

MACKENZIE DISTRICT COUNCIL

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE HELD IN THE COUNCIL CHAMBERS, FAIRLIE,
ON TUESDAY 31 MARCH 2009 AT 9.00 AM**

PRESENT:

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

IN ATTENDANCE:

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

I APOLOGY:

Resolved that an apology be received from Cr Leon O'Sullivan

Graham Smith/Dave Pullen

II MINUTES:

Resolved that the Minutes of the meeting of the Finance Committee held on 17 February 2009, including such parts as were taken with the Public Excluded, be confirmed and adopted as the correct record of the meeting.

Graham Smith/Graeme Page

III REPORTS:

1. CANTERBURY ECONOMIC DEVELOPMENT COMPANY LIMITED –
STATEMENT OF INTENT:

This report from the Chief Executive Officer was accompanied by the draft Statement of Intent from the Canterbury Economic Development Company Ltd.

Resolved:

1. That the report be received.
2. That the draft Statement of Intent from the Canterbury Economic Development Company Ltd be forwarded to the General Manager, Destination Mount Cook Mackenzie.

Simon McDermott /Dave Pullen

2. SPORTS SOUTH CANTERBURY FUNDING:

This report from the Community Facilities Manager provided information on the contract services provided by Sport South Canterbury.

Resolved that the report be received.

Graham Smith/The Mayor

Resolved that the \$4,000 budget for the Sport South Canterbury Contract be confirmed.

Graeme Page/The Mayor

3. PENSIONER HOUSING AND CEMETERY FEES

This report from the Community Facilities Manager sought confirmation of fees and charges for cemeteries and pensioner housing.

Resolved that the report be received.

Graham Smith/Graeme Page

The Community Facilities Manager undertook to provide information, including the actual charges for individual cemeteries, in support of the proposal that all cemeteries be dealt with as one activity provided across the District.

Resolved that the following fees and charges be confirmed:

Cemeteries	2009/2010	2009/2010
	Interment Fee \$ incl gst	Plot Fee \$ incl gst
Adult	\$903.00	\$386.00
Child	\$456.00	\$386.00
Ashes	\$158.00	\$386.00
Stillborn	\$158.00	\$386.00
RSA Ashes	\$158.00	No charge
RSA Burial	\$903.00	No charge
Designated ash area (Fairlie and Twizel only)	\$158.00	\$263.00
Weekend and Public Holidays additional fee	\$200.00	

Pensioner Housing	2009/2010
	\$ Incl GST
	Target Weekly Rental
Fairlie Single Unit	\$ 100.00
Fairlie Double Unit	\$ 126.00
Twizel Single Unit	\$ 100.00
Twizel Double Unit	\$ 126.00
Single person in double unit – Fairlie	\$ 115.00
Single person in double unit – Twizel	\$ 115.00

Graham Smith /Evan Williams

4. DIRECTORS MACKENZIE HOLDINGS LTD RESIGNATION AND APPOINTMENT OF DIRECTORS:

This report from the Manager – Finance and Administration referred to recommended future arrangements for the structure and directorship of Mackenzie Holdings Ltd.

Resolved that the report be received.

Graham Page/Evan Williams

Resolved:

1. That the Chair of the Finance Committee remain as a Director of Mackenzie Holdings Limited (“MHL”) and the current independent directors of MHL intention to resign be formalised and the necessary resignation documentation be forwarded to the relevant Directors.
2. That The Mayor be appointed as an additional director of the company.
3. That MHL be retained for the next 12 months and a decision as to whether MHL be wound up be taken at that time.

Dave Pullen/Graeme Page

5. DRAFT LONG TERM COUNCIL COMMUNITY PLAN:

The Committee was invited to consider the draft Long Term Council Community Plan which had been circulated to them on CD.

Simon McDermott suggested a statement of Council’s role at the Mt Cook Village be included in the Plan.

It was agreed that Councillors provide further feedback if desired, and that the final draft be included on the Agenda for the next Council meeting.

Resolved that the draft Long Term Council Community Plan be adopted subject to any further amendments agreed at the Council meeting on 21 April 2009.

Dave Pullen/John O’Neill

GENERAL BUSINESS:

The Mayor referred to a request from the Chairman of the Pukaki Airport Board that the remuneration previously paid to a former director be redistributed to compensate their high workload, particularly that being undertaken by Rick Ramsay on behalf of the Board.

Cr Smith suggested that Councillors meet with the directors to discuss the request. It was noted that the Board had already issued an invitation to Councillors to look at the latest developments at the airfield.

Resolved that the Council accept the Pukaki Airport Board's invitation to meet on site at the Pukaki Airfield to look at the latest developments and discuss the Chairman's request.

Graham Smith/John O'Neill

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

V VISITORS:

The Chairman welcomed Leslie O'Hara, Chairman of the Mackenzie Tourism and Development Trust and Phil Brownie, General Manager, Destination Mount Cook Mackenzie.

Ms O'Hara presented the Mackenzie Tourism and Development Board's Statement of Intent for the Year ending 20 June 2010.

She then read her six monthly report to Council which is attached to this record as Appendix A.

The General Manager updated the Board on recent activities. He circulated graphs showing the previous 12 months record of diminishing visitor numbers into New Zealand which contrasted with a healthy growth of guest nights in the Mackenzie District.

Mr Brownie referred to the Official Visitor Guides produced for the summer and winter seasons, the Winter Marketing Group, proposed Starlight Reserve, the shift of the Fairlie DMCM office to the Heartlands Resource Centre, Sponsorship of Vehicle and Return from Investment in AA Campaign.

