

HUTT CITY COUNCILFINANCE AND AUDIT COMMITTEE

Report of a meeting held in the Hutt City Council Chambers,  
2nd Floor, 30 Laings Road, Lower Hutt on  
**Thursday 29 September 2016 commencing at 5.30pm**

---

- PRESENT:**
- |                                |                        |
|--------------------------------|------------------------|
| Cr C Barry                     | Deputy Mayor D Bassett |
| Cr L Bridson                   | Cr M Lulich            |
| Cr C Milne                     | Cr M Shierlaw (Chair)  |
| Mayor WR Wallace (from 6.28pm) |                        |
- APOLOGIES:** An apology for lateness was received from Mayor WR Wallace.
- IN ATTENDANCE:**
- Cr B Branch
  - Cr A Finlayson
  - Cr T Lewis
  - Cr G McDonald
  - Cr M Willard (part meeting)
  - Mr T Stallinger, Chief Executive
  - Mrs J Raffills, General Manager, Governance and Regulatory (part meeting)
  - Mr M Reid, General Manager, Community Services (part meeting)
  - Mr B Kibblewhite, Chief Financial Officer
  - Mr D Newth, Financial Accounting Manager
  - Ms D Clarkson, Content and Service Development Manager (part meeting)
  - Ms L Chalmers, Computer Clubhouse Co-ordinator (part meeting)
  - Mr T Johnson, Computer Clubhouse Co-ordinator (part meeting)
  - Ms K Stannard, Divisional Manager, Secretariat Services (part meeting)
  - Mrs A Doornebosch, Committee Advisor

PUBLIC BUSINESS1. APOLOGIESRESOLVED:

Minute No. FandA 16401

*"That the apology received for lateness from Mayor Wallace be accepted."*

## 2. PUBLIC COMMENT

There was no public comment.

## 3. PRESENTATION

### Presentation on Libraries Clubhouse Teen Summit Travel

The Content and Service Development Manager noted that at the last Committee meeting, members requested attendees and chaperones to the Teen Summit to Boston in July 2016, provide a presentation to the Committee upon their return to New Zealand.

The Computer Clubhouse Co-ordinator for Taita noted the Clubhouses were part of the North East Initiative contributing to the community. He highlighted the Clubhouses were open for 10 to 18 year olds and located both in Taita and Naenae. He advised the Teen Summit objective was to foster global youth leadership. He noted Mr Eru Kapa's apologies, who forwarded his appreciation to Council for the opportunity to attend.

The Computer Clubhouse Co-ordinator for Naenae noted the format of the Summit was based on subject 'tracks' fostering sensitive positive action, increasing self-determination, and strengthening teamwork skills. She said attendees from the Clubhouses had benefitted greatly from their attendance, immersing themselves in other cultures, and organising campaigns that assisted local communities. She thanked Council for their assistance.

Mr Ben Pomare, Mr Michael Sanders and Mr Joel Alheit as attendees to the Summit, noted their highlights and the work they had undertaken during the Summit. They highlighted the importance of connections made with different cultures and the establishment of international links between Clubhouse members. They said their attendance had raised their expectations of what they could achieve and thanked Council for the opportunity.

Deputy Mayor Bassett said the purpose of his query in May was to see if Council could deliver this training, to provide more opportunities for members of the local community. He noted he could now clearly see a lot of other advantages for Clubhouse members attending, and was happy for this travel to continue.

The Chair noted the high standard for attendees to be selected, which demonstrated a good cost investment to ratepayers. He thanked the Co-ordinators and attendees for the presentation and said this gave members confidence to continue the programme.

## 4. CONFLICT OF INTEREST DECLARATIONS

Cr Milne declared a conflict of interest in relation to item 5a, Report on Seaview Marina Limited for the Year Ended 30 June 2016, and took no part in discussions or voting on this matter.

Cr Cousins declared a conflict of interest in relation to item 5b, Report on Hutt City Community Facilities Trust for the Year Ended 30 June 2016, and took no part in discussions or voting on this matter.

Deputy Mayor Bassett and Cr Finlayson declared conflicts of interest in relation to item 5c, Report of UrbanPlus Limited for the Year Ended 30 June 2016, and took no part in discussions or voting on this matter.

**5. RECOMMENDATIONS TO COUNCIL - 29 September 2016**

a) Report on Seaview Marina Limited for the Year Ended 30 June 2016 (16/1067)

Cr Milne declared a conflict of interest in and took no part in discussions or voting on the matter.

Mr Brian Walshe, Chairman of Seaview Marina Limited ('SML') highlighted the good results for the company for the year. He noted the focus on health and safety, the improved occupancy at the Marine Centre, and the completion of Pier H as part of the capital development programme. He noted marine berth occupancy had not progressed as expected, and SML had not yet secured a café operator for the marina.

Mr Alan McLennan, Chief Executive Officer of SML, noted the year had been the most successful in 14 years of trading with all income streams, except the launching ramp improving over the year. He advised the Marine Centre only had one remaining unit to be leased.

In response to a question from a member, Mr Andy Burns, Audit Director from Audit New Zealand understood the audit opinion had been issued.

In response to a question from a member, Mr Walshe said other possibilities were being explored for the development of a café at the Marina.

