



POLICY AND FINANCE COMMITTEE

AGENDA – 21 September 2016

A Conduct of Business

The meeting will be held in the Council Chambers, 19 Kitchener Street, Martinborough and will commence at the conclusion of the District Council meeting. The meeting will be held in public (except for any items specifically noted in the agenda as being for public exclusion).

- A1. Apologies
- A2. Conflicts of Interest
- A3. Public Participation
- A4. Minutes for Confirmation: Policy & Finance Committee 10 August 2016 Pages 1-2
- A5. Policy and Finance Committee Action Items Page 3
- A6. Minutes for Receipt: Risk and Audit 18 August 2016 Pages 4-5

B Policies and Reports

- B1. Community Safety and Resilience Working Party – Proposed Change of Terms of Reference Pages 6-10
- B2. Creative Communities Scheme Assessment Group Terms of Reference Pages 11-15
- B3. Amendment to Investment Policy Pages 16-22

C Finances



POLICY AND FINANCE COMMITTEE MEETING MINUTES

10 August 2016

- Present:** Mayor Adrienne Staples (Chair), Councillors Margaret Craig, Dean Davies, Brian Jephson, David Montgomerie, Viv Napier, Julie Riddell, Colin Olds, Solitaire Robertson and Max Stevens.
- In Attendance:** Michael Roera (Maori Standing Committee Chair), Paul Crimp (Chief Executive), Murray Buchanan (Planning and Environment Group Manager), Kim Whiteman (Policy and Reporting Manager) and Suzanne Clark (Committee Secretary).
- Conduct of Business:** The meeting was held in the South Wairarapa District Council Chambers at 19 Kitchener Street, Martinborough and was conducted in public between 11:55am and 12:15pm.

A Preliminary Matters

A1. Apologies

There were no apologies.

A2. Conflicts of Interest

No conflicts of interest were declared.

A3. Public Participation

There was no public participation.

A4. Policy & Finance Committee Minutes 29 June 2016

P&F RESOLVED (P&F2016/24) that the minutes of the Policy and Finance Committee meeting held on 29 June 2016 be received and confirmed as a true and correct record.

(Moved Cr Davies/Seconded Cr Jephson)

Carried

A5. Policy and Finance Committee Action Items

P&F RESOLVED (P&F2016/25) to receive the action items report.

(Moved Cr Stevens/Seconded Cr Robertson)

Carried

A6. Risk and Audit Minutes 21 June 2016

P&F RESOLVED (P&F2016/26) to receive the Risk and Audit Minutes of 21 June 2016.

(Moved Cr Craig/Seconded Cr Napier)

Carried

DISCLAIMER

Until confirmed as a true and correct record, at a subsequent meeting, the minutes of this meeting should not be relied on as to their correctness

B Policies and Reports

B1. Policy Reviews

P&F RESOLVED (P&F2016/27):

- 1. To receive the information.
(Moved Cr Napier/Seconded Cr Riddell) Carried
- 2. To adopt the Health and Safety Policy.
(Moved Cr Jephson/Seconded Cr Stevens) Carried
- 3. To adopt the Remuneration Policy.
(Moved Cr Montgomery/Seconded Cr Craig) Carried
- 4. To adopt the Risk Policy.
- 5. Action 495: Correct the first paragraph of the purpose statement of the Risk Policy; P Crimp

C Finances

Mr Crimp stated that no financial report was available and that annual report preparation was being advanced.

Confirmed as a true and correct record

.....(Mayor)

.....(Date)

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**Policy and Finance Committee
Action Items
From 10 August 2016**

Ref #	Meeting	Date	Action Type	Responsible Manager	Action or Task details	Status	Notes
103	P&F	24-Feb-16	Resolution	Paul	<p>P&F RESOLVED (P&F2016/03):</p> <ol style="list-style-type: none"> 1. To receive the information. 2. To adopt the: <ol style="list-style-type: none"> a. Infectious Disease and Pandemic Policy on the proviso that Council Officers check with the Wairarapa District Health Board and update the policy prior to publication if necessary. b. Council Committees and Working Parties Policy with the minor corrections as noted. c. Defer the adoption of the Acquisition and Disposal of Property Policy until the next meeting. <p>(Moved Mayor Staples/Seconded Cr Napier) Carried</p>	Open	Policies updated with the exception of pandemic still awaiting DHB Shane to follow up when settled in. Full policy update to Council in August

