

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 10 NOVEMBER 2009, FOLLOWING THE CONCLUSION OF THE COMMUNITY SERVICES COMMITTEE MEETING

**Stephen Parry
CHIEF EXECUTIVE**

4 November 2009

A G E N D A

1. Financial Report for September 2009
(Pages 1-11)
2. Request for Budget Amendment for purchase of digger
(Pages 12-15)
3. Gore Indoor Events Centre - Ownership
(Pages 16-24)
4. Gore Health Ltd – Acquisition of additional vehicle
(Pages 25-27)
5. Fourth Otago and Southland Battalion Group – 150 year Celebrations
(Pages 28-32)
6. BUSINESS TO BE CONSIDERED PURSUANT TO THE LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987:
 - Shared Civil Defence Function

FINANCE AND POLICY COMMITTEE AGENDA

NOVEMBER 2009

1. FINANCIAL REPORT FOR SEPTEMBER 2009

(Memo from Management Accountant 02.11.09)

Operating Results

For the three months ended 30 September 2009, the Gore District Council recorded a surplus of \$64k. This is favourable by \$439k 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

September				Actual	Budget	Variance	U/F
Actual	Budget	Variance		Actual	Budget	Variance	
\$000	\$000	\$000		\$000	\$000	\$000	
Revenue							
880	873	7	Rates	2,603	2,619	(16)	U
9	11	(2)	Petroleum Tax	29	33	(4)	U
119	105	13	LTNZ Subsidy	273	305	(31)	U
267	233	34	Licenses Fees & Other Revenue	842	774	68	F
0	0	0	Wind Farm Revenue	0	0	0	F
1	4	(3)	Interest and Dividends	1	11	(9)	U
273	273	(0)	Administration Recoveries	819	820	(0)	U
1,549	1,499	50		4,569	4,561	8	F
Expenses							
48	59	11	Democracy	226	264	38	F
928	1,120	192	Assets	2,860	3,195	335	F
502	520	18	Corporate Services	1,419	1,477	58	F
1,478	1,698	220		4,505	4,935	431	F
71	(200)	271	Surplus (Deficit)	64	(375)	439	F

Variance Explanation

Income

Overall income is favourable by \$8k.

NZTA Subsidy

This is tracking lower due to timing of works. Our subsidy levels are still to be confirmed following the NZTA funding cuts.

Rates

Rates are spread evenly over the full financial year.

License Fees & Other Revenue

This is up on budget by \$68k for the period. This is primarily due to the recognition of the gain on sale of assets that have been traded in and the timing of the billing of the trade waste charges.

Regulatory

Revenue is down \$51k due to lower demand for building consents than was expected for August and September. Looking forward, in October consent revenue is back up where it is expected to be.

Expenditure

Overall expenditure is favourable by \$431k.

Several departments have underspends due to timing. The Aquatic Centre overspend is offset by the increase in revenue.

RECOMMENDATION

THAT the financial report for the year to 30 September 2009, be received.

Gore District Council
Statement of Financial Performance
1 July - 30 September 2009

September							
Actual	Budget	Variance		Actual	Budget	Variance	U/F
\$000	\$000	\$000		\$000	\$000	\$000	
Revenue							
80	83	(3)	Democracy	245	239	6	F
384	375	9	Essential services	1,143	1,126	17	F
322	285	37	Roads	823	843	(20)	U
233	217	16	Reserves & Sport Facilities	686	651	34	F
80	73	7	Property	233	219	14	F
62	86	(24)	Regulatory	299	350	(51)	U
94	80	14	Aquatic Centres	274	260	14	F
129	118	11	Heritage Precinct	356	353	2	F
165	182	(17)	Administration	511	519	(8)	U
1,549	1,499	50		4,569	4,561	8	F
Expenses							
49	59	10	Democracy	226	264	38	F
434	448	14	Essential services	1,229	1,235	6	F
198	338	140	Roads	787	1,011	224	F
187	232	45	Reserves & Sport Facilities	580	665	85	F
108	102	(6)	Property	263	284	20	F
71	103	32	Regulatory	249	282	33	F
104	105	1	Aquatic Centres	315	307	(8)	U
132	129	(3)	Heritage Precinct	357	386	29	F
195	183	(12)	Administration	499	502	4	F
1,478	1,698	220		4,505	4,935	431	F
71	(199)	270	Surplus (Deficit)	64	(375)	439	F

Visitor Services

Below is a Cost of Service Statement for Visitor Services. This covers the i-Site in the Heritage precinct.

