

HUTT CITY COUNCILFINANCE AND PERFORMANCE COMMITTEE

Minutes of a meeting held in the Council Chambers, 2nd Floor, 30 Laings Road,
Lower Hutt on

Wednesday 26 September 2018 commencing at 5.30pm

PRESENT:

Cr C Milne (Chair)	Cr C Barry (Deputy Chair) (from 5.31pm)
Cr G Barratt	Deputy Mayor D Bassett
Cr J Briggs	Cr MJ Cousins
Cr M Lulich	Cr L Sutton
Mayor WR Wallace	

APOLOGIES: An apology has been received from Cr Edwards and the apology for lateness from Cr Barry.

IN ATTENDANCE: Mr T Stallinger, Chief Executive
Mr L Allott, Chief Information Officer (part meeting)
Mr M de Haast, Chief Financial Officer
Mr P Bensemen, Budgeting and Reporting Manager (part meeting)
Mr D Newth, Financial Accounting Manager (part meeting)
Mr D Bentley, Team Leader Environmental Health (part meeting)
Mr M Sherwood, Divisional Manager, Leisure Active (part meeting)
Mr B Cato, General Counsel (part meeting)
Ms H Clegg, Minute Taker

PUBLIC BUSINESS1. **APOLOGIES**

RESOLVED: (Cr Milne/Mayor Wallace)

Minute No. FPC 18401

"That the apology received from Cr Edwards be accepted and leave of absence be granted and the apology for lateness from Cr Barry be accepted."

Cr Barry joined the meeting at 5.31pm.

2. **PUBLIC COMMENT**

There was no public comment.

3. **CONFLICT OF INTEREST DECLARATIONS**

Deputy Mayor Bassett declared a conflict of interest in relation to item 4iii) Final 2018-2021 Statement of Intent for Urban Plus Group and took no part in discussion or voting on the matter.

Cr Milne declared a conflict of interest in relation to item 4ii) Final 2018-2021 Statement of Intent for Seaview Marina Limited and took no part in discussion or voting on the matter.

Cr Cousins declared a conflict of interest in relation to item 4i) Final 2018-2021 Statement of Intent for Hutt City Community Facilities Trust and took no part in discussion or voting on the matter.

PRECEDENCE OF BUSINESS

In accordance with Standing Order 10.4, the Chair accorded precedence to items 5 through to 11, following item 4i) Final 2018-2021 Statement of Intent for Hutt City Community Facilities Trust.

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

RESOLVED: (Cr Milne/Cr Lulich)

Minute No. FPC 18402

"That, in terms of Standing Order 10.4, precedence be accorded to items 5 through to 11, to follow item 4.i) Final 2018-2021 Statement of Intent for Hutt City Community Facilities Trust."

4. RECOMMENDATIONS TO COUNCIL - 9 October 2018

- i) **Final 2018-2021 Statement of Intent for Hutt City Community Facilities Trust (18/1493)**

Cr Cousins declared an interest in the item and took no part in discussion or voting on the matter.

RECOMMENDED: (Mayor Wallace/Deputy Mayor Bassett)

Minute No. FPC 18403

"That the Committee recommends that Council:

- (i) receives and agrees to the final Statement of Intent for Hutt City Community Facilities Trust for the three year period commencing 1 July 2018, attached as Appendix 1 to the report; and*
- (ii) requests that Hutt City Community Facilities Trust review its additional involvement with Hutt Valley Tennis and if necessary bring an amended Statement of Intent back to Council."*

- ii) **Final 2018-2021 Statement of Intent for Seaview Marina Limited (18/1488)**

Cr Milne declared an interest in the item and took no part in discussion or

voting on the matter.

Cr Barry assumed the Chair.

Crs Barratt and Sutton left the meeting at 6.46pm. Mayor Wallace had left the meeting at 6.15pm.

In response to a question from a member, the Chief Executive advised that representatives from Seaview Marina Limited (SML) were not present at the meeting, as they had attended the previous Committee meeting when the draft Statement of Intent (SOI) was considered.

Cr Milne, as Council's representative on the SML Board, advised that the issue of the breakwater purchase was still outstanding.

RECOMMENDED: (Cr Barry/Cr Cousins) **Minute No. FPC 18404**
"That the Committee recommends that Council receives and agrees to the final Statement of Intent for Seaview Marina Limited for the three year period commencing 1 July 2018, attached as Appendix 1 to the report."

Cr Milne assumed the Chair.

iii) **Final 2018-2021 Statement of Intent for Urban Plus Group (18/1487)**

Deputy Mayor Bassett declared an interest in the item and took no part in discussion or voting on the matter.

Mayor Wallace had left the meeting at 6.15pm and Crs Barratt and Sutton had left the meeting at 6.46pm.

