



Finance and Assurance Committee

OPEN MINUTES

Minutes of a meeting of Finance and Assurance Committee as a Virtual meeting via Zoom on Friday, 11 February 2022 at 9.01am (9.01am – 11.16am, 11.31am – 12.39pm (PE11.44am – 12.39pm))

PRESENT

Chairperson	Bruce Robertson Mayor Gary Tong (9.01am – 10.14am, 10.16am – 11.16am, 11.31am – 12.39pm)
Deputy chairperson	Ebel Kremer
Councillors	Don Byars John Douglas Paul Duffy Julie Keast

IN ATTENDANCE

Councillor Christine Menzies (9.22am – 11.16am, 11.31am – 12.39pm)
Councillor Scott
Chief financial officer - Anne Robson
Committee advisor - Fiona Dunlop

1 Apologies

There were no apologies.

2 Leave of absence

There were no requests for leave of absence.

3 Conflict of interest

There were no conflicts of interest declared.

4 Public forum

There was no public forum.

5 Extraordinary/urgent items

There were no extraordinary/urgent items.

6 Confirmation of minutes

Resolution

Moved Chairperson Robertson, seconded Cr Keast and resolved:

That the Finance and Assurance Committee confirms the minutes of the meeting held on 17 December 2021 as a true and correct record of that meeting.

Reports

7.1 Finance and Assurance Committee Work plan for the year ended 30 June 2022

Record No: R/21/12/66291

Project accountant – Emma Strong was in attendance for this item.

Resolution

Moved Chairperson Robertson, seconded Cr Douglas and resolved:

That the Finance and Assurance Committee:

- a) **receives the report titled “Finance and Assurance Committee Work plan for the year ended 30 June 2022” dated 4 February 2022.**

- b) notes the changes made to the Finance and Assurance Committee Work plan for the year ended 30 June 2022 since the last meeting.

7.2 Draft significant forecasting assumptions for the 2022/2023 Annual Plan

Record No: R/21/11/62194

Corporate performance lead – Jason Domigan and Project accountant – Emma Strong were in attendance for this item.

Mr Domigan and Mrs Strong advised that the purpose of the report was for the Committee to review and endorse the draft significant forecasting assumptions to be used to compile the 2022/2023 Annual Plan which will be adopted in June 2022.

(During discussion on the item Councillor Menzies joined the meeting at 9.22am.)

Resolution

Moved Chairperson Robertson, seconded Deputy Chairperson Kremer and resolved:

That the Finance and Assurance Committee:

- a) **Receives the report titled “Draft significant forecasting assumptions for the 2022/2023 Annual Plan” dated 4 February 2022.**
- b) Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.
- c) Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the Act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) Endorse the significant forecasting assumptions from the Long Term Plan 2021-2031 (attachment A of the officers report) including the proposed change below:
 - i) Increase the interest rates on borrowing from 2% to 3%.

7.3 Progress report on Annual Plan 2022/2023

Record No: R/22/1/1924

Corporate performance lead – Jason Domigan and Project accountant – Emma Strong were in attendance for this item.

Mr Domigan advised that the purpose of the report was to provide an update to the Finance and Assurance Committee on the progress of the Annual Plan 2022/2023.

Resolution

Moved Chairperson Robertson, seconded Cr Douglas and resolved:

That the Finance and Assurance Committee:

- a) **Receives the report titled “Progress report on Annual Plan 2022/2023” dated 4 February 2022.**
- b) Determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.
- c) Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) Endorse the updated Annual Plan 2022/2023 project plan.
- e) Recommends to Council that formal consultation on the Annual Plan not be undertaken due to no significant or material differences from year two of the 2021/2031 Long Term Plan.
- f) Recommends to Council that Annual Plan information be communicated to the community through First Edition.

(Mayor Tong left the meeting at 10.14am.)

7.4 Approach to borrowing

Record No: R/21/6/25966

Chief financial officer – Anne Robson was in attendance for this item.

Miss Robson advised that the purpose of the report was for the Committee to consider the the **Council’s Liability Management Policy** and make a recommendation to Council.

(During discussion on the item Mayor Tong returned to the meeting at 10.16am.)

Moved Chairman Bruce Robertson, seconded Councillor Kremer the following recommendations:

That the Finance and Assurance Committee:

- a) **receives the report titled “Approach to borrowing” dated 4 February 2022.**
- b) determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.

