

MACKENZIE DISTRICT COUNCIL

MINUTES OF A MEETING OF THE FINANCE COMMITTEE HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON TUESDAY 5 JULY 2011 AT 9.30 AM

PRESENT:

Graham Smith (Chairman)
 Claire Barlow (Mayor)
 John Bishop
 Peter Maxwell
 Annette Money
 Graeme Page
 Evan Williams (from 9.35 am)

IN ATTENDANCE:

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

I APOLOGIES:

There were no apologies.

II DECLARATIONS OF INTEREST:

Cr Maxwell, as a Trustee of the Mackenzie Tourism and Development Trust, declared his interest in the Late Agenda Item “Mackenzie Tourism and Development Trust Loan” and undertook to leave the meeting when the item was considered.

III MINUTES:

Resolved that the minutes of the meeting of the Finance Committee held on Tuesday 24 May 2011, including such parts as were taken with the Public Excluded were confirmed and adopted as the correct record of the meeting.

John Bishop/Claire Barlow

MATTERS UNDER ACTION:

1. Medical Facilities – Sale of Doctors’ Residences:

It was noted that policy on the use of funds from the sale of doctors’ residences needed to be developed before a report on options for funding to support medical facilities in the District was developed.

It was also noted that at its meeting on 7 February 2010 the Finance Committee had resolved:

- That Council establishes a capital reserve for medical facilities in the District and that the proceeds of the sale of doctors' residences be credited to this account.
- That the principal amount within the capital reserve be protected for possible future requirements and that interest be accumulated and directed as appropriate to the needs of the District.

V **REPORTS:**

1. FINANCIAL REPORT – APRIL 2011:

This report from the Manager – Finance and Administration was accompanied by the financial reports for the period to April 2011.

The Manager – Finance and Administration spoke to his report.

Resolved that the report be received.

Annette Money/Graeme Page

Governance Activity:

Motion:

That the Regulatory activity be responsible for the total amount of the payment to correct an error on an erroneously issued s226 certificate in 2006.

Graeme Page

The motion failed for want of a seconder.

The meeting was adjourned at 10.45 am for morning tea and reconvened at 11.10 am.

V **REPORTS:**

2 PUKAKI AIRPORT BOARD STATEMENT OF INTENT FOR THE THREE YEARS TO 30 JUNE 2014:

This report from the Manager – Finance and Administration was accompanied by the draft Statement of Intent for the Pukaki Airport Board the Three Years Ending 30 June 2014.

Resolved that the report be received.

Evan Williams Annette Money

Resolved that the Statement of Intent for the Pukaki Airport Board the Three Years Ending 30 June 2014 be adopted.

Annette Money/Claire Barlow

3 MACKENZIE FORESTRY BOARD STATEMENT OF INTENT FOR THE THREE YEARS TO 30 JUNE 2014:

This report from the Manager – Finance and Administration was accompanied by the draft Statement of Intent for the Mackenzie Forestry Board the Three Years Ending 30 June 2014.

Resolved that the report be received.

John Bishop/Evan Williams

Resolved that the draft Statement of Intent for the Mackenzie Forestry Board for the three years ending 30 June 2014 be referred back to the Forestry Board with the recommendation that further detail be included about the Board's carbon credits.

Annette Money/John Bishop

The Community Facilities Manager joined the meeting.

4. GRANTS POLICY:

This report from the Community Facilities Manager invited consideration of the Council's Grants Policy and Grant Evaluation Criteria.

Resolved that the report be received.

Claire Barlow/Evan Williams

Resolved:

1. That the following be confirmed:

GRANTS POLICY:

Rationale

From time to time Council and community boards provide grants budgets from which financial support for general purposes can be funded, eg for a donation to a worthy cause such as flood relief. Council also has budgets for specific purposes, eg the Heritage Protection Fund.

When Council is requested to provide financial support by remitting rates, fees or charges, transparency can be preserved if the request is approved, by making a grant funded from the affected cost centre. For example, if a request by the Fairlie Ice Skating Club for remission of excess water charges is approved, a grant funded from the Fairlie Water Supply Account will ensure that the cost of the remission actually falls where it should lie.

Guidelines:

1. *All requests for financial assistance are to be submitted on an "Application for Donation" form to the Council.*
2. *All requests for financial support are to be dealt with as requests for grants.*
3. *Requests for grants from clubs, groups or organisations are to be accompanied by full financial information.*
4. *Applications for grants are to be evaluated in terms of*

- *the direct benefit of the grant to ratepayers/residents of the District*
 - *the availability of funds from other sources for the project*
 - *the level of contribution to the project made by the applicant*
5. *Recipients are to be required to account accurately for grants.*

GRANT EVALUATION CRITERIA

1. *Does the application assist the Council to achieve its strategic direction (applicant must make specific reference to the Long Term Plan and support that reference with reasoned arguments).*
2. *Will the grant directly benefit ratepayers/residents in the Mackenzie District? If so, how many?*
3. *Are there any other bodies which are specifically designed to cater for these requests e.g. Creative New Zealand, Mid-South Canterbury Trust, and Lottery Grants Commission?*
4. *Has the organisation received, or have they applied for funds from other organisations for the same project? If so, how much?*
5. *How much of their own funds does the organisation have to put toward this request/project?*
6. *Is the organisation/individual a non-profit body and able to accurately account for any funds granted?*
7. *Has the organisation supplied all information on the application form including a set of accounts?*
8. *What is the effect on the individual/organisation if the Council does not support the application?*

2. That no additional budget provision be made for unspecified grants.
3. That Council acknowledges the existing assistance it provides through concessional rental arrangements.
4. That application forms and the Evaluation Criteria be made available through Council's website to assist applicants.

Evan Williams/Annette Money

II LATE ITEMS:

Resolved that pursuant to the Local Government Official Information and Meetings Act 1987 the reports "Mackenzie Tourism and Development Trust Loan" and "Insurance Issues" be considered.

The reports were not included on the Agenda because they were able to be reported on in time. Consideration of the reports at this meeting was required to enable the issues to be dealt with in a timely manner.

Evan Williams Claire Barlow

INSURANCE ISSUES:

This report from the Manager – Finance and Administration advised of Council’s potential financial exposure relating to an earthquake or other major event affecting the Mackenzie region.

Cr Williams left the meeting at 11.53 am and re-joined the meeting at 12.04 pm

Resolved:

1. That the report be received.
2. That Council endorses the insurance levels and policies obtained for the year ending 1 July 2012, noting that there is no infrastructural asset cover and that earthquake, geothermal activity and tsunami are only covered to 80% for non-infrastructural assets.
3. That Council notes that a shortfall exists between its likely share of repair costs following a major earthquake and the minimum level of cash reserves currently required to hold.
4. That Council consider at its 19 July 2011 meeting, a detailed paper from the Manager Finance and Administration, on ways of mitigating Council’s risk exposure to a major earthquake.

Graeme Page/Annette Money

VI PUBLIC EXCLUDED:

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

1. Sale Lot 2 Mackenzie Drive, Twizel.
2. Mackenzie Tourism and Development Trust Loan

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
Sale Lot 2, Mackenzie Drive Twizel	Legal Professional Privilege	48(1)(a)(i)
MTDT Loan	To enable the Local Authority to carry on without prejudice, negotiations	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: *Lot 2, Mackenzie Drive, Twizel* Section 7(ii)(i) and *MTDT Loan* Section 7(2)(h) .

Annette Money/John Bishop

THE CHAIRMAN DECLARED THE MEETING CLOSED AT 12.35 PM

CHAIRMAN: _____

DATE: _____