
Finance Committee

Komiti Tahua

OPEN MINUTES

Minutes of a meeting of the Finance Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton on Tuesday 16 June 2020 at 10.02am.

PRESENT

Chairperson	Cr R Pascoe
Deputy Chairperson	Cr Maxine van Oosten
Members	Mayor P Southgate
	Cr M Bunting
	Cr M Forsyth
	Cr M Gallagher
	Cr D Macpherson
	Cr K Naidoo-Rauf
	Cr A O'Leary
	Cr E Wilson

In Attendance:	Richard Briggs – Chief Executive (via Audio Visual Link)
	David Bryant – General Manager Corporate
	Chris Allen – General Manager Development
	Lance Vervoort - General Manager Community
	Jen Baird – General Manager City Growth
	Sean Murray – General Manager Venues, Tourism and Major Events
	Blair Bowcott – Executive Director Special Projects
	Tracey Musty – Financial Controller
	Rebecca Whitehead – Business and Planning Manager
	Iain Anderson – Capital Financial Lead
	Tania Hermann – Group Business Manager, Infrastructure Operations
	Julie Clausen - Unit Manager Strategy and Corporate Planning
	Maire Porter – City Waters Manager
	Lance Haycock – Programme Manager
	Dan Silverton – Communication and Engagement Advisor
	Katy Nudd – Business Planning Analyst
	Alex Wondergem – PwC
Governance Staff:	Becca Brooke – Governance Manager
	Amy Viggers – Governance Team Leader
	Carmen Fortin, Ian Loiterton and Rebecca Watson – Governance Advisors

Cr Gallagher and Cr Forsyth took part in the meeting and voted remotely via Audio Visual Link.

1. Apologies

Resolved: (Cr van Oosten/Cr Macpherson)

That apologies for absence from Deputy Mayor Taylor, Cr Hamilton and Cr Thomson, for lateness from Mayor Southgate, and for partial absence from Cr Gallagher are accepted.

2. Confirmation of Agenda

Resolved: (Cr Pascoe/Cr Wilson)

That the agenda is confirmed noting that Item 11 (Interest Rate Deferral Strategy and Interest Rate Risk Control Limits) and Item 12 (Local Government Funding Authority Notice of Special General Meeting) are taken after Item 9 (Financial Strategy Monitoring Report) to accommodate availability.

3. Declarations of Interest

No members of the Council declared a Conflict of Interest.

4. Public Forum

No members of public wished to speak.

5. Confirmation of the Open Finance Committee Minutes - 28 April 2020

Resolved: (Cr Wilson/Cr Bunting)

That the Committee confirm the Open Minutes of the Finance Committee meeting held on 28 April 2020 as a true and correct record, subject to amending the venue from Council Chamber to Audio Visual Link.

6. Chair's Report

The Chair took the report as read invited the Executive Director Special Projects to provide an update following an announcement by the Prime Minister. The Executive Director Special Projects responded to questions from Members concerning Council's infrastructure funding applications to Central Government.

Resolved: (Cr Pascoe/Cr van Oosten)

That the Finance Committee receives the report.

7. Capital Portfolio Monitoring Report

The General Manager Development and Capital Financial Lead introduced the report. Staff responded to questions from Members concerning the relationship of deferrals, renewals and savings to the Annual Plan budget, subsidies and the timelines for capitalisation, the status of projects, the Te Awa pathway including the difference between the Te Awa remediation and path works, and funding and development of cycleway linkages as part of the expressway development.

Resolved: (Cr Pascoe/Cr van Oosten)

That the Finance Committee receives the report.

Mayor Southgate joined the meeting (10.56am) during the discussion of the above item. She did not partake in the vote of the matter.

8. Annual Monitoring Report to 30 April 2020

The Financial Controller spoke to the report and responded to questions from Committee Members concerning Covid-19 impacts and revenue losses, balancing the books forecasts and capital costs.

Resolved: (Cr Pascoe/Cr van Oosten)

That the Finance Committee receives the report.

The meeting was adjourned 11.25am to 11.45am.

9. Financial Strategy Monitoring Report *Recommendation to the Council*

Resolved: (Cr Pascoe/Cr Wilson)

That the Finance Committee receives the report.

That the Finance Committee recommends the Council:

- a) approves the capital movement in expenditure of (\$2m) and in revenue \$0.1m from the 2019/20 Financial Year to future years as identified in the 16 June 2020 Capital Portfolio Monitoring Report;
- b) approves the significant forecast adjustments as set out in paragraphs 19 to 24 of this report;
- c) approves the revised forecast Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 25 to 32 of this report; and
- d) approves an increase in the Te Awa Path budget by \$1.6m (\$784,000 local share) from \$4.2m to \$5.8m subject to Waka Kotahi NZ Transport Agency approving a minimum 51% subsidy, with the local share for the full project being promoted by Council as a contribution towards any transport related economic stimulus packages currently being considered by the Government.

