
Finance Committee

OPEN MINUTES

Minutes of a meeting of the Finance Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton on Thursday 22 October 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 Gallagher
	Cr K Green
	Cr D Macpherson
	Cr L Tooman
	Cr E Wilson
	Cr P Yeung

In Attendance:	Richard Briggs – Chief Executive
	Paul Conder – Chief Financial Officer
	Lance Vervoort – General Manager Community
	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
	Carol Serra – PMO Manager
	Andrew Parsons – Waters Manager
	Cory Lang – Building Control Unit Manager
	Christopher Barton – Project Development Manager
	Sally Sheedy – Parks and Open Spaces Manager
	Scott Copeland – Procurement Manager
	Nathanael Savage – Infrastructure Planner
	Phil Saunders – Principal Building Advisor
	Renee McMillan – Team Leader Planning and Assets

Committee Advisor	Mary Birch – Democracy Team Leader
	Ian Loiterton – Committee Advisor

1. Apologies

Resolved: (Cr Mallett/Chesterman)

That apologies from Councillors King, O’Leary and Forsyth (absence) be received and accepted.

2. Confirmation of Agenda

Resolved: (Cr Tooman/Yeung)

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 was set aside for a public forum.

No members of the public requested the opportunity to speak.

5. Finance Committee Meeting - Open Minutes - 20 August 2015

Resolved: (Cr Mallett/Yeung)

That the Committee confirm and adopt as a true and correct record the Open Minutes of the Finance Committee Meeting held on 20 August 2015.

6. Finance Committee Action List - Open - 22 October 2015

The Chair gave a verbal update on the status of:

- **Item 11 – Te Awa River Ride Easement** (page 19 of the Agenda):
Completed – the documents had been signed by Te Awa and were in the process of being signed by Council as at 16 October 2015.
- **Item 8 – 10-year Monitoring Report – ICMP** (page 21 of the Agenda):
In progress – It would be included as an agenda item for a Councillor Briefing at a date to be confirmed.
- **Item 8 - 10-Year Monitoring Report – report on Water World and gym KPIs by business areas** (page 21 of the Agenda):
Postponed to November or December meeting with the agreement of the Chair.

Action: The Chief Financial Officer (CFO) to report to the 19 November 2015 meeting of the Committee on the Claudelands Event Centre's cumulative losses for the previous three years.

Action: Democracy to develop a universal numbering system within action lists for ease of reference.

Resolved: (Cr Mallett/Chesterman)

That the report be received.

Councillor Wilson joined the Meeting at 1.36pm and was present for the voting on the matter.

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

Action: Chair of the Finance Committee to liaise with staff regarding the timing of reports for both the Finance Committee and Audit and Risk Committee and whether both the 19 November 2015 and 9 December 2015 meetings of the Finance Committee were required.

Resolved: (Cr Mallett/Chesterman)

That the report be received.

8. 10-Year Plan Monitoring Report

The CFO spoke to the report with input from the General Managers (GM) of Community, City Infrastructure, Events and Economic Development and the Acting General Manager City Growth.

It was highlighted that the year to date was a positive result, noting it was still early and that trends would need to be confirmed. In particular, that development contributions to date had been high and that this would result in lower collections later in the financial year.

Action: CFO to report on consent and development contributions revenue at the 19 November 2015 meeting of the Committee.

Action: GM Community to confirm the amount of funding allocated to Aged Concern and report back to the 19 November 2015 meeting of the Committee (refer Item 8, Attachment 5 on page 55 of the Agenda).

Action: CFO to ensure the use of 'Group of Activity' as standard terminology in future reports to the Committee as per the Annual Plan (refer Item 8, points 8 – 9 on page 24 of the Agenda).

Action: CFO to ensure the use of 'Short Term Investments' as standard terminology in Statement of Financial Position tables in future reports to the Committee (refer Item 8, Attachment 1 on page 30 of the Agenda).

Action: Following changes in format from previous meetings that included the removal of 'waterfall graphs', CFO to investigate options for the reporting of information (for example, in regard to Claudelands Events Centre) and report back to the next meeting of the Committee on 19 November 2015 (For example refer Item 8, Attachment 2 page 37 of the Agenda).

Action: GM Community to report on revenue from community leases and report back to the next meeting of the Committee on 19 November 2015 (refer Item 8, Attachment 2 on page 41 of the Agenda).

Action: CFO to investigate decrease in transportation revenue as compared to the previous financial year and report back to the next meeting of the Committee on 19 November 2015 (refer Item 8, Attachment 2 on page 44 of the Agenda).

