

**REPORT OF THE FINANCE & POLICY COMMITTEE
MEETING HELD AT 10.42AM ON WEDNESDAY 17
FEBRUARY 2010 IN MEMORIAL HALL SUPPER ROOM,
ESPLANADE, KAIKOURA.**

PRESENT: Councillor N Pablecheque (Chair), Mayor K Heays, Councillors D Holmes, J Diver, J Ransley, M McChesney.

IN ATTENDANCE: S Grant (Chief Executive Officer), S Syme (Executive Officer), S Poulsen (Office Manager), C Barker (District Librarian).

APOLOGIES: Councillors B Woods, J Macphail.

Moved by Councillor McChesney, seconded by Councillor Holmes and resolved that apologies be accepted.

1. FINANCE REPORTS

The Finance Manager advised the operating deficit had worsened and could mainly be attributed to timing. She further advised there had also been costs for non budgeted items including the Pynes Building and properties which should have been sold prior to now. The Chief Executive Officer advised on initial inspection finances looked gloomy however on further investigation the situation was not too bad. Cashflow was \$600,000 better than the previous year and the cash advance was \$280,000 less. It was noted overall revenue was on track and expenditure was slightly over budget.

The Library Manager advised issues and renewals for December were similar to 2008 levels and fines were up on the previous two years. Income from the internet had reduced however, the Library Manager advised this was the trend currently. The District Librarian felt there may be an increase in video rentals due to the town video store closing. She further advised she would be advertising photocopying services available at the Library.

Moved by Councillor McChesney, seconded by Councillor Ransley and resolved that the Finance Report, Statement of Financial Position, Statement of Financial Performance, Corporate Services Budget Report and Library Report received.

2. QUARTERLY REPORTS

The Finance Manager advised currently the value and mix of investments was good. She advised 10 years prior, forestry had made up 75% of Council's investment portfolio. Forestry was now only 9% of investments and 40% of investments were in property.

The Finance Manager advised the Airport should be self funding however it was not currently. It was noted landing fees had reduced due

to Sounds Air no longer operating from the Kaikoura Airport and the Chief Executive Officer advised \$7,000 had recently been spent on upgrading the fence line.

The Chief Executive Officer advised Council would commence logging at the Clarence plantation within the next six months. He advised the lease at Clarence only had a term of twenty years remaining and it was noted this was not long enough for a full rotation of trees. Other species of trees were currently being investigated and discussions were underway with the property owner to extend the length of the lease. He further advised from the land owner's perspective if the land was not replanted within a certain period they could be liable for penalty under the emissions trading scheme.

Moved by Councillor Holmes, seconded by Councillor Ransley and resolved that the Investment Quarterly Report, Liability Management Compliance Report, Special Funds Quarterly Report, Development Contributions Quarterly Report, Traffic Quarterly Report and the Pensioner Housing Report be received.

3. FINANCE AND POLICY PUBLIC EXCLUDED

Moved by Councillor Diver, seconded by Councillor Holmes and resolved that the public be excluded from the following parts of the proceedings of this meeting, namely

a. Confirmation of Minutes 16/12/2009

There being no further business the meeting closed at 11.05am