

MACKENZIE DISTRICT COUNCIL

MINUTES OF A MEETING OF THE FINANCE COMMITTEE HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON FRIDAY 10 SEPTEMBER 2010 AT 9.10 AM

PRESENT:

Graeme Page (Acting Chairman)
John O'Neill (Mayor)
Leon O'Sullivan
Evan Williams

IN ATTENDANCE:

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

III REPORTS:

3. MACKENZIE TOURISM AND DEVELOPMENT TRUST STATEMENT OF INTENT – REVISED BUDGETS:

The Chairman welcomed Denis Callesen, Trustee of the Mackenzie Tourism and Development Trust.

Mr Callesen referred to the Trust's 2010 Budget Changes which had been circulated to the Councillors. He explained that the Trust had revised the budgets which had been presented to the Council on 7 May 2010 with the Statement of Intent for the year ended 30 June 2011 because of a number of unexpected charges which had been identified towards the end of the 2009/10 financial year.

The Mayor said that a number of issues not initially appreciated had also been flagged, including income tax, fringe benefit tax and audit fees. He said the Trust had set up a monitoring process to enable early remedial measures to be taken in terms of the budgets if required.

Mr Callesen said that the Visitor Centres payroll was the single greatest cost for the Trust; however employment contracts had sufficient flexibility to enable staffing to be adjusted and savings made if necessary.

The Chief Executive Officer said the Trust had chosen to operate its own accounts independently of the Council. The Trust Chairman, the Manager – Finance and Administration and he had met and agreed on an appropriate course of action for the future. He also noted that the Trust would continue to be involved in the *Alps to Ocean Cycleway* project and the management of the \$2.75m government grant for its construction.

Mr Callesen noted that the grant was a significant sum which would have to be managed prudently. He said that the Trust also needed to ensure that its accounts were operated to the Manager – Finance and Administration's satisfaction and to that end an accountant had been employed to review them.

Alps to Ocean Cycleway

Mr Callesen said the Waitaki and Mackenzie District Councils had been invited to jointly sign the funding agreement with the Crown for its \$2.75m grant for the construction of the cycleway.

He noted that a modest sum in the Cycleway budget had been tagged for funding by the Mackenzie District Council under its roading budgets; however the project was not contingent upon that happening.

The Mayor referred to the ongoing maintenance of the Cycleway. Mr Callesen said the Working Party anticipated sufficient income for maintenance to be generated from the helicopter ticket sales and commissions from website sales and marketing. He emphasised he would be happy for the Council to specify that it would not be responsible for the maintenance of the cycleway in the District, apart from its ordinary road maintenance projects and suggested a condition to that effect be inserted in the funding agreement.

The Chief Executive Officer said the Council had been invited to appoint a representative on the Cycleway working party and he had asked the Manager – Finance and Administration to fill that position.

Mr Callesen left the meeting at 9.50 am.

The meeting was adjourned at 9.50 am and reconvened at 1.10 pm.

I APOLOGIES:

Resolved that apologies be received from Crs Dave Pullen, Simon McDermott and Graham Smith

John O’Neill/Evan Williams

II MINUTES:

Resolved that the Minutes of the meeting of the Finance Committee held on 6 August 2010, including such parts as were taken with the Public Excluded, be confirmed and adopted as the correct record of the meeting.

Leon O’Sullivan/John O’Neill

MATTERS UNDER ACTION**Lot 2 Mackenzie Drive:**

The Manager – Finance and Administration advised that following direction from the prospective purchaser, he would be liaising with her lawyer to explain the issues associated with the sale and purchase agreement. He undertook to report to the Council meeting on 1 October 2010.

Medical Facilities – Sale of Doctors’ Residences:

The Manager – Finance and Administration advised that a report would be provided early in the incoming Council’s term.

III REPORTS:

1. FINANCIAL REPORT – JULY 2010:

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

Resolved that the reports be received.

Leon O’Sullivan/Evan Williams

2. OCEAN TO ALPS CYCLEWAY

This report from the Chief Executive Officer sought a response from the Committee to a request from the Mackenzie Tourism and Development Trust for the Council to be a joint recipient of Government funding for the Alps to Ocean Cycleway project. The report was accompanied by a draft copy of the Funding Agreement, a copy of the Cycleway Feasibility Study and a copy of the Cycleway High Level Business Case and Workbook Tables.

The Manager – Finance and Administration circulated a copy of the legal advice on the *Summary of Terms of Agreement for the Alps to Ocean Cycle Trail* received from Murray Weakley.

Resolved that the Chief Executive Officer negotiate with his counterpart at the Waitaki District Council to clarify the proportion of individual financial liability for the Waitaki District Council and the Mackenzie District Council with regard to the \$2.75m construction funding for the *Alps to Ocean Cycleway* for which both Councils were invited to be joint signatories of the funding agreement with the Crown.

John O’Neill/Leon O’Sullivan

Resolved:

1. That the report be received.
2. That the Council note the Government’s accountability requirements in return for its funding of a significant portion of the cost of the Alps to Ocean Cycleway Trail.
3. That the Council be copied in on the same reports required by Government in order for it to monitor the progress of the project.
4. That the Council note the Trust’s assurances that the Council would not be liable for the ongoing maintenance of the cycleway.
5. That the Council agrees to be a joint signatory of the funding agreement with the Crown for the Alps to Ocean Cycleway.
6. That the Manager – Finance and Administration be appointed to the Alps to Ocean Cycleway Working Party.

7. That Mackenzie District Council, Waitaki District Council and Mackenzie Tourism and Development Trust establish a group to monitor and oversee the achievement of key milestones and real expenditure against budgeted expenditure, to ensure that the construction of the Alps to Ocean Cycleway project is completed within the budgeted expenditure provided for.

John O’Neill/Graeme Page

3. MACKENZIE TOURISM AND DEVELOPMENT TRUST STATEMENT OF INTENT:

The Manager – Finance and Administration referred to the presentation of revised budgets by Mackenzie Tourism and Development Trustee Denis Callesen earlier in the meeting and undertook to review the revised budgets and provide a report to the Council meeting on 1 October 2010.

**THERE BEING NO FURTHER BUSINESS THE
CHAIRMAN DECLARED THE MEETING CLOSED AT 2.30 PM**

CHAIRMAN: _____

DATE: _____