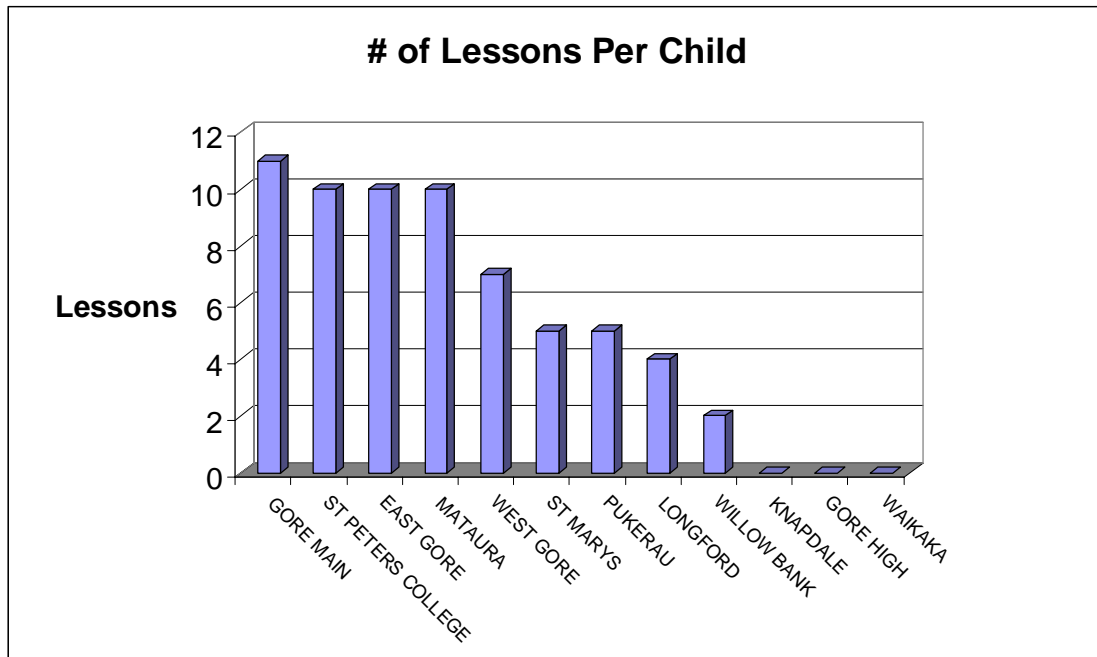
Days Swimming a Year



Graph 2 shows the number of days spent swimming per year. The average is seven days. The recommended minimum is

sixteen days per year. 55% of pupils receiving ten swims per year.

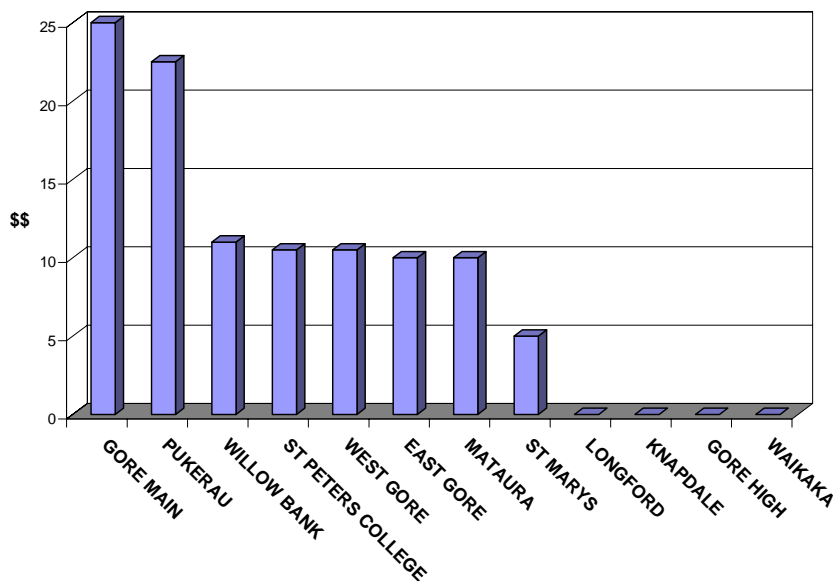
Graph 3



Graph 3 shows the number of lessons per year. This shows an improvement on the historical 5 lessons per year. 38% of pupils are receiving 10 lessons per year. The recommended minimum number of swimming lessons per child per year is 16. This is the quantity of swims being funded by Invercargill City, which has a very similar situation to ours.

