

FINANCE AND COMMUNITY SERVICES COMMITTEE

REPORT and MINUTES of a meeting of the **FINANCE AND COMMUNITY SERVICES COMMITTEE** held in the Council Chamber, 5 Baring Square West, Ashburton, on Thursday 17 June 2010, commencing at 1.30 pm.

PRESENT: His Worship the Mayor, M B O'Malley; Councillors K L Holmes (Chair), R C Beavan, R J Kilworth, J A Everest, J A Kingsbury, K W P Lowe and J A Sparks.
Also in attendance Councillors L J Leadley, I J Burgess, P W Reveley and B A Tasker; Manager Democracy & Community Services, Finance Manager, Corporate Services Manager, Community Planning Manager, Policy Advisor, Records & Administration Manager, Property Manager and Committee Secretary.

APOLOGY Cr N A Brown (absence) **Sustained**

Confirmation of Minutes

"That the minutes of the Finance and Community Services Committee meeting held on 4 May 2010, be taken as read and confirmed."

Kilworth/Beavan **Carried**

Matters Arising

Forestry carbon credits

Sale of the forestry carbon credits hasn't been transacted yet. The Finance Manager reported that there has been an increase in price with credits now around \$17.80 / unit.

Corporate Services Activity Reports

"That the Corporate Services activity reports be received."

Lowe/Everest **Carried**

Web Site Maps

The Corporate Services Manager will follow up on the reported concerns of people who are experiencing difficulty accessing the District Plan maps on Council's web site.

Insurance

Council's insurers, RiskPool, have advised that they will most likely indemnify any Council contributions made under the scheme for weathertight claims because it is a financial assistance package. Council would be liable for 25% of the repair costs under the proposed scheme whereas it currently has to meet an excess of \$50,000 on any successful claim.

There was some discussion on how the insurance for Council funded agencies will be dealt with in the future. The agencies are covered under Council's liability policy excluding public liability.

Methven Community Sports Trust – Funding Application

The Manager Democracy & Community Services reported on the request received from the Methven Community Sports Trust for funding assistance. Mr Rollinson recommended that Council provides at least 60% of the project's total cost and in that context, the project would be funded in a similar way to the Rakaia and Dorie tennis court upgrades.

"That Council provide to the Methven Community Sports Trust the sum of \$60,000 to assist with funding the resurfacing and repair of the Netball and Tennis Community Courts."

Mayor/Kilworth **Carried**

Activating Youth Project

“That the Committee approves total funding to Sport Canterbury of \$10,000 over three years to the ‘Activating Youth – Extreme Sport’ project from the Physical Activity Strategy budget.”

Kingsbury/Everest

Carried

Democracy & Community Services Activity Reports

“That the Democracy & Community Services activity reports be received.”

Beavan/Lowe

Carried

Annual Plan actions

The Committee referred to the register of 2009 LTCCP decisions which were separately circulated. The report identified that some work has not been completed and is not likely to be completed by 30 June this year.

Mr Rollinson acknowledged the Councillors’ concern with this situation. He advised that the matter is being addressed by the Management Team and will be the subject of a report to Council on 29 June.

“That the Committee receives the LTCCP action report.”

Kingsbury/Everest

Carried

Library

The Mayor noted that while the children’s library attracted a lot of use during the school holidays and has been well used by schools, a general decline in foot traffic in the children’s and adult sections of the library is reflected in the statistics.

Parks and Recreation

The Parks Manager reported that landscaping work in the Ashburton Business Estate is continuing with work on the bunds almost complete. Mr Askin agreed to provide Councillors with a schedule of the plants that have been used.

Youth Council

Youth Councillors would like the opportunity to take part in a mock debate at the District Council on a local topic (or topics) that would be considered appropriate.

“That the Youth Council be given an opportunity to debate issues in such a way as the central parliament youth government does, in the local District Council.”

Kilworth/Sparks

Carried

The Mayor took the opportunity to congratulate the Youth Council and those involved with the Base Café for their involvement in these activities and advised that he will be writing to thank them on Council’s behalf.

Finance Activity Reports

“That the Finance activity reports be received.”

Sparks/Beavan

Carried

Finance Reports

The Financial report for the period ended 31 May 2010, was received. It was noted that the report doesn’t include major items of expenditure for May. Key points of discussion included:

- Kaipara DC bond has matured.
- Internal income approx 1.2m above budget.

