
Finance Committee

Komiti Tahua

OPEN MINUTES

Minutes of a meeting of the Finance Committee held via Audio Visual Link on Tuesday 5 October 2021 at 9.30am.

PRESENT

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
	Cr M Bunting
	Cr M Gallagher
	Cr R Hamilton
	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	David Bryant – General Manager People and Organisational Performance
	Lance Vervoort – General Manager Community
	Chris Allen – General Manager Development
	Blair Bowcott – General Manager Growth
	Tracey Musty – Financial Controller
	Murray Heke – Chief Innovation Officer
	Iain Anderson – Capital Financial Lead
	Rebecca Whitehead – Unit Director Business and Planning
	Nicolas Wells – Strategic Property Manager
	Andrew Michl – New Zealand Local Government Funding Agency

Governance Staff	Becca Brooke – Governance Manager
	Narelle Waite and Tyler Gaukrodger – Governance Advisors

1. Apologies – *Tono aroha*

Resolved: (Cr Wilson/Cr van Oosten)

That the apologies for absence from Cr Naidoo-Rauf and for early departure from Cr O'leary and for lateness from Mayor Southgate and Cr Hamilton.

2. Confirmation of Agenda – *Whakatau raarangi take*

Resolved: (Cr Bunting/Deputy Mayor Taylor)

That the agenda is confirmed, noting that Item 6 (Chair's Report) will be withdrawn and that the discussion concerning the Hamilton Arts Festival grant request of Item 10 (COVID-19 Council Rent Relief Eligibility and Hamilton Gardens Arts Festival Additional Grant) will be taken in the public excluded section of the meeting.

3. Declarations of Interest – *Tauaakii whaipanga*

No members of the Committee declared a Conflict of Interest.

4. Public Forum – *Aatea koorero*

No members of the public wished to speak.

5. Confirmation of the Finance Committee Open Minutes of 24 August 2021

Resolved: (Cr van Oosten/Cr Bunting)

That the Finance Committee confirm the Open Minutes of the Finance Committee Meeting held on 24 August 2021 as a true and correct record.

6. Capital Portfolio Monitoring Report

The Capital Financial Lead introduced the report noting that this is the first report covering the 2021-31 Long Term Plan. He spoke to capital spend, deferrals, projects identified as high risk due to funding shortfalls, supply chain risk and Covid-19 related cost increases. He responded to questions from Members concerning the Pukete Community House project, funding for the Walking and Cycling Bridge, the Pukete Wastewater Treatment Plant capacity upgrade project, financial creep of capital projects and related procurement strategies, skilled worker shortages, work in progress and mitigation plan for delays to capitalisation, and the Auckland Harbour Bridge cycling crossing cost re-allocation opportunities.

Staff Action: *Staff undertook to discuss with Waka Kotahi funding re-allocation opportunities from Auckland to Hamilton City's walk-cycle projects.*

Resolved: (Cr Pascoe/Cr van Oosten)

That the Finance Committee receives the report.

Mayor Southgate joined the meeting (10.00am) during discussion of the above item. She was present when the matter was voted on.

7. Financial Performance & Strategy Report to 31 August 2021 (Recommendation to the Council)

The Financial Controller introduced the report noting the new format, vested assets, the capital projects programme, favourable result in balancing the books results noting impact of fees and charges, budget adjustments for approval including the Metro Spatial plan and Waiwhakareke Predator Proof Fence, and the debt to revenue positive forecast. She responded to questions from Members concerning vested assets monitoring, the favourable variable regarding Stormwater, and the unfavourable depreciation result.

Staff Action: *Staff undertook to include a vested assets graph in future Financial Performance and Strategy Reports.*

Staff Action: *Staff undertook to review and confirm with Members the data concerning the favourable variable regarding Stormwater.*

Resolved: (Cr Pascoe/Cr O'Leary)

That the Finance Committee receives the report.

