

Finance and Performance Committee
OPEN MINUTES

Date: Thursday 5 March 2020
Time: 9.31am
Venue: Council Chambers, Civic Offices,
53 Hereford Street, Christchurch

Present

Chairperson	Deputy Mayor Andrew Turner
Deputy Chairperson	Councillor Sam MacDonald
Members	Mayor Lianne Dalziel
	Councillor Jimmy Chen
	Councillor Catherine Chu
	Councillor Melanie Coker
	Councillor Pauline Cotter
	Councillor James Daniels
	Councillor Mike Davidson
	Councillor Anne Galloway
	Councillor James Gough
	Councillor Yani Johanson
	Councillor Aaron Keown (via Teleconference)
	Councillor Phil Mauger
	Councillor Jake McLellan
	Councillor Tim Scandrett
	Councillor Sara Templeton

5 March 2020

Principal Advisor

Dawn Baxendale
Chief Executive
Tel: 941 6996

Principal Advisor

Carol Bellette
General Manager Finance and
Commercial
Tel: 941 8540

Samantha Kelly
Team Leader Hearings & Committee Support
941 6227
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- Part A Matters Requiring a Council Decision**
Part B Reports for Information
Part C Decisions Under Delegation
-

Karakia Timatanga: Delivered by: Deputy Mayor Turner.

The agenda was dealt with in the following order.

1. Apologies / Ngā Whakapāha

Part C

Committee Resolved FPCO/2020/00012

That the apology received from Councillor Keown for partial absence be accepted.

Deputy Mayor/Councillor McLellan

Carried

2. Declarations of Interest / Ngā Whakapuaki Aronga

Part B

Councillors Galloway and Scandrett declared an interest in Item 14.

Deputy Mayor Turner and Councillor Davidson declared an interest in the sections of Item 18 relating to ChristchurchNZ Ltd.

Councillors Gough, MacDonald and Mauger declared an interest in the sections of Item 18 relating to Civic Building Ltd.

Councillor Chen declared an interest in the sections of Item 18 relating to the Riccarton Bush Trust.

Councillors Cotter and Davidson declared an interest in the sections of Item 18 relating to Christchurch Agency for Energy.

The Mayor, Deputy Mayor Turner and Councillors Gough and Templeton declared an interest in Item 19.

Councillors Gough, Templeton and Scandrett declared an interest in Public Excluded item 22.

3. Confirmation of Previous Minutes / Te Whakaāe o te hui o mua

Part C

Committee Resolved FPCO/2020/00013

That the minutes of the Finance and Performance Committee meeting held on Thursday, 30 January 2020 and the Extraordinary Finance and Performance Committee meeting held on Wednesday, 26 February 2020 be confirmed.

Councillor MacDonald/Councillor Daniels

Carried

4. Public Forum / Te Huinga Whānui

Part B

There were no public forum presentations.

5. Deputations by Appointment / Ngā Huinga Whakaritenga

Part B

- 5.1** Anne Dingwall and Lindsay Carswell presented on behalf of the Christchurch Civic Trust regarding Item 14 - Loan Application Canterbury Cricket Trust.

Councillor MacDonald left at 9.46am during deputation 5.2.

- 5.2** Lindsay Carswell presented regarding Item 14 - Loan Application Canterbury Cricket Trust.

6. Presentation of Petitions / Ngā Pākikitanga

Part B

There was no presentation of petitions.

Councillor MacDonald returned at 9.54am during consideration of Item 13.

13. Draft submission on the Infrastructure Funding and Financing Bill

Committee Resolved FPCO/2020/00014

Original Officer Recommendation accepted without change

Part C

That the Finance and Performance Committee:

1. Approve the draft Council submission on the Infrastructure Funding and Financing Bill.

Councillor Templeton/Councillor Cotter

Carried

Councillor Gough left the meeting at 10.13am during consideration of Item 7.

7. Performance Exceptions Report January 2020

Committee Resolved FPCO/2020/00015

Original Officer Recommendation accepted without change

Part B

That the Finance and Performance Committee:

1. Receives the information provided in the Performance Exceptions Report for January 2020.

Deputy Mayor/Councillor Chen

Carried

Councillor Gough returned at 10.18am during consideration of Item 8.

Councillor Cotter left at 10.27am during consideration of Item 8.

8. Capital Project Performance Report - Jan 2020

Committee Resolved FPCO/2020/00016

Original Officer Recommendations accepted without change

Part B

That the Finance and Performance Committee:

1. Receives the information in the Capital Programme Performance Report.
2. Receives the information in the Capital Watchlist and Major Cycleways report.

Deputy Mayor/Councillor MacDonald

Carried

Councillor Cotter returned at 10.32am during consideration of Item 9.

