



Finance Committee Minutes from 9 August 2023

Present:	Councillor Colin Olds (Chair), Mayor Martin Connelly (via Zoom), Councillors Martin Bosley and Aaron Woodcock, Narida Hooper (via Zoom from 10:21am to 12:08pm)
Apologies:	Councillor Kaye McAulay
In Attendance:	Deputy Mayor Melissa Sadler-Futter, Councillor Pip Maynard
Also In Attendance:	Paul Gardner (Acting Chief Executive/General Manager HR and Corporate Services), Karon Ashforth (General Manager Finance), Russell O’Leary (Group Manager Planning and Environment), Rick Mead (Manager Environmental Services), and Amy Andersen (Committee Advisor). Darren Williamson (via Zoom) (Marsh Insurance)
Conduct of Business:	This meeting was held in Supper Room, Waihinga Centre, Texas Street, Martinborough and via audio-visual conference. This meeting was live-streamed and is available to view on our YouTube channel. The meeting was held in public under the above provisions from 10:01am to 12:19pm except where expressly noted.

Public forum:

Open Section

A1. Mihi/Karakia Timatanga - Opening

Cr Bosley opened the meeting.

A2. Apologies

FINANCE COMMITTEE RESOLVED (FI2023/12) to accept apologies from Cr McAulay.

(Moved Cr Woodcock/Seconded Cr Bosley)

Carried

A3. Conflicts of Interest

There were no conflicts of interest.

A4. Public Participation

There was no public participation.

A5. Actions from public participation

There was no public participation.

A6. Extraordinary Business

There was no extraordinary business.

A7. Confirmation of Minutes

FINANCE COMMITTEE RESOLVED (FI2023/13) that the minutes of the Finance Committee held on 3 May 2023 are a true and correct record.

(Moved Cr Bosley, Seconded Cr Woodcock)

Carried

A8. Matters arising from previous minutes

A5. Actions from public participation

Mr O’Leary and Mr Mead provided an interim update on Action 172 and noted this report is in progress and confirmed this would be sent directly to members of the committee prior to the next meeting.

Mr Meads provided an update and background, discussion with the Ministry for Primary Industries to become accredited and costs in terms of what council would need to do this, including compliance costs.

Members queried alignment with other local councils, and possible amalgamation with Masterton and Carterton District Councils.

Noted: Shared/integrated services will be included in the Long-Term Plan 2024-2034.

B Decision Reports from Chief Executive and Staff

B1. Wairarapa Economic Development Strategy (WEDS) Work Programme for Approval

Mr Gardner spoke to matters included in the report and responded to queries from members including whether headway was being made with actions, outcomes, reporting and measures of success.

Members discussed the background of the project and the budget presented by WEDS.

Noted: Discussion with local business groups regarding their views on economic development would be included in the Long-Term Plan process.

FINANCE COMMITTEE RESOLVED (FI2023/14) to:

1. Receives the *Wairarapa Economic Development Strategy (WEDS) Work Programme for Approval Report*.
2. Receives the Letter of Endorsement from the WEDS Forum Chair.
3. Approve the WEDS Work Programme for 2023-2024, as per the attached workplan and budget.

4. Notes that the WEDS MoU and budget will be reviewed as part of the 2024 LTP process.
5. Notes that progress on the work programme will be reported to the WEDS Forum who oversee the implementation of the WEDS Strategy.

(Moved Mayor Connelly, Seconded Cr Bosley)

Carried

C

Information Reports from Chief Executive and Staff

C1. Finance Report

Ms Ashforth spoke to the report, noting it would also be tabled at the Assurance & Risk Committee.

Ms Ashforth noted that the year-end report -1st draft would be ready by 31 August for Audit NZ. It was also noted that there had been an increase in abuse and complaints to staff following the recent rates increase.

Ms Ashforth responded to queries from members including: Wellington Water over-expenditure; rates arrears; the amount of people using direct debit to pay their rates; the mechanisms are in place to support staff wellbeing when abuse from ratepayers occurs; whether unused capital could be spent on Greytown pensioner housing that is currently vacant; commercial building use of council buildings/venues; further explanation of the water services summary breakdown of borrowing; new spaces purchased; expenditure relating to smart meters; funding relating to the Greytown Wheels Park; decline in income relating to the buildings sector; coastal areas refuse/recycling (Long-Term Plan /rating review); and green spaces / placemaking.

Action 306: Provide to Committee members a breakdown of summary of borrowings from LGFA confidentially via email. K Ashforth

Members acknowledged Council Officers for staying under budget.

