
Finance Committee

OPEN MINUTES

Minutes of a meeting of the Finance Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton on Tuesday 23 May 2017 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 A O'Leary
	Cr P Southgate
	Cr G Taylor
	Cr L Tooman

In Attendance:	Richard Briggs – Chief Executive
	David Bryant – General Manager Corporate
	Sean Murray – General Manager Venues, Tourism and Major Events
	Chris Allen – General Manager City Infrastructure
	Lance Vervoort – General Manager Community
	Kelvyn Eglinton – General Manager City Growth
	Maire Porter - City Waters Manager
	Tracey Musty – Financial Controller
	Matthew Bell – Rates and Revenue Manager
	Nigel Ward – Communications Team Leader
	Andrew Parsons – City Development Manager
	Christopher Barton – Project Development Manager
	Tahl Lawrence – Project Engineer

Governance Advisors:	Lee-Ann Jordan – Governance Manager
	Amy Viggers and Claire Guthrie – Committee Advisors

1. Apologies

Resolved: (Crs Mallett/Southgate)

That the apologies from Councillor Yeung are received and accepted.

2. Confirmation of Agenda

Resolved: (Crs Mallett/Bunting)

That the agenda is confirmed, noting Item 12 (Eastern Bulk Main Subsidence Remedial Works) was circulated under separate cover.

3. Declarations of Interest

No members of the Council declared a Conflict of Interest.

4. Public Forum

There were no public forum speakers

5. Finance Committee - Open Minutes - 11 April 2017

Resolved: (Crs Casson/Pascoe)

That the Committee confirm the Open Minutes of the Finance Committee Meeting held on 11 April 2017 as a true and correct record.

6. 10-Year Plan Monitoring Report - For the ten months ended 30 April 2017

The Financial Controller introduced the report noting the operating surplus of \$43.1million was due in part to the unrealised gains from swaps and vested assets. Council's balancing the books surplus of \$14.1 million was attributed to higher user pay revenue, additional revenue associated with capital projects, lower expenditure on consultants, and higher development contribution revenue.

Staff responded to questions from Elected Members concerning:

Deferrals: 25 projects were identified as potential deferrals. The deferrals were largely as a result of external factors outside of Council's control. The deferrals had been classified into 3 categories reliance on a third party, contractual delays and other external factors.

Rates Remission Policy: Staff advised that pensioners were typically the applicants and recipients of rates remissions. As per the current policy, income assessments to receive remissions were based on income earned in the previous financial year. Elected Members would get an opportunity to review this as part of the 10 Year Plan process. Council's rates remission policy was aligned to Central Governments Rates Rebate Scheme.

Emerging Issues: Emerging issues were identified as Central Library earthquake strengthening, stormwater overflow systems, river slips, and the eastern bulk water main. These issues would be reported through the risks and opportunities register and would also be discussed as part of the 10 Year Plan process .

Resolved: (Crs Mallett/Casson)

That the Finance Committee receives the report.

7. Key Projects Monitoring Report - March 2017

The General Manager Corporate took the report as read. Staff responded to questions from Elected Members concerning Hamilton Gardens development, Hamilton Ring Road Upgrade and Extension, and the North City Road Urban Upgrade. These projects were as being outlined in the report at risk of exceeding scope, budget, or timing/scheduling.

Resolved: (Crs Mallett/Henry)

That the Finance Committee receives the report.

The meeting adjourned (10.57am - 11.16am).

8. Contract 14378 - Three Waters Network Physical Works - Approved Contract Sum Increase

This report was taken as read.

Resolved: (Crs Mallett/Bunting)

That the Finance Committee;

a) receives the report; and

b) approves an increase to the Approved Contract Sum for Contract 14378 from \$18,500,000.00 to \$23,000,000.00.

9. H3 Update - Quarter 3 Report to 31 March 2017

The General Manager of Venues, Tourism and Major Events spoke to the report. He highlighted that the number of events held this year was up 12 % from the same period last year. It was explained that a number of capital projects were currently underway which would bring the capex spend more in line with the set budget. These projects were planned and had budget allocated.

Resolved: (Crs Mallett/Casson)

That the Finance Committee receives the report.

10. Finance Committee Draft 2017 Schedule of Reports

This report was taken as read.

Resolved: (Crs Pascoe/Mallett)

That the Finance Committee:

a) receives the draft 2017 Schedule of Reports; and

b) notes that the Schedule of Reports is intended to be updated as necessary with changes notified to Committee members.

11. Eastern Bulk Main Subsidence Remedial Works

The City Waters Manager introduced the report which followed the report that came to Council on 6 April 2017 concerning this matter. The cost estimates in that report were based on a rock filling solution which was now discounted due to the size of the project. Further investigation and consideration given to alternative remedial solutions, including relocation and soil nailing methodology, meant that there was a requirement for approval of a revised project budget. It was noted that there were some adjustments to the table on page 6, paragraph 47 of the report. The total estimated cost for the project so far was \$3,840,00 and total future cost was estimated to be \$800,000.

Staff responded to questions from Elected Members concerning the preferred solution which was confirmed as the soil nailing solution. This solution would be the best value for money, had a life expectancy that matched that of the twin bulk water pipes and it was commonly used technology helped to mitigate the risks.

Resolved: (Crs Mallett/ Casson)

That the Finance Committee

- a) receives the report;
- b) approves a revised project budget of \$4,640,000 to manage remedial works; and
- c) approves a revised Approved Contract Sum for Contract 16275 of \$3,240,000, made up of a construction estimate of \$2,700,000 plus a 20% contingency of \$540,000

12. Resolution to Exclude the Public

Resolved: (Cars Mallett/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. Finance Committee - Public Excluded Minutes - 11 April 2017) Good reason to withhold information exists under Section 7 Local Government	Section 48(1)(a)
C2. Report on overdue debtors as at 30 April 2017 & Bad Debts Write-offs 2016/17) Official Information and Meetings Act 1987	

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)

The meeting went into a public excluded session at 12.18pm.

The meeting was declared closed at 12.24pm.