

HUTT CITY COUNCILFINANCE AND PERFORMANCE COMMITTEE

Minutes of a meeting held in the Council Chambers,
2nd Floor, 30 Laings Road, Lower Hutt on
Wednesday 27 September 2017 commencing at 5.30pm

PRESENT: Cr G Barratt Cr C Barry
Cr MJ Cousins (until 7.12pm) Cr S Edwards
Cr M Lulich Cr C Milne (Chair)
Cr L Sutton Mayor WR Wallace (until 6.16pm)

APOLOGIES: Apologies were received from Deputy Mayor Bassett and Cr Briggs. Apologies for early departure were received from Mayor Wallace and Cr Cousins

IN ATTENDANCE: Mr T Stallinger, Chief Executive
Mr G Craig, Acting General Manager, Strategic Services (part meeting)
Ms H Oram, Acting General Manager, Governance and Regulatory (part meeting)
Mr B Kibblewhite, Chief Financial Officer
Mr T Johnstone, Team Leader, Resource Consents (part meeting)
Mr R Govinda, Manager Environmental Health (part meeting)
Mr G George, Manager, Trade Waste (part meeting)
Mr P Healy, General Manager, Hutt City Community Facilities Trust (part meeting)
Mrs A Doornebosch, Committee Advisor

PUBLIC BUSINESS1. APOLOGIES

RESOLVED: (Cr Milne/Cr Sutton)

Minute No. FPC 17401

"That the apologies received from Deputy Mayor Bassett and Cr J Briggs and the apologies for early departure from Mayor Wallace and Cr Cousins be accepted and leave of absence be granted."

2. PUBLIC COMMENT

There was no public comment.

3. CONFLICT OF INTEREST DECLARATIONS

Cr Cousins declared a conflict of interest in relation to item 4 a) Report on Hutt City Community Facilities Trust for the Year Ended 30 June 2017 and took no part in discussion or voting on the matter.

Cr Milne declared a conflict of interest in relation to item 4 b) Report on Seaview Marina Limited for the Year Ended 30 June 2017 and took no part in discussion or voting on the matter.

PRECEDENCE OF BUSINESS

RESOLVED: (Cr Milne/Mayor Wallace)

Minute No. FPC 17401

That, in terms of Standing Order 10.4, precedence be accorded to item 4d) Report on Special Consultative Procedure to Establish New Fees under the Resource Management Act, and item 5, Sale and Supply of Alcohol (Fees) Regulations 2013 – Regulation 19 (1) – Reporting by Territorial Authorities.”

These items are recorded in the order in which they are listed on the order paper.

4. RECOMMENDATIONS TO COUNCIL - 10 October 2017

- a) Report on Hutt City Community Facilities Trust for the Year Ended 30 June 2017 (17/1301)

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

Ms Kirsten Patterson , Chairperson of Hutt City Community Facilities Trust (CFT) and Mr Peter Healy, General Manager, CFT provided a presentation on recent developments completed and underway by CFT.

The Chief Financial Officer noted the audit for the CFT Annual Report had been completed, with an unmodified audit opinion received. He highlighted the final audit opinion from Audit New Zealand was not yet available, and that this would be included in the final CFT Annual Report submitted to the Council meeting to be held on 10 October 2017.

Mayor Wallace expressed gratitude to Ms Patterson and Mr Healy for their contributions towards the CFT projects. He noted the Walter Mildenhall Bowling Centre would be a highly valued community and sporting facility.

RECOMMENDED: (Cr Milne/Mayor Wallace) **Minute No. FPC 17402**

"That the Committee recommends that Council receives the final Annual Report (inclusive of the audit opinion) for the Hutt City Community Facilities Trust for the year ended 30 June 2017, attached as Appendix 1 to the report."

b) Report on Seaview Marina Limited for the Year Ended 30 June 2017
(17/1300)

Cr Milne declared a conflict of interest and took no part in discussion or voting on the matter. Cr Milne vacated the Chair and Cr Barry assumed the Chair for the duration of the matter.

Mr Brian Walshe, Board Chairman of Seaview Marina Limited (SML) noted the highlights for the year. He noted the increased income from the hardstand, a stronger focus on health and safety initiatives and the development of a café at the marina. He advised the November 2016 earthquake had created some additional expenses not planned for.

Mr Alan McLellan, Chief Executive of SML considered the last year had been the most successful during his tenure. He highlighted the marketing to the Chatham Islands was a key to the hardstand success. He advised the Marine Centre was showing a good return and the commercial diesel sales had doubled in net income. He further highlighted the Clean Green Marina facility achievement.

The Chief Financial Officer noted the audit for the SML Annual Report had been completed, with an unmodified audit opinion received. He highlighted the audit opinion from Audit New Zealand was not yet available, and that this would be included in the final SML Annual Report submitted to the Council meeting to be held on 10 October 2017.