The Chief Executive elaborated on the report. He highlighted that an upcoming workshop had been planned on the strategic direction of Urban Plus Limited (UPL) in relation to the housing situation in the City and reviewing the targets for UPL.

Cr Barry expressed concern with the Statement of Intent (SOI) due to the existing high need for housing and the housing crisis within the City. He advised that it had been seven months since talks had commenced on the issue. He foreshadowed a new motion, that Urban Plus Limited's future structure and Statement of Intent be reviewed as part of the policy work being done on housing and homelessness to help address the housing crisis impacting all people across our City.

MOVED: (Cr Milne/Cr Cousins)

That the Committee recommends that Council receives and agrees to the final Statement of Intent for Urban Plus Group for the three year period commencing 1

July 2018, attached as Appendix 1 to the report.

The motion was declared LOST on the voices, with two votes for and three votes against.

Cr Briggs requested that his dissenting vote be recorded against the motion.

In response to a question from a member, the Chief Executive advised the title of the upcoming workshop was the Housing Strategy and the Strategic Direction of UPL.

Mayor Wallace and Crs Barratt and Sutton rejoined the meeting at 6.57pm.

In response to a question from a member, the General Counsel advised that if a Statement of Intent (SOI) was not agreed to, then all practical steps must be taken to require the SOI be modified.

In response to a question from a member, the Chief Executive advised that the agenda for the upcoming workshop was currently being finalised, with the first item likely to be setting the objectives for the City in terms of housing issues. He added that an update from Housing New Zealand would be included in the workshop. He further added that UPL had a number of substantial projects underway and the intent of the workshop was to work with UPL to ensure the SOI reflected the works being undertaken. This included involvement with Council's Homelessness Strategy.

Mayor Wallace commented that UPL was now achieving its best results and was having success in the marketplace, with a high level of customer satisfaction.

MOVED: (Cr Barry/Cr Briggs)

That Urban Plus Limited's future structure and Statement of Intent be reviewed as part of the policy work being done on housing and homelessness to help address the housing crisis affecting all people across our City.

The motion was declared LOST by Division with the voting as follows:

For

Cr Barry
Cr Briggs
Cr Lulich

Total: 3

Against

Cr Barratt
Cr Cousins
Cr Milne
Cr Sutton
Mayor Wallace

Total: 5

In response to a question from a member, the General Counsel advised that as the motion to agree to the SOI was lost, the result was there was not a recommendation to agree to the SOI from the Committee. If Council also did not

agree to the SOI, it would be required to take all practical steps to modify it. This involved, as a first step, consulting with the Board of UPL on potential amendments.

The meeting was adjourned at 7.11pm.

The meeting reconvened at 7.17pm.

In response to a question from a member, the General Counsel advised that under Standing Order 24.5, a previous motion carried or lost at the same meeting may be altered or modified only where fresh facts or information were received. He noted that 75% of members present at the meeting must agree to the alteration.

5. SALE AND SUPPLY OF ALCOHOL (FEES) REGULATIONS 2013 - REGULATION 19(1) - REPORTING BY TERRITORIAL AUTHORITIES (18/1306)

Memorandum dated 31 July 2018 by the Team Leader Environmental Health

The Team Leader Environmental Health elaborated on the memorandum.

In response to a question from a member, the Team Leader Environmental Health explained there was no control possible over the setting of fees, other than by implementing a bylaw, as they were set by regulation. He added Council's Policy team was currently investigating the possibility of introducing a bylaw to set fees in-house. He further explained that there was a requirement under the Sale and Supply of Alcohol Act to collaborate with all agencies to monitor licensed premises. He noted that the nature of the work necessitated after hours premises visits, which were a costly exercise. He added such visits were made only to targeted premises and that not all premises would be visited.

RESOLVED: (Cr Milne/Cr Barratt)

Minute No. FPC 18405

"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. **EFFECT OF LIVING WAGE ON POOL AND FITNESS FINANCIAL RETURNS**
(18/1450)

Report No. FPC2018/4/259 by the Divisional Manager, Leisure Active

The Divisional Manager, Leisure Active elaborated on the report.

In response to questions from members, the Divisional Manager, Leisure Active advised that revenue was ahead compared to the same time last year, but not quite at the level projected for this year, approximately 5% less than expected. He added that raising the entry fee price to the pool could potentially reduce the number of people attending. He added that officers observed the market rates and entry prices other Councils charged.

Mayor Wallace left the meeting at 5.52pm.

RESOLVED: (Cr Milne/Cr Briggs)

Minute No. FPC 18406

"That the Committee:

(i) receives the information;

(ii) notes that increases to salaries have been allocated for in future budgets and that swimming pools are expected to remain within funding policy guidelines; and

(iii) notes that any proposed fee increases will be considered as part of the annual plan process."

