Minutes of the Finance & Audit Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 04 December 2019, commencing at 9.00am

Members Present: Councillor Susan Baty (in the Chair), The Mayor (Grant Smith) and Councillors Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor and Tangi Utikere.

Non Members: Councillors Brent Barrett, Rachel Bowen, Zulfiqar Butt, Billy Meehan and Aleisha Rutherford.

Apologies: Councillor Bruno Petrenas.

Councillor Bruno Petrenas entered the meeting at 11.15am during consideration of clause 78. He was not present for clauses 72 to 77 inclusive.

1-19 Apologies

Moved Susan Baty, seconded Rachel Bowen.

The COMMITTEE RESOLVED

1. That the Committee receive the apologies.

Clause 1-19 above was carried 15 votes to 0, the voting being as follows:

For: The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Aleisha Rutherford and Tangi Utikere.

2-19 Public Participation at Meetings

Memorandum, presented by Natalya Kushnirenko, Democracy & Governance Administrator.

Moved Vaughan Dennison, seconded Karen Naylor.

The COMMITTEE RESOLVED

1. That the Finance & Audit Committee set aside a public comment section of not more than 30 minutes at the commencement of each ordinary meeting of the Committee to provide members of the community the opportunity to comment.

Clause 2-19 above was carried 15 votes to 0, the voting being as follows:

For: The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie
3-19  **Public Comment**

Mr John Hornblow and Mr Robert Gibb made public comment regarding a proposal to establish a climate change group.

Moved Susan Baty, seconded Lorna Johnson.

The **COMMITTEE RESOLVED**

1. That the Public Comment be received for information.

Clause 3-19 above was carried 15 votes to 0, the voting being as follows:

For:
The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Aleisha Rutherford and Tangi Utikere.

4-19  **4 Month Performance and Financial Report - Period Ending 31 October 2019**

Memorandum, presented by Stuart McKinnon, Finance Manager.

Moved Susan Baty, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receives the October 2019 Performance and Financial Report and note:
   a. The October 2019 financial performance.
   b. The September 2019 quarterly operating performance.
   c. The October 2019 capital expenditure programme progress.

Clause 4-19 above was carried 15 votes to 0, the voting being as follows:

For:
The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Aleisha Rutherford and Tangi Utikere.

5-19  **Treasury Report - 3 months ending 30 September 2019**

Memorandum, presented by Steve Paterson, Strategy Manager - Finance.

Moved Susan Baty, seconded Leonie Hapeta.

The **COMMITTEE RESOLVED**

1. That the performance of the treasury activity for the 3 months ended 30 September 2019 be noted.

Clause 5-19 above was carried 15 votes to 0, the voting being as follows:
For:
The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Aleisha Rutherford and Tangi Utikere.

6-19
Review of Structure of Dog Control Fees
Memorandum, presented by Steve Paterson, Strategy Manager - Finance.

Moved Lorna Johnson, seconded Billy Meehan.

The COMMITTEE RECOMMENDS

1. That the report be received and that it be noted that officers will be placing more emphasis than before on monitoring compliance with the criteria for classification as a preferred owner.

2. That no specific change be made to the charging structure for animal control fees but the rationale for the components of the fees be consciously considered each year as part of the process of recommending an updated schedule of fees and charges.

Clause 6-19 above was carried 15 votes to 0, the voting being as follows:

For:
The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Aleisha Rutherford and Tangi Utikere.

Meeting adjourned at 10.42am.
Meeting resumed at 11.05am.

7-19
Contract Approval - CET Arena - Arena 2 Ceiling, Lighting and Fire System Upgrade
Memorandum, presented by Bryce Hosking, Manager - Property.

Councillor Bruno Petrenas entered the meeting at 11.15am.

Moved Susan Baty, seconded Rachel Bowen.

The COMMITTEE RECOMMENDS

1. That the Council approves the contract between Palmerston North City Council and Colspec Construction Limited for the Arena 2 Ceiling, Lighting and Fire System Upgrade for the sum of $2,082,757 + GST. This is for the major construction works including contingency, beginning on 9 December 2019.

2. That the Council notes that:

a) Enabling and minor works for this project, including the procurement of materials and sub-contractors, have already been completed. These works will be reflected in the contract between Palmerston North City Council and Project Work 2008 Limited for the Arena 2 Ceiling, Lighting
and Fire System Upgrade for the sum of $277,244 + GST; and

b) The major construction works covered in the contract to be approved in Recommendation 7-19.1 of the report titled “Contract Approval – CET Arena – Arena 2 Ceiling, Lighting and Fire System Upgrade” and dated 4 December 2019, are set to begin on 9 December 2019. This means works will commence prior to Recommendation 1 being approved by Council.

