

**REPORT OF THE FINANCE & POLICY COMMITTEE  
MEETING HELD AT 10.46AM ON WEDNESDAY 21  
FEBRUARY 2007 IN THE MEMORIAL HALL SUPPER  
ROOM, ESPLANADE, KAIKOURA.**

**PRESENT:** Councillor M Pablecheque (Chair), Councillors B Seddon, J Diver, B Woods, S Thomas.

**IN ATTENDANCE:** S Grant (Chief Executive Officer), L Copping (Executive Officer), S Poulsen (Office Manager), C Barber (District Librarian).

**LEAVE OF ABSENCE:** Councillor M McChesney

**APOLOGIES:** Mayor K Heays

*Moved by Councillor Pablecheque, seconded by Councillor Macphail and resolved that apologies be accepted.*

**1. MATTERS ARISING FROM REPORT OF 20/12/2006**

**Pensioner Housing**

Councillor Woods requested an update on Pensioner Housing. The Chief Executive Officer advised a report had been provided earlier in the day by Council's Asset Manager, and was included in the Works & Services Agenda. He advised upgrading of the existing units would only be undertaken on the basis of there being surplus funds left over from the new units.

**2. FINANCE REPORTS**

The Chief Executive Officer presented the report. He advised the charts showed a surplus of over \$2.3million however once Development Contributions were excluded Council was actually \$86,300 under where it should be which he advised was purely a timing issue. Development Contributions were flowing in much faster than had been budgeted for and in terms of cashflows moneys were coming in quite rapidly because of this.

The Chief Executive Officer advised Council would be putting in its first claim for the tourism subsidy fund it had been successful in obtaining for infrastructure upgrading.

The Ludstone Road Pumpstation was nearing completion and Council was looking at commissioning it by the end of the week.

The District Plan had cost Council more than expected however funds would be picked up over the next couple of years.

Councillor Woods asked why Council's income from commercial activities had increased so significantly. The Office Manager advised she was unable to advise why but would look into the matter.

Councillor Seddon requested an update on the new wharf. The Chief Executive Officer advised the resource consent had been lodged with Environment Canterbury and was currently being processed.

Councillor Woods requested an update on Moa Point slipway and the seawall. The Chief Executive Officer advised the installation of the jetty was completed some months ago and was being well used by patrons. The seawall was currently on hold and Council's planning staff were working with affected parties in order to take on their views and comments.

Councillor Woods requested an update on Middle Creek bridge. The Chief Executive Officer advised Council's engineer and M Fletcher of Connell Wagner were busy working on a design for a new bridge.

### **Library Report**

The District Librarian presented the Library Report and noted revenue statistics for January had been extremely high which may have been attributed to the poor weather.

Councillor Macphail asked the District Librarian if she felt everything was covered in terms of what services the library was providing. The District Librarian advised she believed all services were provided for and noted the library had the only colour photocopier in the town.

Included in the report were monthly door counts for the months of December 2006 and January 2007 as a result of the newly installed door counter. The District Librarian advised it had been a very busy time and she was extremely pleased with the counts which were as follows:

	Monthly <u>Average</u>	Daily <u>Average</u>
1 Dec – 31 Dec 2006	4,140	188
1 Jan – 31 Jan 2007	5,283	211

Councillor Woods asked how the library was coping with providing space for the Toy Library. The District Librarian advised the passageway and female toilets were currently being used to store toys however she was hoping to publicize it more in order to get more members as it was a great service with fantastic toys that costed only \$1, \$2 and \$3 to hire for three weeks.

***Moved by Councillor Pablecheque, seconded by Councillor Thomas and resolved that the Finance Report, Statement of Financial Position, Statement of Financial Performance, Corporate Services Budget Report and Library Report be received.***

### 3. QUARTERLY REPORTS

The following quarterly reports were presented by the Chief Executive Officer.

#### **Development Contributions**

Incoming contributions had been steady over the past 6 months in particular for sewerage, reserves and community facilities. It was noted the bulk of sewerage contributions had come from Ocean Ridge while the bulk of reserves contributions had come from Seaview.

#### **Summary of Special Reserves**

The Chief Executive Officer advised a number of these accounts were out of sync. Town water maintenance could be attributed to water meter charges being \$11,000 less than thought, depreciation \$17,000 more than budgeted for, and the loan interest was up \$16,000 which had jointly thrown the balance out of sync. The District Plan closing balance had dropped back to around \$60,000 and was expected to decrease over the year however it was an area where Council would need to claw back funding from over the next two years.

#### **Investment Report**

The following properties showed significant capital gains since the last government valuations of September 2003:

<u>Property</u>	<u>Previous Value</u>	<u>New Value</u>	<u>Gain</u>
Camping Ground	760,000	1,260,000	66%
Pacifica Leases	1,400,000	1,950,000	39%
25 Beach Road	590,000	690,000	17%
20 Beach Road	190,000	385,000	103%
Library Building	425,000	1,030,000	58%

#### **Liability Management**

The Chief Executive Officer advised Council was well above its liquidity ration. Council's liquidity ratio was currently 2.8:1 which exceeded the minimum requirements of the Liability Management Policy which was 1.1:1.

#### **Traffic Control**

Revenue from Pay & Display was slowly recovering following a long period of machinery breakdowns over the past two years. It was noted revenue had been adversely affected by the new free car park on the other side of Lyell Creek and Encounter Kaikoura having relocated to the East End.

*Moved by Councillor Woods, seconded by Councillor Pablecheque and resolved that the quarterly reports be received.*

### 4. MARLBOROUGH REGIONAL FORESTRY REPORT

Included in the agenda was a report from Marlborough Regional Forestry for the six month period ended 31 December 2006. Councillor Diver presented the report advising a payout of \$80,000 including GST had been approved to Council and it was expected a further payout of approximately \$25,000 would be approved in May.

Councillor Diver advised there had been a major increase in the price Council was getting for its logs in the export market and a good price was being fetched for rough cut trees that could not be sold in the past. Overall, forestry was seen to be looking very healthy.

***Moved by Councillor Pablecheque, seconded by Councillor Thomas and resolved that the forestry report be received.***

***There being no further business the meeting closed at 11.39am.***