

# PALMERSTON NORTH CITY COUNCIL

## **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 23 February 2022, commencing at 9.05am**

**Members Present:** Councillors Susan Baty (in the Chair), Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Bruno Petrenas and Mr Stephen Armstrong.

**Non Members:** Councillors Brent Barrett, Rachel Bowen, Zulfiqar Butt, Billy Meehan and Orphée Mickalad.

**Apologies:** The Mayor (late arrival, on Council business), Councillor Rachel Bowen (early departure) and Councillor Aleisha Rutherford (late arrival).

The Mayor (Grant Smith) entered the meeting at 9.19am during consideration of clause 4. He was not present for clauses 1 to 3 inclusive.

Councillor Aleisha Rutherford entered the meeting at 9.38am during consideration of clause 4. She left the meeting at 11.31am during consideration of clause 5 and entered the meeting again at 11.46am during consideration of clause 7. She left the meeting at 12.01pm during consideration of clause 8. She was not present for clauses 1 to 3 inclusive, 5, 6, 8 to 14 inclusive.

Councillor Rachel Bowen left the meeting at 12.01pm during consideration of clause 8. She entered the meeting again at 3.34pm during consideration of clause 11. She was not present for clauses 8-10 inclusive.

Councillor Billy Meehan left the meeting at 3.01pm during consideration of clause 10. He was not present for clauses 10-14 inclusive.

### **1-22 Apologies**

Moved Susan Baty, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the apologies.

Clause 1-22 above was carried.

### **2-22 Public Comment**

Mr Rob Campbell, Chair of Palmy BID, made public comment regarding safety and security in the city centre.

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There has been a surge in recent times of youth crime in Te Marae o Hine, and due to the age of the offenders legal solutions are not easy to implement. City Ambassadors have been at the forefront of this issue over the summer and seem to have made an impact by influencing behaviour, observing and reporting activity to the Police when warranted, and engaging and connecting with youth, potentially opening the door to social service agencies and others to identify long term solutions to what are often complex problems.

The programme ends in just a few days as traditionally Ambassadors have been engaged for the summer months only. Youth problems don't end when the summer ends, and BID would like to offer Council its assistance in finding a practical, permanent solution to safety and security in our city centre, so that people are able to safely enjoy the city centre all year round.

Moved Susan Baty, seconded Zulfiqar Butt.

The **COMMITTEE RESOLVED**

1. That the public comment be received for information.

Clause 2-22 above was carried.

### **3-22 Confirmation of Minutes**

Moved Susan Baty, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the minutes of the Finance & Audit Committee meeting of 15 December 2021 Part I Public be confirmed as a true and correct record.

Clause 3-22 above was carried.

### **4-22 Quarterly Performance and Financial Report - Quarter Ending 31 December 2021**

Report, presented by Cameron McKay, Acting Chief Financial Officer.

During discussion Elected Members noted the need for support in the city events sector. They requested a report to quantify the likely underspend across PN City Council 2021/2022 events and events-related budgets, in order to address this need by a possible reallocation within existing budgets.

After discussion, Elected Members requested that information relating to variations to operational budgets be clearly identified in future quarterly reports.

The Mayor (Grant Smith) entered the meeting at 9.19am.

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Councillor Aleisha Rutherford entered the meeting at 9.38am.

The meeting adjourned at 10.40am.

The meeting resumed at 10.55am.

Moved Susan Baty, seconded Brent Barrett.

### The **COMMITTEE RECOMMENDS**

1. That the Committee receive the memorandum titled 'Quarterly Performance and Financial Report – Quarter Ending 31 December 2021' presented to the Finance & Audit Committee on 23 February 2022.
2. That Council note and approve that the capital expenditure and associated revenue values in the 2021/22 Long Term Plan Budget relating to Three Water Reform funding will be changed as per the details in Appendix 4 of this report.

Clause 4-22 and 4.2-22 above were carried.

Moved Rachel Bowen, seconded Lorna Johnson.

3. That the Chief Executive quantify the likely underspend across PN City Council 2021/2022 events and events-related budgets and bring forward a report on options to reallocate funds to provide relief and support to the city's events sector.

