

REPORT OF THE ORDINARY MONTHLY MEETING OF THE FINANCE AND POLICY COMMITTEE HELD IN THE COUNCIL CHAMBERS, 29 CIVIC AVENUE, GORE ON TUESDAY 4 MAY 2010, AT 5.46 pm.

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

IN ATTENDANCE The Chief Executive (Mr Stephen Parry), 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), Building and Control Manager (Mr Russell Paterson) and Corporate Support Officer (Mrs Tracey Millan)

APOLOGY Cr Heller apologised for absence.

1. MEMBERSHIP OF RISKPOOL (52.10.2)

A memo had been received from the General Manager, Corporate Services regarding the Council's membership of RiskPool, together with a copy of the independent review of the Fund by BERL, commissioned by the Trustees of RiskPool.

The Chief Executive said the Council was one of the few Councils that still enjoyed coverage for leaky buildings. The problem was predominantly based in cities with fancy mediterranean style designed buildings not suited to New Zealand weather, inexperienced inspectors and hammer-hands, employed by development companies that are liquidated once construction is completed being common ingredients. There were 19 Councils that were covered and 54 were not.

In response to Cr Bolger, the Chief Executive said the Council could turn down the cover, but he was not sure why the Council

would want to. It was calming to know if the Council got into a sticky situation it would have insurance cover.

Cr Highsted wondered if the situation changed, could the insurer pull the cover.

The General Manager, Corporate Services Duthie said the Gore District Council was a very low minority risk, so although he could not categorically say it could not be pulled, the likelihood of that happening would be very small.

In response to Cr Sharp, the General Manager said he did not know of any claims submitted by the Council for a leaky building, other than one claim lodged that did not fall within the terms of the Council's cover.

The Chief Executive said there were other categories that RiskPool covered. The Council had claimed insurance for the Pleura Dam issue.

Cr Gardyne asked if Councillors could be issued with a summary of what the Council was insured for under RiskPool. He thought the Council needed to get some guidance on whether to continue to pay premiums to RiskPool Insurance.

In response to Cr Gardyne, the General Manager said he was happy to supply a schedule of all the insurance portfolios in summary form to the Councillors. He thought the Council held the most economical and comprehensive insurance cover available.

The Chief Executive said the 2004 Building Act which the Council submitted on in terms of proposed amendments, largely removed the risk of opening the door for any more leaky buildings. Due to the increased awareness and the high degree of regulation, the ability for someone to erect a leaky building had been removed.

RECOMMENDED on the motion of Cr McLennan, seconded by Cr Harvey, THAT the report be received.

2. FINANCIAL REPORT FOR FEBRUARY 2010 (1.1.4)

A financial report for the eight months ended 28 February 2010 had been received from the Management Accountant and was perused by the meeting.

In response to Cr Harvey, the General Manager, Corporate Services confirmed the repair of boiler was included in

expenses. The cost for the purchase of the boiler had been included in the balance sheet as a capital item.

In response to Cr Dixon, the Chief Executive advised the aquatic costs of \$54,000 had included electricity costs that had been since invoiced to the Ice rink.

In response to Cr Highsted, the General Manager said clarification of the variance of \$152,996 in the Essential Services Statement of Cost of Service would be supplied in due course.

In response to Cr Highsted, the General Manager said the large difference between the current assets and liabilities was due to the February rates instalment having just been paid. It would in terms of physical cash flow go back out again.

RECOMMENDED on the motion of Cr Dixon, seconded by Cr Highsted, THAT the information be received.

The meeting concluded at 6.11pm.