

REPORT OF THE FINANCE AND POLICY COMMITTEE MEETING HELD AT 10.19AM ON WEDNESDAY 20 JULY 2011 IN MEMORIAL HALL SUPPER ROOM, ESPLANADE, KAIKOURA.

PRESENT: Councillor N Pablecheque (Chair), Councillors J Diver, D Holmes, G Harmon, J Macphail, D Morgan.

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

APOLOGIES: Mayor W Gray, Councillor S Burrows

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

1. MINUTES ACTION LIST UPDATE

Time Spent on Traffic and Freedom Camping

The Chief Executive Officer advised the Traffic Warden spent approximately three hours per day in the town centre over the summer season monitoring parking. With regard to freedom camping monitoring of areas was undertaken between 7.30pm and 10pm over the summer. Campers were moved on if they did not have a toilet on board or they were in front of private property. Councillor Macphail requested freedom camping signs be maintained. The Chief Executive Officer noted there was a cost associated with the continual replacement of signs.

Development Contributions

Councillor Macphail advised he was looking for guidance on whether the Development Contributions Policy was effecting development in the town. He had requested a breakdown of whether development contributions had come from subdivisions, commercial development or visitor accommodation etc in order to be able to ascertain if the Policy was having an affect. He also enquired if there could be a workshop regarding the Policy. The Chief Executive Officer advised a review of the Policy would be undertaken as part of the formation of the Long Term Plan in the current financial year.

2. FINANCE REPORTS

The Chief Executive Officer advised there was no Statement of Financial Position included in the agenda for the year ended 30 June 2011. This was because there were a number of year end adjustments and other matters to be incorporated into the statement and there was likely to be changes as a result of the audit process.

There was a net surplus of \$1,332, 878 for the year ended 30 June 2011 and this was primarily due to logging sales and a grant of approximately \$230,000 received from the Ministry for water service. He noted considering the economic climate Council had had a successful year.

The Chief Executive Officer advised he had received a letter on the 29th of June giving one months notice that material damage insurance cover for all above ground Council assets would be cancelled. He advised staff were currently working with brokers on seeking other insurance from other parties. He further advised it was likely insurance would be obtained however the premium was likely to more than double. 36.8% of the required 40% insurance cover for underground asset had been obtained through the Local Authority Protection Plan. The Chief Executive Officer advised there was no interest from overseas reinsurers to insurer in New Zealand because we were seen as more of a risk due to the frequency and size of the earthquakes that were occurring. It was noted the insurance situations did not appear to be affecting the ability to borrow from banks.

Moved by Councillor Holmes, seconded by Councillor Morgan and resolved that the Finance Report, Statement of Financial Performance, Corporate Services Budget Report and Library Report be received.

3. QUARTERLY REPORTS

Investment Report

The Chief Executive Officer advised the bulk of investments were now in bank deposits which was a major turn around from previous years. He advised all deposits were with banks as opposed to bonds or investment companies and had a fairly conservative return. He further advised it was the current Policy of Council to only invest in organisations which had an A or better rating. There was also a maximum cap of \$50,000 in any one investment. It was noted the Policy had been introduced when Council had not had any money. The Chief Executive Officer advised the Finance Policies would be reviewed before March next year.

The Chief Executive Officer advised the Airport was not returning very much currently and this was attributed to the economic climate. He advised the Airport was not reported as if it was a standard property portfolio, with the figures reported being after overhead costs had been taken off.

Liability Management Policy

The Chief Executive Officer advised the Liability Management Policy was an old Policy. It was noted Council was not currently within the policy limits for interest rate exposure. He noted this was because Council was currently trying to take advantage of low floating interest rates and noted this could be changed very quickly to spread the loans as required by the Policy.

Housing for the Elderly

There were currently 22 people on the waiting list for housing and 11 of those did not currently live in the district. The list would be updated for the next round of reports.

Moved by Councillor Holmes, seconded by Councillor Morgan and resolved that the Quarterly Financial Reports be received.

4. FINANCE AND POLICY PUBLIC EXCLUDED

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

a. Golf Club Lease

There being no further business the meeting closed at 10.51am