Clause 4-22 above was carried.

Moved Karen Naylor, seconded Susan Baty.

4. That a report is presented to the March Finance & Audit Committee meeting outlining 'expected / forecast variations' to operational budgets.
5. That ongoing reporting on variations to operational budgets is included in future quarterly reports, as outlined in clause 210 of the Delegations Manual.

Clause 4-22 and 4.5-22 above were carried 14 votes to 3, 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, Karen Naylor, Billy Meehan, Orphée Mickalad, Bruno Petrenas and Mr Stephen Armstrong.

#### **Against:**

Councillors Leonie Hapeta, Lorna Johnson and Aleisha Rutherford.

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Moved Karen Naylor, seconded Susan Baty.

**Note:**

On a motion "That any operational programme greater than \$100K that is forecast to exceed 30% over the approved operational budget, is paused, until such time as Council approves the additional budget for FY 2021/22", the motion was lost 6 votes to 10, with 1 abstention, the voting being as follows:

**For:**

Councillors Brent Barrett, Rachel Bowen, Zulfiqar Butt, Karen Naylor, Billy Meehan and Bruno Petrenas.

**Against:**

The Mayor (Grant Smith) and Councillors Susan Baty, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Orphée Mickalad and Aleisha Rutherford.

**Abstained:**

Councillor Stephen Armstrong.

### 5-22

#### **Treasury Report - 6 months ending 31 December 2021**

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

Councillor Aleisha Rutherford left the meeting at 11.31am.

Moved Susan Baty, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee note the performance of Council's treasury activity for the 6 months ending 31 December 2021.

Clause 5-22 above was carried.

### 6-22

#### **Awapuni Park - Proposal to grant a lease on reserve land to Awapuni Park Community and Recreation Centre Incorporated**

Report, presented by Bryce Hosking, Group Manager - Property and Kathy Dever-Tod, Group Manager - Parks and Reserves.

Moved Susan Baty, seconded Brent Barrett.

The **COMMITTEE RECOMMENDS**

1. That Council approves notifying the public of the proposal to grant a lease at Awapuni Park, 22 Newbury Street, Palmerston North to Awapuni Park Community and Recreation Centre Incorporated, in accordance with Section 54 of the Reserves Act 1977.
2. That the Council notes the land area affected by the lease to Awapuni Park Community and Recreation Centre Incorporated is described as part of Lot 97 DP20548. The lease area is shown in Figure One of this report.

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Clause 6-22 above was carried.

- 7-22**      **Bunnythorpe Recreation Ground - Proposal to grant a lease on reserve land to Bunnythorpe Community Centre Association Incorporated**  
Report, presented by Bryce Hosking, Group Manager - Property and Kathy Dever-Tod, Group Manager - Parks and Reserves.

Councillor Aleisha Rutherford entered the meeting again at 11.46am.

Moved Susan Baty, seconded Patrick Handcock ONZM.

### The **COMMITTEE RECOMMENDS**

1. That the Council approves notifying the public of the proposal to grant a lease at Bunnythorpe Recreation Ground, Raymond Street, Palmerston North to Bunnythorpe Community Centre Association Incorporated, in accordance with Section 54 of the Reserves Act 1977.
2. That the Council notes the land area affected by the lease for Bunnythorpe Community Centre Association Incorporated is described as part of Lot 82 DP217. The lease area is shown in Figure One of this report.

Clause 7-22 above was carried.

- 8-22**      **Huia Street Reserve - Manawatū Lawn Tennis Club Lease Proposal**  
Report, presented by Bryce Hosking, Group Manager - Property and Kathy Dever-Tod, Group Manager - Parks and Reserves.

The meeting adjourned at 12.01pm.  
The meeting resumed at 2.36pm.

Councillors Rachel Bowen and Aleisha Rutherford were not present when the meeting resumed.

Moved Grant Smith, seconded Patrick Handcock ONZM.

### The **COMMITTEE RECOMMENDS**

1. That Council approves entering a new lease with Manawatū Lawn Tennis Club Incorporated for part of the Huia Street Reserve, Palmerston North for a term of 10 years with a right of renewal for another 10 years.

Clause 8-22 above was carried.

