

HUTT CITY COUNCILFINANCE AND PERFORMANCE COMMITTEE

Minutes of a meeting held in the Council Chambers,  
2nd Floor, 30 Laings Road, Lower Hutt on  
Wednesday 29 November 2017 commencing at 5.30pm

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**PRESENT:**

Cr G Barratt (from 6.01pm)	Cr C Barry
Deputy Mayor D Bassett	Cr M Cousins
Cr S Edwards	Cr M Lulich
Cr C Milne (Chair)	Cr L Sutton

**APOLOGIES:** Apologies were received from Mayor WR Wallace and Cr J Briggs. An apology for lateness was received from Cr G Barratt

**IN ATTENDANCE:**

Mr T Stallinger, Chief Executive  
Mr B Kibblewhite, General Manager, Corporate Services and Chief Financial Officer  
Mr L Allott, Chief Information Officer (part meeting)  
Ms W Moore, Divisional Manager, Strategy and Planning (part meeting)  
Ms E Davids, Risk and Assurance Manager (part meeting)  
Ms J Askin, Corporate Planner (part meeting)  
Ms J Stevens, Business Analyst (part meeting)  
Mrs A Doornebosch, Committee Advisor

PUBLIC BUSINESS1. APOLOGIES

**RESOLVED:** (Cr Milne/Cr Lulich)

**Minute No. FPC 17501 (2)**

*"That the apologies received from Mayor Wallace and Cr Briggs be accepted and leave of absence be granted and the apology for lateness from Cr Barratt be accepted."*

2. PUBLIC COMMENT

There was no public comment.

3. CONFLICT OF INTEREST DECLARATIONS

There were no conflict of interest declarations.

4a) RECOMMENDATIONS TO COUNCIL - 12 December 2017

Long Term Plan 2018-2028 (17/1552)

The General Manager, Corporate Services/Chief Financial Officer elaborated on the report. He noted this was the first report to consider planning around the Long Term Plan (LTP) for 2018-2028. He highlighted the high level budget assumptions, risks, and rate assumptions. He noted that Council's Human Resources Division had indicated Council may need to provide for a 3% wage increase to align with midpoint rates in the market and provide a more consistent Remuneration Policy.

The Corporate Planner highlighted the timeline, consultation process and process structure. She noted the LTP would follow a similar structure to 2015, and was focussed around the four key strategies of Infrastructure, Urban Growth, Environmental Sustainability and Leisure and Wellbeing. She advised officers were aware of groups within the community who were not always well represented, and a Project Team had been formed to focus on these groups.

In response to a question from a member, the General Manager Corporate Services/Chief Financial Officer advised the increase in user charges revenue for infringements for 2017/18 was a reflection of the resumption to normal parking from the one hour free parking initiative.

The Chair noted his additional recommendation would enable members of the public to link in via the livestream network during the LTP submission process.

RECOMMENDED:

(Cr Milne/Deputy Mayor Bassett)

**Minute No. FPC 17502(2)**

*"That the Committee recommends that Council:*

- (i) approves the high level budget assumptions outlined in the report;*
- (ii) notes the key budget risk areas;*
- (iii) provides any further direction required in respect of the 2018-19 budget;*
- (iv) notes the process and timeframe for the development of the Long Term Plan 2018-2028;*
- (v) provides any further direction in respect of the consultation to be undertaken on the Long Term Plan; and*
- (vi) approves an amendment to Council's Standing Orders to enable online public participation during the upcoming Long Term Plan deliberations, specifically live online verbal submissions from the public."*

- b) Revenue and Financing Policy Review for 2018-2028 Long Term Plan (17/1700)

The Divisional Manager Strategy and Planning elaborated on the report. She noted the recent workshop, outlining the rationale and importance of the Revenue and Financing Policy. She highlighted the policy defined the basis for Council fees and charges, and rate levels for the residential and business sectors. She advised a detailed review was undertaken in 2014 of all Council activities, and there were no changes since that review except the recommended items. She noted Council would also need to consider the 10 year differential transition for rates, and that a report on this would be reported to the Committee in February 2018.

The General Manager, Corporate Services/Chief Financial Officer said officers had requested managers revisit and identify any changes from 2014, which were reflected in the recommended items. He noted that Council may have already achieved the target percentage set in 2011/12, so officers may need to consider what the current year's percentage target should be based on. He advised if there were any changes to the Rates Differential Policy, Council would need to consult with the community through the Long Term Plan consultation process.