Action: GM Events and Economic Development to investigate what line item 'CE10048 – Stadia building renewals' is comprised of and report back to the next meeting of the Committee on 19 November 2015 (refer Item 8, Attachment 5 on page 50 of the Agenda).

Action: GM Community to investigate the orange status of line item 'CE15027 – Proposed development programme' and report back to the next meeting of the Committee on 19 November 2015 (refer Item 8, Attachment 5 on page 50 of the Agenda).

Resolved: (Cr Pascoe/Chesterman)

That the report be received.

9. Key Projects - August 2015

The PMO Manager took the report as read.

Resolved: (Cr Pascoe/Yeung)

That the report be received.

10. Procurement Report

The Procurement Manager took the report as read and responded to questions.

Resolved: (Cr Mallett/Pascoe)

That:

- a) the report be received;
- b) staff review the current format of the Procurement Report, and make a recommendation to the 19 November 2015 meeting of the Finance Committee on an alternative reporting process, that:
 - (i) captures an executive overview of the information contained in the current quarterly Procurement Report, for inclusion in the 10-Year Monitoring Report going forward; and
 - (ii) a detailed procurement report, either in its current quarterly form or in a more appropriate format, be uploaded quarterly onto the Councillors' FTP and the Hamilton City Council's web site, and that a link to this report be included in the executive overview referred to in b)(i).

11. Hamilton Ring Road Quarterly Project Update

GM City Infrastructure spoke to the report and highlighted that independent consultant estimates confirmed the Downer NZ rates represented value for money and responded to questions.

Action: GM City Infrastructure to report design options for the future pedestrian overpass adjacent to Hamilton Gardens to the Strategy and Policy Committee at a date to be advised.

Resolved: (Her Worship the Mayor/ Cr Tooman)

That:

- a) the report be received;
- b) subject to successful negotiation with Downer NZ, construction of the final section of the Wairere Drive Extension from Cambridge Road to Cobham Drive is awarded as a variation to the existing Contract 10044 for the Hamilton Ring Road Upgrade and Extension with Downer NZ; and
- c) subject to successful negotiation with Downer NZ as outlined in (b) above Council approves an increase to the Approved Contract Sum of Contract 10044 by \$5,682,366 to a maximum value of \$76,172,466.

12. Rubbish and Recycling Contract

GM City Infrastructure and Manager Waters spoke to the report and highlighted that changes to the regulatory environment plus other Councils' procurement strategies meant the extension of the current contract would provide Hamilton City Council with an opportunity to develop a best practice approach.

Resolved: (Her Worship the Mayor/Cr Gallagher)

That:

- a) the report be received;
- b) the Committee supports in principle the recommendations of staff; and
- c) staff report back to the 19 November Meeting of the Committee with the terms of reference and timeframes of the working party.

Councilor Green retired from the meeting (3.10pm) and rejoined the meeting (3.14pm) during the above item, and was not present when the matter was voted on.

The meeting adjourned (3.17pm – 3.35pm) for afternoon tea.

13. Dixon Road / Ohaupo Road (SH3) Intersection Business Case

Action: GM City Infrastructure to facilitate the amendment of the Business Case template to reflect that Hamilton City Council does not capitalise interest; namely, that terminology under the heading 'Debt funding' be amended to reflect that this was a cost of borrowing (refer Item 13, Attachment 1 on page 103 of the Agenda).

Resolved: (Cr Pascoe/Mallett)

That:

- a) the report be received; and
- b) the Dixon Road / Ohaupo Road (SH3) Intersection project business case is approved.

14. Southern Links Investigation (Pre-construction) and Land Procurement Business Case

GM City Infrastructure spoke to the report and highlighted that there were no appeals to the Environmental Court.

Resolved: (Cr Pascoe/Wilson)

That:

- a) the report be received; and
- b) the Southern Links Investigation (Pre-construction) and Land Procurement project business case is approved.

15. Contract 14106 - Rototuna Reservoir Bulk Watermains Contract Award

The Manager Waters spoke to the report, highlighted that West Construction Ltd was the best respondent in terms of both quality and price and responded to questions.

Resolved: (Cr Mallett/Chesterman)

That:

- a) The report be received;
- b) Contract 14106 for Rototuna Reservoir Bulk Watermains is awarded to West Construction Ltd in the contract sum of \$7,712,854.60 excluding GST; and
- c) The Approved Contract Sum for Contract 14106 is set at \$8,500,000 excluding GST comprising the tender amount of \$7,712,854.60 plus a contingency allowance of \$787,154.40.

