

Chair's report, October 2018

Finance & Performance Committee

Welcome to the Finance Committee meeting for October 2018.

It is great to see Council's financial position holding at a reasonably strong level. However, we know the financial hurdles ahead of us as we embark on a significant capital project spend not only in the community facilities area but also the looming wastewater consent renewal processes.

The table on property sales provided within our order papers today makes for interesting reading. A total of 86 urban property sales with an average price above capital value of 18.73% shows there is significant demand for properties within our district. This reinforces the need to help promote development of subdivisions and building of new residential properties within our growing towns. Rural property sales at 38 with an average increase of 5.8% are a bit skewed by some anomalies in some of the sale prices.

I find it very bewildering to see that our Council is still liable to Riskpool and required to "cough up" ratepayers money to an organisation some 9 years after exiting the program/ mutual. Has this liability ever been signalled within our financial documents? I look forward to the legal view on this request from Riskpool.

Nigel Belsham

Finance & Performance Committee Chair

TABLED DOCUMENT

Tabled at Finance / Performance Committee
on 25 October 2018



12 October 2018

Andy Watson
Mayor of Rangitikei District Council
Private Bag 1102
Marton 4742

Dear Andy

Riskpool Call for 1 July 2019

Riskpool offered public liability and professional indemnity cover for twenty years. The decision was made that new covers from Riskpool would not be offered from 1 July 2017. This was a difficult decision to make, but support from the sector had dropped, particularly from the larger Council's. Without support from the sector Riskpool could not offer the competitively priced cover it had been able to offer in the past.

Members were advised last year that further additional contributions from members (calls) would be required.

As at 30 June 2018, Riskpool's accounts show a deficit of \$7.4 million. The deteriorating claims experience in 2017-18 means that Riskpool needs to make at least one interim call before a final call is made on wind up. The call will be \$6 million payable on 1 July 2019, split \$3million each to fund years 7 and 10.

The amount of this call for Rangitikei District Council will be \$26,023.76 payable on 1 July 2019 (or earlier if you wish). An invoice from Riskpool for this amount will be sent to the Council in May 2019.

Another and hopefully final call from Riskpool is likely in 2022 or 2023. It is expected that the amount of that call will be less than this one.

Kind regards

Tony Marryatt
Chairman of Riskpool

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cc: Ross McNeil, Chief Executive of Rangitikei District Council