

Finance and Performance Committee of the Whole
OPEN MINUTES

Date: Thursday 7 February 2019
Time: 9.33am
Venue: Council Chambers, Civic Offices,
53 Hereford Street, Christchurch

Present

Chairperson	Councillor Raf Manji
Deputy Chairperson	Deputy Mayor Andrew Turner
Members	Mayor Lianne Dalziel
	Councillor Vicki Buck
	Councillor Jimmy Chen
	Councillor Phil Clearwater
	Councillor Pauline Cotter
	Councillor Mike Davidson
	Councillor David East
	Councillor Anne Galloway
	Councillor Jamie Gough
	Councillor Yani Johanson
	Councillor Aaron Keown
	Councillor Glenn Livingstone
	Councillor Tim Scandrett
	Councillor Deon Swiggs
	Councillor Sara Templeton

7 February 2019

Principal Advisor
Carol Bellette
General Manager Finance

Samantha Kelly
Committee and Hearings Advisor
941 6227
samantha.kelly@ccc.govt.nz
www.ccc.govt.nz

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- Part A** Matters Requiring a Council Decision
Part B Reports for Information
Part C Decisions Under Delegation
-

The agenda was dealt with in the following order.

1. Apologies

Part C

Committee Resolved FPCO/2019/00001

That the apology from Councillor Scandrett for early departure be accepted.

Councillor Gough/Councillor Davidson

Carried

2. Declarations of Interest

Part B

There were no declarations of interest recorded.

3. Confirmation of Previous Minutes

Part C

Committee Resolved FPCO/2019/00002

That the minutes of the Finance and Performance Committee meeting held on Wednesday, 5 December 2018 be confirmed.

Councillor Manji/Councillor Davidson

Carried

4. Public Forum

Part B

There were no public forum presentations.

6. Presentation of Petitions

Part B

There was no presentation of petitions.

Chairperson Introduction

Councillor Manji provided an introduction to the first Finance and Performance Committee of the Whole meeting.

5. Deputations by Appointment

Part B

5.1 David Lynch - Momentus Public Relations Ltd

David Lynch presented to the Committee regarding Item 16 – Central City Activation, Events and Attractions Package.

8. Christchurch Town Hall Project Monthly Update

Committee Resolved FPCO/2019/00003

Part B

That the Finance and Performance Committee of the Whole:

1. Receives the report.

Councillor Templeton/Councillor Cotter

Carried

9. Capital Delivery Major Facilities Elected Member Update

Committee Comment

1. The Committee resolved to receive the report.
2. The Committee also requested for the original approved project budgets and delivery timeframes be included in future Capital Delivery Major Facilities Update reports, including explanatory notes, if the project budget or timeframes have changed.

Committee Resolved FPCO/2019/00004

Part C

That the Finance and Performance Committee of the Whole:

1. Receive the information in the attached Capital Delivery Major Facilities Project Updates report.
2. Note the additional reporting requirements requested by the Committee.

Councillor Templeton/Mayor

Carried

Councillor Livingstone left the meeting at 10.30am and returned at 10.33am during consideration of item 10.

10. Capital Programme Performance Report

Staff Recommendations

That the Finance and Performance Committee of the Whole:

1. Receive the information in the Capital Programme Performance report.
2. Request further information on specific projects or portfolios.

Committee Resolved FPCO/2019/00005

Part C

That the Finance and Performance Committee of the Whole:

1. Receive the information in the Capital Programme Performance report.

Councillor Clearwater/Councillor Davidson

Carried

Councillor Buck left the meeting at 11.24am during consideration of item 11.

11. Financial Performance report for the six months to 31 December 2018

Committee Resolved FPCO/2019/00006

Part B

That the Finance and Performance Committee of the Whole:

1. Receives the information in the report.

Councillor Davidson/Councillor Chen

Carried

The meeting adjourned at 11.27am and reconvened at 11.45am. Councillors Davidson was not present at this time.

