

MINUTES OF THE EXTRAORDINARY COUNCIL MEETING HELD AT 10.30AM ON WEDNESDAY 24 APRIL 2015 AT MEMORIAL HALL SUPPER ROOM, ESPLANADE, KAIKOURA.

PRESENT: Mayor W Gray (Chair), Councillors T Blunt, J Diver, G Harmon, J Howden, C Mackle.

IN ATTENDANCE: S Grant (Chief Executive Officer), R Vaughan (District Planner), G Essenberg (Operations and Maintenance Manager), S Poulsen (Finance Manager), S Syme (Committee Secretary).

APOLOGIES: Councillors D Millton, D Morgan.
Moved by Councillor Harmon, seconded by Councillor Howden and resolved that apologies be accepted.

PURPOSE

The Chief Executive Officer advised the aim was for Council to approve the Long Term Plan Consultation Document for public consultation. To do this a number of other documents needed to be adopted first. However, it was noted if changes were made to the supporting documents the Consultation Document could not be adopted and the meeting would need to be adjourned to another time.

1. FINANCIAL STRATEGY ADOPTION

Included in the agenda was the draft Financial Strategy for 2015-2025. An enquiry was made as to whether for clarity the amount committed to the hospital should be stated as \$2.4million rather than the \$3.4million shown on page 5 of the agenda. The Finance Manager advised Council had signed a Memorandum of Understanding which stated Council would fund up to \$3.4million on the proviso the community raised as much money as it possibly could. It was noted the lesser amount required due to funding received was mentioned in the Consultation Document.

Moved by Councillor Howden, seconded by Councillor Diver and resolved that Council adopt the Financial Strategy and approve its use for the Long Term Plan Consultation Document 2015-25.

2. REVENUE AND FINANCING POLICY ADOPTION

The Revenue and Financing Policy set out significant activities. The policy was a carryover of the current Policy which was in place with the addition of the Hospital in the tables.

Moved by Mayor Gray, seconded by Councillor Harmon and resolved that Council adopt the Revenue and Financing Policy and approve its use for the Long Term Plan Consultation Document 2015-25.

3. INFRASTRUCTURE STRATEGY ADOPTION

Two replacement pages were tabled. One replaced page 52 of the agenda. The chip seal footpath replacement end date had been changed to 2045 from 2040 and the number of years to 30 from 25. The second page

replaced page 57 of the agenda. The change on that page was for existing sports facilities identified for upgrade and when the work was to be completed which had been changed to 2019/2020 from 2021/2022.

Moved by Mayor Gray, seconded by Councillor Diver and resolved that Council adopt the Infrastructure Strategy and approve its use for the Long Term Plan Consultation Document 2015-25.

4. LIABILITY MANAGEMENT POLICY

Moved by Mayor Gray, seconded by Councillor Howden and resolved that Council adopt the Liability Management Policy and approve its use for the Long Term Plan Consultation Document 2015-25.

Key changes from the existing Policy were total borrowings were not to exceed \$12 million. The borrowing limit as a percentage of total revenue had been reduced to 10% from the current 15%. The proportion of debt would continue to be spread over 1-4 years. Currently Council was not complying with the Policy but the aim was to achieve compliance.

5. INVESTMENT POLICY

Moved by Councillor Diver, seconded by Mayor Gray and resolved that Council adopt the Investment Policy and approve its use for the Long Term Plan Consultation Document 2015-25.

Key changes were the value and mix of investments with forestry now a targeted return on investment.

6. DEVELOPMENT CONTRIBUTIONS POLICY

Moved by Councillor Mackle, seconded by Councillor Howden and resolved that Council adopt the Development Contributions Policy and approve its use for the Long Term Plan Consultation Document 2015-25.

The Finance Manager advised the draft Policy would be available for consultation. Since the first draft numbers had been included in the Policy. It was noted the quantum of some figures had been changed compared with what was currently charged with some areas increasing and some decreasing. The notable omission was refuse and recycling as development contribution could no longer be collected for refuse and recycling. It was noted the only contribution which rural properties were liable for was roading and reserves.

7. UNBALANCED BUDGET ADOPTION

The Finance Manager advised the purpose of the resolution was to state that Council understood that due to funding of the Hospital shortfall Council would not be covering operating expenses in year one of the Long Term Plan. Council would be confirming that it had considered the case and felt it was prudent to do so. She advised the hospital was the only reason there would not be a surplus. If the borrowings were towards a Council asset the expense would have shown in the Balance Sheet.

Moved by Mayor Gray, seconded by Councillor Diver and resolved that Council, in accordance with the requirements of Section 100 of the Local Government Act 2002, resolves that it is financially prudent to adopt the Long Term Plan Consultation Document 2015-25 that contains budget deficits on certain activities. This decision takes account of:

- a) the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the draft Long-Term Plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and***
- b) the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and***
- c) the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and***
- d) the funding and financial policies adopted by Council.***

8. LONG TERM PLAN CONSULTATION DOCUMENT – ADDITIONAL SUPPORTING INFORMATION

The Financial Statements and Significant Forecasting Assumptions were included in the agenda. A new Statement of Comprehensive Income was tabled due to an error in the version that was included in the agenda.

Moved by Mayor Gray, seconded by Councillor Diver and resolved that Council adopt the supporting information and approve its use for the 2015-25 Long Term Plan Consultation Document.

9. ROADING ACTIVITY MANAGEMENT PLAN

The Operations Manager advised Activity Management Plans were generally kept as live documents. If more information was provided the document would be revised. The document was reviewed by Audit New Zealand and New Zealand Transport Agency.

Moved by Mayor Gray, seconded by Councillor Harmon and resolved that Council adopt the Roading Activity Management Plan and approve its use for the Long Term Plan Consultation Document 2015-25.

10. LONG TERM PLAN 2015-25 CONSULTATION DOCUMENT

Some minor changes, for clarity were discussed. The dates and times for public meetings were tabled.

Moved by Mayor Gray, seconded by Councillor Diver and resolved that;
1. Council approve the Consultation Document for the 2015-25 Long Term Plan subject to the following minor changes;

- The date for the public meeting at Lynton Downs should be Tuesday 19 May.***

- *Add to the first line on the back of the cover page “....and is reviewed every three years.”*
- *Move the ‘pig’ picture under “Managing the Money” so it was not in the middle of the sentence.*
- *Changes “3 years” to “recent years” in the last paragraph under “Challenges Council is Facing”*
- *Add the total rates amount to the example property rates pie graphs*
- *Add the words “On average ... ”to the blue box on page 21 of the draft.*

2. That Council receive the Audit Opinion on the Consultation Document.

3. That Council adopt the Consultation Document, subject to the above mentioned changes, including the Audit Opinion for the 2015-25 Long Term Plan.

4. That, if necessary, the Chief Executive Officer in conjunction with the Mayor be authorised to correct any minor errors or omission in the text or tables of the Consultation Document before the 2015-2025 Long Term Plan Consultation Document was publicly notified.

11. COUNCIL PUBLIC EXCLUDED SESSION

Moved by Mayor Gray, seconded by Councillor Harmon and resolved that the public be excluded from the following parts of the meeting, namely

a) Water and Wastewater Services

There being no further business the meeting closed at 12.49pm.