

Report of the ordinary meeting of the Finance and Policy Committee held in the Council Chambers, 29 Civic Avenue, Gore on Tuesday 25 November 2014, at 5.38pm.

Present His Worship the Mayor (Tracy Hicks, JP), Cr Bolger (Chairperson), Crs Beale, Byars, Davis, Dixon, Gover, D Grant, P Grant, Highsted, Page, and Sharp.

In Attendance The Chief Executive (Mr Stephen Parry), General Manager District Assets (Mr Paul Withers), General Manager Community and Strategy (Mr Aaron Fox), Roading Manager (Mr Murray Hasler), 3 Waters Asset Manager (Mrs Sarah Crooks), Chief Financial Officer (Mr Luke Blackbeard), Communications Coordinator (Sonia Gerken), Senior Planner (Mr Howard Alchin), Corporate Support Officer (Mrs Kylie Weir) and Building Control Manager (Mr Russell Paterson).

1. DEBT PROFILE (SC0140)

A memo had been received from the Chief Financial Officer providing the Committee a detailed update on the Council's debt profile.

The Officer advised the swap rate was supposed to be 0.51 of a percent not 0.51 basis points. This meant half a per cent reduction rate in the swap. He added as the level of the swap cover rolled off, the Council would have to renegotiate the rates it would get at that time depending on what the market was doing.

In response to Cr Bolger, the Officer advised that he was not aware of the ability to book swaps ahead of them expiring. It would be another two years before any swaps came up for renegotiation depending on what the Council borrowed.

The Chief Executive stated that it was an area that the Council needed to manage with some care. He advised that the Officer was already achieving this in association with a principal advisor at ANZ Bank and depending on the nature of the Council's

LTP capital expenditure programme this would require even closer management as the debt profile increased.

In response to His Worship, the Officer advised that the local government debt vehicle was an option that could be looked at in the future, in terms of sourcing Council loan funds.

In response to Cr Sharp, the Officer advised the debt level had not changed much over the past five years. He advised that at the time of the Annual Plan the Council had looked at its level of debt and if it took the upgrade of the Ajax pump station out of the debt levels then the rest of the debt had not changed.

Cr Highsted said the Council adopted an Annual Plan and a Long Term Plan. There was no such thing as debt sneaking in and not being known.

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

2. FINANCIAL REPORT FOR SEPTEMBER

A financial report for the three months ending 30 September 2014 had been received from the Chief Financial Officer and was perused by the Committee.

In response to Cr Bolger, the 3 Waters Asset Manager advised that the unbudgeted item was for the replacement of the building management system at the pool. The reason this was not budgeted for was that during the shutdown it was discovered that the system was heavily corroded.

In response to Cr Beale, the Chief Executive advised that it was standard practice to retain 10% of a contract sum so that any issues or faults that may arise could be attended to by the contractor and if they were unable to fix the issue then it was used to engage someone else.

RECOMMENDED on the motion of Cr D Grant, seconded by Cr Gover, THAT the financial report for the three months ended 30 September 2014 be received.

The meeting concluded at 5.50pm.