

REPORT OF A MEETING OF THE FINANCE AND POLICY COMMITTEE HELD IN THE COUNCIL CHAMBERS, 29 CIVIC AVENUE, GORE ON TUESDAY 15 JUNE 2010, AT 5.06 pm.

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

IN ATTENDANCE The Chief Executive (Mr Stephen Parry), General Manager, District Assets (Mr Paul Withers), General Manager, Corporate Services (Mr Russell Duthie), Roding Manager (Mr Murray Hasler), Asset Manager, Utilities (Mr Ross Haslemore), Corporate Support Officer (Mrs Tracey Millan) and one member of the public in the gallery.

APOLOGY Crs Gardyne, Heller and Sharp apologised for absence.

1. FINANCIAL REPORT FOR APRIL 2010 (1.1.4)

A financial report for the 10 months ended 30 April 2010 had been received from the Management Accountant and was perused by the meeting.

The General Manager, Corporate Services referred to the query raised by Cr Highsted at the May Finance and Policy Committee meeting about the Essential Services area and over expenditure of \$154,000. He advised the bulk of the variations were the same as the explanations for the current period apart from one area. The \$10 levy the Council collected and passed on for the Waste Minimisation programme had not been included in the budget, but appeared in the actuals. The budget had now been amended by \$45,000 for revenue and expenditure.

The Public Health Risk Management Plan overhaul had already been budgeted for in the previous year but there had not been time to get it worked up so it had been held in reserves.

In response to Cr Bolger, the General Manager said the Council would be behind in its budget overall, mainly due to the New Zealand Transport Authority adjustment for funding which it was going to provide. Given the budgets were based on what was put before the Council before those plans were approved it would be under on revenue in terms of the subsidy. That would be offset by corresponding reductions in expenditure in that area.

Cr Bolger said a lot of information was provided in the monthly financial report. It was a quantum leap forward when compared to what had been provided a few years ago.

RECOMMENDED on the motion of Cr McLennan seconded by Cr Highsted, THAT the financial report for the 10 months ended 30 April 2010 be received.

2. HEARTLAND OTAGO/SOUTHLAND LIFE EDUCATION TRUST: ANNUAL REPORT (50.2)

A memo had been received from the Chief Executive together with the Heartland Otago/Southland Life Education Trust Inc's annual report for the year ending 31 December 2009.

Cr Harvey said there were mixed attitudes toward the Life Education Trust. There was a lot of competition for funding. He thought the Trust provided interesting topics for 8-9 year olds in a very child oriented way.

Cr Dixey agreed. He said the user technology was aimed at children aged up to 10 years. New material was provided each year with follow up information. It was very worthy of the Council grant.

His Worship said he was very much in support of the Trust. He knew others might think it would be very difficult to evaluate as it was a short term programme. Through his experience and observations, he thought the Trust did a very good job.

Cr Highsted suggested a letter acknowledging its contribution to the community be sent to the Life Education Trust.

RECOMMENDED on the motion of Cr Highsted, seconded by Cr Dixey, THAT the Trust's annual report be received.

3. REPORT ON INSURANCE COVER (52.4.9)

A memo had been received from the General Manager, Corporate Services detailing the core insurance covers currently

held by the Council, together with a brief description of the extent of the cover.

Cr Bolger said it was a pity that Cr Gardyne was not present as it was he that had requested more detailed information regarding the Council's insurance cover.

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

Cr Davis said the information received would be very informative for any new elected members.

Cr Bolger thought the information would be useful to include with the draft Annual Plan.

Cr Highsted said as with all insurance, it was also helpful to know what the Council was not covered for. It would be good in future to understand what those risk categories were.

4. PROPOSED FEES AND CHARGES FOR 2010/11 (17.3)

A memo had been received from the General Manager, Corporate Services together with a copy of the proposed fees and charges for the year commencing 1 July 2010. There were no major wide ranging changes proposed to the fees that had prevailed in 2010.

The General Manager said with regard to the increase in GST from 12.5 to 15%, on balance most of the individual fees were quite low. The cost in terms of cash handling would take up more time than what would be gained, particularly in the pool area; hence GST for the most part had been left out of discussions. Larger fees such as sewerage and water connections had been adjusted to reflect the GST increase.

He said building consent fees had been increased to reflect the amount of time staff spent on the administration processes.

The second area where change had been recommended was a change in dog fees. The working party was looking at recommending introducing a levy on all urban dogs to generate revenue to introduce a de-sexing programme for wandering dogs.

The Planning Consultant said in the past a number of consent holders were charged additional fees. The increases in the resource consents area would give consent applicants a clearer indication of what fees and charges would be.

He advised an addition to page 16, under Resource Consents, Subdivision Consents, line 6, "Flat Plans" at a fixed rate of \$150.

The Consultant said several items had been added on page 17. He stressed that the general resource management inquiries suggesting that the cost to be added after the first hour, was not aimed at public counter inquiries. It was intended to cover the costs for the administration time spent on large applications.

In response to Cr Bolger, the Consultant said consent holders had not been charged when they objected to delegated decisions. They would now be charged and the intent was to recover the full costs. Under the new regime, the Council would not have the luxury of being able to hold a hearing straight away. They would have to issue a decision and the consent holder would then have to object.

Cr McLennan queried why the Mataura Rugby Club was charged a pavilion lease of \$628 in addition to the land lease, when Pioneer Rugby only paid a land lease for Newman Park of \$295.

His Worship said there was a separate lease for the pavilion at the Mataura rugby grounds.

The Chief Executive said he suspected some of the decisions dated back to the Gore and Mataura Borough Council days. He would check that.

The General Manager said the Parks and Recreation Manager had indicated that a number of lease agreements were very old and long term and the Council did not have the opportunity at this point to amend them.

His Worship said the question raised was a good one and to have the answer before the fees and charges for 2010/11 were adopted would be helpful.

Cr Highsted thought the permit fees for the construction of a new transportable dwelling for removal seemed low compared to a new home construction.

The Building Control Manager said it was not a lot less and it had been increased. Generally a transportable dwelling was smaller and there were no footing, foundation or drainage fees included.

Cr Highsted said he understood the decision about not increasing the GST on small ticket items, however in regard to items in excess of \$100 the amounts would soon add up if not recovered.

The General Manager said a comprehensive review would take place in the New Year. The whole process could get quite unwieldy for cash paid items.

Cr Dixon asked if the Council was going to persevere with the idea of charging an entry fee into the MLT Event Centre.

Cr Bolger suggested a report would come back to the Council. An amendment could be made to the fees and charges schedule at a later date, if required.

The General Manager said there were two options that could be looked at, ie a base rate and spectator rate, or one higher rate.

Cr Davis wondered if Cr Grant's idea regarding the fees and charges schedule being exclusive of GST was worthy of discussion.

Cr Grant asked what the Council staff thought about the idea. He did not want to make it difficult for them. Discussion had been held before about charging the rates that way.

The General Manager said he preferred the inclusive approach as it was more open and transparent. The vast majority of users did not think about GST.

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

AND THAT the proposed fees and charges schedule for the year commencing 1 July 2010, be adopted.

The meeting concluded at 5.36 pm.