In addition to the cost of service statement is a table that shows more detail for each of the main revenue streams of the Visitor Centre.

Statement of Cost of Service					
Visitor Services					
for the period ending 30 September 2009					
2007/08		Actual	Budget	Variance	
	Revenue				
71,663	Rates	77,638	77,638	-	F
6,444	Other Revenue	17,903	9,668	8,235	F
78,107	Total Revenue	95,541	87,306	8,235	F
23,613	Staff Expenses	34,414	37,040	(2,626)	F
1,616	Occupancy Expenses	657	2,481	(1,824)	F
39,242	Division Expenses	36,430	40,794	(4,364)	F
1,425	Plant Expenses	23	465	(442)	F
(213)	Tourism	(300)	4,287	(4,587)	F
22,928	Event Management	18,513	18,513	-	F
88,611	Total Expenses	89,737	103,580	(13,843)	F
(10,504)	Gross Operating Margin	5,804	(16,274)	22,078	F
-	Capital Expenditure	-	1,248	(1,248)	F
(10,504)	Total Surplus/(Deficit)	5,804	(17,522)	23,326	F

i-Site Revenue detail

	<u>2010 to September</u>			F/U
	Actual	Budget	Variance	
Agency fees Collected	(38,495)	(54,477)	(15,982)	U
Agency fees Paid	22,523	49,029	26,506	F
Commission Received	(15,972)	(5,448)	10,524	F
Brochure Display Charges	-	(1,089)	(1,089)	U
Sales & Services	(1,913)	(2,670)	(757)	U
Cost of Goods Sold	574	801	227	F
Profit on Goods sold	(1,339)	(1,869)	(530)	U
Total Gross Profit to date	(17,311)	(8,406)	8,905	F

Note there is a timing difference regarding agency fees paid, this will come in line in October.

Infrastructural Divisions**Essential Services**

Statement of Cost of Service				
Essential Services				
for the period ending 30 September 2009				
2007/08		Actual	Budget	Variance
	<i>Revenue</i>			
631,213	Rates	669,482	669,482	- F
406,025	Other Revenue	473,181	456,445	16,736 F
1,037,238	Total Revenue	1,142,663	1,125,927	16,736 F
1,049,007	Total Expenses	1,229,193	1,235,352	(6,159) F
(11,769)	Gross Operating Margin	(86,530)	(109,425)	22,895 F
891,696	Capital Expenditure	102,913	210,974	(108,061) F
(903,465)	Total Surplus/(Deficit)	(189,443)	(320,399)	130,956 F

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

This division is on track with most accounts tracking close to budget, capital expenditure being the main exception. This is due to timing of the start of projects. Other revenue is up due to the gain on sale of several vehicles traded in.

Parks & Reserves

Statement of Cost of Service					
Parks & Reserves					
for the period ending 30 September 2009					
2007/08		Actual	Budget	Variance	
	<i>Revenue</i>				
392,464	Rates	409,683	409,683	-	F
229,364	Other Revenue	275,964	241,500	34,464	F
621,827	Total Revenue	685,647	651,183	34,464	F
598,595	Total Expenses	579,958	664,507	(84,549)	F
23,232	Gross Operating Margin	105,689	(13,324)	119,013	F
86,736	Capital Expenditure	122,444	156,048	(33,604)	F
(63,504)	Total Surplus/(Deficit)	(16,755)	(169,372)	152,617	F

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

These divisions are close to target, some apparent underspends are due to the timing of the actual maintenance expenses and the evenly spread budgets. Other revenue is up due to the gain on sale of several vehicles traded in.

