
Finance Committee

OPEN MINUTES

Minutes of a Meeting of the Finance Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton on Tuesday 20 September 2016 at 1.30pm.

PRESENT

Chairperson	Cr R Pascoe
Deputy Chairperson	Cr G Mallett
Members	Her Worship the Mayor J Hardaker
	Cr G Chesterman
	Cr M Forsyth
	Cr M Gallagher
	Cr K Green
	Cr A King
	Cr D Macpherson
	Cr A O’Leary
	Cr L Tooman
	Cr E Wilson
	Cr P Yeung

In Attendance:	Richard Briggs – Chief Executive
	David Bryant – General Manager Corporate
	Lance Vervoort – General Manager Community
	Kelvyn Eglinton – General Manager Growth
	Chris Allen – General Manager Infrastructure
	Sean Hickey – General Manager Strategy and Communication
	Sean Murray – Executive Director H3 and Events
	Blair Bowcott – Executive Director Special Projects
	Tracey Musty – Financial Controller
	Andrew Parsons – City Development Manager
	Maire Porter – City Waters Manager
	Emily Botje – Water Asset Manager
	Helen Paki – Community Business Manager
	Renee McMillan – Team Leader Assets and Planning
	Gina Hailwood – Team Leader City Landscapes
	Scott Copeland – Procurement Manager
	Nicolas Wells – Strategic Property Unit Manager
	Malcolm Frethey – Business Analyst

Debbie Lascelles – Acting Unit Manager Community Development and Leisure
Lee Cowan – Communications Unit Manager
Samantha Whittle – Communications Advisor
Jeff Neems – Communications Advisor
Nigel Ward – Communications Advisor
Stephen Standley – Zoo Director
Graham Pollard – Corporate Planning Programme Manager

Andrew Wilson – General Manager Accessible Properties
James Gurnick – Tomkins Wake Associate
Christopher Wilson – PricewaterhouseCoopers (PwC)

Committee Advisors: Mary Birch and Becca Brooke

Prior to the Meeting starting, a minute's silence was observed in remembrance of Samantha Kudeweh

1. Apologies

Resolved: (Crs Pascoe/Mallett)

That the apologies from Cr O'Leary (for lateness) be received and accepted.

2. Confirmation of Agenda

Resolved: (Crs Pascoe/Mallett)

That the Agenda be confirmed, noting that Item 6 (Accessible Properties NZ Limited – Q3 and Q4 Management Accounts and Activity Report) be taken later on in the Agenda to accommodate an external guest presenter.

3. Declarations of Interest

Cr Chesterman declared a conflict of interest in relation to Item 13 (Contract 15433 for a Primary Provider of Legal Services). He would retire from the Meeting prior to this Item being taken.

4. Public Forum

No members of the public wished to speak.

Cr O'Leary joined the Meeting (1.35pm) during the above Item.

5. End of Triennium Chairperson's Report

Cr Pascoe (Chair of the Finance Committee) took the report as read and thanked Elected Members and Staff for their contribution and support to the Committee during the triennium.

Her Worship the Mayor Hardaker acknowledged and thanked Cr Pascoe and Cr Mallett for their service and commitment in their respective roles as Chair and Deputy Chair of the Finance Committee.

Resolved: (Crs Pascoe/Mallett)

That the report be received.

Items 7 (Service Delivery Review Programme 2016/17) and 8 (Recommendations from the PricewaterhouseCoopers Review of Hamilton Zoo) were taken prior to Item 6 (Accessible Properties New Zealand Limited) to accommodate a guest presenter.

7. Service Delivery Review Programme 2016/17

The General Manager Strategy and Communications took the report as read. Staff responded to questions from Committee Members concerning the reporting requirements of Local Authority Shared Services (LASS) and the input Council has had into LASS.

Further clarification was sought on why PwC had found it challenging to benchmark parks and services.

Action:

Committee Members requested that staff liaise with LASS on reporting timeframes and expectations from Council in relation to providing regular update reports.

Resolved: (Her Worship the Mayor Hardaker/Cr Tooman)

That the report be received.

8. Recommendations from the PricewaterhouseCoopers review of Hamilton Zoo

The Chief Executive(CE) took the report as read and introduced James Gurnick of Tompkins Wake who provided Committee Members with an overview of the court proceedings and sentencing outcome in relation to the Worksafe New Zealand prosecution against Council.

Staff and Mr Gurnick responded to questions from Committee Members concerning payments made to Mrs Kudeweh's family.

The CE advised that \$116,000 had been paid to the family in addition to the fine and payment for consequential loss to the Kudeweh children handed down by the Court. Most of the additional payments made to the Family were discretionary and not required by law. The CE noted that he had both a responsibility to Mrs Kudeweh's family and also to the ratepayers and had done his best to try and balance the two.

An itemised list of the additional payments made to the family was tabled at the Meeting.

