
Finance Committee

OPEN MINUTES

Minutes of a meeting of the Finance Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton on Thursday 19 November 2015 at 1.30pm.

PRESENT

Chairperson	Cr R Pascoe
Deputy Chairperson	Cr G Mallett
Members	Her Worship the Mayor J Hardaker Cr G Chesterman Cr M Forsyth Cr M Gallagher Cr K Green Cr A King Cr A O’Leary Cr L Tooman Cr E Wilson Cr P Yeung

In Attendance:	Richard Briggs – Chief Executive Paul Conder – Acting General Manager Corporate Blair Bowcott – Executive Director – Special Projects Chris Allen – General Manager City Infrastructure Sean Murray – General Manager Events and Economic Development Debra Stan-Barton – Acting General Manager City Growth Stephen Halliwell – Accounting Manager Scott Copeland – Procurement Manager Helen Paki – Group Business Manager Maria Barrie – Nursery Manager Nathanael Savage – Infrastructure Planner
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Committee Advisor	Mary Birch – Democracy Team Leader Ian Loiterton – Committee Advisor
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1. Apologies

Resolved: (Crs Mallett/Gallagher)

That apologies from Councillors McPherson and Wilson (lateness) be received and accepted.

2. Confirmation of Agenda

Resolved: (Crs Mallett/Gallagher)

The Committee to confirm the agenda.

3. Declarations of Interest

No members of the Committee declared a Conflict of Interest.

4. Public Forum

As per Hamilton City Council's Standing Orders, a period of up to 30 minutes has been set aside for a public forum.

No members of the public requested the opportunity to speak.

5. Finance Committee Meeting - Open Minutes - 22 October 2015

Resolved: (Crs Chesterman/Yeung)

That the Committee confirm and adopt as a true and correct record the Open Minutes of the Finance Committee Meeting held on 22 October 2015.

6. Finance Committee Action List - Open - 19 November 2015

The Acting General Manager (GM) Corporate noted that a financial report on Claudelands Arena had been emailed to Elected Members previously and that a full report would be made to the Finance Committee in February 2016, then quarterly thereafter.

The status of Action List Item 62 was discussed; namely, whether Surf Life Saving had missed any grant funding opportunities. It was stated that Council, as part of its annual planning process, had previously decided not to fund Surf Life Saving and instead referred it to Waikato Regional Council (WRC) as part of a more appropriate regional funding approach, subject to WRC annual planning processes.

Action: Staff to report on the impact to Surf Life Saving as a result of not receiving Council funding while having to await the outcome of WRC processes.

Resolved: (Crs Pascoe/Mallett)

That the report be received.

Councillor Wilson joined the Meeting (1.37pm) during the above item, and was present when the matter was voted on.

7. Recommended dates for reports to be presented to Finance Committee

The Acting GM Corporate noted that the 9 December 2015 meeting of the Finance Committee had been cancelled. As a result, Business Cases that would have been considered at that meeting would instead be submitted to a meeting of Council on 10 December 2015.

Resolved: (Crs Forsyth/Mallett)

That the Report be received.

8. Six Monthly Reports from the Chairs of the Subcommittees to the Finance Committee

Councillor Forsyth took the Chair's Six Monthly Report for the External Funding Subcommittee as read and highlighted:

- **2014/15:** Over \$6,000,000 in funding had been attracted during 2014/15, which was a great result.
- **Hamilton Gardens:** The Hamilton Gardens Development Project had attracted \$5,590,000 of its overall target of \$7,030,000.

Resolved: (Crs Forsyth/Mallett)

That the report from the Chairperson of the External Funding Subcommittee be received.

Councillor Mallett took the Chair's Six Monthly Report for the Council Controlled Organisations Subcommittee as read and noted that the Annual Report for Vibrant Hamilton Trust had not been considered at the 21 October 2015 meeting of the Subcommittee as reported on page 30 of the Agenda.

