

# **REPORT OF THE FINANCE AND POLICY COMMITTEE MEETING HELD AT 10.25AM ON WEDNESDAY 21 JULY 2010 IN MEMORIAL HALL SUPPER ROOM, ESPLANADE, KAIKOURA.**

**PRESENT:** Councillor N Pablecheque (Chair), Mayor K Heays, Councillors D Holmes, J Diver, B Woods, J Macphail.

**IN ATTENDANCE:** S Grant (Chief Executive Officer), S Syme (Executive Officer), S Poulsen (Finance Manager).

**APOLOGIES:** Councillor J Ransley

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

## **1. MATTERS ARISING FROM REPORT OF 16/6/2010**

Councillor Woods enquired if any work had commenced regarding the use of sludge. The Chief Executive Officer advised Scion had undertaken quite a lot of research but had been concentrating on Taupo. Scion had however; undertaken community consultation and interviews in Kaikoura and would report back mid to late August.

## **2. FINANCE REPORTS**

The Finance Manager advised there were still a significant number of end-of-year transactions to be incorporated into the financial statements; however the accounts are where they were expected to be. She advised the operating surplus was behind budget but was still a good result. The Finance Manager advised the largest end of year adjustment would be the revaluation of Council's fixed assets. She further advised the finalized end of year accounts would not be completed until; the audit of the Annual Report had taken place at, the end of October.

The Finance Manager advised the operating surplus of \$293,789 was less than forecast however the forecast had provided for a \$280,000 subsidy for Council to construct a new walkway from Churchill Street down the State Highway to South Bay. She advised the project had since been completed by New Zealand Transport Agency at their expense and required no financial input from Council. The Finance Manager advised it was pleasing to note the year closed with no reliance on the cash advance for the first time since the facility was arranged in 1998.

Councillor Macphail enquired when Council could expect to receive an Emissions Trading Scheme payment from forestry. Councillor Diver advised the Marlborough Regional Forestry Committee had not had a meeting yet. He advised the committee would have to decide whether they wanted to sell or hold onto the credits. It was noted if a replanting schedule was in place there was no requirement to pay back any money if the forest was cut down.

***Moved by Mayor Heays, seconded by Councillor Macphail and resolved that the Finance Report, Statement of Financial Position and Statement of Financial Performance be received.***

The Finance Manger advised the bulk of the Corporate Service expenditure related to an end of year adjustment for provision of bad debt plus the audit fee for the Long Term Council Community Plan amendment.

***Moved by Councillor Holmes, seconded by Mayor Heays and resolved that the Corporate Services Budget Report and Library Report be received.***

### ***3. QUARTERLY REPORTS***

The Finance Manager advised \$119,507 had been earned in interest revenue for the financial year. She advised there was a negative return for forestry because no logging had been undertaken at the Clarence forest during the financial year. It was noted some logging had commenced in June but only for one week when a halt was called due to the reduction in log prices. Logging had since recommenced.

It was noted the Airport had a negative return for the year. The Chief Executive Officer advised the Airport budget had included a budget for leasing of hangars. As hangars had not been constructed there was no lease. There had also been a substantial drop in landing fees. This was attributed to Sounds Air no longer operating from Kaikoura. It was noted there was no call on rates for Airport funding.

The Finance Manager advised there had been no budget for development contribution revenue for the 2009/10 financial year. However, development contributions of \$451,821 had been received. It was noted there was now \$1,756,660 in the Community Facility Fund.

The Chief Executive Officer advised for a year which was expected to be quite bad Council had fared quite well financially and had in excess of \$3million in the bank. He advised everyone needed to be congratulated on their efforts in achieving what was physically done. Councillor Pablecheque advised he would like to see yield improved in the 2010/11 financial year from the 1.04% received in 2009/10.

***Moved by Councillor Woods, seconded by Councillor Holmes 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.***

***There being no further business the meeting closed at 10.49am.***