In response to questions from members, the Chief Executive of SML advised that engineering assessors had detected no damage to the breakwater from the November 2016 earthquake. He said the Clean Marina status was at risk from the recent diesel contamination at the marina. He noted this put at risk years of investment by the Marina and if lost would impact on foreign yachts planning their itineraries around New Zealand.

The Manager, Trade Waste elaborated on the current contamination concerns within the marina area. He noted varying degrees of contamination over the last 20 years, and that the current intensity was higher. He advised there were approximately 60-70 businesses within the Seaview/Gracefield area using drainage pipes to the marina. He highlighted the source of pollutants were difficult to track as flows were limited by the outgoing tide. He noted two issues recently located but that these would not be the sole contributors.

In response to questions from members, the Manager, Trade Waste considered the contamination source was likely an infrastructure issue at one or more of the businesses on the pipe network. He said that a Gross Pollutant Separator Device would provide the ability to uplift oil or diesel and also plastic which was an ongoing problem in the area. He advised penalty provisions were included under the resource management legislation including abatement notices, infringement fines and prosecution. He noted officers liaised with businesses throughout

the catchment on an ongoing basis, and considered the current issue was unlikely to be deliberate. He said a long term solution would require specialist consultants to consider options available.

RECOMMENDED: (Cr Barry/Mayor Wallace) **Minute No. FPC 17403**

"That the Committee recommends that Council receives the final Annual Report (inclusive of the audit opinion) for Seaview Marina Limited for the year ended 30 June 2017, attached as Appendix 1 to the report."

RESOLVED: (Mayor Wallace/Cr Sutton) **Minute No. FPC 17404**

"That the Committee:

- (i) asks officers for an urgent update and report on the diesel spill issue in the Seaview Marina area;*
- (ii) asks officers to provide an estimate of costs for the purchase of a Gross Pollutant Separator device; and*
- (iii) asks officers to continue efforts to investigate breaches of the Resource Management Act, to ensure the future protection of the Seaview Marina area."*

c) Report on UrbanPlus Limited for the Year Ended 30 June 2017 (17/1304)

Mr Dan Moriarty, the Acting Chief Executive of UrbanPlus Limited (UPL) provided a presentation.

In response to questions from members, Mr Brian Walshe, Chair of the UPL Board said future financial reports could separate property management and council asset management data. He said the piece of land located near Avalon Park was a significant profit opportunity in the development of the site, so had not been tendered for public purchase.

In response to a question from a member, the Chief Financial Officer noted that Bell Park had been included in the amount for assets sales in the Long Term Plan as a potential future sale.

The Chief Financial Officer noted the audit of the Annual Report was not yet finalised. He advised this would be completed in the near future. He said the final Annual Report for UPL would be submitted to the Finance and Performance Committee and Council to be held on 18 October 2017.

RESOLVED: (Cr Milne/Cr Barratt)

Minute No. FPC 17405

"That the Committee:

- (i) notes the draft Annual Report for UrbanPlus Limited (UPL) for the year ended 30 June 2017 attached as Appendix 1 to the report; and*
- (ii) notes that the final Annual Report for UPL for the year ended 30 June 2017 will be submitted to the Finance and Performance Committee and Council meetings to be held on 18 October 2017."*

- d) Report on Special Consultative Procedure to Establish New Fees Under Resource Management Act (17/1362)

The Team Leader, Resource Consents elaborated on the report. He advised the new processes under the Resource Management Act were designed to be more efficient and less expensive for applicants. He highlighted the report initiated the consultation process to introduce these new fees.

Mayor Wallace noted once the consultation process was completed, enhanced procedures would be in place to streamline the process and provide officers more flexibility.

RECOMMENDED: (Cr Milne/Cr Cousins)	Minute No. FPC 17406
<i>“That the Committee recommends that Council:</i>	
<ul style="list-style-type: none"> <i>(i) approves the special consultative procedure attached as Appendix 1 to the report; and</i> <i>(ii) appoints a Subcommittee to hear submissions on the proposed fees and make a recommendation to Council, for the following reasons:</i> <ul style="list-style-type: none"> <i>(a) Council is required to process the new application types created by the Resource Legislation Amendment Act;</i> <i>(b) Council can set fees to recover the costs of processing applications under the Resource Management Act, and this is consistent with its current approach to cost recover the actual time spent on resource consent applications and reduce the level of rates contribution to operating costs;</i> <i>(c) the proposed fees reflect the intention of the Resource Legislation Amendment Act to provide quicker and more cost-effective consenting pathways for the public; and</i> <i>(d) the special consultative procedure will follow the requirements set out in section 83 of the Local Government Act 2002.”</i> 	

5. **SALE AND SUPPLY OF ALCOHOL (FEES) REGULATIONS 2013 - REGULATION 19(1) - REPORTING BY TERRITORIAL AUTHORITIES (17/1383)**

Memorandum dated 7 September 2017 by the Manager Environmental Inspections

The Manager Environmental Inspections elaborated on the memorandum.