- c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) agrees the following **borrowing approach in line with Council's Liability policy plus 1.6% of borrowers notes where required**

Instrument	Amount (\$millions)	Maturity
Fixed rate bond	\$13.5	2024
Floating rate note	\$1.5	2024
Fixed rate bond	\$5.9	2027
Floating rate note	\$5.9	2028
Fixed rate bond	\$6.7	2028
Fixed rate bond	\$8.4	2031
Fixed rate bond	\$8.4	2035
Floating rate note	\$8.4	2036
Fixed rate bond	\$8.4	2036
Total	\$67.1	

- e) agrees that the Chief Financial Officer can make changes to this approach based on funding needs but that any change will be in line with Councils Liability policy.
- f) requests that the committee be advised of any changes made to the borrowing approach noted in resolution (d) above.
- g) acknowledges that further borrowing may be undertaken, when necessary, with the Local Government Funding Agency for short term cash flow needs, in line with Councils Liability Policy.
- ~~h) recommends to Council that it approve the maximum daily transaction amounts that may occur on enacting the above borrowing strategy.~~
- New h) recommends to Council that authority be given to Chief Executive to approve any necessary increase in the maximum daily transaction amounts needed to give effect to the above borrowing strategy outlined in resolution d above.
- i) acknowledges the use of short term debt to fund the liabilities of the three waters activities until the date of transfer to the new three waters entity.
- ~~j) borrow the assessed annual funding requirement in two instalments per year in advance, if required, investing the funds until required.~~
- ~~k)j) request staff investigate further the option of Council obtaining a credit rating.~~

The motion was put and declared CARRIED.

Final resolution

That the Finance and Assurance Committee:

- a) **receives the report titled “Approach to borrowing” dated 4 February 2022.**
- b) determines that this matter or decision be recognised as not significant in terms of Section 76 of the Local Government Act 2002.
- c) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with Section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.
- d) **agrees the following borrowing approach in line with Council’s Liability policy plus 1.6% of borrowers notes where required**

Instrument	Amount (\$millions)	Maturity
Fixed rate bond	\$13.5	2024
Floating rate note	\$1.5	2024
Fixed rate bond	\$5.9	2027
Floating rate note	\$5.9	2028
Fixed rate bond	\$6.7	2028
Fixed rate bond	\$8.4	2031
Fixed rate bond	\$8.4	2035
Floating rate note	\$8.4	2036
Fixed rate bond	\$8.4	2036
Total	\$67.1	

- e) agrees that the Chief Financial Officer can make changes to this approach based on funding needs but that any change will be in line with Councils Liability policy.
- f) requests that the committee be advised of any changes made to the borrowing approach noted in resolution (d) above.
- g) acknowledges that further borrowing may be undertaken, when necessary, with the Local Government Funding Agency for short term cash flow needs, in line with Councils Liability Policy.
- h) recommends to Council that authority be given to Chief Executive to approve any necessary increase in the maximum daily transaction amounts needed to give effect to the above borrowing strategy outlined in resolution d above.
- i) acknowledges the use of short term debt to fund the liabilities of the three waters activities until the date of transfer to the new three waters entity.
- j) request staff investigate further the option of Council obtaining a credit rating.

(The meeting adjourned for morning tea at 11.16am and reconvened at 11.31am with all members of the Committee present.)

7.5 Health and Safety Update

Record No: R/22/1/683

Health, safety and wellbeing advisor – Teri Black was in attendance for this item.

Mrs Black advised that the purpose of the report was to provide an update on health and safety related events and activity over the last quarter.

Resolution

Moved Chairperson Robertson, seconded Cr Keast and resolved:

That the Finance and Assurance Committee:

- a) **Receives the report titled “Health and Safety Update” dated 4 February 2022.**
- b) Determines that this matter or decision be recognised as not significant in terms of section 76 of the Local Government Act 2002.
- c) Determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with section 79 of the act determines that it does not require further information, further assessment of options or further analysis of costs and benefits or advantages and disadvantages prior to making a decision on this matter.

Public excluded

Exclusion of the public: Local Government Official Information and Meetings Act 1987

Resolution

Moved Chairperson Robertson, seconded Cr Keast and resolved:

That the public be excluded from the following part(s) of the proceedings of this meeting.

C8.1 Health and Safety Events

C8.2 Update on judicial review proceedings brought against Council by Forest and Bird

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:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Health and Safety Events	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of

	s7(2)(d) - the withholding of the information is necessary to avoid prejudice to measures protecting the health and safety of members of the public.	information for which good reason for withholding exists.
Update on judicial review proceedings brought against Council by Forest and Bird	s7(2)(g) - maintain legal professional privilege.	That the public conduct of the whole or 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 exists.

The public were excluded at 11.44am.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available unless released here.

The meeting concluded at 12.39pm.

CONFIRMED AS A TRUE AND CORRECT RECORD AT A MEETING OF THE FINANCE AND ASSURANCE COMMITTEE HELD ON FRIDAY 11 FEBRUARY 2022.

DATE:.....

CHAIRPERSON:.....