Mr Gardner noted he met with Louise Brown, Greytown Community Board Chairperson and Stefan Corbett, Group Manager Partnerships & Operations regarding the use of Greytown council buildings and there was a pause on any plans for the Greytown building pending exploratory work.

Also, Mr Gardner noted he had met with Cr Gray and Deputy Mayor Sadler-Futter regarding the review of Council buildings to identify the future use of property.

Members queried the possible use of land (85-87 West Street, Greytown); it was noted that discussions were being held at a Greytown level and district wide to better understand the appropriate use of council land and properties into the future.

Mr Gardner noted the current [Investments Policy](#) is conservative, and that Council would need to review policy to ensure this is fit for purpose.

Noted this would be added to list of policies for review under the Long-Term Plan process.

Q&A session:

- What are your previous Audit fees last year and the new ones?
Audit NZ have issued have provided new costs. Meeting with Audit NZ next week, proposing 2023 fees are increased 108k to 153k for annual year-end audit, excludes LTP audit. No impact on budget now, but unsure for LTP at this stage.
- Combined with the three I's of inflation, interest, insurance, what is council looking to do to manage costs? Cost savings possible through service level changes.
- How are employee entitlements being managed? Annual leave accruals are a concern every year, it hasn't been identified as a significant risk, but is getting there. Certain areas of the organisation have higher accruals due to resourcing constraints, legislative compliance and long serving members of staff who have accrued over time, and still feeling effects of COVID.

The meeting was adjourned at 11:19am.

The meeting was reconvened at 11:33am.

Ms Ashforth, supported by Mr Williamson of Marsh, spoke to matters relating to insurance. It was noted, the current figures included in the report are not final, estimates only, and these would be finalised at next meeting of the committee. Mr Williamson responded to members queries including: ability to bulk buy with other councils; self-funding of insurance; any significant losses that Council had incurred; how many claims Council has made in the last year; vehicle insurance increases; and any suggestions from Marsh regarding the current approach to help ratepayers recognise that Council has done its best to moderate the increase.

Ms Ashforth noted that Marsh work with other local councils who are experiencing the same issues.

Noted for inclusion in Long-Term Plan discussions: full insurance of assets, funding losses independently, bulk-buying with other councils / integration and alignment (MDC/CDC), review of insurance policy (e.g. toilet blocks).

Ms Ashforth responded to queries including revaluation of assets for audit versus insurance.

FINANCE COMMITTEE RESOLVED (FI2023/15) to:

1. Receive the *Finance Report* as of 31 May 2023.
(*Moved Cr Bosley/Seconded Cr Woodcock*)

Carried

2. Inform and receive an update on insurance premiums summary and proposed increases for 2023-24.
3. Receive an update on the interim audit, final audit and Annual Report for year ended 2022/23.
4. Receive and inform Fair Value Assessment of Infrastructure Assets report.
5. Inform and receive a change to Financial Reporting PBE IPSAS Tier 2 to PBE IPSAS Tier 1 transition 2024-25.
6. Inform and receive update on Water Services Reform Programme for the Finance and Commercial workstream.
7. Inform and receive update on Rating Review project.
8. Inform and receive update LINZ 2023 Revaluation Schedule
9. Inform and receive LGOIMA's register April-July 2023.
10. Inform and receive Financial Delegated Policy.

D

[Items 2-10 read together]

(Moved Olds/Seconded Connelly)

Carried

Public Excluded Business

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:

Report/General Subject Matter	Reason for passing this resolution in relation to the matter	Ground(s) under Section 48(1) for the passing of this Resolution
Public excluded minutes of the Finance Committee held on 3 May 2023 (Financial Systems Report).	Good reason to withhold exists under section 6a), 6b) and 7(2)(a)	Section 48(1)(a)

This resolution (FI2023/16) is made in reliance on Section 48(1) 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 relevant part of the proceedings of the meeting in public are as follows:

Reason for passing this resolution in relation to the matter	Ground(s) under Section 48(1) for the passing of this Resolution
That good reason exists for excluding the public from the whole or any part of the proceedings of any meeting as the public disclosure of information that would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial; or to endanger the safety of any person.	Section 6(a)/6(b)
The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons.	Section 7(2)(a)

(Moved Cr Olds/Seconded Cr Bosley)

Carried

D1. Confirmation of public excluded minutes

E

Karakia Whakamutunga – Closing

Cr Bosley closed the meeting.

The meeting was closed at 12:19pm.

Confirmed as a true and correct record

.....(Chair)

.....(Date)