The CE then introduced Christopher Wilson from PricewaterhouseCoopers (PwC) who outlined the auditing process and key outcomes and recommendations of the PwC review of the Zoo. Mr Wilson, along with staff, responded to questions from Committee Members concerning the PwC recommendations; specifically around ensuring continuation of auditing the safety measures and implementation of the PwC recommendations at the Zoo.

Committee Members discussed the various risks for Council and staff and the public associated with the Zoo.

Motion: (Crs Forsyth/Tooman)

That:

- a) the report be received;
- b) Council approves funding for an additional 9.12 FTE at Hamilton Zoo. Additional budget of \$302,000 is to be included in the Risks and Opportunities Schedule for the remainder of the 2016/17 year and \$515,000 to be allocated in the 2017/18 Annual Plan;
- c) Council considers the draft Zoo Master Plan for public consultation at the relevant Committee by April 2017; and
- d) the recommendations from the PwC report be added to the Audit and Risk Committee's audit recommendations report.

e)

Amendment: (Crs Chesterman/Macpherson)

That:

- a) the report be received;
- b) Council approves funding for an additional 9.12 FTE at Hamilton Zoo. Additional budget of \$302,000 is to be included in the Risks and Opportunities Schedule for the remainder of the 2016/17 year and \$515,000 to be allocated in the 2017/18 Annual Plan;
- c) Council considers the draft Zoo Master Plan for public consultation at the relevant Committee by April 2017;
- d) the recommendations from the PwC report be added to the Audit and Risk Committee audit recommendations report; and

- e) the Council makes a further ex gratia payment to Billy and Sage Kudeweh's Trust of \$80,000.

Those for the Amendment: Councillors Gallagher, Green,
Chesterman, Yeung, O'Leary and
Macpherson.
Those against the Amendment: Her Worship the Mayor Hardaker,
Councillors King, Wilson, Forsyth, Pascoe,
Mallett and Tooman.

The Amendment was declared lost.

The Motion was then put and declared carried.

Resolved: (Crs Forsyth/Tooman)

That:

- a) the report be received;
- b) Council approves funding for an additional 9.12 FTE at Hamilton Zoo. Additional budget of \$302,000 is to be included in the Risks and Opportunities Schedule for the remainder of the 2016/17 year and \$515,000 to be allocated in the 2017/18 Annual Plan;
- c) Council considers the draft Zoo Master Plan for public consultation at the relevant Committee by April 2017; and
- d) The recommendations from the PwC report be added to the Audit and Risk Committee Audit recommendations report.

6. Accessible Properties New Zealand Limited - Q3 and Q4 Management Accounts and Activity Report

The Financial Controller introduced the item, noting that the report covered off two main areas (financial and legal obligations). Councils debt was secure and Accessible Properties New Zealand Ltd were delivering what was required of them under the contract.

The Financial Controller introduced Andrew Wilson (General Manager Accessible Properties) and they responded to questions from Committee Members concerning the agreement between Accessible Properties and HCC, the current waitlist for the properties, the turnover of tenants, the reasons for them leaving and the percentage of tenants qualifying for large subsidies.

Resolved: (Crs Chesterman/Mallett)

That the report be received.

The Meeting adjourned 3.55pm – 4.10pm.

6. Business Case for Rubbish and Recycling Service Change

The General Manager City Infrastructure and Water Assets Manager introduced the item, noting that the purpose of the report was for approval to proceed with public engagement. This would be through a special consultative process over a proposed change to the level of service for rubbish and recycling services.

Staff responded to questions from Committee Members concerning working group outcomes. The rubbish and recycling working group had worked through a number of different issues and options including frequency of collection, user responsibilities and education, bin types, future proofing, high density areas, elderly assistance, and providers.

Committee Members raised concerns about the timing of the proposed consultation period and also around the communication of the business case for rubbish and recycling service change to the public.

Further work needed to be carried out in terms of a statement of proposal document and around the communication to the public of the business case.

Resolved: (Her Worship the Mayor Hardaker/Cr O'Leary)

That:

- a) the report be received;
- b) That:
 - (i) the draft business case for a rubbish and recycling service change (based on option 24) is approved for the purposes of undertaking community engagement;
 - (ii) engagement with the community using a special consultation process is carried out from 17 October till 30 November 2016;
 - (iii) that staff report back to Council no later than March 2017 to approve the final business case incorporating the outcome of the public engagement;
- c) a statement of proposal document is to be developed with the assistance of the working group and to be agreed prior to 8 October 2016, and it is to exclude consultation on funding mechanism options;
- d) the collection of bins is to exclude the kitchen caddy; and
- e) a media briefing on the report received by this Committee today is to be held tomorrow, to ensure the media have sufficient background information on the substance of the report.

Cr Chesterman retired from the Meeting (5.40pm) at the conclusion of the above Item. He was present when the matter was voted on.

7. Election Period Infrastructure Contract Delegations

The report was taken as read.

