

Report of a meeting of the Finance and Policy Committee, held in the Council Chambers, 29 Bowler Avenue, Gore, on Tuesday 12 June 2018 at 5.18pm

Present His Worship the Mayor (Mr Tracy Hicks, JP), Cr Bolger (Chairman), Crs Beale, Davis, Dickson, Gardyne, D Grant, P Grant, Highsted, Phillips, and Reid.

In Attendance The Chief Executive (Mr Stephen Parry), Chief Financial Officer (Mr Luke Blackbeard), General Manager Regulatory and Planning (Dr Ian Davidson-Watts), General Manager Infrastructure (Mr Ramesh Sharma), Parks and Recreation Manager (Mr Ian Soper), Transport Manager (Mr Peter Standing), 3 Waters Asset Manager (Mr Matt Bayliss), Project Manager Infrastructure (Mr Hashem Ramezan-zadeh) Communications/Marketing Manager (Sonia Gerken), and Corporate Support Officer (Mrs Suzanne Lucas), Social Capacity and Health Coordinator (Mrs Bernadette Hunt) and Economic Development Coordinator (Mrs Ceri Macleod)

Apology Cr Sharp apologised for absence.

1. FINANCIAL REPORT FOR FEBRUARY 2018

The Committee perused a report from the Chief Financial Officer.

Cr Bolger asked what systems were in place to manage the variances.

The Chief Executive said all managers had been given the general instruction to watch spending until the end of the financial year. He said the large variances in central administration were largely due to recruitment costs, which had been necessary to attract talent to the Council. If at the end of the financial year there were still large variances, then looking at funding these from existing reserves will be considered.

The Manager explained the majority of variances were due to timing and he was confident this could be managed.

Cr Bolger asked what the timeframe was for submitting roading proposals and then receiving funding back.

The Transport Manager explained that once costs were claimed against NZTA, it takes around two weeks to process.

Cr Beale asked if the Council was looking at procuring another wifi service provider.

The Chief Executive said the Council was working through a number of issues with the current provider. The contract ends with the calendar year and it was planned to look for another provider.

Cr Bolger asked what the current financial position would be when other funds, such as MVM, were included.

The Chief Financial Officer explained he had added more tables to his report to include all variances and incomings from MVM and Pyramid Bridge. These showed a surplus of \$4.5 million.

RECOMMENDED on the motion of Cr Bolger, seconded by Cr B Highsted, THAT the report be received.

2. MAYORAL OFFICE – UPDATE REPORT

A report from the Economic Development and Social Capacity and Health coordinators had been received.

The Economic Development Coordinator said a second workshop had been held since writing the report. About 50 people attended despite logistic issues due to snow in Gore. She said Sir William (Bill) English had been secured as a guest speaker, albeit last minute. The next workshop would be held on 4 July.

The Coordinator said she had held a focus group with the Youth Council as representatives of young people within the Gore community. She said it highlighted how important it was to not only attract young people to the town, but also retain or lure young people back.

The Social Capacity and Health Coordinator added to her report by explaining there was a great deal of interest from Wellington in the Ready for Living project. The Minister for Seniors and the Director of the Office for Seniors was scheduled to visit Gore to hear the results of the study. They were launching a positive aging review around the country and they were starting the project in Gore. This interest has allowed the study to be supported by MBIE with initial funding of \$30,000.

RECOMMENDED on the motion of Cr D Grant, seconded by Cr Davis, THAT the report be received.

The Coordinators left the meeting at 5.44pm

3. CIVIC FINANCIAL SERVICES ANNUAL REPORT 31 DECEMBER 2017

The Committee perused a report from the Chief Financial Officer.

RECOMMENDED on the motion of Cr Highsted, seconded by Cr Phillips, THAT the report be received.

4. AQUATIC CENTRE'S FINANCIAL REPORT

The Committee perused a report from the Chief Financial Officer.

The report provided further information about the negative variance in the Aquatic Centre's activity, which had been reported via the regular financial reports.

The Chief Financial Officer said the Aquatic Centre was a good example of how staff had managed variances. Costs had been reduced in the operating area where possible and had delayed the planned capital programme. He also pointed out that some maintenance costs had been capitalised and the position improved.

Cr Beale expressed his surprise that it had taken until 2018 for the plant to be running properly.

The Parks and Recreation Manager said the current 3 Waters supervisor has an analytical mind and experience in commercial industrial plant. This had allowed issues accumulated over time to be addressed.

Cr P Grant expressed his concern that provision for electricity costs had not been included in the lease with Ice Sports Southland.

His Worship said that discussions around this needed to happen as soon as possible.

Cr Bolger suggested a formal invitation be extended to discuss this issue.

Cr Dickson asked if the new software rostering system was working, and was it an improvement on the previous method.

The Parks and Recreation Manager said the new system provided structure for staff as the roster could be prepared well in advance and this provided benefits through the retention of staff.

RECOMMENDED on the motion of Cr D Grant, seconded by Cr Reid, THAT the report be received.

5. PROPOSED FEES AND CHARGES

Cr Beale asked if there would be a change in fees for water carriers.

The 3 Waters Asset Manager said this was work in progress and he had been in contact with other Councils to compare rates.