**Risk & Audit Working Party
Minutes
18th August 2016
11am, Waiohine Room**

Present Cr M Craig, Cr D Davies, Cr V Napier, Cr M Stevens
Also in attendance –K Whiteman, K Low, P Crimp

Apologies

Minutes Minutes of the previous meeting were confirmed

Moved Davies/Craig

Matters Arising

1. Phillips/Phelps – Solicitor has prepared new letters to go to Phelps re transfer of dogs to Philips. Letter also going to Philips re the registration of those dogs. Once this process complete we will be able to assess whether to enter the property to verify or not. The letters provide 3 -4 weeks for a response to come back from Phelps/Philips so no further action likely to mid Sept.
2. Progressive – Case is resolved, Progressive (WDL) have surrendered the two resource consents. High Court costs of \$40,000 have been confirmed so Council must pay \$20000 share to Flynn (WDL pay the other half). Council could have contested this claim for costs by Flynn but the outcome in dollars spent would have been the same. We would have had to pay our legal advisers more or less the same amount we might have saved on the costs by contesting it. Total cost to SWDC approx. \$75k.
3. ALA – This is now set down for a pre hearing teleconference on around 16-18 November 2016. In the mean time we have been engaging with the submitters on trying to settle the appeals without need for a hearing. TAG has met and is to make recommendations to Combined Policy Working Group, if these are accepted by the WG then the appeals should settle without a hearing.

Monthly Financials

Financials.

To be smoothed for August

Final set accounts for 2015/16 to be tabled at the next meeting.

Moved Craig/Davies

Revaluation circulated awaiting Greytown pool

Invest policy to be reviewed

Reports

1. Audit feedback received awaiting information on AMP's.
2. Rates Strike – procedure review November

3. 2015/16 LOS Variance reviewed

Policies

1. Fraud Policy to be passed for circulation to Community Board

Risks

1. Business Continuity Plan underway with key projects identified and procedures being completed.
2. Risk register reviewed. To add water (bugs).
3. Risk assessment on the Waihinga Centre reviewed to be reviewed with Mr Borman. Paul to add loan statement.
4. Best Council and external staff engagement survey discussed.

General Business

1. Discussion on Hasting District Council Water issue. Internal What if analysis to be completed.

Meeting closed 11:40pm

Next meeting: 9am Tuesday 20th September 2016

POLICY AND FINANCE COMMITTEE

21 SEPTEMBER 2016

AGENDA ITEM B1

COMMUNITY SAFETY AND RESILIENCE WORKING PARTY - PROPOSED CHANGE TO TERMS OF REFERENCE

Purpose of Report

To inform Councillors of the reasons for the proposed change to the terms of reference of the South Wairarapa District Council Community Safety and Resilience Working Party.

Recommendations

Officers recommend that the Council:

1. *Receives the information.*
2. *Approves the revised terms of reference for the Community Safety and Resilience Working Party.*

1. Background

The terms of reference for the Community Safety and Resilience Working Party, and its predecessor, the Graffiti Working Party, listed some named individuals. A revised terms of reference is submitted listing roles rather than names. This is attached as Appendix 1.

2. Appendices

Appendix 1 – Revised Terms of Reference for Community Safety and Resilience Working Party

Contact Officer: Helen McNaught, Amenities Manager

Reviewed By: Mark Allingham, Group Manager Infrastructure Services

**Appendix 1 – Revised Terms
of Reference for Community
Safety and Resilience
Working Party**



SOUTH WAIRARAPA DISTRICT COUNCIL

COMMUNITY SAFETY WORKING PARTY

TERMS OF REFERENCE

1. Purpose

- 1.1 To provide a forum for Council representatives and community groups to monitor, coordinate and develop initiatives aimed at increasing community safety in south Wairarapa.
- 1.2 To ensure the implementation of the South Wairarapa District Council Graffiti Management and Prevention Policy, and the development of a strategy to support this and other community safety initiatives.
- 1.3 To consult with the community including businesses, schools and police about community safety and crime prevention.
- 1.4 To lead community-based initiatives, monitor progress and report back to Council and the community.
- 1.5 To monitor use of SWDC funds targeted at community safety by the contracted agencies and to report to Council on this.

2. Membership

- Two Councillors, one to be Chairperson
- Parks and Reserves contractor representative
- Representatives of Featherston, Greytown and Martinborough Community Boards
- Representatives of Community Patrols
- Representatives of Neighbourhood Support
- Representatives of local youth groups
- Amenities Manager or Amenities Administrator
- NZ Police representative
- Business representative(s)
- Youth representative(s)

3. Stakeholders

- South Wairarapa District Council
- Featherston Community Board
- Greytown Community Board
- Martinborough Community Board
- Residents and ratepayers of South Wairarapa

Other members to be co-opted as agreed by the Working Party.