Mr Brownie explained his efforts in conjunction with Meridian to provide improved information for visitors about the Waitaki hydroelectric system. He had suggested that Lake Tekapo was the ideal centre to have a display. He also reported on the process which was underway to establish an *I Site* in Lake Tekapo and his efforts to negotiate the lease of premises at an affordable cost. He said the challenge was for the *I Site* to be open for the summer season.

The Chairman referred to the Council's struggle to meet budgets in the current difficult financial environment and proposed that the level of the Uniform Annual General Charge (UAGC) be reduced from the current \$25 per ratepayer.

Ms O'Hara said the two major economic drivers in the District were agriculture and tourism and she considered it would be short sighted to reduce funding and cut back efforts to

develop either of those activities, especially given that there had been only one recorded dispute over the UAGC.

She said it was particularly important to maintain the momentum for tourism operators and that the current spend was bringing increasing economic benefit to the District. She noted the risk to its economic health should the funding be reduced.

The General Manager asked why the UAGC should be reduced when there was such a strong level of support for the Trust's activities. He referred to the downstream benefits to be gained for communities from increasing business for operators in the shoulder season viz in relation to employment opportunities, rental housing, schools etc.

Cr Pullen agreed that spending on the activity shouldn't be reduced, but suggested that if the UAGC was lowered to \$20 the balance could be recovered from commercial operators.

Ms O'Hara agreed that such a reduction could be a goal for the future; however it was not a good year to impose an additional charge on operators.

The Chairman reiterated his view that a reduction in the UAGC would be an appropriate, if coarse, indication to ratepayers of the Council's commitment to lowering rates.

Ms O'Hara pointed out that the \$18,000 loss from such a move would represent the funding of one visitor centre.

Cr Smith considered that ratepayers understood the benefit of their contributions to tourism and that the UAGC should be left alone. He said the Trust wasn't wasting money and that the manner in which the District was moving forward and the increasing visitor numbers were signs of a marvellous investment. He congratulated the Trust on their efforts which had the potential to advantage everyone in the District.

Cr Page agreed, saying he had no problem with the current level of the UAGC for tourism.

Cr Williams also agreed, but noted that the original premise that the Trust should be self funding remained in the community to some extent.

The General Manager suggested that because about 35% to 40% of rural property owners in the Mackenzie Basin were now involved in tourism there was greater support for the Trust from the rural sector. This activity was becoming more evident in the tightening economy.

He said he had no problem with the concept of reducing the UAGC eventually, because in the long term the Trust's goal was to reduce the level of obligation on ratepayers and put in place structures that would generate income, eg visitor centres.

Ms O'Hara said the proposal to reduce the UAGC was also an issue because the Trust had the ability to set only estimated budgets prior to the beginning of the financial year given that its funding was collected through rates. The Trust had begun working in the 2009/10 year in March. Her plea was that this was the wrong year to take money away from marketing; she wished it was possible for the Trust to agree. She undertook to ensure that the Trust delivered more for its money. She asked that a phased process for reducing input from rates be set up which the Trust could work towards. She considered that debating the issue each year was not helpful and did neither party any favours.

The Chairman said he was disappointed not to have seen the Trust's budget.

The General Manager suggested that the Statement of Intent was the document which should be scrutinised. Measurements and conditions could be included in the SoI for coming years that would challenge the Trust to reduce funding from rates.

The Mayor was of the opinion that the operations of the Trust were efficient and delivered what was being asked. He said that while Cr McDermott's was a legitimate proposal, he was more pleased with the General Manger's report that he was being progressively more consulted and asked to provide advice with regard to promotional opportunities and events which had the ability to bring increasing value to communities.

He suggested the Council's current drive was to increase its efficiency by reducing inefficiencies and he did not see the suggested reduction in the UAGC as being in that category. He concurred with the General Manager's point that new measures could be included in the SoI for coming years.

Ms O'Hara noted that the SoI was for the year ended 30 June 2010, which would begin in two months. It was the Trust's contract with Council and provided an opportunity for Councillors to provide feedback which could be incorporated into the document.

Ms O'Hara and Mr Brownie left the meeting at 11.26 am.

II MINUTES (Continued):

MATTERS UNDER ACTION:

The Chief Executive Officer reported on advice from LINZ regarding progress towards setting apart Motuariki Island and Mailbox Inlet, Lake Tekapo, as reserves. He said the next step would involve consultation between Council and the Department of Conservation.

14. Land Swap with Department of Conservation – Land Adjacent to the Pukaki Airport and the Twizel River Reserve:

The Chief Executive Officer said this issue would be the subject of a formal report which would include the views of all affected parties, viz the Pukaki Airport Board, Twizel Community Board and Council. He undertook to provide the report for the next meeting round.

IX PUBLIC EXCLUDED:

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

1. Public Excluded Minutes of Finance Committee Meeting held on 17 February 2009
2. Financial Contributions – Stage 2 Bluewater Development

<u>General subject of each matter to be considered</u>	<u>Reason for passing this resolution in relation to each matter</u>	<u>Ground(s) under Section 48(1) for the passing of this resolution</u>
Public Excluded Mins of 17 Feb 2009		

Financial Contributions
Stage 2 Bluewater
Developments

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: *Financial Contributions Stage 2 Bluewater Developments* To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied it, section 7(2)(b)(ii).

Graham Smith/Evan Williams

**THERE BEING NO FURTHER BUSINESS THE
CHAIRMAN DECLARED THE MEETING CLOSED AT 12.08 PM**

CHAIRMAN: _____

DATE: _____