Roading

Statement of Cost of Service					
Roading					
for the period ending 30 September 2009					
2007/08		Actual	Budget	Variance	
	<i>Revenue</i>				
482,709	Rates	508,749	508,749	-	F
306,045	Other Revenue	314,092	334,394	(20,302)	U
788,753	Total Revenue	822,841	843,143	(20,302)	U
875,109	Total Expenses	786,885	1,011,263	(224,378)	F
(86,356)	Gross Operating Margin	35,956	(168,120)	204,076	F
154,790	Capital Expenditure	153,863	495,558	(341,695)	F
<u>(241,146)</u>	Total Surplus/(Deficit)	<u>(117,907)</u>	<u>(663,678)</u>	<u>545,771</u>	F

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

Overall roading is going well; capital expenditure is below budget at this stage due to timing and the seasonal nature of roading capital work.

Statement of Cost of Service
Roading Administration
for the period ending 30 September 2009

2007/08		Actual	Budget	Variance	
	<i>Revenue</i>				
-	Rates	-	-	-	F
74,203	Other Revenue	40,732	29,177	11,555	F
74,203	Total Revenue	40,732	29,177	11,555	F
82,729	Total Expenses	85,400	110,216	(24,816)	F
(8,526)	Gross Operating Margin	(44,668)	(81,039)	36,371	F
-	Capital Expenditure	23,062	24,000	(938)	F
(8,526)	Total Surplus/(Deficit)	(67,730)	(105,039)	37,309	F

Statement of Cost of Service
Urban Roding
for the period ending 30 September 2009

2007/08		Actual	Budget	Variance	
	<i>Revenue</i>				
172,052	Rates	168,654	168,654	-	F
63,735	Other Revenue	76,000	83,481	(7,481)	U
235,787	Total Revenue	244,654	252,135	(7,481)	U
255,667	Total Expenses	239,372	297,435	(58,063)	F
(19,880)	Gross Operating Margin	5,282	(45,300)	50,582	F
38,724	Capital Expenditure	44,863	113,548	(68,685)	F
(58,604)	Total Surplus/(Deficit)	(39,581)	(158,848)	119,267	F

**Statement of Cost of Service
Rural Roding
for the period ending 30 September 2009**

2007/08		Actual	Budget	Variance	
	<i>Revenue</i>				
284,437	Rates	319,415	319,415	-	F
146,074	Other Revenue	180,000	202,831	(22,831)	U
430,511	Total Revenue	499,415	522,246	(22,831)	U
478,414	Total Expenses	450,899	567,414	(116,515)	F
(47,903)	Gross Operating Margin	48,517	(45,168)	93,685	F
84,087	Capital Expenditure	59,798	310,760	(250,962)	F
<u>(131,990)</u>	Total Surplus/(Deficit)	<u>(11,281)</u>	<u>(355,928)</u>	<u>344,647</u>	<u>F</u>

**Statement of Cost of Service
Other Roding
for the period ending 30 September 2009**

2007/08		Actual	Budget	Variance	
	<i>Revenue</i>				
26,220	Rates	20,680	20,680	-	F
22,033	Other Revenue	17,359	18,905	(1,546)	U
48,253	Total Revenue	38,039	39,585	(1,546)	U
58,300	Total Expenses	11,214	36,198	(24,984)	F
(10,047)	Gross Operating Margin	26,825	3,387	23,438	F
31,979	Capital Expenditure	26,140	47,250	(21,110)	F
<u>(42,026)</u>	Total Surplus/(Deficit)	<u>686</u>	<u>(43,863)</u>	<u>44,549</u>	<u>F</u>

Balance Sheet

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

Assets

- Debtors are up on 30 September 08 due to timing of billing.
- Derivative instruments are down on the same month last year due to the revaluation of the interest swaps at 30 June 2009.
- Short term deposits are up due to the timing of the rate take at the end of August.

Liabilities

- Creditors are down slightly due to the timing of payments.
- Term debt has increased due to the planned borrowing for the Actiflow and wetlands projects.

