



REPORT OF THE ORDINARY MEETING OF THE FINANCE AND POLICY COMMITTEE HELD AT THE HOKONUI RUNANGA, 140 CHARLTON ROAD, GORE, ON TUESDAY 28 AUGUST 2012, AT 6.43 PM.

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

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), Roding Manager (Mr Murray Hasler), Assets Manager, Utilities (Mr Ross Haslemore), Communications Co-ordinator (Mrs Sonia Gerken), Corporate Support Officer (Mrs Tracey Millan) and three members of the public in the gallery.

APOLOGIES Crs Gover and D Grant apologised for absence.

1. UPDATE ON FUNDING OF LOCAL AUTHORITY PROTECTION PLAN (LAPP) (52.4.9)

A memo had been received from the General Manager, Corporate Services, together with a copy of an interim report outlining issues facing local Government in New Zealand regarding insuring infrastructural assets against loss from natural disaster.

The Chief Executive said LAPP was still a really good scheme in terms of giving some cover for assets. One needed to have that foremost in mind, post the Christchurch earthquakes.

The General Manager said LAPP had no money. Global reinsurance was almost impossible to get. The decisions it had made were only for that year. Dependent on how much money LAPP had and as the Christchurch earthquakes faded, hopefully it would be an interim step and worst case scenario. It did not want to make a knee jerk reaction.

In response to Cr Beale asking if the Council had ever called on the special reserve fund, the General Manager said it had not. It had cover for \$83 million of assets for a premium of about \$80,000.

Cr Bolger said it was still the best deal out there.

RECOMMENDED on the motion of Cr Watt, seconded by Cr Beale, THAT the report be received,

THAT any budgeted LAPP insurance premiums in excess of the actual premium be transferred to a self-insurance reserve,

AND THAT should any self-insurance payment exceed the accumulated self-insurance reserve balance the excess shall be funded by loan in the short term. Further, should loan funding be required it shall be repaid by diverting subsequent proposed transfers to the self-insurance reserve to loan repayments until fully repaid.

2. ADMINISTRATION EXPENSES WORKING PARTY (1.80)

A memo had been received from the General Manager, Corporate Services together with a suggested Terms of Reference for consideration.

The General Manager said the timeframe had been tight, however it would allow for the item to be included in the next round of estimates and Annual Plan.

Cr Highsted said the review would also allow new Councillors to get of understanding around the estimates process quickly.

In response to Cr Beale, the Chief Executive said the sub-committee would be focusing on the way the range of the “doing” activities were spread across the customer services and information technology sections. It would determine what the drivers were to ensure fair apportionment on how to carve up the pie.

Cr Beale was interested in being involved in the working party if meetings could be scheduled late in the afternoon.

RECOMMENDED on the motion of Cr P Grant, seconded by Cr Davis, THAT a working party consisting of Crs Bolger, Highsted, Beale and Watt, be formed to investigate the allocation of administration expenses,

AND THAT the Terms of Reference for the working party be adopted.

3. DRAFT GRANTS POLICY (46.37)

A memo had been received from the Chief Executive together with a draft Grants Policy which had been prepared, taking into consideration the Council's current funding commitments.

Cr Bolger said it was a good policy.

His Worship said the Chief Executive had done a good job in summing up the concerns and objectives the Council had.

In response to Cr Highsted, the Chief Executive said he would still consider the Community Trust of Southland, a not-for-profit organisation.

Cr Highsted referred the meeting to criteria 4.3. He wondered if that was the correct place to also put the requirement to supply a project and operational budget. He also thought it should be listed that any applicant must state any conflict of interest that they may possess.

Cr Highsted referred the meeting to the Community Grant application form, agenda page 15, "project budget". He thought operational budget should also be included. He suggested the applicant should be requested to supply details of any other funding it had applied for.

Cr Redhead wondered if it needed to be stated that funding could not be used for wages. He would like to see money go to a project that had a direct benefit.

His Worship said it was often the operational side of the project that determined whether it happened or not. Sometimes the operation could be every bit if not more benefit than the actual project.

Cr Sharp referred the meeting to agenda page 13. He thought all applicants must use the Council application form.

The Chief Executive said he had been trying to make it simple for small grant applicants. In a small community when one knew who was behind the application, one could craft the rules to see fit.

Cr Sharp suggested all applications over \$1,000 must use the Council application form.

Cr Highsted suggested the Chief Executive delegated discretion to an appropriate staff member to make the call whether an applicant would be required to complete an application form.

In response to the General Manager, District Assets, the Chief Executive advised that the Matura Community Board's discretionary fund was a different area.

Cr Sharp recommended THAT the draft Grants Policy be amended to state that all applications over \$1,000 must use the Council application for funding form,

AND THAT the Chief Executive be given the discretion to waive this requirement, if deemed appropriate.

The recommendation lapsed for want of a seconder.

Cr Highsted suggested the words “The Chief Executive may waive this requirement if deemed appropriate”, be added to clause 5.0 of the draft policy.

Cr Davis thought the grant received by Pakeke Lions should feature in the grants section.

The General Manager, Corporate Services said any money that went to Pakeke Lions went through the solid waste activity. The Council had asked the organisation for a set of financial accounts in the past.

Cr Davis asked for reasons of transparency, should it not be in the grants section. The public needed to know that they were being rated for that.

The General Manager, District Assets said money paid to Pakeke Lions offset what it would be paying to the solid waste activity. It was a service being provided by offsetting the disposal of waste.

Cr Bolger said the Council was getting an indirect benefit.

Cr Davis said she thought it was still a grant. It could be qualified by listing it as a grant and putting a caveat in the annual plan.

The General Manager, Corporate Services said it could be listed in the annual accounts. The complication was that the way it was currently shown meant that it only serviced the ones that were rated for that.

His Worship said he understood where Cr Davis was coming from, but he would be wary about making a decision on the hoof. The situation could apply to others.

Cr Bolger suggested the Chief Executive and General Manager, Corporate Services give the issue some consideration and bring it back to a chairs meeting.

Cr Dixon said Pakeke Lions did a good job. However, they gave away money that the Council had initially given them. He wanted the issue looked at.

Cr Highsted said Pakeke Lions was saving the Council money by cutting down on waste that went to the refuse station. It still needed to be balanced.

The Chief Executive said everyone wanted to see the requisite amount of transparency. It perhaps needed to be shown in two areas.

RECOMMENDED on the motion of Cr Davis, seconded by Cr Watt, THAT the Committee consider and critique the attached draft Grants Policy to include the comments mentioned above.

The meeting concluded at 7.18pm.