

Report of a meeting of the Finance and Policy Committee, held in the Matura Community Centre, McQueen Avenue, Matura, on Tuesday 20 November 2018 at 6.00pm.

**Present** Cr Bolger (Chairman), Crs Beale, Davis, Dickson, Gardyne, P Grant, D Grant, Phillips, Reid and Sharp.

**In Attendance** The Chief Executive (Mr Stephen Parry), Chief Financial Officer (Mr Luke Blackbeard), General Manager Infrastructure (Mr Ramesh Sharma), Transport Manager (Mr Peter Standring), 3 Waters Asset Manager (Mr Matt Bayliss), Project Manager Infrastructure (Mr Hashem Ramezan-zadeh), Communications/Marketing Manager (Sonia Gerken), Senior Planner/Consultant (Mr Keith Hovell), Corporate Support Officer (Suzanne Lucas), Economic Development Coordinator (Ceri Macleod), Social Capacity and Health Coordinator (Bernadette Hunt) and three members of the public in the gallery.

**Apologies** His Worship the Mayor (Mr Tracy Hicks, JP), and Cr Highsted apologised for absence.

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1. RISK POOL ANNUAL REPORT AND CALL (SC2179)

A report from the Chief Financial Officer had been received together with a copy of the Riskpool Annual Report. The report discussed the annual report for Civic Liability Pool and Riskpool and advised the Council Riskpool had called on members for additional funding.

Cr Dickson asked if any responsibility had fallen back on the directors and were there other avenues to look at for claiming back the shortfall.

The Chief Financial Officer explained there weren't any other avenues to explore and the terms and conditions of the agreement stated everyone was pooled together with a collective fund to cover any claims. Riskpool had the membership of the majority of Councils but as membership decreased, and bigger Councils sought insurance cover elsewhere, it became harder to be viable. Now there was no longer an income source

to cover claims. He said the demise of Riskpool was not due to any negligence by the directors.

Cr Phillips asked if this was the final call for funding.

The Officer said it was not possible to predict the cost of future claims.

The Chief Executive explained historical claims such as leaky buildings had materialized in this scheme and the Council could not exit until all dues were paid and claims ceased.

Cr Davis asked how much the shortfall was.

The Officer replied it was \$7.4million.

**RECOMMENDED on the motion of Cr P Grant, seconded by Cr Phillips, THAT the report be received,**

**AND THAT the amount of \$27,743 be included in the 2020 Annual Plan budgets.**

## 2. FINANCIAL REPORT FOR SEPTEMBER

A financial report from the Accountant had been circulated and perused by the Committee.

Cr Bolger commented the financial position was tracking well, but he was mindful this was the beginning of the year and first quarter and adjustments with large projects were yet to be included.

The Chief Financial Officer explained capital projects would in future be included in a report from the General Manager Infrastructure and would be furnished separately.

Cr Phillips referred to the unfavourable variance of elected members and asked if there were grants to rectify this issue.

The Officer confirmed there was funding in hand.

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

## 3. MAYORAL OFFICE – UPDATE REPORT

The Committee perused a report from the Mayoral Office.

The Economic Development Coordinator informed the Committee four Provincial Growth Fund applications had been submitted and feedback was yet to be received.

The Coordinator said GoRetail was now focused on Christmas and confirmation of free parking and shopping hours had been circulated following a well attended workshop earlier in the day.

The Social Capacity and Health Coordinator said an application for Hokonui Highway to the Provincial Growth Fund had been made, but was going to be tweaked to fit with the He Poutama Rangatahi Programme – a programme supported by some of the Provincial Growth Fund and which fitted well with the Hokonui Highway project.

Cr Reid asked if the application was successful and funding was received who would lead the project.

The Coordinator explained the four way partnership that currently existed would continue.

Cr Bolger commended the Coordinators on the work undertaken and successes achieved.

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

#### 4. POTENTIAL CONFLICT OF INTEREST – COUNCILLOR SHARP (SC2179)

A report from the Chief Executive had been received and a copy of the opinion obtained from Anderson Lloyd had been circulated.

Cr Sharp was asked by the Chairman to remove himself from the table to the gallery. Cr Sharp did so and did not participate during the discussion.

The Chief Executive said he had sought a legal opinion following the last Council meeting with regard to a report prepared by the 3 Waters Asset Manager which considered a potential water source at Coopers Wells and the reaction of Cr Sharp. At that meeting Cr Sharp had strongly voiced his opinion and highlighted the impact the new water source would have on his farm.

The Chief Executive said the Members' Interests Act outlined the law on such matters. The Act was 50 years old and the penalties suggested to be imposed reflected a bygone era, however financial conflict of interest was serious and the member concerned would need to vacate office. He acknowledged that in a small community a conflict of interest was inevitable but it needed to be declared and that member was not to partake in any debate, although they could remain in the room if it was an open meeting.

**RECOMMENDED on the motion of Cr P Grant, seconded by Cr Davis, THAT the opinion be noted and heeded.**

## 5. REQUESTS FOR WAIVING OF BUILDING AND RESOURCE CONSENT FEES (SC2005)

A report from the Chief Executive had been received. The report asked the Council to consider a waiver of fees for two organisations seeking financial assistance – Deep Cove Outdoor Education Trust and the Eastern Southland Hockey Association.

The Chairman reminded the committee it needed to be careful not to set precedent.

The Chief Executive said his recommendation in the report was a starting point for debate and a reflection of his opinion.

Cr P Grant asked why the Council was being asked to contribute to public toilets proposed by the Deep Cove Outdoor Education Trust. In his opinion, ratepayers should not be charged with that cost.

Cr Sharp declared a conflict of interest as he had had an involvement with the Trust.

The Chairman said he had no objection to Cr Sharp partaking in the discussion.

Cr Phillips suggested the Trust should look elsewhere for funding.

Cr Davis questioned why the Gore District Council was approached for assistance and not the Southland District Council.

Cr Bolger confirmed Gore Master Builders had volunteered to build the proposed new toilet block and visitor centre and this would have prompted the request.

The Chief Executive said his view had been influenced by the local community support, and voluntary labour from Gore that was behind the construction.

Cr Dickson suggested applying elsewhere for funding including approaching Tourism NZ. Cr Davis agreed.

Cr Phillips concurred and also suggested that users could be charged a levy.

Cr P Grant said he did not see a levy working nor being practical.

Cr Beale recommended the Trust approach Real Journey's for funding.

Cr D Grant questioned why the Council's grant account had been flagged to cover the cost of the waiver. He was concerned funds would be taken away from the Gore District and the grant account should be for the support of locals.

The Chief Executive said the funding could be sourced from another account but he was reluctant to put the onus on building control. 80 percent of the cost of building

consents should be covered by fees and charges and it would have a negative impact on that department. A precedent being set was the issue for consideration at this time.

Cr Phillips stated he was opposed to the request and was concerned the project could set a precedent.

**RECOMMENDED on the motion of Cr Philips, seconded by Cr Gardyne, THAT the request for a reduction or waiver of building consent and resource consent fees from the Deep Cove Outdoor Education Trust and the Eastern Southland Hockey Association, be declined.**

The meeting concluded at 6.52pm.