Cr Bolger turned the Councillors attention to the suggested fees and charges at the Gore Aquatic Centre.

Cr Bolger questioned the cost of a 12 month membership as it was a large increase and more expensive than other facilities.

The Parks and Recreation Manager explained it was in alignment with the percentile increase of individual pool entry. A number of the proposed new charges were less than charges in other districts.

Cr Highsted questioned the charge for a spectator.

The Parks and Recreation Manager explained that spectators at large events were charged but a supervising parent would not be charged. This was a discretionary charge.

Cr Davis said the charge was aimed at discouraging groups of adolescents gathering. She also expressed her concern at the large increase in the 12 month membership fee. She said she was not opposed to the increased charge for an individual swim but questioned the 12 month fee.

Cr Gardyne asked how many memberships have been issued.

The Manager said he did not have that information but suggested the charge be held at \$450.00 until a discussion could be held with the Aquatic Centre Manager and the other charges be addressed.

Cr Bolger asked Cr Davis if she was happy with the Manager's suggestion of addressing the other changes but holding the charge on the membership fee.

Cr Davis replied that she was happy with this suggestion.

Cr Dickson queried the charge of a 50 swim concession card for seniors. She thought the price increase was excessive. She also mentioned that students did not previously have a charge but now there is a fee of \$180.

Cr Phillips asked what the predicted overall budget increase was.

The Chief Financial Officer said it was reasonably modest at around \$25,000. He explained that an inflation expectation that fees and charges will go up overtime was built into the LTP.

Cr Phillips said he thought a \$1 increase per swim was excessive.

Cr Highsted asked when the when last increase in fees was.

The CFO replied it was six years ago.

Cr D Grant disagreed a \$1 increase was too much, and said the Council could not expect the pool to run at an excessive loss.

Cr Phillips said he agreed that a large loss was not ideal, but a gradual increase would have been preferable. He thought patronage would drop dramatically with this increase.

Cr Davis suggested a two stage increase over time.

Cr Phillips concurred and suggested a gradual increase over an 18 month period.

Cr D Grant disagreed. He said other aquatic centres were more expensive and with positive communication the price rise would be acceptable to the public.

Cr Bolger suggested there would be an initial reaction if there was a \$1 increase in the entry fee. If there was to be an ongoing detrimental effect then it would be his preference to review the charges.

His Worship noted that facility managers were not present to discuss the rationale behind the changes and in future those behind the implementation of changes should be available to comment.

The Chief Executive suggested the committee make a recommendation to Council. The Aquatic Centre Manager would be present to answer any questions from councillors before they were made a final and informed decision.

Cr Bolger clarified this comment by stating that all charges would be adopted except for those in contention. These would be revisited subject to confirmation of queries raised with the Aquatic Centre Manager.

Cr Highsted asked if the Aquatic Centre Manager had been consulted when setting the new fees and charges.

The Chief Financial Officer said that as the Manager of the activity, she had put forward the suggested charges.

Cr Bolger turned the Council's attention to sports ground fees.

Cr Highsted questioned the large increase in fees for small clubs such as the BMX Club, Gore Engineering Club and Eastern Southland Softball

The Parks and Recreation Manager said the charges were in alignment with other clubs and some of these clubs enjoyed a dedicated space on reserves for their sporting purpose.

Cr D Grant concurred with Cr Highsted. He said members voluntarily undertook work on grounds and suggested a gradual increase in fees over time.

The Manager informed the Council that up until now there had not been an alignment with grounds fees and club member numbers. There had now been a close look at spaces used by various groups and the increase in charges would allow a uniform alignment.

Cr D Grant said the Council needed to communicate with the clubs and impose a gradual increase fees rather than a one off increase. He said the Council would need to be aware of the media and bad publicity that would occur with a dramatic fee increase.

Cr Bolger clarified that Gore BMX, Gore Model Engineering Club, Eastern Southland Softball are the clubs concerned and should have a gradual increase in fees.

Cr D Grant suggested communicating with these clubs and informing them of the expected fee they would be expected to pay within two or three years' time.

Cr Bolger said two years would be preferable.

Cr Davis asked why just those clubs should get notice of an intended increase.

The Chief Executive suggested the fees and charges be appended to the Council agenda and those in contention highlighted so the debate focuses on the categories that require clarification. He said there were options including phasing in fees, or informing those affected that at a certain date a fee rise should be expected.

Cr Beale asked if the Canning Street flats would in the future be gifted back to the Catholic Church.

The Manager confirmed this would happen in 2022 but until then the Council was responsible for any maintenance.

Cr Beale thought the increase was insignificant compared to other similar rental properties.

His Worship confirmed that was an agreement made in the 1970's and incorporated tight restrictions on the management of the flats.

Cr Bolger suggested a further look into the rent increase.

Cr Dickson asked if the Council needed to register interest in the changes to the dog fee charges.

The General Manager Regulatory and Planning explained the changes were in the planning stage and the early discussion was to allow people to respond to the proposed changes

RECOMMENDED on the motion of Cr Bolger, seconded by Cr D Grant that the proposed fees and charges be adopted,

AND THAT the sports field charges be a step change over two years;

AND THAT there will be further discussion on charges before changes are ratified at the Council meeting.

Meeting closed 6.32pm