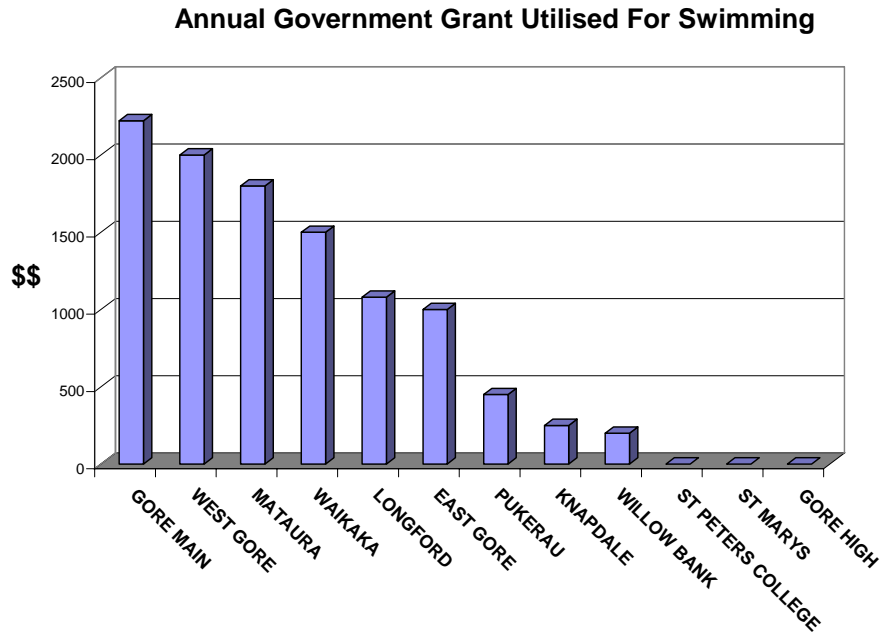
Graph 4

Dollars Paid Per Child



Graph 4 indicates the price paid per child per year. The Gore Main value includes the price of the bus. The average price paid per child is \$10.50.

Graph 5



Graph 5 shows the varying Government Grant funds available to each school. While the average is \$1400 some school are treated quite differently to others. There were only two schools fundraising locally. One of the larger urban schools raises \$2100 while a smaller rural school with its own pool raises \$1200. A mid sized urban school relies on parent donations.

The survey indicated the cost to schools operating their own pool was higher than the government funding available.

Five of the twelve schools hire an instructor and this represents 54% of the students having lessons.

A total of 36% of the pupils attending swimming lessons currently require transport. The costs of transport are currently being funded by several different means. Some children pay between \$1.00 and \$2.00 dollar per day while others are funded by the PTA.

The survey asked whether the school or parents/caregivers pay for the instructors. From the results received it appeared that these costs were shared. The comment was made that the more children in the class the cheaper the price. The optimum class size should be no more than ten in order to ensure that each child receives the required attention.

Survey Summary

The survey has shown that approximately 38% of the pupils in the district are receiving the minimum swimming training while the rest fall well short. Schools are under funded but do try to get some level of swimming tuition for their students. Parents are being asked to make up some of the shortfall however it remains that an adequate level of swimming is not being provided due to a combination of swimming and transportation costs.

There is some concern about the quality of tuition being delivered. Class sizes are greater than 10 pupils and qualified tutors are not being used to the extent required to ensure a good level of learning is obtained. Again the reason given for this is purely based on cost.

Based on these results a funding mechanism needs be established to ensure that quality and quantity of swimming tuition is being delivered. This will ensure our children will have the essential life skill of swimming so that they can safely participate in water recreation activities.

Options

Do nothing and let the swimming skills decline while parents and schools struggle to fund lessons for our future generations.

or

Collaborate with the Mataura Licensing Trust to provide financial assistance towards swimming lessons for the districts school children. The table below indicates the costs and how they are derived. It should also be noted that each time a swim tutor is required represents the need for an additional person to be on duty.

Cost Of lesson per 10 children	\$17.50
Cost of pool admission per 10 children	\$20.00
Total cost per 10 children for one 30 minute lesson	\$37.50
Number of lessons required	16
Total cost per 10 children for one year of lessons	\$600.00
Number Of Children up to and Including Year 8	1282
Total cost of lessons for District per annum	\$76,920.00
30% funded by the Council	\$23,076.00
Less existing Council subsidy	\$10,256.00
Additional funding required by the Council	\$12,820.00
To be funded by schools and or the MLT	\$53,844.00

A similar arrangement exists between Invercargill City Council and the Invercargill Licensing Trust where swimming lessons are totally funded and the Invercargill City Council funds 30%. Applying the same principle to Gore District Council the level of funding required would be \$23,076 minus the current subsidy of \$10,256 which leaves a shortfall of \$12,820.