**RECOMMENDED:**

**Minute No. FandA 16402**

*"That the Committee recommends that Council receives the Annual Report for Seaview Marina Limited for the year ended 30 June 2016 attached as Appendix 1 to the report."*

- b) Report on Hutt City Community Facilities Trust for the Year Ended 30 June 2016 (16/1107)

Cr Cousins declared a conflict of interest in relation and took no part in discussions or voting on the matter.

Mr Alister Skene, Chairperson of the Hutt City Community Facilities Trust ('CFT') noted the Walter Nash Stadium visitor numbers had grown to approximately 60,000 per month. He said the Walter Mildenhall project was on track for completion by November 2016. He advised Fraser Park project Phase Two was in the fundraising stage, with an agreed design and construction quote to be finalised. He noted the Stokes Valley Hub was on schedule for construction in October/November 2016.

Mr Andy Burns, Audit Director from Audit New Zealand confirmed the audit opinion had been issued for CFT.

In response to questions from members, Mr Skene noted that required fundraising for the Fraser Park project Phase Two was \$1.4M which he expected to be raised by December 2016. He acknowledged CFT would need to formalise a business case to Council for the tenancy of Fraser Park.

In response to a question from a member, Mr Peter Healy, the General Manager of CFT, advised members of the public would need to be invited into the Walter Mildenhall facility, if they were not members of the Bowling Club.

Mayor Wallace joined the meeting at 6.28pm

**RECOMMENDED:**

**Minute No. FandA 16403**

*"That the Committee recommends that Council receives the Annual Report for the Hutt City Community Facilities Trust (CFT) for the year ended 30 June 2016, attached as Appendix 1 to the report."*

c) Report on UrbanPlus Limited for the Year Ended 30 June 2016 (16/1106)

Deputy Mayor Bassett and Cr Finlayson declared conflicts of interest and took no part in discussions or voting on the matter.

Mr Brian Walshe, Chairman of UPL noted the Annual Report was still awaiting sign off by Audit New Zealand. He highlighted UPL had achieved an operating surplus of \$163k, with a strong focus on health and safety. He noted no new property acquisition had occurred, and the Laings Road property had not yet sold.

Mr Craig Walton, Chief Executive Officer of UPL said the focus since February 2016 had been on managing a consistent rental business, and disposing of a number of older assets in the social housing portfolio. He advised UPL was working with Council officers and ecologists to progress the Shaftsbury Grove development further, planning for the construction season in September 2017. He noted the Fairfield development was awaiting resource consent, with construction expected for the New Year.

Mr Andy Burns, Audit Director from Audit New Zealand advised he expected the audit would be completed over the next week.

In response to questions from members, Mr Walton said the timing for construction to increase stock numbers was expected to commence in the latter half of 2017. He noted UPL had utilised the bouyant property market to sell some of their portfolio. He said tenants who were required to relocate due to this were not low income tenants. He advised where tenants had requested to stay with UPL, they had been relocated to other UPL units, and he was unaware of any rental fees rising as a result of this. He said the social portfolio waiting list was between 50-100 tenants, noting that some tenants on the waiting list were not always available to take accommodation when offered. He considered investment opportunities in Housing New Zealand properties did not demonstrate good investment of time and effort and considered this issue should be addressed at central government level.

In response to a question from a member, the Chief Financial Officer advised he would enquire why the surplus before tax increased after tax.

**RECOMMENDED:**

**Minute No. FandA 16404**

*"That the Committee recommends that Council:*

- (i) *notes the draft Annual Report for UrbanPlus Limited attached as Appendix 1 to the report, and authorises the Chair of the Finance and Audit Committee and the Chief Financial Officer to approve any changes that may be needed following the completion of the audit; and*
- (ii) *receives the final Annual Report (including any agreed auditor recommended changes) for UrbanPlus Limited for the year ended 30 June 2016."*

- d) Hutt City Council Annual Report to 30 June 2016 (16/1097)

The Chief Financial Officer highlighted the Council's Annual Report had not yet received final sign off from Audit New Zealand, due to complexities with the UrbanPlus Lyd strategic property purchases. He noted the financial impact statements had changed, the most significant being the revaluation of financial instruments. He highlighted the remuneration note in the salary range table would also require amendment to show salaries earned rather than salary level.

**RESOLVED:**

**Minute No. FandA 16405**

*"That the Committee:*

- (i) *recommends that once the following outstanding items have been resolved:*

- a. finalisation and then review of the consolidated tax note;*
- b. review of the Salary Range table in the Remuneration note;*
- c. completion of any final audit adjustments;*
- d. receipt of final audit clearance and audit opinion; and*
- e. completion of final edit checking; and*

- (ii) *recommends that Council:*

- a. approves the Annual Report and Summary Annual Report for the year ended 30 June 2016;*
- b. notes that:*
  - (i) a public notice will be published in the Hutt News advising of the availability of the Summary Annual Report;*
  - (ii) copies will be made available in the City's libraries, at the Customer Service Centre and on Council's website;*
  - (iii) copies will be posted to rural ratepayers who may not receive the Hutt News;*
  - (iv) an alert will be sent to our 1,300 e-newsletter subscribers; and*
- c. appoints a subcommittee consisting of Mayor Wallace, Deputy Mayor Bassett and Cr Shierlaw as Chair of the Finance and Audit Committee to sign off the final documents."*

The Chair declared the meeting closed at 6.52 pm.

Cr M Shierlaw  
**CHAIR**

**CONFIRMED as a true and correct record**  
**Dated this 6<sup>th</sup> day of October 2016**