
Finance Committee

OPEN MINUTES

Minutes of a meeting of the Finance Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton on Thursday 21 February 2019 at 9.30am.

PRESENT

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

In Attendance	Richard Briggs – Chief Executive
	David Bryant – General Manager Corporate
	Chris Allen – General Manager Development
	Eeva-Liisa Wright – General Manager Infrastructure Operations
	Sean Hickey – General Manager Strategy and Communication
	Sean Murray – General Manager Venues Tourism and Major Events
	Lance Vervoort – General Manager Community
	Jen Baird – General Manager City Growth
	Helen Paki – Business and Planning Manager
	Natalie Palmer – Communications Manager
	Stephen Halliwell – Accounting Manager
	Katy Nudd – Business Planning Analyst
	Natalie Young – PMO Manager
	Julie Clausen – Programme Manager Strategy and Communications
	Maire Porter – City Waters Manager
	Jason Harrison – Unit Manager Transportation
	Christie Harger – Corporate Business Manager
	Andrew Parsons – Strategic Development Manager
	Paul Gower - Programme Manager - Growth And Assets

Jeff Neems – Communications Advisor
Nicolas Wells – Strategic Property Manager
Claire Foster – Property Officer
Riki Manarangi – Corporate Policy Specialist
Matthew Bell – Rates and Revenue Manager

Governance Staff Becca Brooke – Governance Team Leader
Rebecca Watson and Amy Viggers – Committee Advisors

1. Apologies

Resolved: (Cr Mallett/Cr Casson)

That the apologies for absence from Crs O’Leary and Taylor, for lateness from Cr Pascoe, for partial absence from Deputy Mayor Gallagher and Cr Macpherson, and for early departure from Crs Bunting, Hamilton and Maangai Takiari-Brame are accepted.

2. Confirmation of Agenda

Resolved: (Cr Mallett/Cr Macpherson)

That the agenda is confirmed noting the following:

- the order has been changed to enable Item 12 (*Business Transformation Report*) to be taken earlier in the day to accommodate staff availability;
- the late report (*Item 20 - WIGL and NZ Food Innovation (Waikato) Ltd Letter of Expectation*) be accepted; this item was circulated under separate cover and has been added as a late topic as it needs to be discussed prior to the next meeting of WIGL;
- the late report (*Item 20 - WIGL and NZ Food Innovation (Waikato) Ltd Letter of Expectation*) will be taken after Item 13 (H3 Report Q2) to accommodate staff availability; and
- attachment 1 (*VHT Annual Report*) for item 14 (*Vibrant Hamilton Trust*) was circulated prior to the meeting under separate cover.

3. Declarations of Interest

No members of the Council declared a Conflict of Interest.

4. Public Forum

Mr Roger Stratford spoke to Item 6 (*Chair’s Report*) and gave an overview of his concerns regarding cost benefit analysis.

5. Confirmation of Finance Committee Minutes - 4 December 2018

Committee Members asked for clarification regarding the date Item 9 (*Funding Options – Growth Infrastructure Funding Gap*) was due to come back to the Committee.

Resolved: (Cr Mallett/Cr Casson)

That the Committee confirm the Open Minutes of the Finance Committee Meeting held on 4 December 2018 as a true and correct record.

6. Chair's Report - 21 February 2019

The Chair spoke to the report and gave an overview of cost benefit analysis. He responded to questions from Committee Members concerning non-financial measurements and benefits.

Resolved: (Cr Mallett/Cr Casson)

That the Finance Committee receives the report.

12. Business Transformation Report

The Chief Executive took the report as read.

He responded to questions from Committee Members concerning:

- efficiency versus savings,
- impact of savings identified on decisions made during the 10-Year Plan process,
- sub-contracting out services,
- reporting of potential savings that Elected Members may decline to approve,
- definitions of targets, and
- management of, and reporting of, pressure on staff to Elected Members.

Resolved: (Cr Mallett/Cr Bunting)

That the Finance Committee receives the report.

7. Finance Committee Draft Schedule of reports 2019

The General Manager Corporate took the report as read.

Resolved: (Cr Mallett/Cr Casson)

That the Finance Committee:

- a) receives the draft 2019 Schedule of Reports; and
- b) notes that the Schedule of Reports is intended to be a living document that will be updated as necessary and will be made available to Elected Members on Onedrive.

Cr Pascoe joined the meeting (10.18am) during the above item. He was present when the matter was voted on.

Deputy Mayor Gallagher and Cr Macpherson left the meeting (10.24am) during the above item. They were not present when the matter was voted on.