Capital Expenditure

As at 30 September 2009 \$464k (\$378k for August) has been spent on capital works.

All other areas are tracking as expected.

**Gore District Council
Balance Sheet
As at 30 September 2009**

Actual		Actual	LTCCP
30 Sep 2008		30 Sep 2009	30 Jun 2009
\$000		\$000	\$000
	Equity		
138,588	Accumulated funds	138,656	138,311
163,503	Asset Revaluation Reserve	163,399	205,924
302,091		302,055	344,235
	Assets		
	Current Assets		
50	Bank	199	17
1,377	Debtors	1,704	900
1,966	Short Term Deposits	2,251	1,080
58	Inventory	60	55
329	Derivative Instruments	(362)	227
3,780		3,853	2,277
	Non current Assets		
462	Investments	134	68
50	Loans to Community Groups	60	0
310,650	Fixed Assets	311,146	354,481
311,163		311,340	354,549
314,614	Total Assets	315,193	356,826
	Liabilities		
	Current Liabilities		
2,324	Creditors	2,268	1,525
	Non Current Liabilities		
10,086	Term Loans	10,751	10,928
113	Landfill Aftercare Provision	118	138
10,199		10,869	11,066
12,523			
	Total Liabilities	13,137	12,591
302,091	Net Assets	302,055	344,235

2. REQUEST FOR BUDGET AMENDMENT FOR PURCHASE OF A DIGGER

(Memo from General Manager, Corporate Services – 21.10.09)

I have recently received a request from Ross Haslemore, Asset Manager Utilities for the amendment of budgets in his area to facilitate the purchase of an industrial digger to aid in the repair and replacement of pipe works under his area of control. A copy of a memo from Ross is attached as background information to the request.

In summary, there is currently a need to hire a digger on regular occasions to carry out excavation work when the digger, which is shared with the Cemeteries section, is already in use. As stated in the memo, in the last year \$19,212 was spent on hire and has averaged in excess of \$15,000 in each of the last three years. It is proposed that a digger is purchased for the exclusive use of the Utilities section, thereby significantly reducing the need to hire one.

The estimated cost of a new digger, of the size recommended, is \$48,000 and it is proposed that the initial purchase be funded from the Utilities Asset Replacement Reserve. It is further proposed that based on the projected savings in hire costs as alluded to above, that the hire charges budget be reduced by \$10,000 per annum over the term of the current LTCCP so as to firstly repay the initial purchase advanced over five years by way of transfer to the Asset Replacement Reserve at \$10,000 per annum, along with similar transfers over the remaining five years, to fund the digger's replacement at the end of its useful life.

The adjustments, as detailed, have no impact on the rate requirement for any of the years of the LTCCP and may in fact result in additional savings due to the optimum use of staff time, given the consistent availability of a digger, along with the use of a digger which has a better capacity to undertake excavating work in challenging situations.

RECOMMENDATION

THAT approval be given to purchase a digger for a maximum of \$48,000 to be funded by way of advance from the Utilities Asset Replacement Reserve,

THAT the hire charges budget in the Utilities section be reduced by \$10,000 per annum for the duration of the 2009-19 LTCCP

AND THAT equivalent transfers to the Utilities Asset Replacement Reserve be substituted in place of that amount.

3. GORE INDOOR EVENTS CENTRE (STAGE 3 – MULTISPORTS COMPLEX) OWNERSHIP

(Report from Chief Executive – 02.11.09)

1.0 INTRODUCTION

This report focuses on the ownership of the Indoor Events Centre building at Wayland Park, Gore. Issues and questions associated with the operation of the new facility are the subject of a separate report which can be found in the Operations Committee Agenda.

