

## FINANCE AND CORPORATE SERVICES COMMITTEE

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**REPORT** and **MINUTES** of a meeting of the **FINANCE AND CORPORATE SERVICES COMMITTEE** held in the Council Chamber, 5 Baring Square West, Ashburton, on Thursday 9 February, 2006, commencing at 1.30 pm.

**PRESENT:** His Worship the Mayor, M B O'Malley; Councillors K L Holmes, (Chair), N A Brown, D N Nelson, R C Beavan, R J Kilworth, D Glass, M J Urquhart and P W Reveley.

Also in attendance Councillors L J Leadley, B A Tasker, I J Burgess and K W P Lowe; Corporate Services Manager, Finance Manager, Property Manager and Committee Secretary.

One member of the public attended.

### **Confirmation of Minutes**

"That the minutes of the Finance and Corporate Services Committee meeting held on 8 December, 2005, be taken as read and confirmed."

Brown/Nelson

**Carried**

### **Matters Arising**

#### **Investment Report**

The Finance Manager advised that he has information on Sapphire Securities available for Councillors.

### **Capital Works Loan**

#### **RECOMMENDATION TO COUNCIL**

1. That the Finance Manager be authorised to borrow up to \$6,731,246 for the purpose of funding the capital works identified in the 2005 / 06 Annual Plan; the loans will be for a term not exceeding twenty five years on such terms and conditions consistent with Council's Liability Management Policy, as may be negotiated by Finance Manager.
2. That Council has considered the risks and benefits to the local authority of the loan or incidental arrangement and the giving of security to be given in relation to the loan or incidental arrangement and Council believes the benefits of raising the loans outweigh the risks associated with the raising of the loan and the giving of security.
3. That the Finance Manager be delegated authority to negotiate and determine the amount, number and type of loan or facility, and the terms and conditions of the loan or loans, facility or facilities (and security), and to negotiate, agree enter into and execute any documentation which may be required, (including security documentation), and if required, to issue such debenture stock/bonds with a face value sufficient to yield up to the sum of \$6,731,246 and execute such; all arrangements entered into under this authority must be consistent with the Council's Liability Management Policy.
4. That the loans may be external or internal loans depending on the interest market at the time of raising the loan. Should external debt be raised, this external debt will be by way of a fixed rate bond issue."

Kilworth/Urquhart

**Carried**

## **Renewal Loan – 2000 / 01 Works Loan - \$1,090,000**

### **RECOMMENDATION TO COUNCIL**

- “1. That the Finance Manager be authorised to borrow up to \$841,341 for the purpose of repaying the 2000 / 01 works loan that matures on 15 March 2006. The loan will be for a term not exceeding twenty years on such terms and conditions consistent with Council’s Liability Management Policy, as may be negotiated by Finance Manager.
2. That Council has considered the risks and benefits to the local authority of the loan or incidental arrangement and the giving of security to be given in relation to the loan or incidental arrangement and Council believes the benefits of raising the loan outweigh the risks associated with the raising of the loan and the giving of security.
3. That the Finance Manager be delegated authority to negotiate and determine the amount, number and type of loan or facility, and the terms and conditions of the loan or loans, facility or facilities (and security), and to negotiate, agree enter into and execute any documentation which may be required, (including security documentation), and if required, to issue such debenture stock/bonds with a face value sufficient to yield up to the sum of \$841,341 and execute such; all arrangements entered into under this authority must be consistent with the Council's Liability Management Policy.
4. That the loans may be external or internal loans depending on the interest market at the time of raising the loan. Should external debt be raised, this external debt will be by way of a fixed rate bond issue.”

Glass/Nelson

**Carried**

### **Rates Postponement Policy**

The Finance Manager reported that a rates postponement scheme, designed by a consortium of six councils, is offered to other councils to assist ratepayers who have difficulty in meeting their payments.

Council’s current rates remission and postponement policy requires ratepayers to meet financial hardship criteria. The proposed option would allow ratepayers to meet all or part of their rates from the equity of their home.

The Finance Manager will seek confirmation from ECan that, having accepted Council’s rate policy, the proposed option would also be supported.

“That Council includes an expanded rates postponement provision policy in the 2006 / 07 Long Term Council Community Plan.”