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

The Unit Manager Corporate Planning and Strategy took the report as read and responded to questions from Committee Members concerning:

- quality of life surveys, and use of Gross Domestic Product as a measurement,
- provision and use of industrial land,
- level of water loss target and water usage,
- numbers of people using bicycles,
- impact of safety improvements of reducing serious harm or death, Vision Zero measurements and reporting, and
- ability of infrastructure to cope with extreme weather events.

Action: *staff undertook to put date timeframes around the reporting of the impact of safety improvements on reducing death and serious harm on Hamilton roads statistics to create context.*

Action: *staff undertook to put the statistics regarding water complaints in the Water Supply section into a number reflecting complaints per 1,000 instead of the 'per millage' figure currently used.*

Resolved: (Cr Mallett/Cr Southgate)

That the Finance Committee receives the report.

The meeting adjourned from 11.01am to 11.30am.

9. Capital Portfolio Monitoring Report

The General Manager Development and the PMO Manager spoke to the report, highlighting that the majority of capital projects had been delivered to the set timeframes. They gave an overview of some deferrals, as well as some savings which had been made.

Staff responded to questions from Committee Members concerning:

- timing of Waiwhakareke development,
- use of community groups to complete some projects,
- seismic upgrades,
- renewals programme,
- Rotokauri development, and
- costs for the Thomas/Gordonton Road intersection.

Resolved: (Cr Mallett/Cr Casson)

That the Finance Committee receives the report.

10. Annual Monitoring Report to 31 December 2018

The General Manager Corporate spoke to the report, highlighting that financial results were favourable to date and responded to questions from Committee Members concerning:

- increased City Growth revenue,
- the impact on revenue from changes to food premise registrations,
- development growth modelling and budget versus forecasting figures,
- Peacockes programme,
- costs for clean-up of illegal dumping,
- timing of invoices being submitted to the Council,
- management of Treasury policy, and
- risk appetite.

Action: *staff undertook to circulate further information relating to 'Other Costs' on page 86 of the agenda.*

Action: *staff undertook to review the remaining six months forecasted Balancing the Books numbers for accuracy and report back to Committee members at the next Finance Committee meeting.*

Resolved: (Cr Mallett/Cr Casson)

That the Finance Committee receives the report.

Mayor King left the meeting (12.33pm) during the above item. He was not present when the matter was voted on.

7. February 2019 Financial Strategy Monitoring Report (Recommendation to Council)

The Accounting Manager spoke to the report, noting that the implemented financial strategy was recognised favourably by the Auditor General in his recent report to Parliament, which reflected the work of governance and staff.

Committee Members asked questions concerning whether the favourable opinion from the Auditor General would result in the modification noted in the recent audit result being removed from future reports.

Resolved: (Cr Pascoe/Cr Mallett)

That the Finance Committee:

- a) receives the report,
- b) recommends the Council approves the rephrasing and delay deferrals of an additional \$10.7M capital projects (noting total Year to Date as at 31 December 2018 is \$36.9M) from 2018/19 to 2019/20 as listed in the February 2019 Capital Portfolio Monitoring Report;
- c) recommends the Council approves the significant forecast adjustments as set out in paragraphs 24 to 27 of this report; and
- d) recommends the Council approves the revised forecast Financial Strategy graphs for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 31 to 37 of this report.

Mayor King re-joined the meeting (12.40pm) during the above item. He was present when the matter was voted on.

The meeting adjourned from 12.51 pm to 1.34pm.

Deputy Mayor Gallagher and Cr Macpherson re-joined the meeting (1.34pm) at the conclusion of the above adjournment.

20. WIGL and NZ Food Innovation (Waikato) Ltd Letter of Expectation

The Director Special Projects introduced the report and gave an overview of the intent of the Letter of Expectation.

Staff responded to questions from Committee Members concerning the structure of, and other partners involved in WIGL, risks of being involved in the CCO, and timeframes of response to the Letter of Expectation.

Resolved: (Cr Mallett/Cr Hamilton)

That the Finance Committee approves the Letter of Expectation.

8. H3 Report Quarter Two - 1 October to 31 December 2018

The General Manager Venues Tourism and Major Events spoke to the report. He highlighted the favourable results year to date and gave oversight into some of the challenges presented to H3, primarily being a lack of hotel accommodation in the city.

He responded to questions from Committee Members concerning the NZ Rugby Sevens, costs to vendors regarding waste management, health and safety statistics, and seismic standards.