4. Deliverables

4.1 South Wairarapa graffiti, vandalism and crime prevention strategy

4.2 Investigation, action and reporting on significant issues of public safety as required

5. Accountability and reporting

5.1 The SWDC Graffiti Working Party is accountable to Council.

5.2 Written progress reports will be submitted to each Council and Community Board meeting during the life of the Working Party, by the Working Party Chair and through the regular officers' report for I&S.

6. Review

The need for the Working Party will be reviewed annually by Council.

7. Operating model

7.1 Meetings

7.1.1 Timing and frequency

3pm on the Wednesday before Council meeting, on a 6-weekly cycle

7.1.2 Meeting procedure

As for Council and Community Boards (NZ Standard Model Standing Orders for Meetings of Local Authorities and Community Boards NZS 9202:2003)

7.1.3 Location

Council Chambers, Martinborough

7.1.4 Quorum

Six members, of whom at least three must be elected representatives, will constitute a quorum.

7.1.5 Secretariat

Secretariat services to be provided by the SWDC Amenities team.

7.1.6 Agenda and paper circulation

By email, at least 5 working days before the meeting. Large items to be posted out.

7.2 *Sharing of information and resources*

7.2.1 Confidentiality

Information and resources will remain confidential to the Working Party. Sharing and/or publication of resources more widely will be determined by the Working Party on a case-by-case basis.

POLICY AND FINANCE COMMITTEE

21 SEPTEMBER 2016

AGENDA ITEM B2

CREATIVE COMMUNITIES SCHEME ASSESSMENT GROUP TERMS OF REFERENCE

Purpose of Report

To create a terms of reference for the Creative Communities Assessment Group.

Recommendations

Officers recommend that the Committee:

1. *Receives the information.*
2. *Approves the Terms of Reference for the Creative Communities Assessment Group.*

1. Background

The Creative Communities Scheme Assessment Group has been operating under the terms of contract between Creative NZ and South Wairarapa District Council. The purpose of creating a terms of reference, as attached in Appendix 1, is to have an accessible document for the Assessment Group and for newly elected members.

2. Appendices

Appendix 1 – Creative Communities Scheme Assessment Group Terms of Reference

Contact Officer: Suzanne Clark, Committee Secretary

Reviewed By: Paul Crimp, Chief Executive

**Appendix 1 – Creative
Communities Scheme
Assessment Group Terms of
Reference**



SOUTH WAIRARAPA DISTRICT COUNCIL

CREATIVE COMMUNITIES ASSESSMENT GROUP

TERMS OF REFERENCE

1. Purpose

To assess Creative Communities Scheme applications and allocate funding in line with the Scheme criteria and any specific local priorities that have been set by Council.

2. Other Assessment Group Functions

- To discuss and make recommendations for promoting the Scheme locally.
- To receive reports on funded projects and discuss completed projects.
- To attend performances, exhibitions and other events funded by the Creative Communities Scheme.
- To attend meetings organised by Creative New Zealand.
- To elect new community representatives to the Assessment Group after a nomination process.
- To determine the number of funding rounds to be held each year (between two and four).

3. Membership

3.1.1. Membership

Membership is as per the contract between SWDC and Creative NZ. It is recommended that at least seven and not more than eleven members make up the Assessment Group consisting of:

- Up to two elected members (Council and/or community board).
- One representative from local community arts councils (organisations that have been formally gazetted under the Arts Council of NZ Toi Aotearoa Act 2014 or previous versions of the Act).
- Community representatives.
- At least one member must be of Maori descent.

3.1.2. Term of Membership

Community representatives may be appointed or elected for a specified term of up to three years and can serve a maximum of two consecutive terms. This term limitation does not apply to council or community arts council representatives.

3.1.3. Chairperson

Each year the Assessment Group should elect a chairperson. A person may serve a maximum of three consecutive years as chair.

4. Conflicts of Interest

- To maintain the assessment Groups integrity and to guarantee that it's decision-making is transparent and impartial; conflicts of interest must be declared and handled appropriately.
- All conflicts of interest must be noted at the start of the meeting and recorded in the minutes along with member departure.