Kilworth/Glass

**Carried**

### **Local Government Funding Project**

The Chief Executive reported on the local government funding review which has been undertaken by the Department of Internal Affairs. A summary of findings was appended.

“That the report and attached summary be received.”

Urquhart/Brown

**Carried**

## **Activity Reports**

“That the reports be received.”

Brown/Nelson

**Carried**

### **Financial Reports**

The financial reports provided did not include the aged debtors listing which is currently unable to be obtained through the Proclaim system.

The Corporate Services Manager acknowledged the Committee’s concern at the continued failing of the system to provide this information. He explained that a post implementation report is being prepared by Council management and Technology One and a number of recommendations are being addressed.

It was noted that the investment report incorrectly shows the Ashburton Stadium Trust grant of \$1,000 as shares held, and this will be amended.

### **Rates Rebate Scheme**

The Finance Manager reported on key changes to the rates rebate scheme which will come into effect on 1 July 2006. It was noted that the income level for eligibility has been lifted which will result in some Ashburton ratepayers becoming eligible for a rebate.

Clarification was sought on whether the scheme can be applied to all ratepayers, including commercial. The Finance Manager will report further on this.

### **New Year’s Eve Street Party**

The Committee acknowledged the work undertaken by staff, and in particular the Administration Officer and Corporate Services Manager, for their management of the successful event held on 31 December.

## **Agency Reports**

Reports for the period 1 July – 31 December, 2005, were presented to the Committee.

- Ashburton District Tourism (Michelle Bungard – Manager) – 2.30 pm
- Ashburton Art Gallery (Kathryn Mitchell – Curator) – 2.48 pm

The Committee adjourned for afternoon tea at 3.00 pm and resumed at 3.20 pm.

- Ashburton Museum & Historical Society (Rita Wright – Curator, Jennifer Marks – President ) – 3.20 pm
- Enterprise Ashburton

The Agency’s manager, Tim Fitzgerald, was unable to attend the meeting. The Committee noted that the Board is currently reviewing the direction of the agency and will be reporting on this matter to the Board meeting in February.

The Committee sought further information on the entrepreneurial programme which has been introduced by the Agency to Ashburton College.

“That the reports of the Council funded agencies for the period 1/07/05 to 31/12/05 be received.”

Brown/Nelson

**Carried**

### **Items taken with the public excluded (3.34 pm)**

“That the public be excluded from the following parts of the proceedings of this meeting:

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>Item no</b>	<b>General subject of each matter to be considered:</b>	<b>In accordance with Section 48(1) of the Act, the reason for passing this resolution in relation to each matter:</b>	
19	<b>Confirmation of Minutes – 8/12/05</b> <ul style="list-style-type: none"><li>• Property Matter</li><li>• Property Matter</li><li>• Property Matter</li></ul>	Section 7(2)(h)	Commercial activities
		Section 7(2)(h)	Commercial activities
		Section 7(2)(i)	Conduct of negotiations
20	Property Matter	Section 7(2)(i)	Conduct of negotiations
21	Forestry Matter	Section 7(2)(h)	Commercial activities
22	Property Manager	Sections 7(2)(a) & 7(2)(h)	Protection privacy natural persons Commercial activities

Brown/Glass

**Carried**

### **Business transacted with the public excluded now in open meeting**

#### **Balmoral Hall and Ashburton Resource Centre**

The Property Manager reported that sale agreements have been completed for the purchase of the Balmoral Hall, located at 244 Cameron Street on a Council owned Glasgow leased section (Lot 2 DP36145), and the land and building on the corner of Cass and Tancred Streets, currently housing the Ashburton Resource Centre, described as Pt Lot 21 and Pt Lot 22 DP12044, CT:CB473/94.

Council resolved that the following resolutions become the business of open meeting –

#### **Sale of Land – Rakaia (Confirmed by Council 23/02/06)**

“That the sale of the Council owned land in Rolleston Street, Rakaia, described as Section 1 SO18370 Blk XIII Rakaia SD, containing 6480m<sup>2</sup> in CT CB34a/527, to Salmon Tales Rakaia Limited, be approved at a purchase price of \$135,000 plus GST (if any) with settlement to be at the time physical work on construction commences (within 3 months).”

The meeting concluded at 3.56 pm.