
Finance Committee

OPEN MINUTES

Minutes of a meeting of the Finance Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton on Tuesday 4 December 2018 at 9.34am.

PRESENT

Chairperson	Cr G Mallett
Members	Cr R Pascoe
	Mayor A King
	Deputy Mayor M Gallagher
	Cr M Bunting
	Cr J R Casson
	Cr S Henry
	Cr D Macpherson
	Cr A O'Leary
	Cr P Southgate
	Cr G Taylor
	Cr L Tooman
	Cr R Hamilton
	Maangai Bella Takiari-Brame

In Attendance	David Bryant – General Manager Corporate
	Lance Vervoort – General Manager Community
	Sean Murray – General Manager Venues, Tourism and Major Events
	Jen Baird – General Manager City Growth
	Eeva-Liisa Wright – General Manager Infrastructure Operations
	Chris Allen – General Manager Development
	Sean Hickey – General Manager Strategy and Communications
	Tracey Musty - Financial Controller
	Julie Clausen – Programme Manager Strategy
	Katy Nudd – Business Planning Analyst
	Jeff Neems – Communications Advisor
	Natalie Young – PMO Manager
	Paul Mens – Director Business Transformation
	Chad Hooker – Director of Operations
	Stephen Halliwell – Accounting Manager
	Paul Bowman – Team Leader Economic Growth and Planning
	Helen Paki – Business and Planning Manager

Zeke Fiske – Team Leader Urban Landscapes
Bridget Morgan – Water Asset Manager
Maria Barrie – Parks and Recreation Manager
Maire Porter – City Waters Manager
Stafford Hodgson – Senior Strategic Policy Analyst
Greg Carstens – Manager Economic Growth
Fraser McNutt – Planning Guidance Unit Manager
Tania Herman – Infrastructure Operations Unit Manager
Hayden De Villiers – Treasury Accountant
Jason Harrison – Special Projects Manager
Andrew Parsons – Strategic Development Manager

Stuart Henderson – PwC Representative

Governance Advisors Becca Brooke – Governance Team Leader
Rebecca Watson – Committee Advisor

1. Apologies

Resolved: (Cr Mallett/Cr Bunting)

That the apologies for early departure from Crs Taylor, Bunting, and Macpherson are accepted.

2. Confirmation of Agenda

Resolved: (Cr Mallett/Cr Casson)

That the agenda is confirmed noting:

- order of items will be flexible to align with items in the Public Excluded section of the agenda and to accommodate external presenters; and
- the Financial Reports will be taken in order of Items 8, 7, 6.

3. Declarations of Interest

No members of the Committee declared a Conflict of Interest.

4. Public Forum

No members of the public wished to speak.

5. Confirmation of Finance Committee Meeting Minutes - Open - 16 October 2018

Resolved: (Cr Mallett/Cr Hamilton)

That the Committee confirm the Open Minutes of the Finance Committee Meeting held on 16 October 2018 as a true and correct record.

Deputy Mayor Gallagher joined the meeting 9.40am at the conclusion of the above item. He was not present when the matter was voted on.

10. Non-Financial Organisational Performance Reporting Quarter One 2018-28 10-Year Plan

The Programme Manager Strategy spoke to the report, highlighting that the purpose of the report was to show the result of the non-financial indicators set in the 2018-28 10-Year Plan, and that this was the first such report to be presented to the Committee.

Staff responded to questions from Committee Members regarding:

- link between the 10-Year Plan and non-financial indicators,
- accuracy of the Gross Domestic Product estimate,
- rubbish and recycling campaigns,
- methodology used in quality of life survey,
- criteria of measurements used, and
- definition of “customers” and “residents”.

Action: Staff undertook to provide timeframes around the Democracy measure so that the outcome could be put into context.

Resolved: (Cr Mallett/Cr Bunting)

That the Finance Committee receives the report.

9. Funding Options - Growth Infrastructure Funding Gap

The Economic Growth and Analytics Unit Manager took the report as read. He responded to questions from Committee Members regarding:

- timing of consultation with developers,
- interest payments on HIF loan,
- impact of development contributions on affordability of housing,
- targeted rates, and
- development contributions costs payable on building consents.

Action: Staff undertook to provide opportunities for Elected Members and Maangai Maaori to meet with staff to discuss possible options to address the growth infrastructure funding gap prior to the 26 February 2019 Council Meeting.

Resolved: (Cr Mallett/Cr Bunting)

That the Finance Committee:

- a) receives the report;
- b) requests staff to continue investigating options to mitigate the funding shortfall on growth infrastructure; and
- c) notes that staff will bring their recommendations to the Council meeting on 21 February 2019 for consideration.

Cr Taylor left the meeting (10.46am) during the discussion of the above item. He was not present when the matter was voted on.

Cr Macpherson left the meeting (10.47am) during the discussion of the above item. He was not present when the matter was voted on.

