
Finance Committee

Komiti Tahua

OPEN MINUTES

Minutes of a meeting of the Finance Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton and Audio-visual Link on Tuesday 23 March 2021 at 9.32am.

PRESENT

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

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| In Attendance: | Richard Briggs – Chief Executive Lance Vervoort – General Manager Community David Bryant – General Manager People and Organisational Performance Chris Allen – General Manager Development Sean Murray – General Manager Venues, Tourism and Major Events Murray Heke – Chief Transformation Officer Iain Anderson – Capital Financial Lead Tracey Musty – Financial Controller Dann Finn – People Safety and Wellness Manager Robyn Denton – Operations Team Leader Maire Porter – City Waters Manager Julie Clausen – Unit Manager Strategy and Corporate Planning Katy Nudd – Business Planning Analyst Gail Clark – Koorero/Content Manager Stephen Pennruscoe – Libraries Director Candice Swanepoel – Business Performance Accountant Andrew Michl – Local Government Funding Agency (LGNZ) Sumitha Kaluarachi – Local Government Funding Agency (LGNZ) |
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Governance Staff: Becca Brooke – Governance Manager
Narelle Waite and Carmen Fortin – Governance Advisors

1. Apologies – *Tono aroha*

Resolved: (Cr Pascoe/Cr Wilson)

That the apologies for lateness from Crs Hamilton and O’Leary and for early departure from Cr Naidoo-Rauf are accepted.

2. Confirmation of Agenda – *Whakatau raarangi take*

Resolved: (Cr Wilson/Cr Bunting)

That the agenda is confirmed.

3. Declarations of Interest – *Tauaakii whaipaaanga*

During discussion of Item 12 (Contract CON635/2020 Supply of Physical Collections to City Libraries) Cr Wilson noted that he had an interest in the matter. He noted he was not conflicted and would participate in discussion and 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 - 16 February 2021

Resolved: (Cr Bunting/Cr van Oosten)

That the Finance Committee confirm the Open Minutes of the Finance Committee Meeting held on 16 February 2021 as a true and correct record.

6. Chair's Report

The Chair took the report as read. The Deputy Chair provided Members with an updated on personnel resourcing and procurement. Along with staff, they responded to questions from Members concerning Member requests, staff workloads and resourcing, contractors, environmental impact consideration in the Procurement Policy, LGOIMA resourcing, media requests, procurement processes, and prioritisation of requests.

Resolved: (Cr Pascoe/Cr van Oosten)

That the Finance Committee receives the report.

Item 13 (Steel Performance Solutions Contract Extension) was taken after Item 6 (Chair’s Report) to accommodate staff availability.

7. Steel Performance Solutions Contract Extension

The Chief Executive introduced the report outlining the background of the Steel Performance Solutions contract and reasoning for the requested extension relative to the Chief Executive Review.

Resolved: (Cr Pascoe/Cr Wilson)

That the Finance Committee:

- a) receives the report; and
- b) approves a 1-year contract extension with Steel Performance Solutions Ltd from 1 March 2021 to 28 February 2022 at a budgeted sum of \$160,000.

Cr Hamilton joined the meeting (9.37am) during discussion of the above item. He was present when the matter was voted on.

8. Capital Portfolio Monitoring Report

The Capital Financial Lead outlined the report noting the Summary of Changes to the Capital Budget, the Capital Programme, deferrals, work in progress, capitalisation risk and mitigation, and significant funding agreements. He responded to questions from Members concerning project timing and interim solutions, the Capital Programme, outstanding work in progress particularly renewals, project risks concerning Rototuna Village Transport – Stage 1 and Newcastle Water Reservoir and Supply Network Upgrade, and deferrals.

Resolved: (Cr Pascoe/Cr Hamilton)

That the Finance Committee receives the report.

Cr O’Leary joined the meeting (10.25am) during discussion of the above item. She was present when the matter was voted on.

The meeting was adjourned from 10.54am to 11.13am.

Item 10 (New Zealand Local Government Funding Agency - Half Year Report 31 December 2020 and Statement of Intent 2021/22) was taken after Item 7 (Capital Portfolio Monitoring Report) to accommodate speaker availability.

9. New Zealand Local Government Funding Agency - Half Year Report 31 December 2020 and Statement of Intent 2021/22

Andrew Michl and Sumitha Kaluarachi (New Zealand Local Government Funding Agency representatives) updated members on recent activities and the 2021-22 draft Statement of Intent. They responded to questions from Members concerning Central Government initiatives, green and sustainable lending, interest rates, debt to revenue, borrowing capacity, organisational structure of water entities and risk monitoring concerning compliance breaches of local authorities.