Councillor Scandrett left the meeting at 11.27am and did not return to the meeting.

Councillors Gough and Livingstone left the meeting at 12.08pm during consideration of item 12.

Councillor Davidson returned to the meeting at 12.11pm during consideration of item 12.

Councillor Gough returned to the meeting at 12.15pm during consideration of item 12.

Councillor Davidson left the meeting at 12.17pm and returned at 12.17pm during consideration of item 12.

12. Performance Reporting for December 2018

Committee Resolved FPCO/2019/00007

Part B

That the Finance and Performance Committee of the Whole:

1. Receive the information in the monthly Level of Service Exceptions report for December 2018.

Councillor Swiggs/Councillor Templeton

Carried

13. Corporate Finance Report for the period ending 31 December 2018

Committee Resolved FPCO/2019/00008

Part B

That the Finance and Performance Committee of the Whole:

1. Receives the information in the report;
2. Notes the status of the Treasury Policy Compliance; and
3. Notes the status of the Rates and Non-Rates Debtor balances.

Councillor Templeton/Councillor Swiggs

Carried

Councillor Buck left the meeting at 12.48pm and returned at 12.56pm during consideration of item 14.

Report from Banks Peninsula Community Board - 17 December 2018

14. Akaroa Community Health Centre Funding Request

Committee Comment

1. At its meeting on 24 January 2019 the Council resolved that the report on the Akaroa Community Health Centre Funding Request and the Banks Peninsula Community Board recommendations be referred to the 7 February 2019 Finance and Performance Committee of the Whole. The Council also delegated to the Committee decision-making authority in respect of the report.

Staff Recommendations

That Te Pātaka o Rākohaitū/Banks Peninsula Community Board recommends to Council that it either:

1. Agrees in principle to the request from the Akaroa Community Health Trust to provide it with One-off Council Grant funding up to a maximum of \$1,300,000. The Grant to be used to fund the Trust's outstanding funding commitment to the Canterbury District Health Board for the Akaroa Community Health Centre.

Or:

Declines the Akaroa Community Health Trust request for One-off Council Grant funding up to a maximum of \$1,300,000.

Or:

Defers consideration of the request for funding until the end of 2019 to enable the Akaroa Community Health Trust to have a clearer view of its eventual funding requirements.

That Te Pātaka o Rākohaitū/Banks Peninsula Community Board recommends to Council that if it agrees in principle to provide the Akaroa Community Health Trust with One-off Council Grant funding (Option 1 above), that:

2. The Council proposes that the Grant be paid for from a Grants Targeted Rate on properties in the Akaroa and Bays area, on the basis that the Rate is:
 - a. Applied to all rateable units in the Akaroa subdivision of the Banks Peninsula ward;
 - b. Calculated on a proportional basis according to the capital value of each Rating Unit;
 - c. Applied for a maximum of ten years from 1 July 2019 – 30 June 2028/29;
 - d. Limited in total revenue raised to a maximum of \$1,300,000 adjusted for interest revenue and interest costs arising from the difference in timing between when the Targeted Rate revenue is received and when the One-off Council Grant is paid;
 - e. Calculated based on the interest rate earned by ratepayers on Targeted Rate amounts paid to Council before the Grant is paid in 2022/23 being 3.0 per cent (being an estimate of what the Council would earn by investing those funds on term deposit);
 - f. Calculated based on the interest rate paid by ratepayers on Targeted Rate revenue received after the Grant is paid in 2022/23 to be 4.5 per cent (being an estimate of what the Council would pay on borrowing over this period);

- g. Reduced if the Trust receives further funding from other sources – the Grants Targeted Rate will be the funder of last resort.
- 3. The Council uses a decision making process that includes appropriate community consultation that:
 - a. proposes the Council’s preferred option as well as any other options the Council considers practicable;
 - b. meets the requirements of section 82 of the Local Government Act 2002;
 - c. is focused on the communities directly affected by the proposal but be open to all Christchurch residents;
- 4. The Council agrees that a Hearings Panel be convened at the completion of the consultation period to receive and hear submissions on the proposal, deliberate on those submissions, and to report back recommendations to the Council.