11. Investment and Liability Management Policy (*Recommendation to Council*)

The Finance Manager introduced Stuart Henderson, representative from PwC, and noted grammatical changes to be made to the final version of the policy. They responded to questions from Committee Members regarding:

- unsecured lending,
- Council Controlled Organisations (CCOs),
- LGFA funding, and
- definition of credit worthy counterparties

Resolved: (Cr Mallett/Cr Casson)

That the Finance Committee:

- a) receives the report;
- b) approves the revised Investment and Liability Management Policy as set out in attachment two of this report; and
- c) confirms the next review date for the policy of 30 June 2021.

The meeting adjourned 11.20am – 11.34am at the conclusion of the above item.

6. Resolution to Exclude the Public

Resolved: (Cr Mallett/Cr Casson)

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 Meeting Minutes - Public Excluded - 16 October 2018) 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 October 2018 & Debt write-offs 2018/19)	
C3. Seddon Park Sports Lighting Renewal - Confidential Supplementary Information		

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
to maintain the effective conduct of public affairs through protecting persons from improper pressure or harassment | Section 7 (2) (a)
Section 7 (2) (f) (ii) |
| Item C3. | to enable Council to carry out commercial activities without disadvantage | Section 7 (2) (h) |

The meeting went into a public excluded session at 11.35am.

The meeting moved back into an open session at 1.10pm.

Cr Bunting left the meeting at 12.28pm during the public excluded session of the meeting.

7. Capital Portfolio Monitoring Report

The General Manager Development spoke to the report, highlighting the progress made on the capital works programme, and deferrals to be raised. Staff responded to questions from Committee Members regarding:

- NZTA funding and subsidies,
- land acquisition for road corridors,
- school transport link,
- long term savings,
- deferrals and outstanding work in progress,
- dates used in reports,
- capitalisation,
- Te Awa Cycleway, and
- renewal of Seddon Park lighting.

Resolved: (Mayor King/Cr Casson)

That the Finance Committee:

- a) receives the report;
- b) notes that decisions will be made on the following 2 projects as part of the Financial Strategy Report to this Committee meeting:
 - i. Te Awa Cycleway Remediation
 - ii. Seddon Park Sports Lighting.

Cr Macpherson Dissenting.

Crs Macpherson and Taylor re-joined the meeting (1.15pm) during the discussion of the above item. They were present when the matter was voted on.

Cr Bunting re-joined the meeting (1.23pm) during the discussion of the above item. He was present when the matter was voted on.

The meeting adjourned from 3.45pm – 3.58pm.

Cr Macpherson retired from the meeting during the above adjournment.

8. Annual Monitoring Report to October 2018

The Financial Controller introduced the report and highlighted that in the four months ending October 2018 there had been favourable variances against budget. Staff responded to questions from Committee Members regarding budget forecasting and rates income.

Action: *Staff undertook to provide a breakdown of the interest income line in Venue, Tourism and Major Events.*

Resolved: (Mayor King/Cr Hamilton)

That the Finance Committee receives the report.

Maangai Takiari-Brame left the meeting (4.15pm) during the discussion of the above item. She was not present when the matter was voted on.

6. Financial Strategy Monitoring Report (*Recommendation to Council*)

The Accounting Manager introduced the report and highlighted some structural and layout changes made to the report to make it more readable.

Staff responded to questions from Committee Members regarding:

- footpath revenue,
- options for increase in revenue, and
- funding for Te Awa Cycleway.

Resolved: (Mayor King/Cr Mallett)

That the Finance Committee receives the report

Resolved: (Mayor King/Cr Hamilton)

That the Finance Committee:

- a) approves Option 1, as set out in the December 2018 Capital Portfolio Monitoring Report, to replace the Seddon Park lights with new LED lights, light frames, towers and foundations at an estimated cost of \$4.73M to be managed within the existing 3-year organisational renewal programme funding; and
- b) delegates the Chief Executive approval to negotiate and execute the contract(s) required to enable the replacement of the Seddon Park lights, headframes, towers and foundations to a maximum value of \$4.73M.

Cr Henry Dissenting.

Resolved (Mayor King/Cr Mallett)

That the Finance Committee recommends the Council:

- a) approves the additional Te Awa Cycleway Remediation Project at a total cost of \$1.75M, subject to recovering NZ Transport Agency subsidy of at least 51%;
- b) approves the rephasing and deferral of \$26.2M capital projects from 2018/19 to 2019/20 as listed in the December 2018 Capital portfolio Monitoring Report (Item 8 of this agenda);and
- c) approves the revised forecast Financial Strategy graphs for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 31 to 35 of this report with an amendment for reprioritising renewals necessary for the Seddon Park lights, headframes, towers and foundations (as described in paragraph 121 of the December 2018 Capital Portfolio Monitoring Report).

An extension of time was moved at 4.54pm during the discussion of the above item.

Resolved: (Cr Mallett/Mayor King)

That the meeting continue past 6 hours as per Standing Order 3.2.7.

Crs O'Leary, Henry, Tooman and Southgate Dissenting.

The meeting was declared closed at 5.00pm.