

REPORT OF THE ORDINARY MEETING OF THE FINANCE AND POLICY COMMITTEE HELD IN THE COUNCIL CHAMBERS, 29 CIVIC AVENUE, GORE ON TUESDAY 13 MARCH 2012, AT 5.47PM.

PRESENT His Worship the Mayor (Mr Tracy Hicks JP), Cr Bolger (Chairperson), Crs Beale, Davis, Dixon, Gover, D Grant, P Grant, Heller, Highsted, Redhead and Sharp.

IN ATTENDANCE The Chief Executive (Mr Stephen Parry), General Manager, Corporate Services (Mr Russell Duthie), Parks and Recreation Manager (Mr Ian Soper), General Manager, District Assets (Mr Paul Withers), Assets Manager, Utilities (Mr Ross Haslemore), Roading Manager (Mr Murray Hasler), Planning Consultant (Mr Keith Hovell) (from 5.52), Community Development Officer (Mrs Jacqui Green), Communications Co-ordinator (Mrs Sonia Gerken), Corporate Support Officer (Mrs Tracey Millan) and one member of the public in the gallery.

APOLOGY Cr Watt apologised for absence.

1. SOUTHLAND WARM HOMES TRUST (50.40.3)

A memo had been received from the Chief Executive, together with a copy of the annual report for the Southland Warm Homes Trust for the year ended 30 June 2011.

In response to Cr Sharp wondering how many homes in the Gore District had been insulated, His Worship said a submission to the Long Term Plan would include that information.

His Worship declared an interest in this matter and withdrew. He added that he had resigned from the Trust.

His Worship advised he had resigned from the Southland Warm Homes Trust.

RECOMMENDED on the motion of Cr Davis, seconded by Cr Highsted, THAT the annual report of the Southland Warm Homes Trust be received.

2. EASTERN SOUTHLAND HOCKEY ASSOCIATION – ANNUAL REPORT (18.3.1)

A memo had been received from the General Manager, Corporate Services together with a copy of the Annual Report for the Eastern Southland Hockey Association Inc.

Cr Bolger said the Eastern Southland Hockey Association should be congratulated on its financial position. To see the grandstand moved over to the rugby grounds would be ideal.

RECOMMENDED on the motion of Cr Bolger, seconded by Cr D Grant, THAT the annual report of the Eastern Southland Hockey Association Inc. be received.

The Planning Consultant now attended the meeting at 5.52pm.

3. REPORT OF THE URBAN RATING REVIEW WORKING PARTY (44.31)

A memo had been received from the General Manager, Corporate Services together with the notes from three working party meetings held since November 2011. A copy of the maps outlining the proposed amended Gore and Maitua urban rating areas had also been received.

Cr Bolger said subsequent to the report being generated there had been some discussion around whether the working party had gone far enough with the proposed amended boundaries. The proposal did correctly describe the current situation, however it did not look forward to a view of a potential expansion of the Gore and Maitua urban boundaries should some development occur due to projects such as those mooted by Solid Energy. He took responsibility for that.

Cr Highsted declared an interest and withdrew from the table.

Cr Dixon thought the Maitua boundary should be extended out to the Waimumu stream and the Gore boundary extended to Terry Road.

Cr Bolger said Terry Road might not be suitable as there could be potential activity south of Eversfield Rise. He wondered also about how far to go at Whiterig Road.

Cr Beale said there was an anomaly with Charlton Road properties. There were several small lifestyle blocks past Allied Concrete that were included, yet some properties on the other side of Racecourse Road had not been included.

His Worship agreed with the comments made. The working party had identified the current situation but had not really given any vision to what might be future growth for both towns. Whether a vision translated into reality, the Council should give its best endeavours to see what that might look like in reality. Although there were time pressures to consider, he wondered if there would be an opportunity for a workshop to be held to see if there was an appetite to go out further than the proposed boundaries.

Cr Sharp reminded the meeting he had presented a petition from Terry Road residents against being included within the Gore boundary.