**RECOMMENDED:**

(Cr Milne/Deputy Mayor Bassett)

**Minute No. FPC 17503 (2)**

*"That the Committee recommends that Council:*

- (i) *approves the proposed amendments to the Revenue and Financing Policy for consultation as part of the Long Term Plan 2018-2028 including:*

- a. *Environmental Health – this will be separated from Environmental Consents but only for assessment of public/other (including private) benefit. It will not be a separate activity; and*
- b. *District Plan – the hearing fee will be changed to ensure Council recovers its costs as currently this is not the case; and*

- (ii) *notes further analysis is required on the continuation or changes to the current 10 year differential transition."*

## c) Equipment in Council Chambers (17/1244)

The Chief Information Officer elaborated on the report. He noted the options which had been considered in terms of cost and the options outlined in the report. He highlighted the recommendation to replace the current livestream camera with a permanent solution, additional microphones and battery chargers, and also the ability for members to provide their presentations on the live screens. He advised Skype for Business (SFB) for 2018 in Council Chambers would cost approximately \$10k to initiate, and was currently in the testing environment.

In response to questions from members, the Chief Information Officer noted officers had reviewed equipment used by Wellington City Council, who had more than one camera in its Chambers. He said this would require a technical person to be present in meetings to provide support. He highlighted SFB had many uses outside of Council meetings, and could be integrated into Council's email and calendar systems. He said SFB would enable officers to distribute a meeting invite with a link to allow people to interact with Council, both internally and externally. He noted SFB would be required to allow the public to lodge online submissions to the Long Term Plan. He advised officers could investigate if live streaming could be linked to Facebook. He said he would consider the provision of a Technical Assistant at future meetings, and permanent charger cables for speakers on the Council Chambers table could also be considered.

Cr Barratt joined the meeting at 6.01pm.

<b>RECOMMENDED:</b> (Cr Milne/Cr Sutton)	<b>Minute No. FPC 17504 (2)</b>
<i>"That the Committee recommends that Council:</i>	
<i>(i) notes that Council has been live-streaming meetings held in the Council Chambers during 2017;</i>	
<i>(ii) notes the statistics provided in Appendix 1 attached to the report on the viewing of meetings;</i>	
<i>(iii) notes the options to upgrade the live-streaming equipment outlined in the report;</i>	
<i>(iv) notes that \$25,000 was allocated in 2017/18 to upgrade the live-streaming equipment in the Council Chambers;</i>	
<i>(v) agrees with the proposed allocation of this funding to cover integration of the live-stream with the current control system, one replacement camera, four additional microphones and a battery charger; and</i>	
<i>(vi) asks that Skype for Business be implemented into Council Chambers in time for the Long Term Plan this coming year."</i>	
<i>For the reason that this is the most cost effective method of improving the quality of the live-stream for viewers of these meetings.</i>	

**RESOLVED:** (Cr Barry/Cr Milne)

**Minute No. FPC 17505 (2)**

*"That the Committee asks officers to further investigate if Council meetings can be livestreamed to Facebook and report back to the Committee in February 2018."*

**5. ACTIVITY REPORT - INFORMATION SERVICES (17/1332)**

Report No. FPC2017/5/7 by the Business Analyst

The Chief Information Officer elaborated on the report. He noted Information Services (IS) activities aligned to the IS Strategy and guidelines for these activities would be published across Council in the future. He highlighted the Cloud environment was now being utilised by many organisations and over the next 2-5 years Council would require a significant investment to move into this technology. He said Cloud software provided access to disaster technology, remote use and provided a secure environment.

In response to questions from members, the Chief Information Officer noted Council used Technology One suite which was an enterprise suite of software for property, ratings, and finance IS services. He said to have a fully integrated system across Council an enterprise suite would be the preferred option. He advised a future focus would be a public information portal to allow the public to interact with Council over various platforms. He noted officers were currently working on the next budget round for the Long Term Plan and additional investment requirements for new developments would be included in those calculations.

**RESOLVED:** (Cr Milne/Cr Edwards)

**Minute No. FPC 17506 (2)**

*"That the Committee:*

- (i) notes the information contained in this report;*
- (ii) notes that this review also meets the intent of section 17A of the Local Government Act 2002; and*
- (iii) agrees that a full section 17A review should not be undertaken at present for the reasons outlined in the report."*

**PRECEDENCE OF BUSINESS**

**RESOLVED:** (Cr Milne/Deputy Mayor Bassett)

**Minute No. FPC 17507 (2)**

*"That, in terms of Standing Order 10.4, precedence be accorded to item 7, Insurance Update."*

This item is recorded in the order in which it is listed on the order paper.