Banks Peninsula Community Board Recommendations to the Finance and Performance Committee of the Whole

That the Finance and Performance Committee of the Whole:

- 1. Agrees in principle, subject to community consultation, to the request from the Akaroa Community Health Trust to provide it with One-off Council Grant funding up to a maximum of \$1,300,000. The Grant to be used to fund the Trust’s outstanding funding commitment to the Canterbury District Health Board for the Akaroa Community Health Centre, subject to the Council using a decision making process that includes appropriate community consultation as follows:
 - a. proposes the Council’s preferred option as well as any other options the Council considers practicable, including:
 - i. the community is asked if they support a targeted rate;
 - ii. options of a four year and ten year rating period;
 - iii. the community is asked what level of support should be required for the targeted rate to be implemented;
 - b. the Community Board formally approves the Consultation Document;
 - c. meets the requirements of section 82 of the Local Government Act 2002;
 - d. is focused on the communities directly affected by the proposal but be open to all Christchurch residents;
- 2. Agrees that a Hearings Panel be convened and hearings held, including in Akaroa, at the completion of the consultation period to receive and hear submissions on the proposal, deliberate on those submissions, and to report back recommendations to the Council.
- 3. The grant be reduced if the Trust receives further funding from other sources – the Grants Targeted Rate will be the funder of last resort.

Committee Resolved FPCO/2019/00009

Part C

The Finance and Performance Committee of the Whole noted the Banks Peninsula Community Board's recommendations and resolved as follows:

That the Finance and Performance Committee of the Whole:

1. Agrees in principle to the request from the Akaroa Community Health Trust for a one-off Council grant of up to \$1.3 million to assist the Trust meet a funding commitment to the Canterbury District Health Board for the new Akaroa Community Health Centre;
2. Agrees the amount of the grant, if made, will be recovered through a fixed charge targeted rate paid by rate payers in the Akaroa subdivision of the Banks Peninsula ward;
3. Expects the Trust to continue using its best endeavours to raise the funds it requires from other sources, so that the grant/targeted rate mechanism is used as a last resort only;
4. Requests that before the Council makes a final decision on the matter, staff undertake a consultation process that:
 - a. ascertains the level of support of community support for the grant being made and recovered through a fixed charge targeted rate;
 - b. ascertains the level of support from ratepayers in the Akaroa subdivision of the Banks Peninsula Ward for paying a fixed charge targeted rate over a 4 year, 10 year, or other rating period;
 - c. includes the appointment of a Hearings Panel to hear oral submissions, sitting in Akaroa as well as any other place determined by the Panel;
 - d. will ensure the Panel's recommendations are received and considered by the Council before the meeting at which the Council adopts its 2019/20 Annual Plan and sets rates for the 2019/20 year;
5. Requests the Hearings Panel, in its deliberations, to be satisfied the level of response to the consultation and support for the grant/targeted rate from the wider community and the affected ratepayers is substantial and convincing before the Panel makes a decision on its recommendations to the Council.

Councillor Manji/Councillor Templeton

Carried

The meeting adjourned at 12.56pm and reconvened at 2.03pm. The Mayor, Councillor Buck and Councillor Clearwater were not present at this time.

The Mayor returned to the meeting at 2.04pm during consideration of item 15.

Councillors Buck and Clearwater returned to the meeting at 2.06pm during consideration of item 15.

