

Minutes of a meeting of the Strategy & Finance Committee of the Waikato District Council held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia on **WEDNESDAY, 25 NOVEMBER 2020** commencing at **9.30 am**.

Present:

Cr JM Gibb (Chairperson)
Cr AD Bech
Cr CA Eyre
Cr SL Henderson
Cr FM McNally
Cr RC McGuire
Mrs M Moana Tuwhangai (Maangai Maaori)
His Worship the Mayor, Mr AM Sanson
Cr JD Sedgwick
Cr NMD Smith
Cr LR Thomson
Cr CT Woolerton [*until 9.47am*]

Attending:

Mr G Ion (Chief Executive)
Mr T Whittaker (Chief Operating Officer)
Mr C Morgan (General Manager Community Growth)
Ms A Diaz (Chief Financial Officer)
Mr R MacCulloch (General Manager Service Delivery)
Mrs S O’Gorman (General Manager Customer Support)
Mr J Quinn (Communications, Marketing & Engagement Manager)
Mr V Ramduny (Strategic Projects Manager)
Mr C Bailey (Finance Manager)
Mr J Ebenhoh (Planning and Policy Manager)
Ms D Dalbeth (Business Improvement Analyst)
Mrs J Dolan (Economic and Community Development Manager)
Mr M Davey (Community Growth Analytics Manager)
Ms M Russo (Team Leader Corporate Planning)
Ms C Pidduck (Legal Counsel)
Ms B Stringer (Democracy Manager)

APOLOGIES AND LEAVE OF ABSENCE

Resolved: (Crs Patterson/Sedgwick)

THAT an apology be received from Crs Church and Lynch.

CARRIED

S&F2011/01

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (Crs Thomson/McGuire)

THAT the agenda for a meeting of the Strategy & Finance Committee held on 25 November 2020 be confirmed and all items therein be considered in open meeting with open meeting with the exception of those items detailed at agenda item 8 which shall be considered with the public excluded;

AND THAT all reports be received;

AND FURTHER THAT following supplemental reports be added to the Open Agenda:

Item 6.4 i-Site Tender Review Subcommittee

Item 7.6 Annual Report 2019/20 Update.

CARRIED

S&F2011/02

DISCLOSURES OF INTEREST

There were no disclosures of interest.

CONFIRMATION OF MINUTES

Resolved: (Crs Sedgwick/Patterson)

THAT the minutes of a meeting of the Strategy & Finance Committee held on Tuesday, 13 October 2020 be confirmed as a true and correct record of that meeting.

CARRIED

S&F2011/03

REPORTS

Action Register Agenda Item 5.1

The report was received [S&F2011/02refers] was taken as read. No discussion was held.

Long Term Plan 2021-31 Update Agenda Item 6.1

The report was received [S&F2011/02refers]. The Team Leader Corporate Planning spoke to the report and the following matters were discussed:

- Staff had been working on the initial draft of financial budgets and the Asset Management Plans.
- Upcoming milestones – an addition to those listed on page 18 of the Agenda being the presentation of Activity and Asset Management Plans to Councillors on 16 December 2020. A high-level view of the financial position and key challenges would also be discussed at the same workshop.
- Initial draft of budget and projects would be presented to the Executive Leadership Team on 14 December 2020.
- A Zoom meeting with Committee members could be held over the New Year break if there were any urgent matters to discuss.

ACTION: Staff to circulate to Committee members the material presented to the Executive Leadership Team on 14 December 2020 for their consideration over the Christmas/New Year period.

- Uncertainty around some national issues and how these would be considered in the Long Term Plan (e.g. 3 waters' reform, National Policy Statements).
- Budgeting for cross-boundary collaboration issues.

Blueprint Feedback, Prioritisation and Next Steps
Agenda Item 6.2

The report was received [S&F2011/02refers]. The Planning & Policy Manager summarised the report and the following matters were discussed:

- The updated tables would be uploaded online alongside the 2019 Blueprints document. Rangiriri would be shown separately.
- District wide consultation that was undertaken in 2018 and 2019
 - The Blueprints process with initial tranche of work followed by working on additional towns.
 - Blueprints would be a living document.

ACTION: Tuakau public toilets to be removed as a priority project as already completed.

Resolved: (Crs Smith/Sedgwick)

THAT the Strategy & Finance Committee endorses the revised list of prioritised and ranked Blueprint initiatives in Appendix I to the staff report, as an input to considerations for the 2021-2031 Long Term Plan.

CARRIED

S&F2011/04

Update on Economic and Community Development Work Programme – November 2020
Agenda Item 6.3

The report was received [S&F2011/02refers]. The Economic and Community Development Manager spoke to the report and the following matters were discussed:

- Te Waka was undergoing a review of its services for business mentoring and advice in the District. A Te Waka representative would join the Economic and Community Development team to connect with the District's businesses.
- Youth engagement – trial through the Waikato Plan to connect youth to employment in partnership with MSD. Initial trial in Raglan and Te Kauwhata; focus on engagement with employers who would not predominantly use youth as employees.
- Community Waikato was recruiting to meet increased demand.
- Government's 'Lunches in schools' initiative in South Waikato and the opportunities to build on this.

