

MINUTES



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MEMBERSHIP: Councillor Craig Bauld (Chair). Nona Aston, Bill Burdett, Roger Haisman, Allan Hall, Gary Hope, Pat Seymour, Brian Wilson and Graeme Thomson.

MINUTES of the FINANCE & MONITORING Committee

Held in the Committee Room, Administrative Centre, 15 Fitzherbert Street on Thursday 16 July 2009 at 9am.

PRESENT:

Councillors Craig Bauld (Chair), Nona Aston, Bill Burdett, Roger Haisman, Allan Hall, Gary Hope, Pat Seymour, Brian Wilson and Graeme Thomson

IN ATTENDANCE:

Chief Executive Lindsay McKenzie, Corporate Affairs Manager Douglas Birt, Asset Accountant David Bawden, Financial Accountant James Burn and Committee Secretary Eileen Marshall

APOLOGIES:

Crs Graeme Thomson and Brian Wilson for lateness

1. Apologies

MOVED by Cr Bauld, seconded Cr Hope

That the apologies from Cr Graeme Thomson and Brian Wilson for lateness be sustained.

CARRIED

2. Public forum, petitions, deputations and representation from tangata whenua

There were no attendees.

3. Confirmation of Minutes

Finance and Monitoring Committee – 11 June 2009

MOVED by Cr Hope, seconded Cr Bauld

That the minutes of 11 June 2009 be accepted.

CARRIED

Action Sheet

Noted.

4. Matters arising

7.3 09/276 – Application for Grant in Lieu of Rates – Valuation Reference 08560 583 01

Cr Seymour commented that the name of the applicant should be noted but was advised even though the application was from an organisation the name of the organisation did not require noting.

May Treasury Report - Additional Reserve \$400,000

Cr Seymour asked for an explanation as to what the reserve amount of \$400,000 was to be used for?

Cr Seymour was advised that further investigation is to be made as to the allocation of this amount.

5. Notification of late items, questions and general business

Nil

6. Mayor's and Councillors' reports

Nil

7. Staff Reports

For decision

7.1 09/258 – Credit Policy - Cemeteries

This report considered the extension of credit to cover plot purchase and internment costs where these are not able to be paid at the time of burial. This provision of credit is provided under clause 3.5.2 of the District Cemeteries and Crematoria Bylaw.

Discussion was held on various means available to settle fees. The Act states that Council do not need to issue a burial certificate until all requirements are fulfilled. It is impossible for some families to pay expenses before three months has expired.

There are some one off dispensations available.

MOVED by Cr Seymour, seconded Cr Bauld

That the Committee

(a) Receives the report

Recommends that Council:

(b) Adopt the following Credit Policy - Cemeteries

1. Wherever possible burial and internment fees and charges are to be paid prior to the burial.
2. Credit will only be extended where a fully completed Indemnity for Burial Charges has been received by Council.
3. The Indemnity for Burial Charges is only acceptable where it has been signed by an individual who has accepted full liability.
4. The person executing the indemnity must have been positively identified by two forms of ID. One form will be a photo ID and the other will verify their current address.
5. The standard credit term will be payment by the 20th of the month following burial.
6. An initial credit administration fee of \$50.00 will be added to the account.
7. In cases of extreme financial hardship Credit Control staff may permit the account to be paid off in instalments over three months.
8. Credit Control staff may also permit the account to be settled up to six months late provided they have received a solicitors letter advising that:
 - a) There are delays in finalising the estate and
 - b) There is likely to be sufficient funds to pay the outstanding

charges.

9. The person who signed the indemnity will remain liable if the estate is unable to pay.
 10. If initial collection efforts by Credit Control are not successful, bad and doubtful debts will be handed to an authorised debt collection agency.
- c) authorises approved Funeral Directors to provide Indemnity Forms on the condition that the Funeral Directors agree to follow all Council procedures for the issuance of these documents.
- d) incorporates these procedures into the Cemeteries By-Law at its next review.

CARRIED

7.2 09/314 – Port Company – Status of Tauwhareparae Farms Limited

The first reaction was that we didn't want to go down the laborious path by liquidation, so we should just ask the minister to change the legislation.

The Chief Executive explained that the minister had said this could be done, but it was not high on the legislative priorities of the government, and the process may take a considerable time. The minister's advice was that liquidation was a more certain path. The process was clear cut, with few risks or costs involved.

After discussion, Councillors clearly favoured seeking resolution by the minister. There was some doubt that amending the constitution might not actually remove the Port Company status, and that we might need further legal opinions on this matter. If it was not recommended from a legal point of view, then another option would be to push for a change in the Port Companies Act, which would allow for a company not trading as a Port Company to be deregistered. Cr Hall indicated that a very simple Bill to do that would be the work of only a few minutes. Liquidation should be an option c) in the resolution. It was decided to leave option c) for liquidation out of the resolution, we could always come back to it at a later stage.