Resolved: (Crs Mallett/Yeung)

That the report from the Chairperson of the Council Controlled Organisations Subcommittee be received, noting that the Annual Report for Vibrant Hamilton Trust had not been considered at the 21 October 2015 meeting of the Subcommittee as reported on page 30 of the Agenda.

Councillor Chesterman took the Chair's Six Monthly Report for the Events Funding Subcommittee as read and highlighted:

- **Annual plan:** Whether Council needed to review the budget for the funding scheme as part of annual plan processes for 2016/17.
- **Transparency of funding allocations:** While there were contracts with confidentiality clauses in place for successful grant applicants, Council may wish to consider if this was appropriate in the future given the small number of funding recipients.

Resolved: (Crs Mallett/Yeung)

That the report from the Chairperson of the Events Funding Subcommittee be received.

9. 10-Year Plan Monitoring Report - YTD October

The Acting GM Corporate took the report as read and noted that:

- **Correction:** There was an error in the last sentence of page 47 of the Agenda, in relation to the Planning and Development Group of Activities. The sentence should have read “Due to District Plan Legal costs being **more** than expected YTD” and was the only expenditure variance greater than \$100,000. The Group of Activities was otherwise on budget.
- **New format:** A new format of including previously reported figures immediately after current results had been implemented in the report. Previous figures were those enclosed in brackets i.e. ().

The Acting GM Corporate, with input from the GM City Infrastructure and GM Events and Economic Development, highlighted that:

- **Year to date:** Results were ahead of the Balancing the Books budget by \$12.1 million at year to date, with a debt position of \$43 million below the year-end target.
- **Development contributions:** Development contributions had been strong at the beginning of the year; this increased the likelihood of shortfalls later in the financial year or in years following.
- **Land Information Memorandums (LIMS):** LIM activity had decreased over the past two months and were returning to more normal levels.
- **Parking revenue:** A reduction in parking revenue as compared to the previous financial year was due to the sale of the Knox Street Carpark.
- **Accounting surplus:** Two key variables explained an accounting surplus; namely, vested assets had exceeded the expected level for 2015/16 and the unrealised loss on interest rate swaps had decreased.
- **Capital Expenditure:** Capital expenditure was \$4.9 million below what was expected. This was largely due to delays to Peacock Stage 1 and the upgrade of Council’s two treatment plants.
- **Claudlands Arena:** Claudlands Arena was down on revenue but cost savings, plus future bookings, meant there was confidence the 2015/16 budget would be achieved.

Action: Acting GM Corporate to investigate advance payment of Development Contributions as a future liability and report back to the Committee in February 2016.

Resolved: (Crs Pascoe/Wilson)

That the report be received.

10. Key Projects Monitoring Report - October 2015

Resolved: (Crs Pascoe/Wilson)

That the report be received.

11. IS Programme of Work - Quarterly Update

Resolved: (Crs Pascoe/Wilson)

That the report be received.

12. Municipal Nursery Business Plan

The Group Business Manager and Nursery Manager took the report as read and highlighted that:

- **Efficiencies:** a number of efficiencies had been implemented, including installation of more reticulation to reduce hand watering.
- **Nursery focus:** the focus of the nursery was growing eco sourced native plants and to increase the percentage of its production that was based on forward orders so as to ensure greater budget certainty.
- **Commercial arrangements:** the nursery filled a niche market, including sales to local councils, and as such did not compete with local businesses. Benchmarking of the nursery's prices would be undertaken as part of the business case process to ensure Council was getting value for money.
- **Growth potential:** the nursery's current footprint would allow for growth if needed. Current production levels were around 120,000 plants whereas capacity was approximately 170,000 plants.

Resolved: (Crs Forsyth/Yeung)

That:

- a) the report be received; and
- b) capital funding of \$45,000 to fund glasshouse replacement and the nursery is managed through the organisational Risks and Opportunities in the 2016/17 year.

