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## Finance Committee

### *Komiti Tahua*

### OPEN MINUTES

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Minutes of a meeting of the Finance Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton and via Audio Visual link on Tuesday 23 August 2022 at 9.31am.

#### PRESENT

**Chairperson** Cr R Pascoe

*Heamana*

**Deputy Chairperson** Cr M van Oosten

*Heamana Tuarua*

#### Members

Mayor P Southgate

Deputy Mayor G Taylor (exclusively via Audio Visual link)

Cr M Bunting

Cr M Gallagher (exclusively via Audio Visual link)

Cr M Donovan

Cr K Naidoo-Rauf

Cr A O'Leary

Cr S Thomson

Cr E Wilson

Cr D Macpherson

Maangai J Kana

#### In Attendance:

Lance Vervoort – Chief Executive

David Bryant – General Manager People and Organisational Performance

Sean Murray – General Manager Venues, Tourism and Major Events

Chris Allen – General Manager Development

Eeva-Liisa Wright – General Manager Infrastructure Operations

Andrew Parsons – Executive Director Strategic Infrastructure

Tracey Musty – Financial Director

Iain Anderson – Capital Financial Lead

Julie Clausen – Unit Manager Strategy and Planning

Katy Nudd – Strategic Performance Manager

#### Governance Team:

Narelle Waite and Tyler Gaukrodger – Governance Advisors

Arnold Andrews – Governance Officer

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#### 1. Apologies - *Tono aroha*

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

That the apologies for absence from Cr Hamilton, for partial attendance from Deputy Mayor Taylor and Cr Gallagher, and for early departure from Mayor Southgate, Cr Bunting (Council Business), and Cr O'Leary (Council Business) were accepted.

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

The Chair responded to questions from Members concerning reasons for items being publicly excluded.

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

That the agenda is confirmed, noting that the agenda order will be flexible to accommodate availability.

**3. Declarations of Interest - *Tauaakii whaipaaanga***

At the beginning of the discussion on the matter (Item 10: PWC Internal Audit Contract) Cr Pascoe declared an interest in the item. He did not take part in the discussion and vote on the matter.

Prior to the following matter (Item C9: Facilities Building Renewals and Improvements Contract) Crs Pascoe and Donovan declared an interest in the item. They did not take part in the discussion or vote on the matter.

**4. Public Forum - *Aatea koorero***

No members of the public wished to speak.

**5. Confirmation of the Finance Committee Open Minutes of 17 May 2022**

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

That the Finance Committee confirm the Open Minutes of the Finance Committee Meeting held on 17 May 2022 as a true and correct record.

**6. Chair's Report**

The Chair and Deputy Chair spoke to the report, noting the work completed by the Finance Committee over the triennium, the quality and conciseness of the current Council financial strategy, feedback from Audit NZ, and thanked Members and Staff for the work of the committee.

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

That the Finance Committee receives the report.

**7. Capital Portfolio Monitoring Report**

The General Manager Development and Capital Financial Lead spoke to the report, noting the total spend in the financial year, key deliverables of Council in the last financial year, effects of Covid-19 on the capital programme, the current capital programme, changes to the budget, Software as a Service costs, project works in progress, contract awards, transportation assets and roading maintenance. Staff responded to questions concerning transport corridor renewals, financial forecasting of upcoming projects, mitigation of delays on capitalisation, maximisation of Waka Kotahi funding uses, micro-mobility funding, prioritization of projects to maximize Development Contribution funding, inflationary pressures on cost escalation, project timelines, delays to financial auditing, and the accuracy of depreciation estimates.

**Staff Action:** *Staff undertook to investigate opportunities for funding from Waka Kotahi for the micro-mobility project.*

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

That the Finance Committee:

- a) receives the report; and
- b) requests staff report to the appropriate committee prior to June 2023 on the progress to realise benefits as well as identify risks for the Peacocke Business Case including yield, development contributions, general development activity and overall financial arrangements.

*Cr Gallagher left the meeting (10.17am) during discussion of the above item. He was not present when the matter was voted on.*

*Deputy Mayor Taylor retired from the meeting (10.41am) during discussion of the above item. He was not present when the matter was voted on.*

**The meeting was adjourned 11.14am To 11.39am.**

**8. Financial Performance & Strategy Report to 30 June 2022 (Recommendation to the Council)**

The Financial Director spoke to the report, noting that the yearend results were not audited, and that the audited results would be presented with the report at the end of the year. She outlined Council's financial expectations, fees and charges budgeting shortfalls, depreciation effect on the budget, and financial forecasting. She responded to questions from Members concerning the debt to revenue ratio and funding deficits through debt.

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

That the Finance Committee receives the report.

That the Finance Committee recommends that the Council:

- a) approves the capital movement as identified in paragraph 33 of the 30 June 2022 Capital Portfolio Monitoring Report;
- b) approves the significant forecast adjustments as set out in paragraphs 59 to 60 of the staff report; and
- c) approves the revised Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 62 to 64 of the staff report.

**9. Provisional Non-Financial Service Performance Results for 2021-22**

The Unit Manager Strategy and Planning and Strategic Performance Manager spoke to the report, noting that the performance results were yet to be audited. Staff responded to questions from Members concerning City Safe Unit resourcing, resolutions to noise control complaints, collaboration with Waka Kotahi's 'road to zero' road safety initiatives, rubbish and recycling usage and communication, the waste minimisation plan, missed collection rates, waste collection resourcing, illegal dumping of waste, and potential audit feedback.