Clause 7-19 above was carried 16 votes to 0, the voting being as follows:

For:
The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

8-19 New Deed of Lease for 21 Havelock Avenue
Memorandum, presented by Bryce Hosking, Manager - Property.

Moved Aleisha Rutherford, seconded Lorna Johnson.

The COMMITTEE RECOMMENDS

1. That the Council as the administering body under the Reserves Act 1977, on behalf of the Minister of Conservation, approves the lease of land and building at 21 Havelock Avenue, Palmerston North, to Papaioea Pasifika Centre Trust.

2. That the Council agree to execute a new five-year and nine-months lease between Palmerston North City Council and Papaioea Pasifika Centre Trust for 21 Havelock Avenue, Palmerston North.

Clause 8-19 above was carried 16 votes to 0, the voting being as follows:

For:
The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

9-19 Committee Work Schedule

Moved Susan Baty, seconded Karen Naylor.

The COMMITTEE RESOLVED

1. That the Finance & Audit Committee receive its Work Schedule dated December 2019.

Clause 9-19 above was carried 16 votes to 0, the voting being as follows:

For:
The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie
Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

10-19 **Request for City Wide Capital New Programme to Fund New Parking Infrastructure**

Memorandum, presented by Robert van Bentum, Manager Transport and Infrastructure.

Moved Lorna Johnson, seconded Susan Baty.

The **COMMITTEE RECOMMENDS**

1. That the Council approve a Capital New Programme entitled City Wide - On-Street Parking Infrastructure for the 2019-20 financial year with a budget of $75,000.

Clause 10-19 above was carried 16 votes to 0, the voting being as follows:

**For:**
The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

11-19 **Te Motu o Poutoa Land Purchase Opportunity**

Report, presented by Kathy Dever-Tod, Parks and Reserves Manager.

Moved Brent Barrett, seconded Leonie Hapeta.

The **COMMITTEE RECOMMENDS**

1. That the Council purchases the land at the entranceway to Te Motu o Poutoa for $300,000 from Higgins Family Holdings.

2. That the Council funds the $300,000 land purchase by: 1. transferring $170,000 of the unspent budget from Programme 708 (Urban Growth - Aokautere - Reserves Land Purchase) to this purchase; and 2. utilising $130,000 of unallocated budget from Programme 94 (Walkways and Shared Path – Purchase of Land to Extend Walkways) for this purchase to make up the total.

3. That the top up of Programme 708 (Urban Growth - Aokautere - Reserves Land Purchase) of $170,000 to cover the amount used at Te Motu o Poutoa to purchase the entranceway land be referred to the next 10 Year Plan 2021 process.

Clause 11-19 above was carried 16 votes to 0, the voting being as follows:

**For:**
The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.
12-19  CET Arena Redevelopment Update
Memorandum, presented by Bryce Hosking, Manager - Property.

Moved Susan Baty, seconded Leonie Hapeta.

The COMMITTEE RECOMMENDS

1. That Council approve the plan to deliver Programmes 1534 (Embankment), 1082 (Speedway Pits Relocation) and 1083 (Entrance Plaza) concurrently as one project through a single main contractor during the 2019/20 and 2020/21 years.

2. That Council approve the budgets for these Programmes totalling $6.833m for the current 2019/20 financial year and $8.862m for the 2020/21 financial year as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019/20</th>
<th>2020/21</th>
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<tbody>
<tr>
<td>Programme 1534</td>
<td>$1,694,000</td>
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<tr>
<td>Programme 1082</td>
<td>$2,876,000</td>
<td>$4,040,000</td>
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<tr>
<td>Programme 1083</td>
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<td>$2,341,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$6,833,000</td>
<td>$8,862,000</td>
</tr>
</tbody>
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3. That Council note that as a consequence of the changes above the remaining LTP budgets for the following Programmes have been reduced to the following:

| Programme 990 | $6,757,000 |
| Programme 1083 (Land Purchase) | $1,008,000 |

Clause 12-19 above was carried 16 votes to 0, the voting being as follows:

For:
The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

The meeting finished at 12.46pm
Confirmed 19 February 2019

Chairperson