2.0 BACKGROUND

At the September meeting of the Council the following resolution was passed in regard to the Council's increased involvement in the funding of the Gore Indoor Events Centre:

RESOLVED on the motion of Cr Harvey, seconded by Cr Dixey, THAT resolutions 2003/136 and 2003/137, passed at a Gore District Council meeting on 23 September 2003 pertaining to the Council's non-involvement in capital and operational funding of Stage 3 of the multi-sports complex be rescinded,

THAT the Council approve in principle, funding 50 percent of the operational shortfall of the indoor sports centre after allowing for user fees and advertising revenue SUBJECT TO the Matura Licensing Trust contributing 25 percent and the Community Trust of Southland contributing the other 25 percent of this shortfall,

THAT a funding agreement be executed between the Council, Matura Licensing Trust and Community Trust of Southland to formalise the understanding outlined above,

AND THAT the Council note that further reports will be prepared on the ownership structure of the facility and management options in respect of its operation.

2009/127

This resolution was passed as a result of a request for financial assistance being received from the Gore Multi-sport Centre Charitable Trust. The Charitable Trust in its request (copy attached) also floated the idea of the Council assuming ownership of the newly constructed asset. With the Council now proposing to take responsibility for 50% of the operating shortfall for the new Indoor Events Centre, there may be good reasons for it to assume ownership of the structure. This report will analyse the relative merits of retaining the status quo in respect of ownership or the asset being transferred to or vested in the Gore District Council.

3.0 OPTIONS FOR CONSIDERATION

The two options for consideration by the Council are:

- (A.) have the Gore Multi-sport Charitable Trust remain as owner of the Indoor Events Centre building; or
- (B.) have the building transferred into the ownership of the Council for a nominal consideration.

Looking at the advantages and disadvantages of each option:

Option A

The Objectives of the Gore Multi-sport Centre Charitable Trust as listed in the Trust Deed dated 31 August 2001 are as follows:

- To assist the Gore community to plan, establish and build a Community Sports and Recreational Centre at Wayland Park, Gore to be available to all members of the Gore community and the general public for recreation and other leisure time occupations with the object of improving the condition of life;
- To encourage and provide facilities at the aforementioned Community Centre for the promotion of sport including, but not limited to, swimming, ice skating, basketball, netball, volleyball, tennis, school sport and squash and available to members of the general public;
- To provide for the establishment and assistance of any society or association, whether incorporated or not,

established substantially or primarily for the purpose of developing the Gore District so as to attract trade, tourists, visitors, or population or to create, increase, expand or develop amenities for the general public;

- The provision supply and furtherance of the above objects and any other charitable purposes as approved by the Commissioner of Inland Revenue related to the above objects which the Trustees deem desirable;
- The objects or purposes of this Trust are or shall be charitable as approved by the Commissioner of Inland Revenue and shall be deemed not to include or extend to any matter or thing which is or shall be held to be determined to be non-charitable and the powers and purposes of the Trustees and the Trust created shall be restricted accordingly.

- 3.1** Based on these listed objectives, it would appear that the primary purpose of the Trust was to raise funds for the construction of the Multi-sports Centre. It would therefore appear reasonable to conclude that the Trust is a fundraising vehicle and now that a Code of Compliance certificate has been issued for the Indoor Events Centre, there is no compelling reason for it to continue in operation.
- 3.2** Some of the key advantages often cited in the retention of a Trust as owner of a community facility, relate to the perception of less risk on the ratepayer and obviating the need to fund depreciation. In this particular instance, both of these perceived advantages are specious.
- 3.3** In the case of a Trust removing the ratepayers from financial liability, this is not really the case because in this instance the Council has already agreed that it will fund 50% of the operating shortfall. Therefore, if the Trust failed to adequately maintain the structure, logic suggests that the Council would be faced with meeting the cost of repairs and maintenance, as a well maintained facility is crucial to a successful operational environment.
- 3.4** In a similar vein the perception that a Trust is a useful ownership structure to minimise depreciation expense is a reflection of short term thinking and false economy.

Stadium Southland is a graphic example of an ownership entity being created without the need to fund depreciation. In that particular case I understand a financial rescue package has had to be developed less than 10 years since the new facility opened in order that a number of deferred maintenance items can be attended to.