Staff Action: *Staff undertook to provide further information to Members prior to the Three Waters Reform workshop of 26 March 2021 concerning funding mechanisms for Three Waters.*

Resolved: (Cr Pascoe/Cr van Oosten)

That the Finance Committee:

- a) receives the half year report; and
- b) approves the New Zealand Local Government Funding Agency draft Statement of Intent 2021/22.

10. Annual Monitoring Report to 31 January 2021

The Financial Controller took the report as read and noted personnel and consultancy costs. She responded to questions from Members concerning revenue and offset sections of the report.

Resolved: (Cr Pascoe/Cr Wilson)

That the Finance Committee receives the report.

11. Financial Strategy Monitoring Report (Recommendation to the Council)

The Financial Controller took the report as read noting forecasting and balancing the books. She responded to questions from Members concerning depreciation adjustments.

Resolved: (Cr Pascoe/Cr van Oosten)

That the Finance Committee receives the report.

That the Finance Committee recommends that the Council:

- a) approves the capital movement as identified in paragraph 20 and 21 of the 23 March 2021 Capital Portfolio Monitoring Report;
- b) approves the significant forecast adjustments as set out in paragraphs 19 and 20 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 21 to 23 of the staff report.

Cr Naidoo-Rauf retired from the meeting (11.59am) at the conclusion of the above item. She was present when the matter was voted on.

12. Non-Financial Service Performance Report quarter two 2018-28 Long-Term Plan

The Unit Manager Strategy and Corporate Planning and the Business Planning Analyst spoke to the report noting the six outstanding Service Performance Measures that will not meet year-end targets. They responded to questions from Members concerning waste reduction, impact of Covid-19, and customer service.

Resolved: (Cr Pascoe/Cr Bunting)

That the Finance Committee receives the report.

Cr Macpherson Dissenting.

During discussion of the below item 12 (Contract CON635/2020 Supply of Physical Collections to City Libraries) Cr Wilson declared interest in the matter. He noted he was not conflicted and would participate in the discussion and vote on the matter.

13. Contract CON635/2020 Supply of Physical Collections to City Libraries

The Libraries Director and the Koorero/Content Manager spoke to the contract and tender process and proposed outcome. They responded to questions from Members concerning printed and digital collections, evaluation measures, and tender price-grading.

Resolved: (Cr Bunting/Cr Gallagher)

That the Finance Committee:

- a) receives the report;
- b) approves the contract CON635/2020: Supply of Physical Collections to City Libraries to Wheeler's Books noting the following:
 - i) the Contract Term is to be set at three years with a right of renewal of three years at the discretion of Hamilton City Council; and
 - ii) the Contract Sum of Two Million Seven Hundred and Ninety-Three Thousand, Three Hundred and Eighty-Seven Dollars (\$2,793,387) being the maximum total spend over the first three years of the contract.

14. Human Resources Information Services Contract Award *(Recommendation to the Council)*

The Chief Transformation Officer took the report as read noting the short-notice decommissioning of the current Human Resources Information System and Payroll Systems, and the requirement to seek a new software provider including time pressures. He responded to questions from Members concerning economies of scale, total contract sum and litigation opportunities.

Resolved: (Cr Pascoe/Cr Hamilton)

That the Finance Committee recommends the Council:

- a) approves the direct appointment of Lagom Group as delivery consultant for the implementation of Council's HRIS solution noting the following:
 - i) that the project term is a period of eleven; and
 - ii) that the approved contract sum is set no greater than \$2,145,000;
- b) approves the direct appointment of Ceridian as HRIS software provider noting the following:
 - i) that the contract term is a period of five years; and
 - ii) that the approved contract sum is set no greater than \$1,895,000; and
- c) delegates authority to the General Manager People and Organisational Performance Group to finalise and execute contracts with Lagom Group and Ceridian.

Mayor Southgate left the meeting (12.24pm) during discussion of the above item. She was not present when the matter was voted on.

15. Resolution to Exclude the Public

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 |
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| C1. Confirmation of the Finance Committee Public Excluded Minutes - 16 February 2021 |) 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 28 February 2021 and Debt write-offs 2020/21 |) | |

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) |

The meeting went into public excluded at 12.30pm.

The meeting was declared closed at 12.46pm.