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## **Finance Committee**

### ***Komiti Tahua***

### **OPEN MINUTES**

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**Minutes of a meeting of the Finance Committee held in the Council Chamber, Municipal Building, Garden Place, Hamilton and via Audio-visual Link on Tuesday 11 August 2020 at 10.40am.**

#### **PRESENT**

<b>Chairperson</b>	Cr R Pascoe
<b><i>Heamana</i></b>	
<b>Deputy Chairperson</b>	Cr M van Oosten
<b><i>Heamana Tuarua</i></b>	
<b>Members</b>	Mayor P Southgate Deputy Mayor G Taylor Cr M Bunting Cr M Gallagher Cr D Macpherson Cr K Naidoo-Rauf Cr A O'Leary Cr S Thomson Cr E Wilson (Audio-visual Link) Maangai H Rau

<b>In Attendance:</b>	David Bryant – General Manager Corporate Lance Vervoort- General Manager Community Eeva-Liisa Wright - General Manager Infrastructure Operations Chris Allen – General Manager Development Sean Hickey – General Manager Strategy and Communications Tracey Musty – Financial Controller Julie Sanderson – Group Business Manager Rebecca Whitehead – Business and Planning Manager Iain Anderson – Capital Financial Lead Andrew Parsons – Strategic Development Manager Matthew Bell – Rates and Revenue Manager Irene James - Finance and Commercial Director Cory Lang – Building Control Manager
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<b>Governance Staff:</b>	Becca Brooke – Governance Manager Amy Viggers – Governance Team Leader Tyler Gaukrodger – Governance Advisor
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*Prior to the opening of the Finance Committee Meeting there was a Poowhiri held to welcome Maangai Hemi Rau, and to farewell and thank the former Maangai Bella Takiari-Brame for her contribution to Council.*

**1. Apologies – *Tono aroha***

**Resolved:** (Cr van Oosten/Deputy Mayor Taylor)

That the apologies from Cr Hamilton for absence, from Mayor Southgate for early departure, from Deputy Mayor Taylor and Cr Bunting for partial attendance, and from Cr Forsyth for lateness are accepted.

**2. Confirmation of Agenda – *Whakatau raarangi take***

**Resolved:** (Cr Pascoe/Cr van Oosten)

That the agenda is confirmed.

**3. Declarations of Interest – *Tauaakii whaipanga***

No members of the Council declared a Conflict of Interest.

**4. Public Forum – *Aatea koorero***

No members of public wished to speak.

**5. Confirmation of the Open Finance Committee Minutes - 16 June 2020**

**Resolved:** (Cr Bunting/Cr van Oosten)

That the Committee confirm the Open Minutes of the Finance Committee meeting held on 16 June 2020 as a true and correct record.

**6. Capital Portfolio Monitoring Report**

The Capital Financial Lead spoke to the report noting the impact of Covid-19 on capital spending and the total net deferrals. Staff responded to questions from Members concerning the actual capital expenditure vs the capital expenditure budget and the breakdown of the work in progress (WIP).

**Resolved:** (Cr Pascoe/Cr van Oosten)

That the Finance Committee receives the report.

**7. Covid-19 Emergency Funds Review - 30 June 2020**

The Financial Controller and the Finance & Commercial Director outlined the report and noted the expenditure that was able to be reimbursed. Staff responded to questions from Members concerning the details of decreased operating revenue and increase expenditure, including expenditure that was incurred in the arts area, the effect of cancelled leave on personal costs and what was reimbursable from Central Government.

**Staff Action:** *Staff undertook to provide Members with a summary of areas of spend and claimable/reimbursed spending in relation to Covid-19.*

**Resolved:** (Cr Pascoe/Cr van Oosten)

That the Finance Committee receives the report.

**8. Annual Monitoring Report to 30 June 2020**

The Financial Controller outlined the staff report and highlighted the effect that Covid-19 had on the total surplus vs actual budget. She responded to questions from Members concerning interest rates opportunities, the wet industries development contributions agreement, quality of vested assets, and swaps.

**Resolved:** (Cr Pascoe/Cr van Oosten)

That the Finance Committee receives the report.

*Deputy Mayor Taylor retired from the meeting (11.18am) during the discussion of the above item. He was not present when the matter was voted on.*

**9. Financial Strategy Monitoring Report (Recommendation to Council)**

The Financial Controller took the report as read.

**Resolved:** (Cr Pascoe/Cr Wilson)

That the Finance Committee receives the report.

