

# **REPORT OF THE FINANCE & POLICY COMMITTEE MEETING HELD AT 10.59AM ON WEDNESDAY 19 AUGUST 2015 AT THE MEMORIAL HALL SUPPER ROOM, ESPLANADE, KAIKOURA.**

**PRESENT:** Councillor D Millton (Deputy Chair), Mayor W Gray, Councillors T Blunt, J Diver, G Harmon, C Mackle, D Morgan.

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

**APOLOGIES:** Councillor J Howden.  
***Moved by Mayor Gray, seconded by Councillor Morgan and resolved that apologies be accepted.***

## **1. MATTERS OF IMPORTANCE TO BE RAISED AS URGENT BUSINESS**

1. Roothing in Long Term Plan (Councillor Blunt)
2. Rates delay programme (Councillor Blunt)

## **2. FINANCE REPORTS**

The first month of the year had showed a surplus however it was felt once previous year adjustments had been made the accounts would show a break even position. \$900,000 had been paid out on the 20<sup>th</sup> of July. Due to a change in the banking system 30 days' notice was required to break a term deposit which meant a short term loan had been required to cover the payments.

The first payments would be made to the Canterbury District Health Board the following day. The Health Facility Trust would make up the first part of the payment and Council would make up the balance. Payments would be due on the 20<sup>th</sup> of every month until February. The payment schedule totalled \$2.6million. It was noted the Trust had been unsuccessful with an application to the Lotteries fund but had another significant application was in progress.

***Moved by Councillor Millton, seconded by Councillor Blunt and resolved that the Finance Report, Statement of Financial Position, Statement of Financial Performance, Corporate Services Budget Report and Library Report be received.***

## **3. URGENT BUSINESS**

1. Roothing in the Long Term Plan  
Councillor Blunt noted a discrepancy in reported figures for rural properties and the rates amounts shown in the Long Term Plan. He advised the figure quoted early in the Long Term Planning process for road rehabilitation was \$300,000. It was suggested that this be reduced however it had been noted that the auditors may not have approved at that time. Therefore it had been agreed budgets would be moved around in other areas within the roading activity. Through the submission process the road rehabilitation figure was reduced by \$200,000 and Councillor Blunt advised he believed the Long Term Plan showed a different amount and he requested the Long

Term Plan be reviewed. The Finance Manager advised the road rehabilitation budget had been reduced to \$100,000 and the table of rates impacts had been corrected however this had not impacted the rates in year one of the Long Term Plan.

Councillor Blunt advised whilst he realised the roads did need money spent on them he wished Council to consider reducing the roading budget by a further \$100,000 given the current circumstances that farmers were facing. He felt reducing the rates was one small change which could be put in place to reduce the rates burden on dairy farmers.

A discussion was held regarding making a change to the rates. The Chief Executive Officer advised the Council had a Policy regarding rates remissions for hardship and property owners could approach the Council regarding this. Council also had a Rates Postponement Policy. If Council wished to consider ways it could relieve the impact on an area of industry rather than individuals it would be beholden on a report being brought back to Council about how it could be achieved. Councillor Blunt advised he wished for the rates tables to be updated as per the resolution for the adoption of the Long Term Plan. The Finance Manager advised the rates invoiced for the year were correct in accordance with what was resolved.

A discussion was held regarding the impact of a change of \$100,000 in the roading budget in terms of rates on rural properties. A discussion was held regarding the process of changing rates and the effects on levels of service.

It was proposed that a report be provided on a reduction in rates for the next meeting along with a legal opinion if the Chief Executive Officer felt it was required. The proposal was not supported.

## 2. Rates Delay Programme

Councillor Blunt advised as a representative of the Rural Support Trust he was well aware of dairy farmers who were unable to get overdrafts from their banks to cover costs currently. He suggested payment of the current rates instalment be delayed until February and the December payment be delayed until June. He felt most farmers would be in a better position by Christmas. He had talked to dairy farmers who had advised they would be happy to pay use of money therefore there would be no cost to Council.

Councillor Blunt advised the problem for dairy farmers was not around how much money they had borrowed but the fact that Fonterra had done a poor job of getting products into other markets and had just relied on China. Farmers were now finding themselves in a precarious position. There were approximately 18 or 19 dairy farms in the district. Delaying payment would allow dairy farmers to get on top of the situation quicker. It was noted the Rural Support Trust were working hard to put pressure on banks.

The Chief Executive Officer advised Council did have a Rates Remission Policy and there was the ability for individual ratepayers to enter into payment plans. There was also a Policy for the remission of penalties.

It was suggested that a message be circulated that if people were struggling to pay rates they should contact Council. It was noted there would be some people who would want to pay as usual. It was suggested also that the Rural Support Trust could put cases forward.

It was agreed that Councillor Blunt, Councillor Millton, the Chief Executive Officer and the Finance Manager would prepare information which could be circulated via the Rural Support Trust.

***There being no further business the meeting closed at 11.56am.***