MOVED by Cr Hope, seconded Cr Seymour

That the Committee

1. receives the report
2. **Recommends that Council**
 - a) seeks the approval of the Minister of Transport to amend the constitution of Tauwhareparae Farms Limited (Option B) to remove all reference to the Port Companies Act
 - b) failing agreement under 2 a) to seek a change to the Port Company Act 1988 to allow a company not trading as a Port Company to be deregistered under the Act.

CARRIED

For noting

09/329 – May Treasury Report

This report summarises Council’s Treasury position as at the end of May

MOVED by Cr Hope, seconded Cr Seymour

That the Committee

1. receives the report

CARRIED

8. Late Items

There were no late items.

9. Questions

There were no written questions.

10. General Business

Nil

11. Public Excluded Business

**RESOLUTION TO EXCLUDE THE PUBLIC
SECTION 48, LOCAL GOVERNMENT OFFICIAL INFORMATION AND
MEETINGS ACT 1987**

MOVED by Cr Seymour, seconded Cr Aston

Cr Hope requested that his vote against Public to be Excluded be recorded

That

(1) The public be excluded from the following part of the proceedings of this meeting, namely

ITEM 11.1 09/330 – Gisborne Holdings Limited – Statement of Intent

ITEM 11.2 - Report of the Assets Review Sub-Committee – 11 June 2009

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:-

ITEM No.	MINUTES/ REPORT OF:	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER	GROUND UNDER SECTION 48(1) FOR THE PASSING OF THIS RESOLUTION
11.1	Chief Executive	Gisborne Holdings Limited – Statement of Intent	Section 7(2)(a)	48(1)(a)
11.2	Chief Financial Officer	Report of Assets Review Sub Committee – 11 June 2009	Section 7(2)(i)	48(1)(a)

(2) This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by

section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:-

Item 11.1 – Gisborne Holdings Limited – Statement of Intent

Item 11.2 – Report of Assets Review Sub Committee – 11 June 2009

Section 7(2)(i): To enable Gisborne District Council to carry out without prejudice or disadvantage commercial activities.

For decision

11.1 09/330- Gisborne Holdings Limited – Statement of Intent

Council received the draft Statement of Intent (SOI) for Gisborne Holdings Limited – incorporating Tauwhareparae Holdings Limited and Tauwhareparae Forests Limited. Although Tauwhareparae Farms Limited was also included in the Gisborne Holdings SOI, it should not have been, because it is a Port Company which has a different reporting requirement and reporting timetable under the Port Company's Act.

The GHL SOI is for the three years from 1 July 2009. The SOI is the accountability document between the Council (as the shareholder) and the Directors and is the Council's chance to influence the direction of the company. Compliance with the statutory time frames has not been possible this year because the directors have been working on a new strategic plan for TFL.

The Board is normally required by the Local Government Act 2002 to deliver a draft SOI by 1 March each year. The Council has two months from 1 March to respond to the Directors on the draft and the Directors are to deliver the completed SOI back to the shareholders by 30 June each year.

The Chairman and members of the Board attended the meeting at 9.50am and discussed these matters.

The Chairman advised the committee that the farms had had a very successful year. The best year they had experienced for many years.

A discussion took place concerning the financial ratios that were being requested to be delivered as part of the KPIs. Return on assets is a very difficult measure in a farming context, because livestock are part of the assets, and the figure is always changing. It was agreed that the requirement for "return on assets" would be left in as a KPI, but that the accountants would agree off-line what the definition of assets would be for the purpose of reporting this particular KPI.

A copy of accounts will be sent to Council's Financial Accountant by 7 August 2009.

MOVED by Cr Haisman, seconded Cr Hope

That the Committee

1. receives the report
2. thanked the Chairman and Directors of Gisborne Holdings Limited for their reports
3. instructs the Chief Executive to prepare a report for the July 2009 Council meeting – incorporating the directions given at this meeting and recommending feedback to the Board of Gisborne Holdings Limited on the draft Statement of Intent.

CARRIED

11.2 - Report of the Assets Review Sub Committee – 11 June 2009

MOVED by Cr Seymour, seconded Cr Bauld

That the report be received.

CARRIED

MOVED by Cr Seymour, seconded Cr Bauld

That the public be readmitted

CARRIED

Cr Wilson attended the meeting at 9.50am

Cr Thomson attended the meeting at 9.55 am

There being no further business the meeting concluded at 10.40 am.

Craig Bauld
Chairperson