

**MACKENZIE DISTRICT COUNCIL
MINUTES OF A MEETING OF THE FINANCE COMMITTEE HELD IN
THE MACKENZIE COUNCIL CHAMBERS, FAIRLIE, ON TUESDAY,
MARCH 15, 2016, AT 10.44AM**

PRESENT:

Cr Graham Smith (Chair)
Mayor Claire Barlow
Cr Murray Cox
Cr James Leslie
Cr Russell Armstrong
Cr Evan Williams
Cr Noel Jackson

IN ATTENDANCE:

Wayne Barnett, Chief Executive
Paul Morris, Finance Manager
Bernie Haar, Asset Manager
Arlene Goss, Committee Secretary
Chris Hyde, Timaru Herald

APOLOGIES:

There were no apologies.

DECLARATIONS OF INTEREST:

There were no declarations of interest.

MINUTES:

Resolved that the minutes of the meeting of the Finance Committee held on February 2, 2016, including those parts taken in public excluded, be confirmed and adopted as the correct record of the meeting.

Cr Armstrong/Mayor

REPORTS:

FINANCIAL ACTIVITY REPORT TO JANUARY, 2016:

Finance Manager Paul Morris took councillors through the financial report. The matters discussed included, but were not limited to, the following:

There have been some extra costs on the Twizel and Kimbell water lines. Sewer is on budget. Capital expenditure of \$902,000 has been budgeted to upgrade the sewer in Twizel but this is unlikely to be spent this year due to issues regarding land in Twizel.

Under Planning, employment and consultancy expenses are lower than budget. Council is expecting more costs for plan change 13 to be incurred soon. The Finance Manager suggested that any surpluses made by the planning department should go towards paying the debt that plan change 13 has incurred.

Under Regulatory the large variance is from building activity. Due to high activity in the building area it is expected to make a surplus by the end of the year. Council is currently advertising for two new building inspectors. The Finance manager suggested looking at the pricing structure in building services at the time of the next Long Term Plan, if building activity remains high.

Capital funds have been put aside for a generator in Tekapo. The chief executive said Council is currently considering whether it would be better to buy a generator or have an arrangement to hire one in an emergency situation. The chairman and councillors questioned whether it would be possible to get a generator from Timaru to Tekapo during an emergency such as a snow storm. Cr Cox said there are not a lot of organisations in Tekapo with a generator. The chairman and Mayor requested a report from staff on this matter.

Regarding solid waste, operational costs spike in the summer time. The Mayor asked if there was any way to determine where the bulk of the waste is coming from. Discussion was held on the sources of waste and what other councils are trialling in terms of rubbish disposal, including coin operated rubbish bins.

Under commercial activities, the sale of two sections in Tekapo will result in money coming into this account. Interest rates have not picked up as expected. The new interest rate on Council's day to day account is one percent, with two million dollars in that account at the moment. The Finance manager said more attention will be paid to earning investment income from this money. The chairman requested a report and workshop to be organised to look at spending this money on work that needs to be done in the district, instead of it sitting in the bank earning nothing.

The chairman thanked Paul Morris for his work on the finances.

Resolved that the report be received.

Cr Williams/Mayor

Asset manager Bernie Haar joined the meeting at 11.27am.

APPLICATION FOR GRANT, SOUTH ISLAND ROWING:

The purpose of this report is to consider a request from South Island Rowing for a grant of up to \$150,000 to assist with funding an upgrade to the sewerage disposal system of South Island Rowing, and to consider whether the Council needs to review, clarify and/or update its policy on such applications.

The report was taken as read. Cr Leslie said infrastructure work being done by South Island Rowing impacts on the whole area and Council should step back

and take a wider view, and look at future-proofing the development in that area by putting in the appropriate infrastructure so subdivision can take place.

He suggested changing the recommendation to “Do not fund the application until further work has been done pending input from other parties.”

The Mayor said this was a matter of urgency. Cr Leslie said he was aware of this and the Asset Manager has offered to consult with Ecan regarding allowing more time for a decision to be made.

The chief executive said he understood the urgency to be related to a possible grant from the Lotteries Commission that requires Council backing.

The chief executive said the development of infrastructure was usually the responsibility of the developer of a new subdivision. Cr Leslie said in the past Council has paid for the infrastructure up to the boundary, so why is this different.

Further debate occurred on whether the matter could be postponed.

The pipe connecting the South Island rowing system into the council system would only be large enough for the use of South Island Rowing, and would be owned by them unless Council took ownership and make the pipe larger allowing other users. This would allow for future development.

The Mayor said a decision needed to be made on whether Council will either grant or loan the \$150,000, before looking at the size of the pipe.

Cr Armstrong is in favour of loaning \$150,000.

Cr Williams favours funding the application as a loan subject to further negotiations on upsizing the rising main. Cr Armstrong seconded this.

The Mayor would like to extend a loan facility with very tight rules. She would like to ensure that if South Island Rowing does not need the loan money they don't put it towards other projects.

Regarding the review of the council grants policy, councillors discussed this and agreed they were happy not to review the grants policy at present.

Resolved:

1. That the report be received.

Cr Cox/Cr Williams

2. That the Finance Committee agrees to loan up to \$150,000 to South Island Rowing towards an upgrade to their sewerage disposal system.

Cr Williams/Cr Armstrong

Cr Jackson voted against the motion and asked for his vote to be recorded.

3. That the Finance Committee instructs staff to investigate the practicality of constructing additional capacity to allow future development next to the rowing facility.

Cr Leslie/Cr Armstrong

4. That the Finance Committee instruct staff not to review the Council's Grants Policy and Evaluation Criteria and it's approach to requests for funding.

Cr Smith/Cr Leslie

THE CHAIRMAN DECLARED THE MEETING CLOSED AT 12.05PM

CHAIRMAN: _____

DATE: _____