
Finance and Monitoring Committee

Komiti Tahua

OPEN MINUTES

Minutes of a meeting of the Finance and Monitoring Committee held in the Council Chamber and via Audio Visual Link , Municipal Building, Garden Place, Hamilton on Tuesday 28 February 2023 at 9.32am. The meeting was opened with a Karakia.

PRESENT

Chairperson Cr Maxine van Oosten
Heamana

Deputy Chairperson Cr Moko Tauariki
Heamana Tuarua

Members

- Mayor Paula Southgate
- Deputy Mayor Angela O’Leary
- Cr Andrew Bydder
- Cr Anna Casey-Cox (exclusively via Audio Visual link)
- Cr Mark Donovan
- Cr Ryan Hamilton
- Cr Melaina Huaki
- Cr Louise Hutt
- Cr Kesh Naidoo-Rauf
- Cr Emma Pike
- Cr Geoff Taylor (exclusively via Audio Visual link)
- Cr Sarah Thomson (exclusively via Audio Visual link)
- Cr Ewan Wilson

In Attendance:

- Lance Vervoort - Chief Executive
- David Bryant - General Manager People and Organisational Performance
- Blair Bowcott - General Manager Growth
- Chris Allen - General Manager Development
- Eeva-Liisa Wright - General Manager Infrastructure Operations
- Helen Paki - General Manager Community
- Julie Clausen - General Manager Strategy and Communication
- Kelly Stokes - Capital Projects Director
- Rebecca Whitehead - Community Services Unit Director
- Tracey Musty - Finance Director
- Katy Nudd – Strategic Performance Manager
- Matthew Bell - Financial Support Services Manager

Quentin Speers - Information Services Business Group Manager
Iain Anderson - Capital Financial Lead

Governance Team: Amy Viggers - Governance Lead
Chantal Jansen & Arnold Andrews - Governance Advisors

The meeting was opened with a Karakia.

1. Apologies – *Tono aroha*

Resolved: (Mayor Southgate/Cr Bydder)

That the apologies for absence from Cr Hutt, early departure for Cr Hamilton, and lateness for Cr Naidoo-Rauf were accepted.

2. Confirmation of Agenda – *Whakatau raarangi take*

Resolved: (Cr Hamilton/Cr Donovan)

That the agenda is confirmed noting that the following items will be taken in the below order at the request of staff:

- i. Item 8 (Capital Portfolio Monitoring Report)
- ii. Item 7 (Financial Performance & Strategy Report to 31 January 2023)
- iii. Item 6 (Non-Financial Service Performance Measures)

3. Declarations of Interest – *Tauaakii whaipanga*

No members of the Council declared a Conflict of Interest.

4. Public Forum – *Aatea korero*

Mr. Roger Stratford spoke to Item 6 - Non-Financial Service Performance Measures.

He spoke to his concerns regarding storm water flooding and Council response times and that he supported the Three Waters Reform program, with the four major entities that could provide extra Government Resource funding for stormwater flooding events. He also suggested Commissioners review Council finances for one year to resolve debt issues.

5. Chair's Report

The Chair spoke to the report, noting this is the first report of the new triennium and that a session was held to enable new members to contribute in discussion, Interpret reports, ask questions related to the Committee and participate fully in the Committee. This session will be repeated in April and all Councillors will be invited. The Chair explained that the Financial Performance & Strategy Report will be discussed in this meeting. Mayor Southgate thanked the Chair and staff for the implementation of the workshop.

Resolved: (Cr Wilson/Mayor Southgate)

That the Finance Committee receives the report.

Item 8 (Capital Portfolio Monitoring report) was taken after item 5 (Chair's Report) at the request of staff.

Cr Naidoo-Rauf joined the meeting (09.39am) during discussion of the above item. She was present when the matter was voted on.

8. Capital Portfolio Monitoring Report

The Capital Financial Lead spoke to the report to inform the Finance and Monitoring Committee on the financial performance of the capital portfolio for the seven months ended 31 January 2023. The following three key points were noted: that the target achievements are all in progress and are on target to be delivered; that it is proposed to add a further \$1.3M to the capital program for 2023 and a further \$3.3M in the next financial year because of the inflation risks in relation to the deferral balances and a 7 % increase has been added; and potential risks to delivery and capital pricing were raised in relation to recovery from Cyclone Gabrielle damages.

The Capital Projects Director introduced themselves to the Committee. The Capital Financial Lead responded to questions from Members concerning figures on page 114 of the report, priorities set in the Long Term Plan funding investment, insurance costs, long term deferrals, Biking & Mobility costs as well as capex and opex costs.

Staff Action: *Staff undertook to include a table in future Capital Portfolio Monitoring Reports that outlines which future year projects that are deferred will be completed in.*

Resolved: (Cr van Oosten/Cr Hamilton)

That the Finance and Monitoring Committee receives the report.