Resolved: (Her Worship the Mayor Hardaker/Cr Forsyth)

That:

- a) the report be received;
- b) the Chief Executive is delegated to award Contract 16036 for the supply of pipes and installation for the Hamilton South Water Reservoir Bulkmain Duplication project subject to the total Approved Contract Sum not exceeding \$8,000,000;
- c) the Chief Executive is delegated to award Contract 15424 for the supply of pipes and installation for the Rotokauri Far Western Waste Water Interceptor project subject to the Approved Contract Sum not exceeding \$7,574,000;
- d) the Chief Executive is delegated to approve a land purchase agreement for the Gower land to be used for the Rotokauri Stormwater swale as shown on Attachment 1 up to a maximum of \$1,834,000 including costs subject to the costs being supported by property valuation;
- e) the Chief Executive is delegated to approve a land purchase agreement for the Wintec land to be used for the Rotokauri Stormwater swale and Te Wetini Drive Extension as shown on Attachment 1 up to a maximum of \$5,500,000 including costs subject to the costs being supported by property valuation; and
- f) the Chief Executive is delegated to approve and execute any associated agreements or documentation to facilitate and implement the Gower and Wintec land procurement.

8. Lake Rd - Land Sale

The report was taken as read.

Resolved: (Crs Wilson/Mallett)

That:

- a) the report be received;
- b) the Council owned property, legal description Allot 463 Te Rapa Parish, is sold to the owner of the adjoining property (legal description Lot 1 DPS 8955) subject to:
 - (i) all costs relating the sale and purchase being met by the purchaser.
 - (ii) the purchase price being agreed to.
 - (iii) the two properties being amalgamated into one certificate of title.
- c) the Chief Executive be delegated authority to:
 - (i) sign all documentation relating to the sale and purchase of the property.
 - (ii) negotiate the purchase price subject to it being supported by a valuation report obtained from a Council appointed independent registered valuer.

9. **Mangaonua Restoration Contract**

The Business Manager Community and Team Leader Assets and Planning took the report as read and responded to questions from Committee Members concerning the background of the contract.

Staff were satisfied that Ngati Haua Mahi Trust had an intimate knowledge of the site, good relationships with stakeholders and an ongoing commitment to restoration of the site. They would report quarterly to Project Watershed and payments would be made in instalments based on the work they carried out.

Resolved: (Crs Pascoe/O'Leary)

That:

- a) the report be received; and
- b) authority be delegated to the Chief Executive to directly appoint Ngati Haua Mahi Trust to complete the restoration works within the Mangaonua Gully from Hamilton City Councils Project Watershed Fund Operating Reserve for a sum up to but not exceeding \$433,800 over 3 years.

10. **Contract 15433 for a Primary Provider of Legal Services**

The Procurement Manager took the report as read and responded to questions from Committee Members concerning specifics of the Contract particularly regarding pricing structure.

Resolved: (Crs Pascoe/Yeung)

That:

- a) the report be received;
- b) the tender submitted by Tompkins Wake for Contract 15433 for a Primary Legal Provider is accepted by Hamilton City Council;
- c) Chief Executive is delegated to negotiate and approve final contract terms with Tompkins Wake; and
- d) the Approved Contract Term is set at three years with one right of renewal of two years at Council's sole discretion.

11. **Recommended dates for reports to Finance Committee**

Resolved: (Crs Wilson/Yeung)

That the report be received.

12. End of Triennium - Open Minutes to be Confirmed and Adopted

1) Finance Committee Open Minutes - 18 August 2016.

Resolved: (Crs Pascoe/O’Leary)

That the Committee confirm and adopt as a true and correct record the Open Minutes of the Finance Committee Meeting held on 18 August 2016.

2) Council Controlled Organisations (CCO) Subcommittee Open Minutes – 9 August 2016.

Resolved: (Crs Mallett/Yeung)

That the Committee confirm and adopt as a true and correct record the Open Minutes of the Council Controlled Organisations (CCO) Subcommittee Meeting held on 9 August 2016.

3) Event Sponsorship Subcommittee Open Minutes – 26 August 2016.

Resolved: (Crs Wilson/Yeung)

That the Committee confirm and adopt as a true and correct record the Open Minutes of the Events Sponsorship Subcommittee Meeting held on 26 August 2016.

13. Finance Committee - Open Action List - 20 September 2016

Resolved: (Crs Pascoe/Forsyth)

That the report be received.

14. Resolution to Exclude the Public

Resolved: (Crs Wilson/Tooman)

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. Waikato Innovation Park Ltd - Update) Good reason to withhold information exists under	Section 48(1)(a)
C2. End of Triennium - Public Excluded Minutes to be) Section 7 Local Government Official Information and	

Confirmed and Adopted) Meetings Act 1987

C3. Finance Committee - Public)
Excluded Action List - 20
September 2016

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:

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|----------|--|-------------------|
| Item C1. | to enable Council to carry out negotiations | Section 7 (2) (i) |
| Item C2. | to prevent the disclosure or use of official information for improper gain or improper advantage | Section 7 (2) (j) |
| Item C3. | to prevent the disclosure or use of official information for improper gain or improper advantage | Section 7 (2) (j) |

The Meeting went into a Public Excluded session at 6.00pm.

The Meeting was declared closed at 6.10pm.