5. Accountability and Reporting

- Minutes of the Assessment Group will be submitted to Council.
- The Creative Communities Administrator will submit an Annual Evaluation Report to Creative NZ.
- The Creative Communities Administrator will submit a Summary Report to Creative NZ following each funding round.

6. Operating Model

6.1 Meetings

6.1.1. Timing and Frequency

Between two and four meetings per year at a time and day that suits the Group but aligned to occur after the funding round closing dates as set by Creative NZ (February, May, August, November).

6.1.2. Convening of Meetings

The Creative Communities Administrator will convene the Assessment Group.

6.1.3. Meeting Procedure

The Assessment Group is not a committee of Council and except for a period where applicants can present their project to the Assessment Group, the assessment activity excludes the public.

6.1.4. Location

The meeting location is to be agreed by the Assessment Group or will be the Greytown Town Centre, Greytown by default.

6.1.5. Quorum

Three members will constitute a quorum. The Creative Communities Administrator is not a member of the Assessment Group.

6.1.6. Secretariat

Secretariat services are to be provided by the Creative Communities Administrator.

6.1.7. Agenda and Application Circulation

A hard copy agenda which includes all received applications will be circulated via NZ Post at least five working days before the meeting.

SOUTH WAIRARAPA DISTRICT COUNCIL

21 SEPTEMBER 2016

AGENDA ITEM B3

AMENDMENT TO INVESTMENT POLICY

Purpose of Report

To propose a small amendment to the investment policy to allow a pragmatic application of this policy

Recommendations

Officers recommend that the Council:

1. *Receive the information.*
2. *Amend section 2 of the Investment Policy by inserting "occasional and short term exceedences of the 30% rule are allowed, such exceedences are to be reported to the risk and audit working party".*

1. Executive Summary

Money laundering legislative changes in recent years has resulted in SWDC investment policy becoming difficult to manage.

Prior to this change in legislation, the banking sector were happy to direct debit, and direct credit, funds from/to our investment accounts.

The change in legislation has resulted in much more onerous documentation and signatory requirements.

This has made the operation of our investment policy difficult, resulting in occasional policy breaches. These breaches are required to be formally reported by Audit NZ in our management reports

2. Background

The current policy is included as appendix 1.

In general terms the principal behind the current policy is sound. Spreading the investments between registered New Zealand banks is a suitably conservative policy.

The risk associated with these exceedences is very low to nil, if there is an exceedence the exceedence exists within one of the approved registered banks.

One of the results of the change in legislation is that we have not been able to invest in one of the registered banks as the signatory documentation lapsed. We are taking steps to comply with this institutions documentation and signatory requirements which, when complete, will allow us to spread the portfolio more effectively.

We currently have four operative banks, which in an ideal world would give us a 25% spread, however as we invest generally in \$500,000 tranches (and have reserve funds set aside of about 2 x \$1.1M) our options are very limited.

This additional bank will increase our ability to spread our funds, and we will no longer have the reserve funds as specific investments (though will continue to account for them separately).

3. Discussion

This is an administrative change which does not change our risk profile. The main benefit is avoiding breaches of policy that Audit are required to comment on.

Audit New Zealand suggested this change some time ago, which was resisted at the time however on analysis, the current restrictions placed on the banks mean this change is now pragmatic.

Exceedences will continue to be reported to audit and risk working party

4. Appendices

Appendix 1 – Investment Policy

Contact Officer: Paul Crimp, Chief Executive Officer

Appendix 1 – Investment Policy



INVESTMENT POLICY

1. General Policy

The investment policy will be consistent with Council's overall objectives and plans Council acknowledges that there are financial risks associated with its investment activities but is risk averse. The treasury function is based on managing risk and protecting investments. There is no involvement in speculative transactions.

The management of trusts, and special funds and reserves will be reviewed on a regular basis. This will ensure that their holding complies with any statutory or other special requirements and that their use is consistent with these and with Council policy at the time.

Investments generally will be made having regard to the following objectives:

- To manage short term cash flows in an efficient and prudent manner providing cash for approved expenditure needs and in the event of urgent requirements.
- To provide cash for the future retirement of debt on maturity.
- To maximise interest income and minimise risk to the capital invested.

2. Treasury Investments

Council's treasury investments comprise sums reserved for special purposes and funds held for working capital requirements. These funds are managed using the following guidelines:

- Funds are invested only with institutions which offer an excellent degree of security. These include the New Zealand Government, State Owned Enterprises, Local Authorities (including itself) and New Zealand registered banks.
- The maximum amount to be invested with any one approved institution is 30% of Council's total investments except for the Wairarapa Building Society which shall be 10%.