9. Financial Performance Report for the six months ending 31 December 2019

Committee Resolved FPCO/2020/00017

Original Officer Recommendation accepted without change

Part B

That the Finance and Performance Committee:

1. Receives the information in the Financial Performance Report for the six months ending 31 December 2019.

Councillor Gough/Councillor Chen

Carried

10. Community Facilities Earthquake Rebuild Programme Bi-Monthly Update March 2020

Committee Resolved FPCO/2020/00018

Original Officer Recommendations accepted without change

Part B

That the Finance and Performance Committee:

1. Receives the information in the Community Facilities Earthquake Rebuild Programme Bi-Monthly Update report.

Deputy Mayor/Councillor Cotter

Carried

11. LTP 2021 Programme Update February 2020

Committee Resolved FPCO/2020/00019

Original Officer Recommendation accepted without change

Part B

That the Finance and Performance Committee:

1. Notes that the fundamental premise of the Long Term Plan process is that all components (Financial and Infrastructure Strategies, Activity Plans, Asset Management Plans, the capital programme) will be completed by staff in draft form by 1 June 2020.
2. Notes that this will provide councillors reasonable time to work through proposals, options and budgets in a measured way before finalising a draft Long Term Plan in December 2020 and formally adopting the draft in February 2021.
3. Notes the Long Term Plan work stream progress report (as attached.)
4. Notes the draft calendar of LTP briefings for Elected Members for 2020. This programme of work was proposed by the LTP Programme Group and approved by the Project Sponsor.

Deputy Mayor/Councillor Chen

Carried

The meeting adjourned at 10.56am and reconvened at 11.15am, Councillor Gough was not present at this time.

Councillor Gough returned at 11.22am during consideration of Item 18.

18. Council-controlled organisations - Half year performance reports for ChristchurchNZ Holdings Ltd, Civic Building Ltd, Riccarton Bush Trust, Christchurch Agency for Energy Trust and Local Government Funding Agency

Committee Comment

Joanna Norris, Chief Executive and Tim Loftus of ChristchurchNZ Holdings Ltd, joined the table for the section relating to Christchurch NZ.

Committee Resolved FPCO/2020/00020

Original Officer Recommendation accepted without change

Part B

That the Finance and Performance Committee:

1. Notes the half year performance for the period 1 July – 31 December 2019 for ChristchurchNZ Holdings Ltd, Civic Building Ltd, Riccarton Bush Trust, Christchurch Agency for Energy Trust and Local Government Funding Agency and that they are all compliant with the requirements of the Local Government Act 2002.

Councillor Scandrett/Councillor Coker

Carried

12. Close Out Report for Council Voice Upgrade Project

Committee Comment

The Committee requested for staff to present an updated report to the next Committee meeting as noted in the resolution.

Officer Recommendations

That the Finance and Performance Committee:

1. Receives the information provided in the Project Closeout report for the Council Voice Upgrade Project.

Committee Resolved FPCO/2020/00021

Part B

That the Finance and Performance Committee:

1. Requests for staff to update the Project Closeout Report for the Council Voice Upgrade Project and report back to the Committee at its next meeting, including the new user survey results, Business Continuity Plan and cost benefit analysis.

Deputy Mayor/Mayor

Carried

Councillor Gough left at 12.29pm and returned at 12.33pm during consideration of Item 14.

Councillor MacDonald left at 12.38pm and returned at 12.40pm during consideration of Item 14.

Councillor Chen left at 12.46pm and returned at 12.49pm during consideration of Item 14.

Councillor Cotter left at 12.48pm and returned at 12.50pm during consideration of Item 14.

14. Loan Application Canterbury Cricket Trust

Committee Comments

1. The Committee received deputations from the Christchurch Civic Trust and Lindsay Carswell on this item.
2. Lee Robinson, Chair and Trevor Thornton, Trust Treasurer of the Canterbury Cricket Trust joined the table to answer questions from the Committee.
3. The Committee accepted the Officer Recommendations with an addition to Resolution 3.

Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

1. Grants a Council loan of up to \$1,500,000 for up to four years, to the Canterbury Cricket Trust, for the installation of floodlights at the Hagley Oval, in order to secure Christchurch a leading role in the 2021 Women's Cricket World Cup, including the following terms:
 - a. Loan repayments include the principle of the loan as well as interest at a rate of Council's cost of borrowing plus 20 basis points.
 - b. The interest will be repaid at regular intervals during the term of the loan.
 - c. The principal will be repaid at the end of the term of the loan, a maximum of four years, or earlier if possible.
2. Resolves that the loan is conditional upon:
 - a. The loan being secured or guaranteed, on terms and conditions acceptable to the Council, so that the loan will be repaid on, or before, the term of the loan expires.
 - b. The Canterbury Cricket Trust demonstrating that it has already secured a minimum of \$1,000,000 towards the cost of installing floodlights at the Hagley Oval.
 - c. Christchurch securing a leading role in hosting the 2021 Women's Cricket World Cup.
3. Delegates authority to the Head of Community Support, Governance & Partnerships to make the necessary arrangements to implement this resolution noting that all loan documentation will be reviewed by Council's Financial Management and Legal Services Units to ensure the terms and conditions are acceptable to Council.