Social Wellbeing Impact

This could have a significant positive impact on local communities, as most of the District’s communities and the majority of District’s residents live on a “flood plain”.

Economic Wellbeing Impact

If adopted there will be an additional cost implication for ratepayers, but this effect has to be balanced with the potential loss or saving of life.

Environmental Wellbeing Impact

There will be minimal impact to the environment from the recommendation contained within this report.

Cultural Wellbeing Impact

There will be minimal negative cultural impact from this report, and potentially a positive impact for the Mataura community.

Impact on Promotion of Community Outcomes

- | | |
|----------------------|--|
| 1. Outcome: | We are healthy people |
| Intermediate Outcome | We live in a compassionate, caring community |
| 2. Outcome | A well educated and skilled community continually seeking further opportunities to learn |
| Intermediate outcome | We have accessible learning opportunities. |

Impact on LTCCP

This proposal would have an additional rating impact of 0.13% in the upcoming first year of the 2009-19 LTCCP. This issue is not included in the current or draft LTCCP

Community Views

The views of the community are not known. However it is anticipated that any funding advance will be warmly welcomed by teachers, parents and children. It is also expected that any initiative which has the potential to save lives will be positively embraced by the wider community.

RECOMMENDATION

THAT the report be received,

THAT the Council approve in principle \$12,820 be added by way of a staff technical submission to the 2009-19 LTCCP estimates process for further consideration,

AND THAT staff progress discussions with the Maitava Licensing Trust in relation to this overall funding mechanism.

2. FINANCIAL REPORT FOR FEBRUARY 2009

(Memo from Management Accountant – 04.04.09)

Operating Results

For the eight months ended 28 February 2009, the Gore District Council recorded a surplus of \$346k. This is favourable by \$319k 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 throughout this report.

Operating Results

	February					
Actual	Budget	Variance		Actual	Budget	Variance
\$000	\$000	\$000		\$000	\$000	\$000
			Revenue			
841	839	1	Rates	6,725	6,715	10
17	11	6	Petroleum Tax	79	88	(9)
548	523	25	LTNZ Subsidy	1,422	1,332	90
293	213	80	Licenses Fees & Other Revenue	1,886	1,783	104
0	0	0	Wind Farm Revenue	0	0	0
0	0	0	Interest and Dividends	27	0	27
264	264	(0)	Administration Recoveries	2,115	2,116	(1)
1,962	1,850	112		12,254	12,033	221
			Expenses			
69	60	(9)	Democracy	570	596	26
916	964	48	Assets	7,517	7,712	194
436	458	22	Corporate Services	3,820	3,697	(123)
1,421	1,481	60		11,907	12,005	98
541	369	172	Surplus (Deficit)	346	28	319

Variance Explanation

Income

Overall income is favourable by \$221k.

NZTA Subsidy

Some work has been claimed for ahead of budget, this has helped created the positive variance this month. This variance will decrease towards the end of the year.

Rates

Rates are spread evenly over the full financial year.

License Fees & Other Revenue

This is up on budget by \$104k for the period. This is a mixture of small increases in revenues across many departments. There are a couple of larger variance due to timing eg trade waste charges and water billing.

Expenditure

Overall expenditure is favourable by \$98k.

Several departments have overspends, (regulatory, aquatic and administration). All these departments have an increase in revenue which offsets the increases in expenditure. The Aquatic overspend is almost fully covered by increased revenue. There is a partial offset in regulatory. The under spend in democracy is due to a variety of smaller grants that are yet to be paid out.

RECOMMENDATION

THAT the financial report for the eight months ended 28 February 2009 be received.

Gore District Council
Statement of Financial Performance
1 July - 28 February 2009

February						
Actual	Budget	Variance		Actual	Budget	Variance
\$000	\$000	\$000		\$000	\$000	\$000
Revenue						
78	78	0	Democracy	619	619	0
421	359	62	Essential services	2,921	2,864	56
730	699	31	Roads	2,822	2,741	80
203	202	1	Reserves & Sport Facilities	1,635	1,616	19
70	67	3	Property	552	535	16
97	77	20	Regulatory	719	708	11
0	0	0	Wind Farm Revenue Received	0	0	0
111	86	25	Aquatic Centres	792	747	45
109	114	(5)	Heritage Precinct	896	912	(16)
143	169	(26)	Administration	1,298	1,289	9
1,962	1,851	111		12,254	12,033	221
Expenses						
68	60	(8)	Democracy	570	596	26
331	386	55	Essential services	2,824	3,086	262
305	304	(1)	Roads	2,504	2,435	(69)
206	201	(5)	Reserves & Sport Facilities	1,634	1,604	(30)
61	73	12	Property	554	586	32
69	81	12	Regulatory	681	650	(31)
6	0	(6)	Wind Farm Expenses Incurred	33	0	(33)
112	97	(15)	Aquatic Centres	897	854	(43)
103	113	10	Heritage Precinct	928	927	(1)
160	167	7	Administration	1,282	1,267	(15)
1,421	1,481	60		11,907	12,005	98
541	370	172	Surplus (Deficit)	346	28	319