10. Interest Rate Deferral Strategy and Interest Rate Risk Control Limits

The Financial Controller spoke to the report and introduced Alex Wondergem from PwC. They responded to questions from Members concerning projected savings and the Annual Plan budget and consultation process, swaps and interest rates, whether there was potential to invest savings into Council's Endowment Fund, timing of interest rate costs, flexibility of Council's interest rate strategy to manage potential rate increases, and audit implications of any deferrals.

Resolved: (Cr Wilson/Cr van Oosten)

That the Finance Committee:

- a) supports the interest rate deferral strategy recommended by PricewaterhouseCoopers (PWC).
- b) approves the temporary amendment to the debt interest rate policy parameters within the Investment and Liability Management Policy, to allow for the interest rate deferral strategy to be implemented.

11. Local Government Funding Authority Notice of Special General Meeting – *Recommendation to the Council*

Resolved: (Cr Pascoe/Cr van Oosten)

That the Finance Committee recommends that the Council:

- a) receive the Local Government Funding Authority Notice of Special General Meeting report.
- b) approve the amendments to the foundation policies of the Local Government Funding Authority.
- c) approve by way of proxy, a nominated member of staff to attend the Special General Meeting as shareholder representative of Hamilton City Council
- d) approve the amendment of Council's Investment and Liability Management Policy to align

with the Local Government Funding Authority foundation policy change to the net debt to revenue covenant, subject to shareholders' approval of (b) above.

12. Long Term Plan Service Performance Measures 2019-20 Quarter Three Report

Resolved: (Cr van Oosten/Cr Bunting)

That the Finance Committee receives the report.

13. Resolution to Exclude the Public

Resolved: (Cr Pascoe/Cr Bunting)

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
Confirmation of the Public Excluded Finance Committee Minutes - 29 April 2020) Good reason to withhold information exists under Section 7 Local Government	Section 48(1)(a)
Covid-19 Contract Costs) Official Information and Meetings Act 1987	
Report on overdue debtors as at 31 May 2020 & Debt write-offs 2019/20)	
Rubbish and Recycling Kerbside Collection Contract Extension)	

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 enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h)
Item C3.	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 C4.	to maintain legal professional privilege to enable Council to carry out commercial activities without disadvantage to enable Council to carry out negotiations	Section 7 (2) (g) Section 7 (2) (h) Section 7 (2) (i)

The meeting went into a public excluded session at 12.25pm.

The meeting was declared closed at 1.26pm.

Minute Note 26/06/2021:

On 25/06/2021 the following resolutions were determined to be released to the public via these minutes and the quarterly update.

Covid-19 Contract Costs

That the Finance Committee:

- a) receives the report;*
- b) notes that the Chief Executive intends to offer a settlement for COVID-19 related costs for Contract 18088: Ruakura Reservoir Construction up to \$200,129.10, which can be offered within the Approved Contract Sum for this contract;*
- c) notes that the settlement for COVID-19 related Level 4 and Level 3 costs for Contract 18532: Peacocke SH3/Ohaupo Road Roundabout will be \$359,172.91 and that a public excluded report will be brought to the 18 June Strategic Growth Committee meeting seeking a formal increase to the Approved Contract Sum; and*
- d) notes that the decision and information in relation to this matter be released at the appropriate time, to be determined by the Chief Executive.*

Minute Note 17/08/2022:

On 17/08/2022 the following resolutions were determined to be released to the public via these minutes and the quarterly update.

Rubbish and Recycling Kerbside Collection Contract Extension

Resolved:

That the Finance Committee:

- a) receives the report;*
- b) approves the extension of Contract 0201 – Weekly Kerbside Refuse Collection and Disposal, Contract 0202 – Weekly Kerbside Recycling Collection, Contract 07030 HCC Facilities Collection and Contract 0203 for Operation and Lease for The Refuse Transfer Station with Waste Management NZ Limited until 30 August 2020;*
- c) approves an increase to the budget within the approved 10 Year Plan for 2020/21 for rubbish and recycling by \$237,000 to cover additional costs associated with the WAM extension;*
- d) notes that a variation to delay the start date of Contract 16234 Rubbish, Recycling and Disposal Agreement with Envirowaste Services Limited, from 1 July 2020 until 31 August 2020 due to the impact of the Covid-19 pandemic, has been approved under Chief Executive delegation; and*
- e) notes that the decision and information in relation to this matter be released to the public at the appropriate time, to be determined by the General Manager Infrastructure Operations.*