Moved Grant Smith, seconded Patrick Handcock ONZM.

2. That Council notes the lease will not include an early termination clause.

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Clause 8-22 above was carried 12 votes to 3, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Susan Baty, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Bruno Petrenas and Stephen Armstrong.

**Against:**

Councillors Brent Barrett, Renee Dingwall and Karen Naylor.

### 9-22

#### **Victoria Esplanade Café Lease Negotiation Update**

Memorandum, presented by Bryce Hosking, Group Manager - Property.

Moved Susan Baty, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the report titled 'Victoria Esplanade Café Lease Negotiation Update', presented to the Finance and Audit Committee on 23 February 2022.

Clause 9-22 above was carried.

### 10-22

#### **Health, Safety and Wellbeing Report - October to December 2021**

Memorandum, presented by Alan Downes, Safety and Health Manager and Wayne Wilson, People Operations Manager.

Mr Downes noted the following errors in the report:

- In the Wellness Indicator Graph on page 121, *Vitae – Pastoral contacts and other contacts* should read **96** (the combined quarterly figure) (not 658 which is the YTD figure).
- In the Dashboard Report, there were duplicate entries:
  - On page 2 under Near Miss Incidents, item 6 is a duplicate.
  - On page 3 under Critical Incidents Work Environment item 1 is a duplicate.

Councillor Billy Meehan left the meeting at 3.01pm.

Moved Susan Baty, seconded Patrick Handcock ONZM.

The **COMMITTEE RESOLVED**

1. That the Committee receive the memorandum titled 'Health, Safety and Wellbeing Report – October to December 2021' presented to the Finance and Audit committee on 23 February 2022.

Clause 10-22 above was carried.

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### **11-22 Assurance Review of CET Arena Redevelopment Project**

Memorandum, presented by Masooma Akhter, Business Assurance Manager and Bryce Hosking, Property Manager.

Councillor Rachel Bowen entered the meeting again at 3.34 pm.

Moved Karen Naylor, seconded Susan Baty.

The **COMMITTEE RESOLVED**

1. That the Committee receive the memorandum titled 'Assurance Review of CET Arena Redevelopment Project' and its attachment, presented to the Finance & Audit Committee on 23 February 2022.

Clause 11-22 above was carried.

### **12-22 Committee Work Schedule**

With respect to the Business Assurance Plan, it was noted that there was a material overlap in the scope of the asset renewal audit and the asset management maturity assessment. It was suggested that it was therefore more beneficial to merge these and do these at the time allocated for the asset maturity assessment review. This created capacity in this quarter and next to bring a couple of reviews forward.

Moved Susan Baty, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Finance & Audit Committee receive its Work Schedule dated February 2022.
2. That the following changes in the Business Assurance Plan be reflected in the Finance & Audit Committee Work Schedule:
  - The Review of Property Asset Renewals be removed;
  - The Financial Delegation of Authority Policy Review be reported to Finance & Audit Committee in May 2022;
  - The Sustainable Practices Review be reported to Finance & Audit Committee in August 2022.

Clause 12-22 above was carried.

### **13-22 Business Assurance 6 Monthly Accountability Report**

Memorandum, presented by Masooma Akhter, Business Assurance Manager.

Moved Susan Baty, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

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1. That the Committee receive the report titled 'Business Assurance 6 Monthly Accountability Report', presented to the Finance & Audit Committee on 23 February 2022.

Clause 13-22 above was carried.

**EXCLUSION OF PUBLIC**

**14-22 Recommendation to Exclude Public**

Moved Susan Baty, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. "That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

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 passing this resolution
17.	Business Assurance 6 Monthly Accountability Report - Confidential Items	Third Party Commercial, Health Safety and Gain Advantage	s7(2)(b)(ii), s7(2)(d) and s7(2)(j)
18.	Tender Award - Contract 4083 - City Wide Tree Maintenance, Area Two	Third Party Commercial	s7(2)(b)(ii)

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 the relevant part of the proceedings of the meeting in public as stated in the above table.

Clause 14-22 above was carried.

The public part of the meeting finished at 3.56pm.



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Confirmed 23 March 2022

**Chairperson**