Infrastructural Divisions

Essential Services

Statement of Cost of Service				
Essential Services				
for the period ending 28 February 2009				
2006/07		Actual	Budget	Variance
	<i>Revenue</i>			
1,452,621	Rates	1,678,858	1,678,858	-
446,515	Sales & Services	1,241,830	1,185,618	56,212
1,899,136	Total Revenue	2,920,688	2,864,476	56,212
2,598,670	Total Expenses	2,824,487	3,086,008	(261,521)
(699,534)	Gross Operating Margin	96,201	(221,532)	317,733
264,871	Capital Expenditure	1,492,399	511,984	980,415
(964,405)	Total Surplus/(Deficit)	(1,396,198)	(733,516)	(662,682)

Included in this area are water, wastewater and solid waste.

This division is on track. The \$261k underspend of the expenses is due to the timing of maintenance requirements which is expected to come in line later in the year. Revenue is also tracking well.

The overspend in the capital works is due to the Actiflow project, which was budgeted for last year but carried over till this year. At 30 June 2008 there was \$960k of budgeted capital work still to be carried out on the project. For a more accurate picture this carried over budget should be added to this years budgeted capital expenditure. When this is taken into account we are tracking well overall.

Parks & Reserves

Statement of Cost of Service				
Parks & Reserves				
for the period ending 28 February 2009				
2006/07		Actual	Budget	Variance
	<i>Revenue</i>			
919,014	Rates	1,049,511	1,049,511	-
175,800	Sales & Services	585,816	566,793	19,023
1,094,815	Total Revenue	1,635,327	1,616,304	19,023
1,491,895	Total Expenses	1,634,496	1,604,088	30,408
(397,080)	Gross Operating Margin	831	12,216	(11,385)
114,183	Capital Expenditure	126,934	120,747	6,187
<u>(511,263)</u>	Total Surplus/(Deficit)	<u>(126,103)</u>	<u>(108,531)</u>	<u>(17,572)</u>

Included in this area are the various parks and reserves around the District including Dolamore Park and all the cemeteries.

Parks and Reserves is tracking well. The apparent increase in revenue is partly due to the trade-ins of various items of plant and equipment scheduled for replacement under the capital expenditure budget, and as such the gains should be offset against the capital spending, which would make the capital budget variance appear more favourable.

Expenditure is tracking a little higher than budget due to timing of maintenance spending. No permanent variances have been noted.

Roading

Statement of Cost of Service				
Roading				
for the period ending 28 February 2009				
2006/07		Actual	Budget	Variance
	<i>Revenue</i>			
1,173,744	Rates	1,290,801	1,290,801	-
585,259	Sales & Services	1,531,092	1,450,661	80,432
1,759,003	Total Revenue	2,821,894	2,741,462	80,432
2,347,576	Total Expenses	2,504,358	2,435,488	68,870
(588,573)	Gross Operating Margin	317,535	305,974	11,561
1,071,428	Capital Expenditure	1,478,251	1,236,066	242,185
<u>(1,660,001)</u>	Total Surplus/(Deficit)	<u>(1,160,716)</u>	<u>(930,092)</u>	<u>(230,624)</u>

Further breakdowns have been provided for some of the activities that make up the roading division.

Overall this department is on target - capital expenditure is up due to timing and the seasonal nature of roading capital work.

Under rural roading the apparent expenditure overspend is due to the timing of the maintenance work, not a cost overrun.

The increase in sales and services is due to the NZTA claim for works already completed.