13. Rotokauri Far Western Wastewater Interceptor Extension Business Case

The GM City Infrastructure took the report as read and highlighted that:

- **Waste water network benefits:** completion of the Rotokauri Far Western Wastewater Interceptor Extension would allow the shutdown of the Moreland Avenue pipeline to work on a bottle neck in the network. Work on the Moreland Avenue pipeline was planned to occur in the second half of the Ten Year Plan.
- **Real-estate development:** completion of the Rotokauri Far Western Wastewater Interceptor Extension would help unlock approximately 3,000 housing sites earmarked for development.
- **Land access:** Land access was a major issue, but many landowners were developers who were in favour of the pipeline extension. Engagement with landowners included Integrated Catchment Management Plan processes.
- **Next stage in project:** if the business case was approved by the Committee, the next steps in the project would be to engage a consultant to develop a more precise design of the pipeline alignment and to hold more concrete discussions with landowners.

Resolved: (Crs Forsyth/Mallett)

That:

- a) the report be received; and
- b) the Rotokauri Far Western Wastewater Interceptor Extension project business case is approved.

The Meeting adjourned (3.01 – 3.15pm) for afternoon tea.

14. Rubbish and Recycling Contract and Working Group

The GM City Infrastructure took the report as read and highlighted that the Committee at its last meeting on 22 October 2015 had given 'in principal' approval for the contract extension and formation of a waste working group. The GM City Infrastructure then responded to questions.

Resolved: (Crs Gallagher/Chesterman)

That:

- a) the report be received;
- b) the Chief Executive be delegated authority to extend each of the following contracts with Waste Management Ltd by up to 24 Months:
 - i. Contract 0201- Kerbside Collection and Disposal
 - ii. Contract 0202- Kerbside Recycling collection and disposal
 - iii. Contract 0203- Refuse Transfer Station Operations and Lease
- c) the Terms of Reference and timeframes for the Waste Working Group attached to this report be approved, with the removal of the last sentence under the heading "Membership" and changing the number of Elected Members from two to "up to four"; and
- d) Council appoint Councillors Forsyth, Gallagher, King and Macpherson (subject to his acceptance) to the Waste Working Group.

15. Procurement Reporting Format

The Acting GM Corporate and Procurement Manager took the report as read and highlighted:

- **Proposed website page:** the proposal was to develop a procurement specific webpage on Council's website that would include information on procurement expenditure and a tender portal.
- **Report to Finance Committee:** reports to the Finance Committee would include information on any major tenders that had been awarded and details of any upcoming tender processes, with a link to the above mentioned webpage.
- **Planning:** the proposed webpage had been investigated for some time and was not just in response to the resolution of the Finance Committee meeting on 22 October 2015.

Resolved: (Crs Pascoe/Wilson)

That:

- a) the report be received; and
- b) the revised Procurement reporting structure is endorsed by the Committee.

Minute note: given this was the last meeting of the year, Councillor O'Leary congratulated Councillors Pascoe and Mallett for their performance in the respective roles of Chair and Deputy Chair of the Committee.

16. Resolution to Exclude the Public

Resolved: (Crs Pascoe/Tooman)

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. Finance Committee Meeting – Public Excluded Minutes – 22 October 2015) Good reason to withhold information exists under	Section 48(1)(a)
C2. Finance Committee Action List – Public Excluded – 19 November 2015) Section 7 Local Government Official Information and Meetings Act 1987	
C3. Report on overdue debtors as at 31 October 2015 & Bad Debts Writeoffs 2015/16)	
C4. Southern Links Rooding Designation Property Purchase – 46 Weston Lea Drive		
C5. Variation to Contract 14416 – Development Contributions Policy Support		

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 protect the privacy of natural persons to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (a) Section 7 (2) (j)
Item C2.	To protect the privacy of natural persons to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (a) Section 7 (2) (j)
Item C3.	To protect the privacy of natural persons	Section 7 (2) (a)
Item C4.	To protect the privacy of natural persons to enable Council to carry out negotiations	Section 7 (2) (a) Section 7 (2) (i)
Item C5.	To enable Council to carry out negotiations	Section 7 (2) (i)

The meeting moved into Public Excluded Session from 3.40pm until 4.23pm.

The meeting was declared closed at 4.23pm.