That the Finance Committee recommends that the Council:

- a) approves the capital movement from the 2019/20 Financial Year to future years as identified in the 11 August 2020 Capital Portfolio Monitoring Report;
- b) approves the significant forecast adjustments as set out in paragraphs 19 to 24 of this report; and
- c) approves the revised Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 25 to 32 of this report.

*Item 11 (Cost Saving report) was taken after item 9 (Financial Strategy Monitoring Report) to accommodate staff availability.*

**10. Cost Savings Report**

The General Manager Strategy and Communication took the report as read. Staff responded to questions from Members concerning this year's savings targets, how targets would be achieved through projects, flexible working arrangements, innovation, the draft climate action plan, and a change to two due dates for rates payments.

**Staff action:** *Staff undertook to organise a session with Members to provide background on how savings are achieved, including personal savings and flexible working arrangements.*

**Resolved:** (Cr Pascoe/Cr Gallagher)

That the Finance Committee receives the report.

**11. Weathertight Claims**

The Building Control Manager introduced the report noting that the report was an annual report to the Committee. He responded to questions from Member concerning types of weathertight claims, criteria, and current outstanding claims.

**Resolved:** (Cr O'Leary/Cr Wilson)

That the Finance Committee receives the report.

**12. Resolution to Exclude the Public**

**Resolved:** (Cr Pascoe/Cr van Oosten)

**Section 48, Local Government Official Information and Meetings Act 1987**

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely

consideration of the public excluded agenda.

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 follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Public Excluded Finance Committee Minutes - 16 June 2020	) Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
C2. Report on overdue debtors as at 31 July 2020 & Debt write-offs 2019/20		
C3. Covid-19 Contract Costs		

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 relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to protect the privacy of natural persons to maintain the effective conduct of public affairs through protecting persons from improper pressure or harassment	Section 7 (2) (a) Section 7 (2) (f) (ii)
Item C3.	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h)

**The meeting went into a public excluded session at 12.09pm.**

**The meeting was declared closed at 12.54pm.**

***Minute Note 26/06/2021:***

*On 25/06/2021 the following resolutions were determined to be released to the public via these minutes and the quarterly update.*

***Resolved:***

***Covid-19 Contract Costs***

*That the Finance Committee:*

*a) receives the report;*

b) notes that the Chief Executive has made the following payments for COVID related costs which can be accommodated within the project budget and the Approved Contract Sum for each project/contract;

- I. Contract 18643; North Ridge Drive Urban Upgrade  
COVID cost payment- \$75,245.30
- II. Contract 16431; Water Reticulation Replacement 2018-2020  
COVID cost payment- \$ 144,565.81
- III. Contract 17370; Western Waste Water Interceptor Duplication  
COVID cost payment- \$53,725.86
- IV. Contract 18235; Hillsborough Pump Station Upgrade  
COVID cost payment- \$ 69,915.97
- V. Contract 18648; Lagoon Culvert and Pipe Bridge Replacement  
COVID cost payment- \$ 7,736.53
- VI. Contract 17160; Stormwater and Waste Water Renewals  
COVID cost payment- \$102,769.92
- VII. Contract 18340; Facilities Renewals and New build Programme  
COVID cost payment- \$59,846.00

c) approves increases to project budgets and Approved Contract Sums to accommodate settlements for COVID related costs by the following amounts for the following Projects/Contracts

VIII. Contract 17434; Wairere Drive- Cambridge Road

Increase to project budget for COVID cost payment; \$565,855.64

Increase Approved Contract Sum by \$555,045.15 from \$58,500,000.00 to \$59,065,045.15

IX. Contract 16296; Pukete Waste Water Treatment Plant Upgrade

Increase to project budget for COVID cost payment; \$472,608.74

Increase Approved Contract Sum by \$472,608.74 from \$32,000,000 to \$32,472,608.74

X. Contract 18508; Rotokauri Transport Hub

Increase to project budget for COVID cost payment; \$675,743.52

Increase Approved Contract Sum by \$675,743.52 from \$20,000,000 to \$20,675,743.52

XI. Contract 17370; Western Waste Water Interceptor Duplication

Increase to project budget for COVID cost payment; \$ 0

Increase Approved Contract Sum by \$53,725.86 from \$14,000,000.00 to \$14,053,725.86

d) notes that this is the last general report on Covid-19 Contract costs that will come to Finance Committee; and

e) notes that the decision and information in relation to this matter be released at the appropriate time, to be determined by the Chief Executive.