

PALMERSTON NORTH CITY COUNCIL

Minutes of the Finance & Audit Committee Meeting Part I Public, held in the Elwood Room, Conference & Function Centre, 354 Main Street, Palmerston North on 17 June 2020, commencing at 9.02am

- Members Present:** Councillor Susan Baty (in the Chair), The Mayor (Grant Smith), Mr Stephen Armstrong and Councillors Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor and Bruno Petrenas.
- Non Members:** Councillors Brent Barrett, Rachel Bowen, Zulfiqar Butt, Billy Meehan and Aleisha Rutherford.
- Apologies:** Councillor Tangi Utikere.

NOTE: Prior to the commencement of the meeting, Mr Stephen Armstrong was introduced as a new independent member of the Committee.

19-20 Apologies

Moved Susan Baty, seconded Vaughan Dennison.

The COMMITTEE RESOLVED

1. That the Committee receive the apologies.

Clause 19-20 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, 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 Mr Stephen Armstrong.

20-20 Confirmation of Minutes

Moved Susan Baty, seconded Lorna Johnson.

The COMMITTEE RESOLVED

1. That the minutes of the Finance & Audit Committee meeting of 18 March 2020 Part I Public be confirmed as a true and correct record.

Clause 20-20 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, 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 Mr Stephen Armstrong.

21-20 Palmerston North Airport Limited - Updated draft Statement of Intent for 2020/21

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

After discussion Elected Members agreed an updated company position could be provided in October, as by then Palmerston North Airport Limited would have a better perspective of recovery after COVID-19, and would be able to include financial information from one quarter of the financial year. Elected Members also requested that capital development be progressed when financially prudent.

Moved Aleisha Rutherford, seconded Karen Naylor.

The **COMMITTEE RECOMMENDS**

1. That the Palmerston North Airport Ltd updated draft Statement of Intent for 2020/21, presented to the Finance & Audit Committee on 17 June 2020, be received and the Company be advised that:
 - Council supports the draft SOI recognising the uncertainty of significant assumptions that have had to be made in its preparation
 - Council requests an updated company position be provided (in October) and if changes have been significant that an amended SOI (including projections for 2021/22 and 2022/23) be provided to the Council for consideration
 - Council encourages the Board to progress its capital development programme when financially prudent.

Clause 21-20 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, 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 Mr Stephen Armstrong.

22-20 Fees and Charges - Confirmation Following Public Consultation

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

Moved Susan Baty, seconded Aleisha Rutherford.

The **COMMITTEE RECOMMENDS**

1. That the submission relating to planning fees, as attached in Appendix A of the memorandum titled 'Fees and Charges – Confirmation Following Public Consultation' presented to the Finance & Audit Committee on 17 June 2020, be received.
2. That the fees and charges for Trade Waste Services, as scheduled in

Appendix C of the memorandum titled 'Fees and Charges – Confirmation Following Public Consultation', presented to the Finance & Audit Committee on 17 June 2020, be approved, effective from 1 July 2020.

Clauses 22.1 and 22.2 above were carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, 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 Mr Stephen Armstrong.

Moved Susan Baty, seconded Aleisha Rutherford.

3. That the fees and charges for Planning & Miscellaneous Services, as scheduled in Appendix B of the memorandum titled 'Fees and Charges – Confirmation Following Public Consultation' presented to the Finance & Audit Committee on 17 June 2020, be approved, effective from 1 July 2020.

Clause 22.3 above was carried 15 votes to 1, the voting being as follows:

For:

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

Against:

Councillor Vaughan Dennison.

23-20

Public Rental Housing within Council's Whakarongo Subdivision

Memorandum, presented by Bryce Hosking, Manager - Property.

During discussion Elected Members requested further financial modelling be undertaken to include cashflow analysis of the impact of retaining the Whakarongo subdivision sections vs. selling the sections, and to include any partnership options. Elected Members also requested a report regarding energy and environmental efficiency options for any public housing opportunities, and that the conversation around wider housing development opportunities for Council be referred to the Long Term Plan process.

The meeting adjourned at 10.41am

The meeting resumed at 11.04am

Moved Susan Baty, seconded Brent Barrett.

The **COMMITTEE RESOLVED**

1. That the memorandum titled 'Public Rental Housing within Council's Whakarongo Subdivision', presented to the Finance and Audit Committee on 17 June 2020, be received for information.
2. That further financial modelling be undertaken to include cashflow analysis of the impact of retaining the sections vs. selling the Whakarongo

subdivision sections and to include any partnership options, and that this be reported back to the August meeting of the Finance & Audit Committee.

Clauses 23.1 and 23.2 above were carried 15 votes to 0, the voting being as follows:

For:

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

Moved Brent Barrett, seconded Susan Baty.

3. That the Chief Executive be instructed to report back to the October meeting of the Finance & Audit Committee regarding energy and environmental efficiency options for any public housing opportunities.

Clause 23.3 above was carried 15 votes to 0, the voting being as follows:

For:

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

Moved Aleisha Rutherford, seconded Leonie Hapeta.

4. That the conversation around wider housing development opportunities for Council be referred to the Long Term Plan process.

Clause 23.4 above was carried 15 votes to 0, the voting being as follows:

For:

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

Note:

Councillor Vaughan Dennison declared a conflict of interest and withdrew from the discussion.

24-20

CET Arena - Commercial Building Opportunity

Report, presented by Bryce Hosking, Manager - Property.

Moved Susan Baty, seconded Vaughan Dennison.

The COMMITTEE RECOMMENDS

1. That Council does not proceed with the balance of programme #1514 – Central Energy Trust Arena Manawatu – Commercial Building in the current financial year.

Clause 24-20 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, 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 Mr Stephen Armstrong.

Moved Susan Baty, seconded Vaughan Dennison.

Note:

On a motion that: "Council considers the construction of a commercial building at Arena, along with the timing of such a development, as part of the 2021-31 Long-Term Plan" the motion was lost 5 votes to 10, with 1 abstention, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Vaughan Dennison, Patrick Handcock ONZM, Leonie Hapeta and Billy Meehan.

Against:

Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Renee Dingwall, Lew Findlay QSM, Lorna Johnson, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

Abstained:

Mr Stephen Armstrong.

25-20 Committee Work Schedule

Moved Susan Baty, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Finance & Audit Committee receive its Work Schedule dated June 2020.

Clause 25-20 above was carried 16 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Susan Baty, Brent Barrett, 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 Mr Stephen Armstrong.

The meeting finished at 12.03pm

Confirmed 19 August 2020

Chairperson