His Worship acknowledged that. He said the challenge for the Council was to take a birdseye view of Gore and its potential growth over the next 50 years. There was potentially some growth from a mining development out to the west of Gore. Even if that did not happen where did it want to see the town grow, how far and in what direction? It needed to set a vision and that would require a lot of community discussion that could be contentious, but was necessary.

In response to Cr Sharp, His Worship said all properties in the urban boundary paid urban rates.

Cr Bolger said sometimes a change in zone could be to a property owner's advantage. There would be variables.

The Chief Executive said the proposal was for rating purposes, under the new Rating Act, and not zoning. The Council could provide two shadings, a new property rating area and a future expanded area to give residents an idea of how the town could evolve, while taking cognisance of what had already happened. Residents would continue to pay the same rates until such a time as the boundaries had been expanded.

His Worship referred the meeting to the terms of reference. It was all about looking at the exercise in an ideal world. Once that had been worked out, the Council could then consult with the community in terms of how to progress, instead of being constricted to a financial debate and then coming up with a haphazard development around the town.

In response to Cr Sharp, Cr Bolger said some areas would naturally be included, such as Eversfield Rise. The proposal was to anticipate and to encourage people, while giving them input at the same time.

The Chief Executive said if there was a workshop, it would need to be held by Friday 23 March.

His Worship said the alternative was to go with what the working party had proposed so far.

Cr Bolger suggested the working party meet and prepare some ideas to present to a workshop the following week.

Cr Davis said there were some other ideal areas in East Gore that could also be looked at for inclusion.

RECOMMENDED on the motion of His Worship, seconded by Cr Davis, THAT the information be received,

AND THAT the item be referred to a workshop to be led by the Urban Rating Boundary Review Working Party.

4. SHARED SERVICES – INFORMATION TECHNOLOGY (46.34.2)

A memo had been received from the Chief Executive together with a letter from Federated Farmers, Southland that asked a number of questions about the Council's reticence to enter into a shared information technology service with other Southland Councils. A copy of a Clutha District Council report that contained the figures that Federated Farmers had quoted from was also circulated.

The Chief Executive said the letter had been received with a bit of surprise as he had been unaware of Federated Farmers concern considering it had regular dialogue with the organisation. However, at a first glance it could appear the Council was passing up a great thing. The benefits cited by the company concerned were largely non-cash. The Council's current cost structure for IT stacked up against its neighbours. The Council was not "anti" shared services, however there needed to be demonstrable benefits evident and considered on a case by case basis. On this occasion it had not stacked up.

Cr Davis said it was pretty telling when comparing the Council's costs per desktop with other Councils.

In response to Cr Gover, the Chief Executive clarified that the desktop costs pertained to the total IT budget.

His Worship said the Council was a strong supporter of shared services, but warning bells had rung as time went on so the Council pulled out on this occasion. It needed to pick and choose shared service opportunities where it saw benefit. It

could look at other opportunities to also share services with other South Island Councils in the future.

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

The Community Development Officer and Communications Co-ordinator now left the meeting at 6.17pm.

In response to Cr Highsted, His Worship said he would raise the issue around the request from Federated Farmers when he next met with its representation.

5. FINANCIAL REPORT FOR JANUARY 2012 (1.1.4)

A financial report for the seven months ended 31 January 2012 had been received from the Management Accountant and was perused by the meeting.

In response to Cr Beale expressing concern at the \$49,000 regulatory overspend, the General Manager, Corporate Services said there were some things that came out of the woodwork that were unavoidable.

Cr Bolger said some unexpected works and some background work in relation to Solid Energy that would probably be ongoing, had come up.

Cr Beale said it therefore needed to be budgeted or rated for.

The Chief Executive said there were plans afoot to try to balance the ledger and he was optimistic that would occur by the year end.

In response to Cr Sharp, the General Manager said the derivative instrument was often taken out to get certainty on where and how to commit. It was a small cost overall to guarantee some certainty.

RECOMMENDED on the motion of Cr Highsted, seconded by Cr Dixon, THAT the financial report for the seven months ended 31 January 2012 be received.

The meeting concluded at 6.26pm.