

OTAGO REGIONAL COUNCIL

Minutes of a meeting of the Finance and Corporate Committee held in the Council Chamber, 70 Stafford Street, Dunedin on Wednesday 25 November 2015 commencing at 10.30 am

Present:

Cr David Shepherd (Chairperson)
Cr Gary Kelliher (Deputy Chairperson)
Cr Graeme Bell
Cr Doug Brown
Cr Louise Croot MNZM
Cr Michael Deaker
Cr Gerrard Eckhoff
Cr Trevor Kempton (entered at 11.33 am)
Cr Sam Neill
Cr Gretchen Robertson
Cr Stephen Woodhead

Apologies:

Cr Trevor Kempton (for lateness)
The apology was accepted on the motion of Crs Shepherd and Neill.

Leave of absence:

Cr Bryan Scott

In attendance:

Peter Bodeker
Nick Donnelly
Fraser McRae
Gavin Palmer
Caroline Rowe
Janet Favel

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

Minutes of the meeting held on 14 October 2015, having been circulated, were accepted on the motion of Crs Woodhead and Bell.

Matters arising from minutes

There were no matters arising from the minutes

PART A - PRESENTATION

Otago Rescue Helicopter Trust (ORHT) – annual report 2014-15

Ross Black, Trust Chairman, Ken Franklin, Trust Manager, and Graeme Gale, Chief Pilot, attended to present the Trust's annual report for the 2014-15 year.

Mr Franklin presented significant aspects of the Trust's operation during the year:

- Total 1009 flying hours, expect 1200 next year
- Total missions 598
- Total income \$4,026,542 from ACC, Ministry of Health, SDHB, Police and others
- 9% increase in service fees to \$4.02m
- 4% increase in costs to \$4.85m
- Donations fund the shortfall
- 30% increase in demand, and 50% increase in donations
- Second dedicated helicopter essential
- 32% cost increase expected
- 60% increase in medical missions in the first quarter of the year
- Better co-ordination of Ministry of Health policy/procedure changes required – discussing with ACC and MoH
- No rationale for community funding of ACC work
- Southland Region looking to engage with Otago in support of service

Mr Gale talked about the upgrade of aircraft to incorporate IFR (flying by instruments). This included craft certification and crew training. The facility would

- save money and time, and enhance safety;
- increase safety in certain weather conditions;
- reduce time of flying around weather conditions;
- enable a single pilot to fly the aircraft, on autopilot if necessary.

Ross Black noted the following:

- 600 patients had been transported.
- There was a 50% increase in public donations - proactive communities had organised fundraising events.
- Discussion was ongoing with ACC and MoH to improve their partnership with ORHT. If there was no improvement, the Trust would need to engage with the community and ORC about contingency plans.

Mr Black thanked Mr Gale, who had two fully equipped craft that could be hired by ORHT. He commented that the key operational relationship with Helicopters Otago had worked extremely well for the 19 years the service had been in operation.

Mr Bodeker noted that discussions had been held with the Southland Region in relation to a co-ordinated health service with Otago, and Mr Franklin explained that the initial contact was with Environment Southland. The

latter would present the matter to the Southland Mayoral Forum for discussion, and it was anticipated that the Forum would in turn discuss it directly with ORC.

A question was raised in relation to national media coverage about Westpac rescue helicopters. Mr Black explained that Otago received all funds that were donated in Otago (\$93,000 annually).

Mr Black in conclusion thanked ORC for their support of the ORHT.

PART B - ITEMS FOR NOTING

Item 1

2015/1265 **Property Summary 2015.** DCS, 12/11/15

The report explained that at the formation of Council in 1989 Council inherited significant property from its predecessor organisations including investment, endowment, offices/depots, and operational and/or scheme related property. The report provided an overview of the property currently held by Council.

In response to a question Mr Donnelly explained that the key area was investment properties, of which there were now only four. Management of those properties was not onerous and the lease mechanism was reviewed every seven years. The income received from the properties was just under \$550,000 per year, which was put into the general rate pool and made up 10% of the general rate. Mr Donnelly considered that given the situation there would be no advantage in Chalmers Properties taking over management of the leases. He noted that under the current arrangement the leases provided guaranteed income every year.

Reference was also made to the diversification of investments, which included ORC land ownership, Port Otago Ltd, Chalmers Properties, and funding from general and targeted rates. Staff were reviewing ownership of landholdings related to operational and scheme operation.

Cr Neill moved
Cr Shepherd seconded

That the report be received.

Motion carried

PART C – RECOMMENDATIONS

Item 2

2015/1258 **Executive report.** DCS, 20/11/15

The report described significant activities carried out by the Finance and Corporate sections since the last meeting of the Committee.

The Crown's decision to bulk fund reimbursement for Supergold free off peak travel scheme was noted, and a question was raised as to what would happen if there was insufficient funding. Mr Donnelly explained that modelling was being undertaken to determine how the fund would be allocated amongst regions.

Cr Woodhead and Mr Collings had recently briefed DCC on all passenger transport matters. Mr Collings had contributed to a paper on passenger transport which would be presented to the RSG meeting on Friday 27 November. Cr Woodhead confirmed that population was one of the criteria used for bulk funding, and the cap was currently set at \$28.1m nationally. The deficit of about \$1.3m would have to be taken from next year's capped fund. The range of next steps would be discussed at Friday's meeting.

Cr Croot moved

Cr Woodhead seconded

- (1) *That this report be received.*
- (2) *That the payments and investments summarised in the table above and detailed in the tabled schedule, totalling \$17,725,055.67, be endorsed.*

Motion carried

PART D - EXCLUSION OF PUBLIC

Cr Shepherd moved

Cr Kelliher seconded

That the public be excluded from the following part of the proceedings of the meeting.

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

	<i>General subjects to be considered</i>	<i>Reason under LGOIMA for passing this resolution</i>	<i>Grounds under S.48 for the passing of this resolution</i>
<i>Item 3</i>	<i>Minutes of the Audit and Risk Sub-committee meeting of 9 September 2015</i>	<i>To maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to members or officers or employees. S7(2)(f)(i)</i>	<i>S.48(1)(a)(i)</i>

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 or Section 6 or Section 7 or Section 9 of the Official Information Act 1982 as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above with respect to each item.

Following discussion of Item 3,

Cr Shepherd moved
Cr Woodhead seconded

That the meeting resume in open session.

Motion carried

The meeting closed at 11.36 am



Chairperson