

MACKENZIE DISTRICT COUNCIL

MINUTES OF A MEETING OF THE FINANCE COMMITTEE HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON FRIDAY 6 AUGUST 2010 AT 9.00 AM

PRESENT:

Simon McDermott (Chairman)
John O'Neill (Mayor)
Graham Smith
Graeme Page
Dave Pullen
Evan Williams (from 11.00 am)

IN ATTENDANCE:

Glen Innes (Chief Executive Officer)
Paul Morris (Manager – Finance and Administration)
Rosemary Moran (Committee Clerk)

I APOLOGIES:

Resolved that apologies for absence be received from Leon O'Sullivan and for lateness from Evan Williams.

Graeme Page /Graham Smith

II MINUTES:

Resolved that the Minutes of the meeting of the Finance Committee held on 11 June 2010, including such parts as were taken with the Public Excluded, be confirmed and adopted as the correct record of the meeting.

The Mayor/Graham Smith

District Medical Facilities

The Committee discussed where the funds from the sale of the doctors' residence in Fairlie should be directed. Cr Smith said the Mackenzie Medical Trust was concerned that there was no income stream to support the District's medical facilities. As a member of the Trust he indicated that he intended make representations for a rate to be levied for the purpose.

The Chairman asked the Manager – Finance and Administration to prepare a report with options for the Committee to consider.

III REPORTS:

1. FINANCIAL REPORT – JUNE 2010:

This report from the Manager – Finance and Administration was accompanied by the financial reports for the period to June 2010.

Resolved that the reports be received.

Graham Smith/The Mayor

The meeting was adjourned at 10.00 am for morning tea and reconvened at 10.20 am.

2. ALPINE ENERGY ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2010:

This report from the Manager – Finance and Administration was accompanied by the Annual Report from Alpine Energy Ltd for the year ended 31 March 2010.

Resolved that the report be received.

Graham Smith/Graeme Page

3. BANCORP QUARTERLY REPORT – JUNE 2010

This report from the Manager – Finance and Administration was accompanied by the quarterly report on the performance of the Council's investment portfolio managed by Bancorp Treasury Services Ltd.

Resolved that the report be received.

Dave Pullen/Graham Smith

4. INTERIM APPOINTMENTS TO THE REGIONAL WATER MANAGEMENT COMMITTEE BY TERRITORIAL AUTHORITIES:

This letter from the Chairman of the Canterbury Water Management Strategy Steering Group referred to the formalisation of appointments to the Regional Water Management Committee and an interim appoint to the Zone Committee.

Resolved that authority be delegated to the Mayor to negotiate:

- an appointment to the Regional Committee by the combined territorial authorities of the South Canterbury sub region, and
- interim appointments to the local zone committees.

Simon McDermott/Graham Smith

5. MOTOR VEHICLE DEPRECIATION:

This report from the Manager – Finance and Administration recommended an increase in the charge out rate for vehicles to recover sufficient funds from activities to ensure the Council's Motor Vehicle Capital (Plant) Account was self funding.

Resolved that the report be received.

Graham Smith /Dave Pullen

Cr Williams joined the meeting at 11.00 am.

Resolved:

1. That Council increases its average vehicle charge out rate by 2c/km over 5 years to recover \$21,215 which is the under recovery of vehicle depreciation prior to 30 June 2008.

2. That Council increases its average vehicle charge out rate by an additional 5c/km over a 10 year period to recover capital cost of vehicle purchases relating to the 1 July 2008 to 20 June 2010 period.
3. That Council applies a policy of charging interest on the book values of the vehicle fleet at the official cash rate plus 2% to recover sufficient funds required to cover inflationary costs on replacement vehicles, resulting in an additional 3.2c per km on the average vehicle charge out rate.
4. That Council applies a policy of charging interest on the Cost Price value of the vehicle at a rate of 5% to recover 25% of the vehicles Cost Price to mitigate shortfall in profit and losses over a 5 year period, which will result in an additional 3.2c per km on the average vehicle charge out rate.

Dave Pullen/The Mayor

5. CAPITAL PROJECTS:

This report from the Chief Executive Officer provided details of capital projects undertaken by Council for the 2009/10 year.

Resolved that the report be received.

Graham Smith/Evan Williams

The meeting was adjourned 11.20 am and reconvened at 12.15 am.

IV PUBLIC EXCLUDED:

Resolved that the public be excluded from the following part of the proceedings of this meeting namely:

1. Bad Debts to Write Off
2. Cattlestops Maintenance Funding

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
1 Bad Debts to Write Off	To protect the privacy of persons	48(1)(a)(i)
2. Cattlestops Maintenance Funding	To protect the privacy of persons	48(1)(a)(i)

This resolution is made in reliance on Section 48(1)(a)(i) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows: *Bad Debts to Write Off* and *Cattlestops Maintenance Funding* section 7(2)(a).

Evan Williams Graeme Page

The Committee continued in Open Meeting

The meeting was adjourned at 12.30 pm.

HMNZS PUKAKI

The Mayor welcomed Lieutenant Alexandra Hansen, RNZN, the Commanding Officer of the HMNZS Pukaki, crew members Catriona Linders and Charles Hotere and Grant Finlayson of the Royal New Zealand Naval Association.

On behalf of the Council, the Mayor presented a photograph of Lake Pukaki to Commander Hansen and in return the Council received the HMNZS Pukaki crest. The visitors then joined the Council for lunch.

The meeting was reconvened at 1.25 pm.

IV PUBLIC EXCLUDED:

Resolved that the public be excluded from the following part of the proceedings of this meeting namely:

Tekapo Property Group

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
Tekapo Property Group	Commercial Sensitivity	48(1)(a)(i)

This resolution is made in reliance on Section 48(1)(a)(i) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows: *Tekapo Property Group* section 7(2)(b)(ii).

Evan Williams Graeme Page

The Council continued in Open Meeting.

**THERE BEING NO FURTHER BUSINESS THE
CHAIRMAN DECLARED THE MEETING CLOSED AT 2.00 PM**

CHAIRMAN: _____

DATE: _____