6. Financial Performance & Strategy Report to 31 January 2023 (Recommendation to Council)

The Finance Director spoke to the report on Council's financial performance and strategy for the period ended 31 January 2023 and that the Finance and Monitoring Committee recommend to Council the significant forecast adjustments and the capital movement set out in the Report. She noted accounting and balancing the books results, interest received in the evaluation of the Housing Infrastructure Fund (HIF) loan, increase in the floating lending cost rates, additional costs for the next six months particularly in relation to Cyclone Gabrielle and deferrals of capital projects and forecasting on capital revenue.

She responded to questions from Members concerning risks on delivery to projects, forecast on the end of the loan term, adjustments for floating and fixed rates flexibility, drop in rates income, rates payment practices and procedures, early development projections, investigations into earlier repayment of Three Waters Reform funds, the net impact of hedging practices over the long-term as well as the hedging gains and losses.

Resolved: (Cr van Oosten/Cr Tauariki)

(Recommends that the Council)

That the Finance and Monitoring Committee receives the report.

That the Finance and Monitoring Committee recommends that the Council:

- a) approves the capital movement as identified in paragraph 32 of the 31 January 2023 Capital Portfolio Monitoring Report;
- b) approves the significant forecast adjustments as set out in paragraphs 58 to 59 of the staff report; and
- c) approves the revised Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 61 to 63 of the staff report.

Deputy Mayor O'Leary left the meeting (10.26am) during discussion of the above item. She was present when the matter was voted on.

Item 6 (Non-Financial Service Performance Measures) was taken after Item 7 (Financial Performance & Strategy Report to 31 January 2023) at the request of staff.

6. Non-Financial Service Performance Measures

The General Manager Strategy and Communication spoke to the report noting the Non-Financial Service Performance results for the six months between July 2022 - December 2022 as related to year two of the 2021-31 Long Term Plan that commentary was assigned to each measure in relation to current performance year-to-date, and its expected year-end position.

A summary of the projected year end position by activity was provided; the impact COVID-19 restrictions in the last two years have impacted on Council's ability to meet stated levels of service.

The priority targets, activities, performance measures and key highlights for each activity for the Non-financial Service Performance Measures were presented.

Staff Action: *Staff undertook to provide detail on the complexity and improvements already made in the building area.*

Resolved: (Cr van Oosten/Cr Tauariki)

That the Finance and Monitoring Committee:

- a) receives the report; and
- b) notes that the next six-monthly update will be presented as part of the 2021/22 Annual Report.

7. Resolution to Exclude the Public

Resolved: (Cr Wilson/Deputy Mayor O'Leary)

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. Direct Appointment Lido Pool Plant and Pipework Renewals) Good reason to withhold) information exists under) Section 7 Local Government	Section 48(1)(a)
C2. Information Services - Gartner Contract) Official Information and) Meetings Act 1987)	
C3. Information Services - Cornerstone Contract Renewal		
C4. Information Services - Cloud Hosting Contract		
C5. Report on overdue debtors		

as at 31 January 2023 and
Debt write-offs 2022/23

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 enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h) Section 7 (2) (i)
	to enable Council to carry out negotiations	
Item C2.	to enable Council to carry out negotiations	Section 7 (2) (i)
Item C3.	to enable Council to carry out negotiations	Section 7 (2) (i)
Item C4.	to enable Council to carry out negotiations	Section 7 (2) (i)
Item C5.	to protect the privacy of natural persons	Section 7 (2) (a)
	to maintain the effective conduct of public affairs through protecting persons from improper pressure or harassment	Section 7 (2) (f) (ii)

The meeting went into a Public Excluded session at 11.02am.

The meeting was declared closed at 12.03 pm.

Minute Note 7/08/2023:

On 7/08/2023 the following resolutions were determined to be released to the public via these minutes and the quarterly update

C1. Direct Appointment Lido Pool Plant and Pipework Renewals

Resolved:

That the Finance and Monitoring Committee:

- a) receives the report;*
- b) approves a direct appointment for the procurement of the filtration unit, associated plant equipment and services, and replacement of pipework associated with the renewal of the lido pool plant equipment;*
- c) approves the budget for this project from the Renewals & Compliance Capital Programme;*
- d) delegates authority to the Chief Executive to approve requisite contract/s; and*
- e) notes that the decision and information in relation to this matter be released at the appropriate time, to be determined by the Chief Executive.*

C2. Information Services - Gartner Contract

Resolved:

That the Finance and Monitoring Committee:

- a) receives the report;*
- b) approves the contract variation of the Gartner Australasia Pty Limited for the procurement consultation services for the period of 24 months to 30 June 2025, at a value of no greater than \$170,000 based on negotiations to date;*
- c) delegated authority to the General Manager Customer, Technology and Transformation to finalise and execute the above contract; 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.*

C3. Information Services - Cornerstone Contract Renewal

Resolved: (Cr van Oosten/Mayor Southgate)

That the Finance and Monitoring Committee:

- a) receives the report;*
- b) approves the contract renewal of the Cornerstone OnDemand Limited for the period of 24 months to 27 March 2025, at a value of no greater than \$370,000 based on negotiations to date;*
- c) delegates authority to the General Manager Customer, Technology and Transformation to finalise and execute the above contracts: 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.*