

**REPORT OF THE FINANCE AND POLICY COMMITTEE
MEETING HELD AT 11.02AM ON WEDNESDAY 16
FEBRUARY 2011 IN MEMORIAL HALL SUPPER ROOM,
ESPLANADE, KAIKOURA.**

PRESENT: Councillor N Pablecheque (Chair), Mayor W Gray, Councillors S Burrows, J Diver, G Harmon, D Holmes, J Macphail, D Morgan.

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

1. MINUTES ACTION LIST UPDATE

Pensioner Housing Report

Councillor Burrows advised following an inspection of the housing that he was both surprised and impressed by the facility. The Chief Executive Officer advised numbers on the waiting list for housing fluctuated and when there was a vacancy those on the waiting list were contacted and some people advised they no longer required accommodation. It was noted that vacancies became available irregularly.

2. FINANCE REPORTS

The Finance Manager advised the bank balance had increased with cash received from subsidies, grants and logging sales. It was noted consent fees were still extremely light. She advised cash had increased by \$531,000 since the start of the financial year. Expenditure was relatively close to budget and with the exception of depreciation remained within budget for all expense types.

Moved by Councilor Macphail, seconded by Councillor Burrows 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 Finance Manager advised one third of Council's investments were cash and some better interest rates were being obtained. It was noted the report was for the period ending 31 December and better interest rates had since been acquired. Councillor Pablecheque advised a meeting had recently been held with Council's bank who had recommended those mortgages which had matured in December be put on a floating rate.

The Finance Manager advised the loans which had matured in December and January had been put on four months floating interest rate until May. It was felt fixed rates would have moved favorably by this time. The Chief Executive Officer advised the aim of the Liability Management Policy was to spread the loan risk over a number of years. He noted because loans were taken out regularly it was difficult to stay within the

policy limits. Councillor Pablecheque noted the average interest rate for all loan was currently less than 6% whereas before it had been approximately 7.2%. The Chief Executive Officer advised Council's policy stated Council would not use internal loans to pay external debt nor would special funds be used to repay debt unless funds had been established specifically for that purpose and the Policy had been deliberately put in place.

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

There being no further business the meeting closed at 11.29am.