

# PALMERSTON NORTH CITY COUNCIL

## Minutes of the Finance and Performance Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 17 September 2018, commencing at 9.00am

- Members Present:** Councillor Susan Baty (in the Chair), The Mayor (Grant Smith) and Councillors Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Karen Naylor and Bruno Petrenas.
- Non Members:** Councillors Brent Barrett, Rachel Bowen, Duncan McCann and Aleisha Rutherford.
- Apologies:** The Mayor (Grant Smith) (early departure on Council Business), Councillor Vaughan Dennison (early departure), Leonie Hapeta (late arrival) and Tangi Utikere.

Councillor Leonie Hapeta entered the meeting at 9.50am during consideration of clause 66. She was not present for clauses 64 to 65 inclusive.

The Mayor (Grant Smith) left the meeting at 11.00am during consideration of clause 67. He was not present for clauses 67 to 71 inclusive.

### 64-18 Apologies

Moved Susan Baty, seconded Lorna Johnson.

The **COMMITTEE RESOLVED**

1. That the Committee receive the apologies.

Clause 64-18 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

### 65-18 Confirmation of Minutes

Moved Jim Jefferies, seconded Lorna Johnson.

The **COMMITTEE RESOLVED**

1. That the minutes of the Finance and Performance Committee meeting of 20 August 2018 Part I Public be confirmed as a true and correct record.

Clause 65-18 above was carried 13 votes to 0, with 1 abstention, the voting being as follows:

**For:**

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

**Abstained:**

The Mayor (Grant Smith).

**66-18**

**Palmerston North Airport Limited - Annual Report for 12 months ended 30 June 2018 & Instructions relating to Annual Meeting**

Memorandum, dated 30 August 2018 presented by the Chief Financial Officer , Grant Elliott.

Councillor Leonie Hapeta entered the meeting at 9.50am

Moved Jim Jefferies, seconded Susan Baty.

The **COMMITTEE RECOMMENDS**

1. That the Annual Report and Financial Statements of Palmerston North Airport Limited for the year ended 30 June 2018 be received.
2. That the Council shareholder representative be instructed to support the proposed resolutions to be considered at the Annual Meeting of Palmerston North Airport Limited to be conducted by way of resolution in writing.

Clause 66-18 above was carried 9 votes to 5, with 1 abstention, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Lew Findlay QSM, Jim Jefferies, Duncan McCann and Aleisha Rutherford.

**Against:**

Councillors Brent Barrett, Vaughan Dennison, Lorna Johnson, Karen Naylor and Bruno Petrenas.

**Abstained:**

Councillor Leonie Hapeta.

On a motion 'That clause 2.10.3 of the memorandum dated 30 August 2018 and titled 'Palmerston North Airport Limited – Annual Report for 12 months ended 30 June 2018 and Instructions relating to Annual Meeting' be replaced with: Approving the total remuneration of directors being \$99,000 per annum' the motion was tied 7 votes to 7, with 1 abstention, the Chairperson declared the motion lost due to a lack of majority, the voting being as follows:

**For:**

Councillors Brent Barrett, Adrian Broad, Lew Findlay QSM, Lorna Johnson, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

**Against:**

The Mayor (Grant Smith) and Councillors Susan Baty, Rachel Bowen, Gabrielle Bundy-Cooke, Vaughan Dennison, Jim Jefferies and Duncan McCann.

**Abstained:**

Councillor Leonie Hapeta

On a motion `That the Council shareholder representative be instructed to support the proposed resolutions (excluding 2.10.3) to be considered at the Annual Meeting of Palmerston North Airport Limited to be conducted by way of resolution in writing' the motion was lost 5 votes to 9, with 1 abstention, the voting being as follows:

**For:**

Councillors Brent Barrett, Lorna Johnson, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

**Against:**

The Mayor (Grant Smith) and Councillors Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies and Duncan McCann.

**Abstained:**

Councillor Leonie Hapeta

The meeting adjourned at 10.21am

The meeting resumed at 10.35am

**67-18**

**Recommendation for Adoption 2017/18 Annual Report**

Memorandum, dated 4 September 2018 presented by the Finance Manager, Stuart McKinnon.

The Mayor (Grant Smith) left the meeting at 11.00am

Moved Susan Baty, seconded Leonie Hapeta.

**The COMMITTEE RECOMMENDS**

1. That the 2017/18 Annual Report and 2017/18 Summary Annual Report be adopted.
2. That Council note that an Auditor's "opinion" from Audit New Zealand would be expected to be received immediately following recommended adoption by Council on 24 September 2018 and Council signing of the reports.
3. That delegated authority is given to the Chairperson and Deputy Chairperson of the Finance and Performance Committee to make minor amendments to the 2017/18 Annual Report and 2017/18 Summary Annual Report.

Clause 67-18 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, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

**68-18 Papaioea Place Redevelopment Quarterly Update**

Memorandum, dated 29 August 2018 presented by the Acting Property Manager, Bryce Hosking.