6. **RISK AND ASSURANCE UPDATE AND STRATEGIC RISK REGISTER** (17/1633)

Report No. FPC2017/5/299 by the Risk and Assurance Manager

The Risk and Assurance Manager elaborated on the report. She noted this was an update to members on the internal controls framework and strategic risk profile. She advised treatments and actions had been updated for 2017. She highlighted an increased uncertainty around the Urban Growth Strategy, specifically housing intensification, which may impact on Councils plans and powers. She noted the uncertainties while the new organisational structure was embedded. She advised some treatments were still underway under the natural hazards risks since the 2016 Kaikoura earthquake.

In response to questions from members, the Chief Executive noted at the recent City Development Committee meeting, an update was provided on the Wharves Project. This highlighted that research had identified that any work on the Point Howard Wharf piles may damage the Waiwhetu Acquifer. He noted this was a risk, but the likelihood of such an incident was low. He said risks included in the Risk and Assurance report usually included high level issues that could affect initiatives being successful. He agreed Council needed to mitigate risks relating to the Wharves Project, but considered this would be considered and managed at project level.

**RESOLVED:** (Cr Milne/Deputy Mayor Bassett)

**Minute No. FPC 17508 (2)**

*"That the Committee:*

- (i) notes the information in this report; and*
- (ii) notes the Strategic Risk Profile 2017 as approved by the Strategic Leadership Team, attached as Appendix 1 to the report."*

7. **INSURANCE UPDATE** (17/1734)

Report No. FPC2017/5/304 by the GM Corporate Services and Chief Financial Officer

The General Manager Corporate Services/Chief Financial Officer elaborated on the report. He highlighted that due to the 2016 Kaikoura earthquake New Zealand insurers and some overseas insurers had incurred losses, which had resulted in substantial increases in premiums. He noted an error in his report relating to the Material Damage and Business Interruption Policy. The percentage should be 60%, not 50%. He advised the premiums in the Policy Premiums Changes Table were gross premiums. He said budgets for 2018/19 would need to be increased to accommodate the overall insurance premium increase.

In response to questions from members, the General Manager Corporate Services/Chief Financial Officer advised a review of excess levels had not been considered in this budget round. He said this could be considered for the next insurance renewal round – noting higher risk factors associated with higher excesses. He highlighted over the last 2-3 years Council had had an increase in fleet vehicle insurance claims. He advised GPS systems were installed in all fleet vehicles which also monitored speed rates, and usage was assessed on a periodic basis as part of Council’s Sustainability Policy. He noted the guidelines for the Motor Vehicle Policy included an expected level of utilisation of a vehicle to maintain its retention. He advised pool vehicles were utilised at high levels, while other fleet vehicles assigned to specific work areas did not have the same usage level. He said he would advise further on the motor vehicle accident rate levels.

**RESOLVED:** (Cr Milne/Deputy Mayor Bassett)

**Minute No. FPC 17509 (2)**

*“That the Committee notes the report.”*

8. **FINANCE UPDATE** (17/1732)

Report No. FPC2017/5/298 by the Budgeting and Reporting Manager

The General Manager Corporate Services/Chief Financial Officer elaborated on the report. He noted all aspects of the Treasury Management Policy had been complied with.

In response to questions from members, the General Manager Corporate Services/Chief Financial Officer advised officers had provided for \$1M in asset sales from the potential sale of Bell Park. He advised proceeds from the sale of Mitchell Park were likely to occur in July 2018. He considered the average staff leave balance of 16.5 days was reasonable, and noted current Leave Policy allowed generous carryover balances of accrued leave. He said Divisional Managers worked with staff to manage leave balances and ensure plans were in place to mitigate high leave balances. He advised there was provision in the Leave Policy for employees to cash up up to 5 days leave, as long as this was done in conjunction with taking 2 weeks of leave. He considered wellbeing was a key consideration in providing leave for staff, and 2 weeks of uninterrupted leave was encouraged each year. He noted any staff wanting to work over the Christmas break needed approval from their Manager, but a minimum number of staff would be required to perform essential services and tasks.

RESOLVED: (Deputy Mayor Bassett/Cr Milne)

**Minute No. FPC 17510 (2)**

*"That the Committee notes the financial performance results."*

9. **INFORMATION ITEM**

**Finance and Performance Work Programme 2018** (17/1529)

Report No. FPC2017/5/148 by the Committee Advisor

The General Manager, Corporate Services/Chief Financial Officer elaborated on the report.

RESOLVED: (Cr Milne/Deputy Mayor Bassett)

**Minute No. FPC 17511 (2)**

*"That the programme be noted and received."*

10. **QUESTIONS**

There were no questions.

There being no further business the Chair declared the meeting closed at 6.59 pm.

Cr C Milne  
**CHAIR**

**CONFIRMED as a true and correct record**  
**Dated this 12th day of December 2017**