3. Equity Investments

Council has small shareholdings in the following organisations:

- New Zealand Local Government Insurance Corporation Limited.
- AIRTEL Limited.
- Farmlands Limited.

A Council resolution is required to dispose of these shares.

Council is risk averse and does not wish to expose itself to the risks associated with equity investments. It will not as a general rule seek to acquire further equity investments.

4. Emissions trading scheme

Council has a number of “New Zealand Emissions Units” that were issued as a result of the introduction of the emissions trading scheme.

A Council resolution is required to transact these units.

5. Local Government Funding Authority

Council may, borrow funds from the Local Government Funding Authority.

Under certain very limited circumstances, the borrower notes can convert to shares.

A Council resolution will be required to manage these shares.

6. Property

Council does not hold real property for investment purposes. It may and does purchase property from time to time to assist in the provision of its core services to the community. Surplus properties will be disposed of wherever possible. Council will review its property holdings on a regular basis.

6.1 Mix of Investments

The mix of investments will be determined having regard to the overall funding needs of Council. Investment mix is also influenced by risk management considerations. Council will maintain sufficient general funds for day to day operational needs.

Council may establish, alter or dissolve a fund for a particular purpose by ordinary resolution.

6.2 Acquisition of New Investments

Treasury investments are acquired under delegated authority to the Chief Executive.¹

It is unlikely that Council will invest in shares or investment properties in the foreseeable future. Any such acquisitions would require a resolution by Council.

When acquiring treasury investments Council seeks to:

- Optimise return on investments.
- Ensure investments are secure.
- Manage potential interest rate movement losses.

¹ Means the Chief Executive and/or other officers to whom the Chief Executive may delegate from time to time.

6.3 Disposition of Revenue from Investments

All dividends, interest and other income from investments will be available for Council's general use except:

- Where Council has resolved that interest earned on funds invested in an account shall be reinvested in that account. These accounts shall be subject to review each year.
- Interest earned on sinking funds which shall remain in the sinking funds.

6.4 Disposition of Proceeds of Sale of Investments

Equity and property investments may be disposed of by resolution of Council and the proceeds will be available for Council's general use unless it resolves otherwise. These proceeds may only be used for capital investments or the retirement of debt.

On maturity, treasury investments may be realised for Council's general use or reinvested under delegated authority by the Chief Executive.

6.5 Procedures

Equity and property investments will be reviewed by Council before the end of March each year.

Treasury investments will be managed under delegated authority by the Chief Executive. All realisations, transfers and reinvestments will comply with this policy. All treasury transactions are required to be validated by way of a deal ticket (as contained in Council's Treasury Policy).

Council will receive a schedule of all treasury investments each month as part of the Chief Executive Officer's report.

6.6 Investment Risk Assessment and Management

Council has no investment properties and only one equity investment.² [Council does hold shares in Airtel Ltd and Farmlands Trading Society, however these are not held for investment purposes] The exposure to risk in these areas is minimal.

Council's primary objective in respect of treasury investments is the protection of those investments. Only credit worthy counter parties are acceptable. Council will manage its exposure to credit risk by maintaining a diverse investment portfolio with prescribed limits for each counter party. The exposure to interest rate risk will be managed by a mix of terms and staggered maturity dates to mitigate the effect of market fluctuations.

² New Zealand Local Government Insurance Corporation Ltd 26,965 shares.

6.7 Objectives for holding and managing financial investments and equity securities

The objectives of holding financial investments are:

- To maintain sufficient cashflow to meet current and future needs.
- To ensure sufficient funding is available to meet future loan repayments as they fall due through the maintenance of sinking fund accounts.

The objectives of holding equity investments are:

- Equity investments are held solely for strategic purposes and are not held for financial return.
- Equity investments will only be made to support companies that provide a service that may not otherwise be provided, for the benefit of either the three Wairarapa local authorities, or a wider base of local authorities.

6.8 Targets for returns on financial investments and equity investments

The targets for returns on financial investments are:

- The key rationale of the holdings of financial investments is risk minimisation. Due to the levels of cash holdings these are managed solely for cashflow purposes. Council policy limits investment to very low risk investment, which by its nature provides modest returns.

The objectives of holding equity investments are:

- Equity investments are held solely for strategic purposes and are not held for financial return.
- There is no quantified target for equity investments for the reasons outlined above.