**Staff Action:** *Staff undertook to provide information to the incoming 2022-25 Elected Members concerning potential budget increases to maintain adequate waste collection resourcing.*

**Resolved:** (Cr Pascoe/Maangai Kana)

That the Finance Committee:

- a) receives the report; and
- b) notes that these are the provisional un-audited Non-Financial Service Performance results and commentary – the final results and commentary will be presented as part of the 2021-22 Annual Report.

*Cr Bunting retired from the meeting (11.53am) during discussion of the above item. He was not present when the matter was voted on.*

*Cr O'Leary retired from the meeting (11.56am) during discussion of the above item. She was not present when the matter was voted on.*

*At the beginning of the discussion on the following matter (Item 10: PWC Internal Audit Contract) Cr Pascoe declared an interest in the item. He did not take part in the discussion and vote on the matter. Cr van Oosten, as the Deputy Chair, assumed the role of Chair.*

**10. PWC Internal Audit Contract**

The Financial Director spoke to the report, noting the one-year contract being recommended. She responded to questions from Members concerning the contract award timeline, contract cost, and differences between internal and external auditing.

**Resolved:** (Cr van Oosten/Mayor Southgate)  
That the Finance Committee:

- a) receives the report; and
- b) approves a one-year contract extension with PwC for the provision of Internal Audit services from 1 June 2022 to 30 June 2023.

*Mayor Southgate left the meeting (12.19am) at the conclusion of the above item. She was present when the matter was voted on.*

**11. Resolution to Exclude the Public**

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

**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 Finance Committee Public Excluded Minutes of 17 May 2022	) Good reason to withhold ) information exists under ) Section 7 Local Government	Section 48(1)(a)
C2. Report on overdue debtors as at 30 June 2022 and Debt write-offs 2021/22	) Official Information and ) Meetings Act 1987 )	
C3. Information Services - Contract Renewal and Contract Authority Transfer		
C4. Information Services - Lagom Contract Extension (CON00000899/2021)		
C5. Fleet Contracts		
C6. Borman Horsham Down Roads Construction - Contract Award		

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- C7. FMG Stadium Waikato Lighting  
Renewal Project Contract  
1018B/2021
  - C8. Facilities Plumbing  
Maintenance Service Contract  
1340/2022
  - C9. Facilities Building Renewals and  
Improvements Contract
  - C10. Facilities Maintenance  
Contracts
  - C11. Hamilton Gardens Visitor  
Precinct Construction Contract
  - C12. Sports Park Flood Lighting and  
Safety Lighting (Stages 2 & 3 of  
3) Contract Award

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:

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|-----------|---|------------------------|
| 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   | Section 7 (2) (a)      |
|           | to maintain the effective conduct of public affairs through protecting persons from improper pressure or harassment | Section 7 (2) (f) (ii) |
| Item C3.  | to enable Council to carry out negotiations   | Section 7 (2) (i)      |
| Item C4.  | to enable Council to carry out negotiations   | Section 7 (2) (i)      |
| Item C5.  | to enable Council to carry out commercial activities without disadvantage   | Section 7 (2) (h)      |
|           | to enable Council to carry out negotiations   | Section 7 (2) (i)      |
| Item C6.  | to enable Council to carry out commercial activities without disadvantage   | Section 7 (2) (h)      |
|           | to enable Council to carry out negotiations   | Section 7 (2) (i)      |
| Item C7.  | to enable Council to carry out commercial activities without disadvantage   | Section 7 (2) (h)      |
|           | to enable Council to carry out negotiations   | Section 7 (2) (i)      |
| Item C8.  | to enable Council to carry out commercial activities without disadvantage   | Section 7 (2) (h)      |
|           | to enable Council to carry out negotiations   | Section 7 (2) (i)      |
| Item C9.  | to enable Council to carry out commercial activities without disadvantage   | Section 7 (2) (h)      |
|           | to enable Council to carry out negotiations   | Section 7 (2) (i)      |
| Item C10. | to enable Council to carry out commercial activities without disadvantage   | Section 7 (2) (h)      |
|           | to enable Council to carry out negotiations   | Section 7 (2) (i)      |
| Item C11. | to enable Council to carry out commercial activities without disadvantage   | Section 7 (2) (h)      |
|           | to enable Council to carry out negotiations   | Section 7 (2) (i)      |

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|-----------|---|-------------------|
| Item C12. | to enable Council to carry out commercial activities without disadvantage | Section 7 (2) (h) |
|           | to enable Council to carry out negotiations                               | Section 7 (2) (i) |

**The meeting went into a Public Excluded session at 12.20pm.**

**The meeting was declared closed at 3.38pm.**

***Minute Note 14/10/2022:***

*On 14/10/2022 the following resolutions were determined to be released to the public via these minutes and the quarterly update.*

***Information Services - Contract Renewal and Contract Authority Transfer***

***Resolved:***

*That the Finance Committee:*

- a) receives the report;*
- b) approves the transfer of Finance Committee delegated authority to the General Manager Customer, Technology and Transformation for the contracts identified in Attachment 1 of the staff report;*
- c) approves the renewal of the Leap Thought Limited contract for an additional period of 12 months to 31 December 2023 and at a value of no greater than \$55,000, based on negotiations to date;*
- d) delegates authority to the General Manager Customer, Technology and Transformation to finalise and execute the above contract; 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.*