16. Community Occupancy Applications - Various

The Parks and Open Spaces Manager and Team Leader Planning and Assets spoke to the report and responded to questions.

It was confirmed that each application was assessed as being eligibility in terms of Hamilton City Council's relevant policy.

Resolved: (Cr Pascoe/Chesterman)

That:

- a) the report be received;
- b) Council approves the granting of a new community group lease to the **Hamilton Cadet Forces Building Charitable Trust** for premises at 60 Dey Street as shown in Attachment 1, being Part Section 36 Hamilton East Town Belt, subject to the following terms and conditions:
 - (i) Term – two years;
 - (ii) Rent – \$2,428.13 plus GST per annum in accordance with the Community Occupancy Policy;
 - (iii) All other terms and conditions in accordance with the Community Occupancy Policy and Community Occupancy Guidelines.
- c) Following s54(1)(b) of the Reserves Act 1977, Council approves the granting of a new community group lease to **Metro Judo Club Incorporated** for premises at Pembroke Park as shown in Attachment 2, being Lot 1 DPS1727 and Lot 1 DPS 70567, subject to the following terms and conditions:
 - (i) Term – 10 years;
 - (ii) Rent – \$4,565.50 plus GST per annum in accordance with the Community Occupancy Policy;
 - (iii) All other terms and conditions in accordance with the Community Occupancy Policy and Community Occupancy Guidelines;
- d) Following s54(1)(b) of the Reserves Act 1977, Council approves the granting of a new community group lease to **Arts for Health Community Trust** for premises at Ward Park as shown in Attachment 3, being Pt Allot 11 Hamilton West Town Belt, subject to the following terms and conditions:
 - (i) Term – 10 years;
 - (ii) Rent – \$406.25 plus GST per annum in accordance with the Community Occupancy Policy;
 - (iii) All other terms and conditions in accordance with the Community Occupancy Policy and Community Occupancy Guidelines;
- e) Following s54(1)(b) of the Reserves Act 1977, Council approves the granting of a new community group lease to **Artmakers Community Artists Trust** for premises at Ward Park as shown in Attachment 3, being Pt Allot 11 Hamilton West Town Belt, subject to the following terms and conditions:
 - (i) Term – 10 years;
 - (ii) Rent – \$2,431.25 plus GST per annum in accordance with the Community Occupancy Policy;
 - (iii) All other terms and conditions in accordance with the Community Occupancy Policy and Community Occupancy Guidelines; and

- f) Following s54(1)(b) of the Reserves Act 1977, Council approves the granting of a new community group lease to the **Hamilton Community Men's Shed Trust** for premises at Ward Park as shown in Attachment 3, being Pt Allot 11 Hamilton West Town Belt, subject to the following terms and conditions:
 - (i) Term – 10 years;
 - (ii) Rent – \$455.55 plus GST per annum in accordance with the Community Occupancy Policy;
 - (iii) All other terms and conditions in accordance with the Community Occupancy Policy and Community Occupancy Guidelines.

- g) Council grants approval for the **Hamilton Community Men's Shed Trust** to locate a 20 foot storage container on the premises within the asphalt carparking area adjacent to the existing storage container for the purpose of storing materials for the use and benefit of its members subject to the storage container:
 - (i) being painted to match the colours of the main building;
 - (ii) being kept and maintained in good clean order and condition free of graffiti and other malicious damage;
 - (iii) being removed from the premises at the expiry or earlier determination of the lease.

17. Weathertight Buildings Report

The Building Control Unit Manager and Principal Building Advisor took the report as read.

Resolved: (Cr Chesterman/Macpherson)

That the report be received.

18. Resolution to Exclude the Public

Resolved: (Cr Tooman/Chesterman)

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 - 20 August 2015) Good reason to withhold information exists under Section 7 Local Government	Section 48(1)(a)
C2. Finance Committee Action List - Public Excluded - 22 October 2015) Official Information and Meetings Act 1987	
C3. Report on overdue debtors as at 30 September 2015 & Bad Debts Writeoffs 2015/16		
C4. Development Contributions Report		
C5. Contract 14123 - Approval to vary contract Future Proof Implementation Advisor		

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 maintain legal professional privilege	Section 7 (2) (a) Section 7 (2) (g)
Item C5.	to enable Council to carry out negotiations	Section 7 (2) (i)

The meeting moved into Public Excluded Session from 4.32pm until 5.30pm.

The meeting was declared closed at 5.30pm.