

REPORT OF THE FINANCE & POLICY MEETING HELD AT 11.09AM ON WEDNESDAY 19 FEBRUARY 2014 AT MEMORIAL HALL SUPPER ROOM, ESPLANADE, KAIKOURA.

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

IN ATTENDANCE: S Grant (Chief Executive Officer), S Syme (Committee Secretary), S Poulsen (District Planner), A Limbdiwala (Assistant Accountant).

1. FINANCE REPORTS

The Finance Manager advised cash balances were still healthy with approximately \$4.4million in the bank. The accounts showed a surplus of over \$1.2million. \$247,000 had been received from the Marlborough Regional Forestry joint venture for the year to date. The depreciation process in Authority had been run and depreciation was slightly higher than predicted. The water metre invoices had been completed which had boosted water revenue.

The other expenses report had been further refined with contractors being the highest expenses. Councillor Millton suggested the report could be further enhanced by providing values and separating the large contracts.

The Finance Manager advised Council was still waiting for the sewerage grant which was approximately \$570,000.

2. QUARTERLY REPORTS

The Finance Manager advised 41% of the investment portfolio was in cash deposits. Whilst interest rates were not great Council was receiving a reasonable return.

In terms of liability management Council was fully compliant with all areas of the Policy except security due to suspensory loans with Housing New Zealand Corporation. It was noted this non-compliance would exist for a number of years. Councillor Diver suggested the non compliance be shown separately given it was outside Council's control. The Chief Executive Officer suggested when the Policy was next reviewed a clause could be inserted about the pensioner housing suspensory loan.

Councillor Millton advised he kept reading that the Development Contributions Policy needed to be reviewed but Council never quite got around to doing it and he also felt the Policy needed to be consistent with other areas. The Chief Executive Officer advised there was a proposal for a change to the legislation regarding development contributions and when the Act was finalised the Policy would then need to be reviewed. Councillor Millton advised he did not see how development contributions were relevant on property where owners were upgrading but there was no real development. Councillor Diver explained there

was a rural dispensation in terms of the reserve contribution. Councillor Millton felt there was some flawed logic which needed to be tidied up. The Chief Executive Officer advised up until 2005/2006 Council had not been able to undertake any development because it had no money. If not for the development contributions from large subdivisions Council would still not be able to do anything on parks and reserves.

A discussion was held regarding funding of depreciation. It was noted Council did not so much fund depreciated but funded renewal, capital works and loan principle.

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

There being no further business the meeting closed at 11.53am.