Statement of Cost of Service
Roading Administration
for the period ending 28 February 2009

2006/07		Actual	Budget	Variance
	<i>Revenue</i>			
-	Rates	-	-	-
231,776	Sales & Services	214,373	245,572	(31,199)
231,776	Total Revenue	214,373	245,572	(31,199)
204,366	Total Expenses	215,353	265,040	(49,687)
27,410	Gross Operating Margin	(980)	(19,468)	18,488
20,471	Capital Expenditure	-	-	-
6,938	Total Surplus/(Deficit)	(980)	(19,468)	18,488

Statement of Cost of Service
Urban Roding
for the period ending 28 February 2009

2006/07		Actual	Budget	Variance
	<i>Revenue</i>			
416,365	Rates	460,243	460,243	-
(18,268)	Sales & Services	313,818	302,585	11,233
398,097	Total Revenue	774,061	762,828	11,233
706,895	Total Expenses	731,283	748,008	(16,725)
(308,798)	Gross Operating Margin	42,778	14,820	27,958
154,380	Capital Expenditure	323,457	270,426	53,031
(463,178)	Total Surplus/(Deficit)	(280,679)	(255,606)	(25,073)

**Statement of Cost of Service
Rural Roding
for the period ending 28 February 2009**

2006/07		Actual	Budget	Variance
	<i>Revenue</i>			
695,617	Rates	760,979	760,979	-
364,695	Sales & Services	963,000	880,755	82,246
1,060,312	Total Revenue	1,723,980	1,641,734	82,246
1,372,512	Total Expenses	1,478,593	1,331,144	147,449
(312,201)	Gross Operating Margin	245,387	310,590	(65,203)
775,347	Capital Expenditure	1,014,722	850,640	164,082
(1,087,548)	Total Surplus/(Deficit)	(769,335)	(540,050)	(229,285)

**Statement of Cost of Service
Other Roding
for the period ending 28 February 2009**

2006/07		Actual	Budget	Variance
	<i>Revenue</i>			
61,762	Rates	69,579	69,579	-
7,056	Sales & Services	39,901	21,749	18,152
68,818	Total Revenue	109,480	91,328	18,152
63,802	Total Expenses	79,129	91,296	(12,167)
5,015	Gross Operating Margin	30,351	32	30,319
121,229	Capital Expenditure	140,073	115,000	25,073
(116,213)	Total Surplus/(Deficit)	(109,722)	(114,968)	5,246

Balance Sheet

The major changes in the balance sheet from the same month in prior year:

Assets

- Debtors are up on 28 February 08 due to timing
- Investments are down on the same month last year due to the revaluation of the interest Swaps
- Loans to community groups have increased to reflect the recent loan given to the Multi-sports Charitable Trust.

Liabilities

- Creditors are up due to the timing of payments for a lot of capital work.
- Term Debt has increased due to the planned borrowing for the Smiths City Building purchase, the St James Theatre Loan, Multisports Car park Loan and the Acti-flow project. There is more projected borrowing for the Acti-flow project to be uplifted before the end of the year.

Capital Expenditure

As at 28 February 2009 \$3.532m (\$3.244m in January) has been spent on Capital works. A large portion of this is for the acti-flow project and Mataura Community Centre.

All other areas are tracking as expected.

**Gore District Council
Balance Sheet
As at 28 February 2009**

Actual		Actual	LTCCP
29 Feb 2008		28 Feb 2009	30 Jun 2008
\$000		\$000	\$000
	Equity		
138,822	Accumulated funds	138,957	137,392
163,503	Asset Revaluation Reserve	163,503	122,459
302,325		302,460	259,851
	Assets		
	Current Assets		
1,286	Bank	982	78
642	Debtors	1,075	900
1,973	Short Term Deposits	1,166	1,207
61	Inventory	67	0
3,963		3,291	2,185
	Non current Assets		
702	Investments	462	68
10	Loans to Community Groups	50	0
308,413	Fixed Assets	311,539	270,349
309,124		312,052	270,417
313,087	Total Assets	315,343	272,602
	Liabilities		
	Current Liabilities		
2,036	Creditors	2,683	1,525
	Non Current Liabilities		
8,594	Term Loans	10,086	11,090
132	Landfill Aftercare Provision	113	136
8,726		10,199	11,226
10,762	Total Liabilities	12,882	12,751
302,325	Net Assets	302,460	259,851

3. REVIEW OF DELEGATIONS REGISTER

(Memo from Chief Executive – 03.04.09)

It is custom and practice of the Gore District Council to review its Delegations Register on an annual basis. Please find enclosed the current delegations of the Gore District Council which were adopted on 22 April 2008.

There are no specific recommendations for change being submitted in this review. That said, the new register being submitted for approval does include last month's Council resolution in respect of delegating authority to issue licenses under the Class 4 Gambling and TAB Venue Policy, to the Chief Executive.

RECOMMENDATION

THAT the enclosed Delegations Register be adopted.