

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 24 August 2022, 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, Bruno Petrenas and Mr Stephen Armstrong.

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

Apologies: The Mayor (early departure) and Councillors Rachel Bowen (early departure), Pat Handcock (early departure), Leonie Hapeta (early departure) and Aleisha Rutherford (late arrival).

The Mayor (Grant Smith) left the meeting at 9.48am during consideration of clause 52. He entered the meeting again at 11.54am during consideration of clause 54. He was not present for clauses 52 and 53. He was present for the motion that was lost relating to clause 52.

Councillor Patrick Handcock left the meeting at 9.49am at the conclusion of clause 52. He entered the meeting again at 11.52am during consideration of clause 54. He was not present for clause 53.

Councillor Aleisha Rutherford entered the meeting at 9.56am during consideration of clause 53. She was not present when Part I of the meeting resumed at 2.31pm. She was not present for clauses 50 to 52 inclusive, and 61 to 63 inclusive.

Councillor Leonie Hapeta left the meeting at 12.20pm during consideration of clause 55. She was not present for clauses 55 to 59 inclusive, and 61 to 63 inclusive.

Councillors Rachel Bowen and Billy Meehan were not present when the meeting resumed at 2.01pm. They were not present for clauses 58, 59, 61 to 63 inclusive.

50-22 Apologies

Moved Susan Baty, seconded Karen Naylor.

The COMMITTEE RESOLVED

1. That the Committee receive the apologies.

Clause 50-22 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,

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Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Billy Meehan, Orphée Mickalad, Bruno Petrenas and Mr Stephen Armstrong.

51-22 Confirmation of Minutes

Moved Susan Baty, seconded Leonie Hapeta.

The **COMMITTEE RESOLVED**

1. That the minutes of the Finance & Audit Committee meeting of 22 June 2022 Part I Public be confirmed as a true and correct record.

Clause 51-22 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, Karen Naylor, Billy Meehan, Orphée Mickalad, Bruno Petrenas and Mr Stephen Armstrong.

52-22 Palmerston North Airport Ltd - Director Remuneration

Memorandum, presented by Steve Paterson, Strategy Manager – Finance and Murray Georgel, Board Chair, Palmerston North Airport Ltd.

The Mayor (Grant Smith) left the meeting at 9.48am.

Moved Leonie Hapeta, seconded Susan Baty.

The **COMMITTEE RECOMMENDS**

1. That the total remuneration for directors of Palmerston North Airport Limited remain at the previously approved level of \$135,000 and in accordance with the Company's Constitution the Board be authorised to allocate this sum in the manner they determine, irrespective of whether there are five or six directors.

Clause 52-22 above was carried 12 votes to 3, the voting being as follows:

For:

Councillors Susan Baty, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Lew Findlay QSM, Patrick Handcock ONZM, Leonie Hapeta, Lorna Johnson, Billy Meehan, Orphée Mickalad, Bruno Petrenas and Mr Stephen Armstrong.

Against:

Councillors Brent Barrett, Renee Dingwall and Karen Naylor.

Moved Karen Naylor, seconded Brent Barrett.

Note:

On a motion: "That the total remuneration for directors of Palmerston North Airport Limited remain at the current allocated amount of \$121,040", the motion was lost 3 votes to 13, the voting being as follows:

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For:

Councillors Brent Barrett, Renee Dingwall and Karen Naylor.

Against:

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

Councillor Patrick Handcock left the meeting at 9.49am.

53-22

Quarterly Performance and Financial Report - Quarter Ending 30 June 2022

Report, presented by Cameron McKay, Chief Financial Officer, Andrew Boyle, Head of Community Planning and Kathy Dever-Tod, Acting Chief Infrastructure Officer.

Officers noted the table at the top of page 50 of the agenda had incorrect figures listed related to Capital New Funded by Borrowing, and pre-circulated an amended version of the table (refer tabled item).

Councillor Aleisha Rutherford entered the meeting at 9.56am.

The meeting adjourned at 10.50am.

The meeting resumed at 11.11am.

Moved Susan Baty, seconded Brent Barrett.

The **COMMITTEE RECOMMENDS**

1. That the Committee receive the memorandum titled 'Quarterly Performance and Financial Report – Quarter Ending 30 June 2022', presented to the Finance & Audit Committee on 24 August 2022.
2. That Council note per the details of Attachment 4 of this report:
 - a. that the capital expenditure carry forward values in the 2022/23 Annual Budget will be increased by \$7.387M;
 - b. that associated capital revenue will be increased by \$178k;
 - c. operational expenditure will be decreased by \$130k;
 - d. that carry forwards totalling \$2.335M previously signalled in the Annual Budget 2022/23 are deferred to 2023/24.
3. That the Chief Executive be given delegation to allocate 100% of funds from 1888-Low Carbon Fund to other activities, as well as moving the fund between capital new and capital renewal for the financial year 2022/23.

Clause 53-22 above was carried 15 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Billy Meehan, Orphée Mickalad, Bruno Petrenas, Aleisha

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Rutherford and Mr Stephen Armstrong.

54-22 Rating System Review - Process Update

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

Elected Members requested that the option of a differential surcharge on vacant land for capital value scenarios be included in Rating System Review scenarios, as it was not included in the list of assumptions provided by Officers in section 2.7 of the report.