In response to questions from members, the Manager Environmental Inspections advised no other local authorities currently recovered all costs in relation to the enforcement and management of the Sale and Supply of Alcohol Regulations. He noted any increase in costs to operators may be passed on to the public through alcohol sales. He said no Council Inspector time or overhead costs were included in the cost recovery fees. He highlighted that more efficient enforcement could include monitoring activity over peak hour periods at liquor outlets, and follow up with collective agencies. He said this would cost more to undertake. He said officers could include the issue of fees not recovered in costs, in the Annual Report to the Alcohol Regulatory and Licensing Authority and Local Government New Zealand for the next reporting year.

In response to questions from members, the Acting General Manager Governance and Regulatory said analysis could be considered regarding the future cost recovery of these fees. She noted fees were set by law so any change would require an amendment to Council's Bylaw.

Members requested officers investigate future cost recovery relating to the management of the Sale and Supply of Alcohol Regulations.

Mayor Wallace left the meeting at 6.16pm.

RESOLVED: (Cr Milne/Cr Cousins)

Minute No. FPC 17407

"That the Committee approves the publication of a 'table of income versus expenditure' on Council's website showing the alcohol licensing income received from fees payable in relation to, and costs incurred in:

- (a) the performance of the functions of Council's District Licensing Committee under the Sale and Supply of Alcohol Act 2012 (the Act);*
- (b) the performance of the functions of Council's Inspectors under the Act; and*
- (c) the undertaking of enforcement activities under the Act."*

6. **NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY 2017 ANNUAL REPORT** (17/1372)

Report No. FPC2017/4/221 by the Chief Financial Officer

The Chief Financial Officer elaborated on the report. He noted that the Local Government Funding Agency had saved Councils millions in interest costs and provided Council with a small annual dividend.

RESOLVED: (Cr Milne/Cr Edwards)

Minute No. FPC 17408

"That the Committee notes the Local Government Funding Agency 2017 Annual Report attached as Appendix 1 to the report."

7. **2017 STANDARD AND POOR'S CREDIT RATING** (17/1373)

Report No. FPC2017/4/222 by the Chief Financial Officer

The Chief Financial Officer elaborated on the report.

In response to a question from a member, the Chief Financial Officer advised if Council extended its borrowing limits further and continually altered the Financial Strategy, this may not be viewed favourably by Standard and Poor's.

RESOLVED: (Cr Milne/Cr Sutton)

Minute No. FPC 17409

"That the report be noted and received."

8. **FINANCE UPDATE** (17/1419)

Report No. FPC2017/4/243 by the Budgeting and Reporting Manager

The Chief Financial Officer elaborated on the report.

In response to questions from members, the Chief Financial Officer said if asset sales were not achieved on time at forecast levels, then Council may need to borrow earlier than planned. He added that this would be dependant on the extent of deferred operating and capital expenditure. He advised officers could conduct more tests on possible asset sales in relation to timing.

The Chief Executive noted the process regarding budgeting for asset sales included some estimations and ultimately Council would decide whether any asset sales went ahead.

Cr Cousins left the meeting at 7.12pm

RESOLVED: (Cr Milne/Cr Edwards)

Minute No. FPC 17410

"That the Committee notes the financial performance results."

9. **INFORMATION ITEM**

Finance and Performance Work Programme 2017 (17/1218)

Report No. FPC2017/4/123 by the Committee Advisor

The Committee Advisor elaborated on the report. She highlighted the Live Streaming Equipment in Council Chambers report had been deferred to the next Committee meeting to be held on 29 November 2017.

RESOLVED: (Cr Milne/Cr Barratt)

Minute No. FPC 17411

"That the report be noted and received."

10. **QUESTIONS**

There were no questions.

11. EXCLUSION OF THE PUBLIC

RESOLVED: (Cr Milne/Cr Barratt)

Minute No. FPC 17412

"That the public be excluded from the following parts of the proceedings of this meeting, namely:

12. *Strategic Property Update (17/1374)*

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 are as follows:

(A)	(B)	(C)
<i>General subject of the matter to be considered.</i>	<i>Reason for passing this resolution in relation to each matter.</i>	<i>Ground under section 48(1) for the passing of this resolution.</i>
<i>Strategic Property Update.</i>	<i>The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities (s7(2)(h)).</i>	<i>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exist.</i>

This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified in Column (B) above."

There being no further business the Chair declared the meeting closed at 7.20pm and the non-public portion of the meeting finished at 8.12pm.

Cr C Milne
CHAIR

**CONFIRMED as a true and correct record
Dated this 10th day of October 2017**