Resolved: (Cr Mallett/Cr Casson)

That the Finance Committee receives the report.

Cr Southgate left the meeting (2.01pm) during the above item. She was not present when the matter was voted on.

9. Vibrant Hamilton Trust (VHT) (Recommendation to Council)

The General Manager Community spoke to the report. He apologised that the VHT Chairperson Thomas Gibbons was not able to make the meeting due to urgent business matters arising and highlighted that the Annual Report was prepared on the basis of the Trust being dissolved.

Committee Members asked questions concerning the process to thank the Trust, and the timeframes for the Waikato Regional Theatre.

Committee Members acknowledged the Trustees of VHT (Thomas Gibbons, Malcolm Brooker and Lynette Flowers) for the work that they had undertaken.

Action: *staff undertook to provide an update to Committee Members at an upcoming Briefing on the Regional Theatre.*

Resolved: (Cr Mallett/Mayor King)

That the Finance Committee:

- a) receives the report; and
- b) recommends that the Council notes as part of their official records that the Vibrant Hamilton Trust has officially wound up and that the Hamilton City Council Governance Structure will be updated accordingly.

10. Rototuna Family Golf Centre - New Lease - Callum Brae Drive

The Strategic Property Manager and Property Officer took the report as read, and responded to questions from Committee Members concerning rental reviews.

Resolved: (Mayor King/Cr Mallett)

That the Finance Committee:

- a) receives the report;
- b) approves a new ground lease for the Rototuna Family Golf Centre Limited located at Tauhara Park, 25 Callum Brae Drive, Rototuna based on the following:
 - i. Term 5 years, commencing 1 March 2019;
 - ii. Renewals – 2 x 5 years (1 March 2024 and 1 March 2029);
 - iii. Rental – \$27,500.00 plus GST per annum;
 - iv. Rent reviews – market review on renewal; and
- c) delegates the Chief Executive to give effect to this resolution.

11. Appointment and Remuneration of Board Members of COs, CCOs and CCTOs Policy
(Recommendation to Council)

The General Manager Corporate spoke to the report, providing an overview of the minor changes that had been made to Schedule 1 as a result of the policy review.

Committee Members asked questions concerning the recruitment process and skill matrix for appointments to Boards.

Action: *staff undertook to ensure the Limited Liability Partnership as part of WIGL is included in the schedule if required.*

Resolved: (Mayor King/Cr Mallett)

That the Finance Committee:

- a) receives the report;
- b) recommends that the Council approves the revised Appointment and Remuneration of Board Members of COs, CCOs and CCTOs Policy as set out in attachment one of this report; and
- c) recommends that the Council approves the next review date for this policy as 30 June 2021.

12. Policy Review - Freeholding of Council Endowment Land Policy (Recommendation to Council)

The Strategic Property Manager spoke to the report. He gave an overview of the purpose of the policy, and responded to questions from Committee Members concerning the delegations of Finance Committee.

Resolved: (Mayor King/Cr Mallett)

That the Finance Committee:

- a) receives the report; and
- b) recommends that the Council approves the Freeholding of Council Endowment Land Policy (attachment 1 of this report).

13. Policy Review - Municipal and Domain Endowment Funds Policy (Recommendation to Council)

The Strategic Property Manager spoke to the report. He gave an overview of the purpose of the policy, and responded to questions from Committee Members concerning possible use of the policy to reduce debt.

Action: *staff undertook to include Treasury Risk as a discussion item in the risk workshop set for the morning of 5 March 2019.*

Resolved: (Cr Mallett/Cr Casson)

That the Finance Committee:

- a) receives the report; and
- b) recommends that the Council approves the Municipal and Domain Endowment Funds Policy (attachment 1 of this report).

Cr Southgate re-joined the meeting (2.38pm) during the above item. She was present when the matter was voted on.

19. Resolution to Exclude the Public

Resolved: (Cr Mallett/Cr Henry)

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 Finance Committee Public Excluded Minutes - 4 December 2018) Good reason to withhold information exists under Section 7 Local Government	Section 48(1)(a)
C2. Report on overdue debtors as at 31 January 2019 & Debt write-offs 2018/19) Official Information and Meetings Act 1987	
C3. Contract 13392 - Hosting and Managed Infrastructure and Application Services - Initial Renewal Term)	

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
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 negotiations | Section 7 (2) (i) |

Cr Bunting retired from the meeting at the conclusion of the open session (2.54pm).

The meeting moved into a Public Excluded Session at 2.54pm.

The meeting was declared closed at 3.23pm.