Councillor Pat Handcock entered the meeting again at 11.52am.

The Mayor (Grant Smith) entered the meeting again at 11.54am.

Moved Lorna Johnson, seconded Karen Naylor.

The **COMMITTEE RECOMMENDS**

1. That the proposed approach to progressing the review of the rating system as outlined in the report titled 'Rating System Review – Process Update', presented to the Finance & Audit Committee on 24 August 2022, be approved.

Moved Lorna Johnson, seconded Rachel Bowen.

2. That scenarios to be developed in the Rating System Review include the option of a differential surcharge on vacant land for capital value scenarios.

Clause 54-22 above was carried 17 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, Karen Naylor, Billy Meehan, Orphée Mickalad, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

55-22 Treasury Report - 12 Months Ending 30 June 2022

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

Councillor Leonie Hapeta left the meeting at 12.20pm.

The Mayor (Grant Smith) left the meeting at 12.30pm.

Moved Susan Baty, seconded Brent Barrett.

The **COMMITTEE RESOLVED**

1. That the Committee note the performance of Council's treasury activity for the 12 months ending 30 June 2022.

Clause 55-22 above was carried 15 votes to 0, the voting being as follows:

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For:

Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Karen Naylor, Billy Meehan, Orphée Mickalad, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

56-22

Assurance Report - Asset Management Review

Memorandum, presented by Masooma Akhter, Business Assurance Manager and Helen Churton, Asset Management Planning Manager.

Moved Aleisha Rutherford, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the memorandum titled 'Assurance Report – Asset Management Review' and its attachments, presented to the Finance & Audit Committee on 24 August 2022.

Clause 56-22 above was carried 15 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Karen Naylor, Billy Meehan, Orphée Mickalad, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

57-22

Committee Work Schedule

Moved Susan Baty, seconded Zulfiqar Butt.

The **COMMITTEE RESOLVED**

1. That the Finance & Audit Committee receive its Work Schedule dated August 2022.

Clause 57-22 above was carried 15 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Brent Barrett, Rachel Bowen, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Karen Naylor, Billy Meehan, Orphée Mickalad, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

The meeting adjourned at 12.57pm.

The meeting resumed at 2.01pm.

Councillors Rachel Bowen and Billy Meehan were not present when the meeting resumed.

58-22

Assurance Report - Procurement Review

Memorandum, presented by Masooma Akhter, Business Assurance Manager.

Moved Karen Naylor, seconded Patrick Handcock ONZM.

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The **COMMITTEE RESOLVED**

1. That the Committee receive the memorandum titled 'Assurance Report – Procurement Review' and its attachment, presented to the Finance & Audit Committee on 24 August 2022.

Clause 58-22 above was carried 13 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Brent Barrett, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Karen Naylor, Orphée Mickalad, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

EXCLUSION OF PUBLIC

59-22 Exclusion of Public

Moved Susan Baty, seconded Karen Naylor.

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
13.	Assurance Report – Financial Delegations Review: Confidential Attachment	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 59-22 above was carried 13 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Brent Barrett, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Karen

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Naylor, Orphée Mickalad, Bruno Petrenas, Aleisha Rutherford and Mr Stephen Armstrong.

Part I of the meeting adjourned at 2.16pm.

Part I of the meeting resumed at 2.31pm.

Councillor Aleisha Rutherford was not present when the meeting resumed.

61-22

Assurance Report - Financial Delegations Review

Memorandum, presented by Masooma Akhter, Business Assurance Manager and Hannah White, Democracy & Governance Manager.

Moved Susan Baty, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the Committee receive the memorandum titled 'Assurance Report – Financial Delegations Review' and its attachment, presented to the Finance & Audit Committee on 24 August 2022.
2. That the confidential attachment be released to the public upon completion of the actions required to address the concerns raised.

Clause 61-22 above was carried 12 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Brent Barrett, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Karen Naylor, Orphée Mickalad, Bruno Petrenas and Mr Stephen Armstrong.

62-22

Assurance Report - Six Monthly Accountability Report

Memorandum, presented by Masooma Akhter, Business Assurance Manager.

Moved Susan Baty, seconded Patrick Handcock ONZM.

The **COMMITTEE RESOLVED**

1. That the Committee receive the memorandum titled 'Assurance Report – Six Monthly Accountability Report' and its attachment, presented to the Finance & Audit Committee on 24 August 2022.

Clause 62-22 above was carried 12 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Brent Barrett, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Karen Naylor, Orphée Mickalad, Bruno Petrenas and Mr Stephen Armstrong.

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EXCLUSION OF PUBLIC

63-22 Recommendation to Exclude Public

Moved Susan Baty, seconded Karen Naylor.

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
16.	Business Assurance Six Monthly Accountability Report - Confidential Items	Third Party Commercial, Health Safety and Gain Advantage	s7(2)(b)(ii), s7(2)(d) and s7(2)(j)

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 63-22 above was carried 12 votes to 0, the voting being as follows:

For:

Councillors Susan Baty, Brent Barrett, Zulfiqar Butt, Vaughan Dennison, Renee Dingwall, Lew Findlay QSM, Patrick Handcock ONZM, Lorna Johnson, Karen Naylor, Orphée Mickalad, Bruno Petrenas and Mr Stephen Armstrong.

The public part of the meeting finished at 2.50pm

Confirmed 28 September 2022

Chairperson