- 3.5** It is therefore contended that the avoidance of funding of depreciation, while seemingly attractive in the short term, could actually cost the community more in the longer term. This is due to insufficient funds being on hand to attend to scheduled maintenance causing a deferral of work and a consequential higher cost to be faced later on.
- 3.6** Another key point which needs to be borne in mind is that whilst a Trust is an effective structure to garner funds for construction, it is less able to secure these funds to assist with ongoing costs of ownership. This is due to many philanthropic organisations not funding operation or holding costs and placing a far higher priority on capital expenditure.
- 3.7** The other desirable attribute often nominated as a good reason for retaining the Trust model for ownership of the Indoor Events Centre, is the ability to have key organisations represented in the ownership model. Whilst this is understandable, it must be asked just what those organisations would add to the ownership mix in respect of fulfilling the role of owner and landlord. The potential for conflicts of interest to arise between the responsibilities required of the owner of the structure and the wishes of a particular user which has a share in the ownership appear to be quite high.
- 3.8** These comments are not offered to belittle the importance of users having a meaningful input into the operation of the new facility. I believe the key word here is “operation”, rather than ownership. It is therefore suggested that the needs of users could be suitably accommodated via a liaison committee that could meet on a regular basis with the operator (either a Council employee or contractor) of the facility.

Option B

- 3.9** The principal advantage of the Council being the owner of the Indoor Events Centre is that it would have a far greater degree of control which in turn will assist in minimising ratepayer's exposure to ongoing operating costs. If the Council had not taken the 50% funding position, the need for control in respect of ownership would not really exist. But now that this position has been taken it would appear sensible that the Council assumes ownership and ensures that issues in relation to ensuring the asset is kept in a well maintained manner for the enjoyment of users are addressed in a timely manner.
- 3.10** Additionally, unlike the Charitable Trust, the Council has considerable experience as a building owner. It has an asset management planning regime which the new asset could benefit from being included in its framework. This, along with funding depreciation, will ensure that the asset is regularly maintained and updated and that deferred maintenance issues do not arise and cause greater expense to ratepayers in the future.
- 3.11** The other key point in this particular instance to remember is that the Indoor Events Centre is connected to the Council's Aquatic Centre. It would therefore seem sensible that the Council assumes ownership of both of the structures to ensure that they are managed and maintained in a similar manner and one does not become the poor cousin of the other.
- 3.12** Some may argue that the Council assuming ownership of the Indoor Events Centre is a departure from the stance it took with Stage 1, being the ice rink owned by Ice Sports Southland. The two are distinguishable in that Ice Sports Southland did not request the Council to bail it out operationally, but merely to underwrite a loan that it has subsequently proven that it is able to service. It is also germane to point out that the Ice Sports Southland project was executed in a smooth manner and the organisation appeared to be very able to meet its ownership responsibilities. On the other hand, the Gore Multi-sport Centre Charitable Trust, based on experience to date does not generate the same level of confidence in being able to discharge its ownership obligations.

3.13 Although not a major driver behind any decision to be taken on the ownership front, an advantageous by-product of the Council assuming ownership of the Indoor Events Centre would be the availability of power being obtained via the Penny per Unit Agreement. This is estimated to provide an operational saving of around \$20,000 per annum.

4.0 RESIDUAL LIABILITIES

4.1 As a mentioned earlier a Code of Compliance certificate has been issued for the new Indoor Events Centre. However, there will no doubt be a number of liabilities in the form of outstanding accounts relating to the project that will need to be determined. The Council's building consent fees are included in this mix.

4.2 There may also be contested amounts that arise from the contracts entered into by the Gore Multi-sport Centre Charitable Trust. It is therefore suggested that any agreement by the Council to assume ownership of the building be conditional upon due diligence being undertaken of outstanding financial liabilities, in order that they are not imported into the Council's ownership.

5.0 CONCLUSION

5.1 The Council appears to be the best placed to assume ownership of the Indoor Events Centre. There appears to be limited or no financial advantages in retaining the Multi-sport Centre Charitable Trust as owner, whereas the Council can limit its exposure to operating shortfalls by being the owner and subsequently funding depreciation and attending to maintenance issues via an Asset Management Plan.