Cr Woolerton retired from the meeting during the above item at 9.47am.

i-Site Tender Review Subcommittee Report
Agenda Item 6.4 – Supplemental Agenda

The report was received [S&F2011/02refers] and the item was considered alongside Item 6.3. The Economic and Community Development Manager advised the Committee of the work undertaken, including the lease of the vacant premises to the Destination Management Organisation approved by the Subcommittee. It was noted that Council would fund the first two years of the rental.

Members of the Subcommittee spoke to the Committee on the work completed.

Resolved: (Crs Sedgwick/Thomson)

THAT, in accordance with clause 30(5)(b), Schedule 7 of the Local Government Act 2002, the Strategy & Finance Committee discharge the i-Site Tender Review Subcommittee.

CARRIED

S&F2011/05

2020-2021 First Quarter Non-Financial Performance Report

Agenda Item 7.1

The report was received [S&F2011/02refers]. The Business Improvement Analyst spoke to the report and the following matters were discussed:

- Environmental health complaints – the KPI of responding within three days was aspirational; there were a few occasions when the KPI could not be met.
- The impact of Covid-19 on swimming pool inspections.

Treasury Risk Management Policy –Compliance Report at 30 September 2020

Agenda Item 7.2

The report was received [S&F2011/02refers]. The Finance Manager spoke to the report and noted that “budgeted debt” was \$139million, not \$115 million as noted in the cover report. The following matters were discussed:

- Non-compliance in relation to lower than anticipated capital expenditure.
- Cost of existing swaps - importance of taking a long-term view of interest rates as part of Council’s risk management
- Interest rate benchmark and rates – it was noted that Council was not currently drawing down debt.

Civic Financial Services Limited Half Yearly Accounts

Agenda Item 7.3

The report was received [S&F2011/02refers] and taken as read.

Financial performance summary for the period ending 30 September 2020

Agenda Item 7.4

The report was received [S&F2011/02refers]. The Chief Financial Officer spoke to the report and highlighted the following matters:

- Financial results remained subject to audit sign-off so were subject to change, though staff were not expecting significant amendments.
- Tracking well in terms of development contributions due to increased growth.
- Annual rate for 2020/21 was below the budgeted level, as noted at the last Committee meeting.
- Good current working capital ratio.
- Limit of total debt – currently about 46% of the financial year limit, noting this was net of borrowing notes.

In response to questions the following matters were discussed:

- Management of debt through Long Term Plan and impact of growth – why debt was needed and the type of activities for which it was used (e.g. acquisition of land for infrastructure and community areas). Growth assumptions and figures based on work undertaken by the Analytics team were used, which was constantly monitored.
- Limit of total debt
 - Impact of speed of development and consequential infrastructure required.
 - Positive that developers had undertaken a substantial part of infrastructure works. Highlighted that going forward Council would need to make some large investments (e.g. 3 waters).
 - Council should not be disadvantaged in discussions with central government agencies in relation to debt funding to meet requirements of reforms.
- A report would be presented to the Infrastructure Committee on 30 November 2020 providing an update on carry-forwards in the current financial year and expectation of projects going to market.

Local Government Funding Agency Annual Report 2020

Agenda Item 7.5

The report was received [*S&F2011/02refers*] and taken as read. There was no discussion.

2019/20 Annual Report update

Agenda Item 7.6 – Supplemental Agenda

The report was received [*S&F2011/02refers*]. The Finance Manager, supported by the Chief Financial Officer, spoke to the report and the following matters were discussed:

- The attached draft Annual Report required some improvements on the quality of formatting.
- The Audit & Risk Committee would review the Report in relation to audit and risk issues, not the financials.
- Foreshadowing upcoming reforms and impact on ratepayer – staff recommended that no late changes were introduced. Audit NZ had difficulties in future-focussed information being presented in an Annual Report. This position could change if councils were able to move to integrated reporting in the future.

EXCLUSION OF THE PUBLIC

Agenda Item 8

Resolved: (Cr Bech/Ms Moana-Tuwhangai)

THAT the public be excluded from the following parts of the proceedings of this meeting.

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
Item 1 Confirmation of Public Excluded Minutes	Good reason to withhold exists under Section 6 or Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
Item 2.1 S&F Action Register		
Item 2.2 Te Awa Cycleway Partner Funding Agreement		

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:

Item No.	Section	Interest
2.2	7(2)(b)(i)	To protect information where the making available of the information would disclose a trade secret.
	7(2)(b)(ii)	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
2.3	7(2)(a)	To protect the privacy of natural persons, including that of deceased natural persons.

CARRIED

S&F2007/06

