

REPORT OF THE FINANCE & POLICY COMMITTEE MEETING HELD AT 10.32AM ON WEDNESDAY 15 APRIL 2015 AT THE MEMORIAL HALL SUPPER ROOM, ESPLANADE, KAIKOURA.

- PRESENT:** Councillor J Howden (Chair), Mayor W Gray, Councillors T Blunt, J Diver, C Mackle, D Millton, D Morgan.
- IN ATTENDANCE:** S Grant (Chief Executive Officer), S Syme (Committee Secretary), S Poulsen (Finance Manager).
- APOLOGIES:** Councillor G Harmon.
Moved by Councillor Howden, seconded by Mayor Gray and resolved that apologies be accepted.

1. MATTERS OF IMPORTANCE TO BE RAISED AS URGENT BUSINESS

1. Civic Building (Councillor Morgan)

2. FINANCE REPORTS

There was a significant amount of receipts during the month which boosted cash balances. The nine months to the end of March had produced a surplus of \$337,000 and most revenue types were above budget. Cash had decreased by \$1.1million since the beginning of the financial year. It was noted that the Civic Centre and book purchases were the only line item which had changed in the Capital Expenditure report.

Councillor Millton advised he was concerned that significant amounts of capital works had not been undertaken and it was only three months until the end of the financial year. The Chief Executive Officer advised funds unspent would carry over into the special fund account which related to the activity. He advised the Operations Manager had an overall budget agreed with New Zealand Transport agency and he planned work to get the best value for money.

3. QUARTERLY REPORTS

Investment Quarterly Report

Terms deposits were currently earning a reasonable amount of interest. \$270,250 had been received from the Marlborough Regional Forestry joint venture for the year. The budgeted income had been \$70,000. The money received from the Marlborough Forestry Joint Venture went into the forestry special fund.

Liability Management Report

Currently interest rate exposure was not compliant. The Finance Manager advised given interest rates were good the risk was fairly minimal. The weighted average was currently 5.6%. It was suggested the use of the revolving credit facility could be tighter. The Chief Executive Officer advised the aim was to have a number of revolving credit loans so Council could make better use of funds.

The proposed changes to the Liability Management Policy were highlighted.

Airport Quarterly Report

Included in the agenda for the first time was a separate Airport quarterly report. Revenue from landing fees was higher than budgeted. Operating revenue covered operating expenses but there were also loan repayments to be made.

A discussion was held regarding whether or not the terminal building and hangar were part of the Airport operations. It was generally felt the terminal building was part of the Airport operations but the hangar should be reported in leased properties.

Depreciation vs. Capital Expenditure

Depreciation versus capital expenditure was reported over a 10 year period and an average line had been added to the graphs. It was noted to achieve the benchmark standard in terms of roading Council would need to spend in excess of \$720,000 per year on roads and bridges.

Moved by Councillor Howden, seconded by Councillor Millton and resolved that the Finance Reports be received.

4. URGENT BUSINESS

Civic Building

Councillor Morgan noted the Civic Building Subcommittee had been set up the previous month and she had expected there would be a report included in the agenda. She was also concerned there was no report from the Project Manager. Councillor Millton advised the matter would be raised in Council public excluded.

There being no further business the meeting closed at 11.35am.