That the Finance Committee recommends that the Council:

- a) approves the capital movement as identified in paragraph 24 of the 5 October 2021 Capital Portfolio Monitoring Report;
- b) approves the significant forecast adjustments as set out in paragraphs 44 to 47 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 50 to 52 of this report.

8. New Zealand Local Government Funding Agency - Annual Report 30 June 2021

The General Manager People and Organizational Performance introduced Andrew Michl (New Zealand Local Government Funding Agency) who provided a presentation to member regarding membership, liquidity position of LGFA, updates to the 2021-22 statement of intent including additional reference to the Covid-19 response, overview of debt to revenue for LGFA members, and infrastructure spend across the sector and investment in growth. He responded to questions from Members concerning central government bonds and the Covid-19 response, inflation pressures, green sustainable lending, Council's credit rating and trends, and waters infrastructure including the new agency created by reforms and subsequent changes to financing and lending abilities.

Resolved: (Cr Pascoe/Maangai Kana)

That the Finance Committee:

- a) receives the report; and
- b) notes the achievements highlighted in the cover letter to shareholders **Attachment 1** of the staff report.

9. COVID-19 Council Rent Relief Eligibility and Hamilton Gardens Arts Festival Additional Grant
(Recommendation to the Council)

The Strategic Property Manager introduced the report noting the Hamilton Garden Arts Festival element will be taken as separate item in the Public Excluded session. He outlined the 2020 rent relief package and the differences in the new packages, the current lockdown, government legislation, and Council approval. He responded to questions from Members concerning current rent payments, delegations to staff to improve relief response times, capability to include community tenants, application process, relief period and funding caps, and assessment criteria.

Resolved: (Cr Pascoe/Mayor Southgate)

That the Finance Committee:

- a) receives the report; and
- b) recommends that the Council:
 - i. approves up to \$122,000 of immediate funding for 100% rent relief for eligible Council tenants in the Covid-19 2021 Level 4 and Level 3 lockdowns;
 - ii. approves up to \$61,000 of operating funding for 50% rent relief for eligible Council tenants Covid-19 2021 Level 2 lockdown; and
 - iii. approves the following criteria for assessing eligibility for rent relief:
 - a. tenants need to occupy Council-owned premises and operate in the hospitality,

retail or community sectors;

- b. provide proof of financial hardship and a reduction of more than 50% normal revenue for the period;
- c. provide proof of any Government subsidies applied for and received; and
- d. provide proof of any relief funding received from other sources.

10. 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 Finance Committee Public Excluded Minutes of 24 August 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 31 August 2021 and Debt write-offs 2021/22)	
C3. Microsoft 365 Digital Workplaces Project New Contract		
C4. Information Services - Psoda Contract Renewal		
C5. COVID Contract Claims		
10. COVID-19 Council Rent Relief Eligibility and Hamilton Gardens Arts Festival Additional Grant		

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	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 prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
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) Section 7 (2) (i)
Item 10.	to enable Council to carry out negotiations to enable Council to carry out commercial activities without disadvantage to enable Council to carry out negotiations	Section 7 (2) (h) Section 7 (2) (i)

The meeting went into Public Excluded Session at 11.46am.

The meeting was declared closed at 2.36pm.

Minute Note 21/12/2021:

On 21/12/2021 the following resolutions were determined to be released to the public via these minutes and the quarterly update.

COVID-19 Council Rent Relief Eligibility and Hamilton Gardens Arts Festival Additional Grant

Resolved:

That the Finance Committee:

- a) receives the report;*
- b) recommends that the Council approves a special funding grant of \$40,000 to the Hamilton Gardens Arts Festival for their February 2022 event, to be paid out upon the successful completion of the event;*
- c) notes that Staff will hold a meeting with the Arts Festival Trust to discuss future of the event; and*
- d) notes that the decision in relation to this matter be released at the appropriate time, to be determined by the Chief Executive.*

COVID Contract Claims

Resolved:

That the Finance Committee:

- a) receives the report; and*
- b) notes that the decision and information in relation to this matter be released at the appropriate time, to be determined by the Chief Executive.*