Moved Aleisha Rutherford, seconded Leonie Hapeta.

The **COMMITTEE RESOLVED**

1. That the memorandum dated 29 August 2018 and titled 'Papaioea Place Redevelopment Quarterly Update' be received for information.

Clause 68-18 above was carried 14 votes to 0, the voting being as follows:

**For:**

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

**69-18 Water Source Development and Security - Programme Budget Adjustments**

Memorandum, dated 21 August 2018 presented by the Water & Waste Services Manager, Robert van Bentum.

Moved Lorna Johnson, seconded Lew Findlay QSM.

The **COMMITTEE RECOMMENDS**

1. That the budget for the 2018/19 Capital New Programme 985 "Kelvin Grove Water Supply Zone - New Bore" be revised from \$537,000 to \$887,000 by utilising:
  - savings of \$100,000 from 2018/19 Water Capital New Programme 592 "Turitea WTP – Sludge Handling and Disposal Improvements,
  - savings of \$100,000 from 2018/19 Water Programme 1005 "Industrial Growth – Installation of Water Supply Systems to an Expanded NEIZ, and
  - reallocating funding of \$150,000 from Capital New Programme 246 Water Subdivision Contributions.
2. That a new 2018/19 Capital New Programme called "UV Treatment for Papaioea Park Bore 3" with a budget of \$550,000 be approved by:
  - reallocating budget of \$130,000 from 2018/19 Capital New Programme 1404 "Turitea WTP – New Retaining Walls on Access Road and
  - approving additional unbudgeted funding of \$420,000.
3. That approval be given to bring \$750,000 forward two years in the LTP from 2020/21 to 2018/19 for Programme 1384 – Citywide New Water Reservoirs to Enhance Supply Storage to enable construction of a contact

tank at Railway Road bore.

4. That the budget for the 2018/19 Water Capital New Programme 593 “Water Safety and Security Mitigation” be revised from \$23,000 to \$264,500 by approving an additional \$241,500 in unbudgeted funding.

Moved Brent Barrett, seconded Bruno Petrenas.

5. That the Chief Executive be instructed to provide a report on biological contamination status of each bore in the city’s reticulated water network to the October 2018 Finance and Performance Committee meeting.

Clause 69-18 above was carried 14 votes to 0, the voting being as follows:

**For:**

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

**70-18**

**Committee Work Schedule**

Moved Susan Baty, seconded Vaughan Dennison.

The **COMMITTEE RESOLVED**

1. That the Finance and Performance Committee receive its Work Schedule dated September 2018.

Clause 70-18 above was carried 14 votes to 0, the voting being as follows:

**For:**

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

**EXCLUSION OF PUBLIC**

**71-18**

**Recommendation to Exclude Public**

Moved Vaughan Dennison, seconded Aleisha Rutherford.

The **COMMITTEE RESOLVED**

“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
12.	Supply of Two Side Arm Kerbside Collection Vehicles	Commercial Activities and Negotiations	s7(2)(h) and s7(2)(i)
13.	Award of Contract 3614 - New Artificial Turf at CET Arena	Commercial Activities	s7(2)(h)
14.	Funding Request	Negotiations	s7(2)(i)

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.

Also that the persons listed below be permitted to remain after the public has been excluded for the reasons stated.

Chief Executive (Heather Shotter), Chief Financial Officer (Grant Elliott), Acting Chief Infrastructure Officer (Ray Swadel), Acting General Manager – Strategy and Planning (David Murphy), General Manager - Community (Debbie Duncan), Acting General Manager – Customer (Leigh Sage), Human Resources Manager (Wayne Wilson), General Manager - Marketing and Communications (Sacha Haskell), because of their knowledge and ability to provide the meeting with advice on matters both from an organisation-wide context (being members of the Council’s Management Team) and also from their specific role within the Council.

Legal Counsel (John Annabell), because of his knowledge and ability to provide the meeting with legal and procedural advice.

Acting Governance and Support Team Leader (Stuart McKinnon) and Committee Administrators (Penny Odell, Rachel Corser and Courtney Kibby), because of their knowledge and ability to provide the meeting with procedural advice and record the proceedings of the meeting.

Acting Property Manager (Bryce Hosking), Logistics and Support Manager (Paul Compton), Waste Operations Manager (Stewart Hay), Head of Planning Services (Simon Mori), Manager – Venues Palmerston North (John Lynch), and Acting Operations Manager (Ray McIndoe) because of their knowledge and ability to assist the meeting in speaking to their report and answering questions, noting that such officer will be present at the meeting only for the item that relate to their respective report.

Rodney Wong – Wildbase Recovery Trust Representative because of his knowledge and ability to assist the meeting in speaking to the report and answering questions, noting that such person will be present at the meeting only for the item that relates to their respective report.

Clause 71-18 above was carried 14 votes to 0, the voting being as follows:

**For:**

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

The public part of the meeting finished at 12.15pm

Confirmed 15 October 2018

**Chairperson**