

REPORT OF THE FINANCE & POLICY MEETING HELD AT 10.29AM ON WEDNESDAY 15 OCTOBER 2014 AT MEMORIAL HALL SUPPER ROOM, ESPLANADE, KAIKOURA.

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

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

APOLOGIES: Councillor C Mackle
Moved by Councillor Diver, seconded by Councillor Harmon and resolved that apologies be accepted.

1. FINANCE REPORTS

The Finance Manager advised staff from Audit New Zealand were currently on site auditing the Annual Report. To save money the work had been undertaken in Christchurch the previous week. It was hoped the onsite audit would be completed by the end of the week. No issues were expected.

The first loan for the Civic Building had been drawn down on 20 September and the first rates instalment had been due on the same day. Due to relatively light expenditure related to the Civic Building during the month there was quite a lot of surplus cash on hand. This would be used to pay some of the floating loans.

The accounts showed a surplus of \$382,000 and all cost centres were within budget. A discussion was held regarding the capital expenditure for landfill upgrade and aftercare. It was noted the aftercare funds were for when the landfill site was closed. The funds would be used to turn the site back into reserve land. The upgrade fund was for development work on the site and would be put towards the lechate overflow issue. The aim was to look at a development plan for the area and put the proposal to the Kaikoura Zone Water Committee for Immediate Steps funding.

It was noted there were two projects in the capital expenditure report which were carry over projects. These were the Civic building and the new public toilets.

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

2. QUARTERLY REPORTS

Investment Quarterly Report

Floating term debt would be reduced until the loan money for the Civic building was drawn on. September expenses had been surprisingly light. Funds were still being received from the Marlborough Regional Forestry joint venture however the Environment Canterbury share was still to be paid. It was requested the joint venture forestry operation at Clarence be separately disclosed.

Liability Management Report

The large amount of funds in short term debt was deliberate while loans were migrated over to the Customised Average Rate Loan facility.

Special Funds

Strengthening families showed a negative balance however this was attributed to timing. Rural fire also showed a negative balance which was due to reasonably expensive work undertaken on the rural fire tanker. Rural fire was funded by a rate applied to all properties outside the urban area. A discussion was held regarding use of the fire tanker for urban fires.

Depreciation and Capital Expenditure

The report had been changed to show depreciation and capital expenditure over a five year period. The Finance Manager advised it would be more useful to show depreciation over a 10 to 15 year period. The Chief Executive Officer advised there were a number of areas where Council did not fund depreciation and one of the areas was community buildings. Council did not want to be building up funds just for the sake of it. A discussion was held regarding water and sewer grants and asset management plans.

Housing for the Elderly

One of the levels of service for pensioner housing units was to ensure that all units had walk in showers and disability access. All units had walk in showers however four units had flat access to the front door but no ramp. In terms of wheel chair access this was not compliant. It was noted one of the issues with ramps was the space requirements which would impede on gardens and some tenants did not want the ramps currently.

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

There being no further business the meeting closed at 11.09am.