5.2 Additionally, the retention of the Trust as owner has the very real possibility of continuing ongoing disagreement and tension between the Trust and the Council about issues associated with the maintenance and funding of the building.

RECOMMENDATION

THAT the Council approve in principle, the assumption of ownership of the Gore Indoor Events Centre building from the Gore Multi-sport Centre Charitable Trust, for the nominal consideration of \$1.00, subject to a due diligence exercise

being undertaken in regard to the identification of all outstanding liabilities associated with the construction of the Indoor Events Centre being undertaken,

THAT the Council note that these liabilities will not be transferred to the Council,

THAT a suitable sale and purchase agreement be entered into between the Council and the Gore Multi-sport Centre Charitable Trust,

AND THAT the Council withhold finalising its own qualified commitment to funding 50% of the operating shortfall of the Indoor Events Centre, until such time as a sale and purchase agreement has been executed with the Gore Multi-sport Centre Charitable Trust.

4. GORE HEALTH LTD – ACQUISITION OF AN ADDITIONAL VEHICLE

(Memo from Chief Executive – 02.11.09)

An approach has been received from Gore Health Ltd seeking the Council's assistance in purchasing an additional vehicle to be included as part of an employment package associated with a third Medical Officer based at the Gore Hospital. A copy of the letter received from Gore Health Ltd is attached.

Since the early 1990s the Council has provided two vehicles to assist with the attraction and retention of medical officers associated with the Gore Hospital. As intimated in the letter from Gore Health Ltd the recruitment of medical officers is a difficult task and the additional incentive of providing a vehicle does make a meaningful difference in Gore Health Ltd being able to attract suitably qualified medical officers to our District. With the present rural doctor shortage coupled with the prospect of an influx of new residents associated with the recent announcement of the development of a lignite to urea plant by Solid Energy, it would seem that incentives to attract and retain a third medical officer would be welcomed by the wider community.

If the Council was of mind to entertain this request it could be comforted in the knowledge that its decision would contribute towards the following community outcome:

- *We are healthy people; we have equity of access to health services.*
- *Strong, effective leadership, taking us into the future; decisions are progressive, forward looking and robust.*

No budgetary provision has been made in the current financial year for the acquisition of an additional vehicle for Gore Health Ltd. It is estimated that a sum of approximately \$20,000 per annum would need to be set aside to facilitate the purchase and funding of depreciation for the vehicle. This figure is suggested on the basis of internal borrowing taking place to assist with the capital cost of the vehicle.

Given that there is no budgetary provision it is suggested that the Council may wish to endorse the purchase of a third vehicle in principle, with reserving a final decision on the matter when the 2010/11 estimates are debated early in the New Year.

RECOMMENDATION

THAT the Council approve in principle the purchase of a third vehicle to facilitate the attraction and retention of a third medical officer to be employed by Gore Health Ltd,

AND THAT final approval of the purchase be deferred until the 2010/11 Council estimates are considered.

5. FOURTH OTAGO AND SOUTHLAND BATTALION GROUP – 150
YEAR CELEBRATIONS

(Memo from Chief Executive – 02.11.09)

- ↳ Please find enclosed a letter His Worship has received from the Mayor of Dunedin, Mr Peter Chin, encouraging Councils in Otago and Southland to contribute towards the planned celebrations of the Fourth Otago and Southland Battalion Group in February 2010. The celebrations centre around the achievement of 150 years military service to New Zealand, and Otago and Southland. A letter from Major Lance Nicholas which also encloses a budget for the celebrations is attached to Mayor Chin's letter.

Given the sterling service provided by the military in the Otago/Southland region, the Council may wish to exercise a modicum of discretion in favour of the celebrations. While there is no specific budgetary provision for the payment of a grant, precedent has previously been set to step outside the budget when meritorious requests for modest contributions are received. This request would appear to fall into that category.

Accordingly, a grant in the order of \$1,000 is suggested.

RECOMMENDATION

THAT the Council approve a one-off grant in the sum of \$1,000 to be paid in support of the Fourth Otago and Southland Battalion Group 150 year celebrations.