- Drinking water – mostly relates to unbudgeted CAP funding (without that water is under budget)
- Wastewater 199K under budget – 83K of which relates to development contributions
- Income from Ocean Farm below budget – 50K for trading stock sales and 50K trading stock purchases which haven't been undertaken.
- Sale of dry matter at Ocean Farm under budget (only achieving 8c/kg) will be offset by some grazing income which hasn't been invoiced yet. It was noted that no income has been shown from grazing – the Finance Manager will follow this up – grazing may have been coded to sales.
- A memo will be circulated to the Committee showing what the overall annual cost loss was to Ocean Farm for the year – the decline from 18c to 8c relates drop in quality of dry waste, not yield. (Dry waste at Ocean Farm 2.150 million kg compared with 2.03 million kg last year.
- Wastewater expenditure – noted electricity well below budget, this was signalled at annual plan time.
- Stormwater investigation budget not spent and will be a request for a carryover – was going to be loan funded. Will be committed expenditure by 30 June.
- Capital expenditure. Favourable variance because of work not done (some of it itemised). Significant amount of under expenditure – unlikely all will be achieved by 30 June.
- Stock water reserve. Assumed at budget time this work would be done – if it hasn't then budget won't be run down. Appears work won't be done by end of year.
- Variance takes into account the favourable contract for stage one of the Business Estate.
- Ashburton Performing Arts Theatre Trust loan approved – increase on the budget.
- Community wellbeing loan hasn't been raised.

Ashburton District Tourism

It was noted that both Methven and Ashburton's i-Sites will be managed by one person, following a resignation. The Committee will be provided with further information on i-Site requirements in respect to volunteer staff, hours of operation etc.

Clothing for Rural Fire Parties

Cr Burgess reported on his attendance at a meeting with Rural Fire Party representatives on 9 June. Because the budget to purchase uniforms has not been fully expended the fire parties would like to use the funds to purchase ID pins at a cost of around \$12 / pin.

The Committee supported this proposal and agreed that any unspent funds would be carried over for future purchases.

Council Debt – Wholesale Issue

The Finance Manager reported that Council has raised \$5m through the wholesale debt market to refinance the Ashburton wastewater loans. Mr Brake said that the margin is higher than anticipated but the coupon rate was lower (6.84%). Council's LTCCP projection was 7%.

Outstanding Rates

The Finance Manager sought feedback from a number of councils on rate arrears to establish how this Council compared. The Committee was presented with a chart showing that Ashburton is on the lower end of the scale at 0.31%. Of the 21 councils that responded, arrears ranged from a low of 0.01% to 27.71%.

Ashburton Airport Authority

The Property Manager reported that Council's proposal to extend the airport runway has been discussed with airport users and their concerns have been addressed.

Mr Rooney advised that the Airport Authority Subcommittee has prepared a submission to the District Plan seeking a change to Rules 3.8.6 and 4.8.6, to permit erection of single dwelling houses on lots created (or applied for) prior to the Airport designation.

"That the submission dated 24 May 2010, be signed and forwarded to the Ashburton District Council as Planning Authority."

Holmes/Everest

Carried

Town Clock

The Property Manager reported that repair work is to be undertaken on the clock in Baring Square East. Registrations of interest will be sought in early July with the intention that the tender will be awarded by the end of August. Initial work will require the clock to be stopped and when the main refurbishment starts it's likely that the clock mechanism will be removed and placed in storage.

The total estimated cost of the total repair is around \$140,000 and expenditure up to this amount has been approved. While only some of the clock is in need of immediate repair, the contract will be let for a total upgrade with work to be carried out in stages.

The Committee adjourned for afternoon tea at 2.55 pm and resumed at 3.18 pm.

Business transacted with the public excluded (3.18 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:

Item no	General subject of each matter to be considered:	In accordance with Section 48(1) of the Act, the reason for passing this resolution in relation to each matter:	
8.1	Confirmation of Minutes – 4/05/10 <ul style="list-style-type: none">• Property & Investment Subcommittee• Audit & Budget Subcommittee• ACL Draft Statement of Intent• Property Matter (land sale)	Section 7(2)(h) Section 7(2)(h) Section 7(2)(h) Section 7(2)(h)	Commercial activities Commercial activities Commercial activities Commercial activities
8.2	Audit & Budget Subcommittee	Section 7(2)(h)	Commercial activities
8.3	Property & Investment Subcommittee 25/03/10	Section 7(2)(h)	Commercial activities
8.4	Finance Matter	Section 7(2)(h)	Commercial activities
8.5	Police Report	Section 7(2)(f)	Maintain effective conduct of public affairs

Kilworth/Sparks

Carried

Business transacted with the public excluded now in open meeting

Clock Tower Repairs

"That expenditure of up to \$140,000, GST exclusive, be approved to undertake the full refurbishment of the clock tower."

Kilworth/Beavan

Carried

The meeting concluded at 5.10 pm.