For the reason the information provided indicates that despite the increase in costs associated with the Living Wage Policy, Council will continue to operate within the funding limits set by the Revenue and Financing Policy for swimming pools, if projected budgets are achieved. The report provides options for Council to consider if these limits are breached in the future.

7. **2018 STANDARD AND POOR'S CREDIT RATING** (18/1438)

Report No. FPC2018/4/260 by the Chief Financial Officer

The Chief Financial Officer elaborated on the report.

Mayor Wallace rejoined the meeting at 5.58pm.

RESOLVED: (Cr Milne/Mayor Wallace)

Minute No. FPC 18407

"That the Committee notes and receives the report."

PRECEDENCE OF BUSINESS

RESOLVED: (Cr Milne/Cr Briggs)

Minute No. FPC 18408

"That, in terms of Standing Order 10.4, precedence be accorded to item 10b) TechnologyOne SaaS Project Update"

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

8. **DRAFT 2017/2018 FINANCIAL PERFORMANCE AND POSITION** (18/1467)

Report No. FPC2018/4/261 by the Budgeting and Reporting Manager

The Chief Financial Officer elaborated on the report and gave a presentation on the draft financial performance, position and treasury management.

Mayor Wallace left the meeting at 6.15pm.

In response to a question from a member, the Chief Financial Officer advised that Council operated with fixed interest rates, over various terms, the weighted average term of Council's swap portfolio was approximately three and a half years as at June 2018. He confirmed floating rates were being swapped for fixed interest rates for a fixed term.

RESOLVED: (Cr Milne/Deputy Mayor Bassett)

Minute No. FPC 18409

"That the Committee notes Council's unaudited performance and position for the year ended 30 June 2018."

9. **FINANCE & PERFORMANCE COMMITTEE WORK PROGRAMME 2018** (18/1299)

Report No. FPC2018/4/117 by the Committee Advisor

Mayor Wallace had left the meeting at 6.15pm.

The Chair elaborated on the report.

In response to a question from a member, the Chair agreed that any changes which occurred between reports being received which may impact on the financial situation of Council, would be reported to the Committee. He added that he would ask officers to organise a feedback session after the first new style of report was received by the Committee.

RESOLVED: (Cr Cousins/Cr Lulich)

Minute No. FPC 18410

That the Committee:

- (i) notes and receives the programme;*
- (ii) approves receiving quarterly Finance Update reports from November 2018; and*
- (iii) asks that officers bring to Council's attention as early as possible any material change that may impact on Council's financial performance."*

10. INFORMATION ITEMS

a) 2018-2028 Long Term Plan Audit Report (18/1411)

Memorandum dated 27 August 2018 by the Corporate Planner

Mayor Wallace had left the meeting at 6.15pm.

The Chief Financial Officer elaborated on the memorandum.

In response to a question from a member, the Chief Financial Officer advised that Audit New Zealand did not have concerns that Council's rating system was not operating correctly, but required assurance that the process was carried out according to the Funding Impact Statement, including rates 2018/19.

The Chief Executive added that an audit was useful, as a minor technical error could lead to large issues that were difficult to remedy.

In response to a question from a member, the Chief Executive agreed that some of the Asset Management Plans in operation did require updating. He advised a specialist in-house team had been set up with the task of reviewing all Asset Management Plans, with regular update reports planned for the Committee.

RESOLVED: (Cr Milne/Cr Lulich)

Minute No. FPC 18411

"That Committee notes the findings from the 2018-2028 Long Term Plan audit from Audit New Zealand."

b) TechnologyOne SaaS Project Update (18/1482)

Report No. FPC2018/4/127 by the Chief Information Officer

Mayor Wallace had left the meeting at 6.15pm.

The Chief Information Officer elaborated on the report. He advised that since the report was written, a Project Manager contractor has been appointed, the Project Team was coming together and the Governance Group had been established. He added that an external Quality Assurance (QA) person had been contracted to Council.

In response to a question from a member, the Chief Information Officer advised no elected member would be appointed to the Project Team, it was decided that providing an external QA person would suffice. He added there were no changes proposed to how the information system operated, just the movement of the system into the cloud.

The Chair commented that the obligation was on officers to ensure members were informed if a major issue arose. He added that having an elected member on the Project Team could compromise their position.

RESOLVED: (Cr Milne/Deputy Mayor Bassett)

Minute No. FPC 18412

"That the report be noted and received."

11. QUESTIONS

There were no questions.

There being no further business the Chair declared the meeting closed at 7.27pm.

Cr C Milne
CHAIR

CONFIRMED as a true and correct record
Dated this 9th day of October 2018