15. Wastewater Heat Recovery Linwood Pool

Committee Comment

1. The Committee resolved the staff recommendations without change.

Committee Resolved FPCO/2019/00010

Part C

That the Finance and Performance Committee of the Whole:

1. Approve the increase of the Linwood Pool budget from \$21,641,750 to \$22,719,750 (an increase of \$1,078,000) to enable the integration of a wastewater heat recovery system within the Linwood Pool facility.
2. Approve the funding of the waste water heat recovery system for the Linwood Pool up to \$1,078,000 through reprioritisation of 'Recreation and Sport Buildings & Plant R&R Programme' FY21.
3. Request that staff also seek third party funding for the wastewater heat recovery system for the Linwood pool.
4. Note that this initiative directly aligns with Council's Strategic Priority of Climate Change Leadership.

The division was declared **carried** by 9 votes to 6 votes the voting being as follows:

For: Deputy Mayor Turner, Mayor Dalziel, Councillor Buck, Councillor Chen, Councillor Clearwater, Councillor East, Councillor Galloway, Councillor Johanson and Councillor Templeton

Against: Councillor Manji, Councillor Davidson, Councillor Gough, Councillor Keown, Councillor Livingstone and Councillor Swiggs

Abstained: Councillor Cotter

Councillor Templeton/Councillor Johanson

Carried

16. Central City activation, events and attraction package

Staff Recommendations

That the Committee of the Whole:

1. Agree in principle to the establishment of a winter package to support the Central City.
2. Recommend to the Council that \$280,000 funding to support the proposed winter package is added to the 2019/2020 draft Annual Plan, noting that the final decision to include funding will be considered before adoption of the draft and final 2019/2020 Annual Plan.
3. Recommend that the Council delegates to the Head of Urban Design, Regeneration and Heritage and the Head of Recreation, Sports and Events – in conjunction with ChristchurchNZ - the decision to jointly approve the details of the winter package, noting that this will contain elements of:
 - a. Extending the existing events programme and establishing an activation programme;
 - b. Delivering a strategic marketing campaign, complemented by a local campaign; and
 - c. Coordinating with retailers and hospitality to leverage visitation.
4. Recommend that the Council note that the reporting and monitoring of the winter package will occur via reporting on the Central City Action Plan.

Committee Resolved FPCO/2019/00011

Part C

That the Finance and Performance Committee of the Whole:

1. Decline the establishment of a Central City Winter Package, and notes that the Central City Development Forum continues to monitor progress in the central city to provide advice and ideas on central city activation as they arise.

*The division was declared **carried** by 10 votes to 6 votes the voting being as follows:*

For: *Councillor Manji, Deputy Mayor Turner, Mayor Dalziel, Councillor Buck, Councillor Chen, Councillor Clearwater, Councillor Cotter, Councillor Johanson, Councillor Livingstone and Councillor Templeton*

Against: *Councillor Davidson, Councillor East, Councillor Galloway, Councillor Gough, Councillor Keown and Councillor Swiggs*

Councillor Manji/Councillor Livingstone

Carried

17. Establishment of an Insurance Subcommittee

Committee Resolved FPCO/2019/00012

Part C

That the Finance and Performance Committee of the Whole:

1. Establish an Insurance Subcommittee.
2. Adopts the Terms of Reference for the Insurance Subcommittee (Attachment A of this report).

Councillor Cotter/Councillor Keown

Carried

18. Insurance Summary

Committee Resolved FPCO/2019/00013

Part C

That the Finance and Performance Committee of the Whole:

1. Receive the information in this report.
2. Request further work to be done on Resilience and Risk Finance and for staff to report back through the Insurance Subcommittee.

Councillor Manji/Mayor

Carried

19 Resolution to Exclude the Public

Committee Resolved FPCO/2019/00014

Part C

That at 3.32pm the resolution to exclude the public set out on pages 172 to 173 of the agenda be adopted.

Councillor Manji/Deputy Mayor

Carried

The public were re-admitted to the meeting at 4.33pm.

Meeting concluded at 4.33pm.

CONFIRMED THIS 7TH DAY OF MARCH 2019.

**COUNCILLOR RAF MANJI
CHAIRPERSON**