

MACKENZIE DISTRICT COUNCIL

MINUTES OF A MEETING OF THE FINANCE COMMITTEE HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON TUESDAY, FEBRUARY 3 2015, AT 10.28AM

PRESENT:

Cr Graham Smith (Chairman)
Claire Barlow (Mayor)
Cr James Leslie
Cr Murray Cox

IN ATTENDANCE:

Wayne Barnett (Chief Executive Officer)
Paul Morris (Finance and Administration Manager)
Arlene Goss (Committee Clerk)
Julie Jongen (Committee Clerk)

APOLOGIES:

An apology was received from Cr Noel Jackson, Cr Evan Williams and Cr Russell Armstrong.

James Leslie/Murray Cox

DECLARATIONS OF INTEREST:

There were no declarations of interest.

MINUTES:

Resolved that the minutes of the meeting of the Finance Committee held on November 25, 2014, including such parts as were taken with the public excluded, be confirmed and adopted as the correct record of the meeting.

Claire Barlow/Murray Cox

SUB-COMMITTEE MINUTES:

Resolved that the minutes of the meeting of the Tekapo Property Group meeting held on January 20, 2015, including such parts as were taken with the public excluded, be received.

Claire Barlow/Murray Cox

REPORTS:

FINANCIAL ACTIVITY REPORT TO DECEMBER, 2014:

This is the financial report for council for the financial year to December, 2014.

Finance Manager Paul Morris took councillors through the financial report. Some of the matters discussed were as follows:

On page 17 under Corporate Services he noted variances in administration due to the new Projects and Administration Manager starting. Consultancy expenses include the end of year valuation fees, unbudgeted costs of \$15,000 to undertake end of month financial reporting, and recruitment costs with a variance of \$15,000.

Under water he gave a heads up regarding operational maintenance. We are expecting costs in Twizel to be higher than expected due to maintenance on the water pumps.

The Mayor asked regarding water account write-offs and an explanation was given.

Regarding capital expenditure the costs of the Twizel water upgrade are starting to show in the accounts.

Under sewer on page 23, money has been spent on the Twizel land purchase.

Under planning the budget is down but this is due to the District Plan Review not being done due to an inability to find qualified staff.

An additional building inspector has been employed due to the increase in building work.

Regarding vehicles, the deputy rural fire officer's vehicle is included as it was purchased last year.

Under community facilities there has been a change in the way some activities are rated for. The Mayor asked why the budget was \$7,000 over in pensioner housing. This was the rates on pensioner houses that had not been budgeted for.

Discussion was held on the cost of the new Twizel public toilets and money still to be spent on demolishing the old toilets. There may be a potential land sale of the old site.

Under commercial, Paul Morris is concerned with the level of investment income. We had budgeted for investment interest rates to rise but they haven't as much as predicted, so there is potentially a gap in rating because we use interest and dividends to offset our rates. Discussion was held on the extent of the problem. Paul Morris will contact council's investment advisor to discuss this.

Consultancy expenses are \$61,000 over budget. This is due to timing including legal fees related to land sales at Tekapo.

The Old Library Café is now complete. The insurance money has covered the re-build and the building is now at 100% of earthquake code.

The chairman said consultancy fees and extra staff are impacting on budgets due to the Long Term Plan and other things happening. He thanked Paul Morris for his report.

Resolved that the report be received.

Claire Barlow/James Leslie

LONG TERM PLAN PROJECT 2015-2025:

The chairman expressed annoyance at the number of hours logged by staff on this job. He questioned whether council was grossly under-resourced. He questioned why staff were not happy to record hours on other matters but happy to record it on the Long Term Plan.

The chief executive said the purpose of the report was to illustrate that it is a significant process. It would be unhelpful if elected members said it was normal. It is a significant load on people and he wanted the members to be aware of it. He said he was not asking for extra staff but was wanting to do it internally so it was a meaningful document.

The chairman said the work on the Long Term Plan included work that would normally be included in an Annual Plan.

Cr Leslie asked if it was possible to spread the process out over a longer time period. The chief executive said there are deadlines. He does not think it's feasible to spread it over three years.

The Mayor said larger councils have staff dedicated to the process. Staff here have to do normal business at the same time. She likes to have a copy of the hours to determine whether this is good value for ratepayers money.

The chief executive said the approach staff have taken to the Long Term Plan is to take the legislation and react positively to it. Discussion was held on the work staff have already done. The roading staff are going to be under significant pressure.

Resolved that the report be received.

Graham Smith/Claire Barlow

THE CHAIRMAN DECLARED THE MEETING CLOSED AT 11.16AM

CHAIRMAN: _____

DATE: _____