Committee Resolved FPCO/2020/00022

Part C

That the Finance and Performance Committee:

1. Grants a Council loan of up to \$1,500,000 for up to four years, to the Canterbury Cricket Trust, for the installation of floodlights at the Hagley Oval, in order to secure Christchurch a leading role in the 2021 Women's Cricket World Cup, including the following terms:
 - a. Loan repayments include the principal of the loan as well as interest at a rate of Council's cost of borrowing plus 20 basis points.
 - b. The interest will be repaid at regular intervals during the term of the loan.
 - c. The principal will be repaid at the end of the term of the loan, a maximum of four years, or earlier if possible.
2. Resolves that the loan is conditional upon:
 - a. The loan being secured or guaranteed, on terms and conditions acceptable to the Council, so that the loan will be repaid on, or before, the term of the loan expires.
 - b. The Canterbury Cricket Trust demonstrating that it has already secured a minimum of \$1,000,000 towards the cost of installing floodlights at the Hagley Oval.
 - c. Christchurch securing a leading role in hosting the 2021 Women's Cricket World Cup.
3. Delegates authority to the Head of Community Support, Governance & Partnerships to make the necessary arrangements to implement this resolution noting that all loan documentation will be reviewed by Council's Financial Management and Legal Services Units to ensure the terms and conditions are acceptable to Council, except in respect of Clause 2a delegates authority to the Chair and Deputy Chair of the Finance and Performance Committee.

Councillor MacDonald/Councillor Gough

Carried

Councillor Coker requested her vote against the resolutions be recorded.

Councillors Galloway and Scandrett declared an interest and sat back from the table for this item and took no part in the discussion or voting on the matter.

The meeting adjourned at 12.58pm and reconvened at 2pm, The Mayor and Councillors Gough and Templeton were not present at this time.

Councillor Keown joined the meeting at 2pm via telephone conference for Items 19 and 16.

Councillor MacDonald assumed the Chair for Item 19.

Councillor Gough returned to the meeting at 2.02pm.

The Mayor returned to the meeting at 2.03pm.

19. Christchurch City Holdings Ltd - Proposal to increase directors' fee pool

Committee Comment

1. Paul Munro, Chief Executive of Christchurch City Holdings Ltd joined the table for this item.
2. The Committee accepted the Officer Recommendations with an additional Resolution 5.

Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

1. Notes that Christchurch City Holdings Ltd's Constitution requires the majority shareholder, the Council to authorise its directors' fee pool by ordinary resolution
2. Notes that the proposal for the increase in Christchurch City Holdings Ltd's directors' fee pool meets the requirements of the Council's Policy for the Appointment and Remuneration of Directors, including reflecting the public service element of the directorships by recommending a fee pool that is around 22% lower than market rates; and that the fee pool is reviewed every third year following the local body triennial election with the last review being 2016 and the next expected in 2022.
3. Authorises the increase of \$82,575 for the Christchurch City Holdings Ltd directors' fee pool to \$445,500 based on an independent review that has benchmarked the fees with other similar companies and utilised information from the Institute of Directors' Fees' Survey.
4. Notes that this proposal does not impact rates as the costs are funded by Christchurch City Holdings Ltd.

Committee Resolved FPCO/2020/00023

Part C

That the Finance and Performance Committee:

1. Notes that Christchurch City Holdings Ltd's Constitution requires the majority shareholder, the Council to authorise its directors' fee pool by ordinary resolution.
2. Notes that the proposal for the increase in Christchurch City Holdings Ltd's directors' fee pool meets the requirements of the Council's Policy for the Appointment and Remuneration of Directors, including reflecting the public service element of the directorships by recommending a fee pool that is around 22% lower than market rates; and that the fee pool is reviewed every third year following the local body triennial election with the last review being 2016 and the next expected in 2022.
3. Authorises the increase of \$82,575 for the Christchurch City Holdings Ltd directors' fee pool to \$445,500 based on an independent review that has benchmarked the fees with other similar companies and utilised information from the Institute of Directors' Fees' Survey.
4. Notes that this proposal does not impact rates as the costs are funded by Christchurch City Holdings Ltd.
5. Notes that of the increased director fee pool, the CCHL board has indicated that \$10,000 would be allocated to the Chair of the Audit and Risk Committee to reflect increased governance complexity due to regulatory requirements that arise as result of the NZX listed bond requirements.

The division was declared **carried** by 8 votes to 5 votes the voting being as follows:

For: Councillor MacDonald, Councillor Chu, Councillor Cotter, Councillor Daniels, Councillor Davidson, Councillor Keown, Councillor Mauger and Councillor Scandrett

Against: Councillor Chen, Councillor Coker, Councillor Galloway, Councillor Johanson and Councillor McLellan

Councillor MacDonald/Councillor Daniels

Carried

The Mayor, Deputy Mayor Turner and Councillors Gough and Templeton declared an interest and sat back from the table for this item and took no part in the discussion or voting on this matter.

Deputy Mayor Turner resumed the Chair.

Councillor Templeton returned at 2.38pm during consideration of Item 16.

Councillor Gough left at 2.40pm and returned at 2.40pm during consideration of Item 16.

Councillor Daniels left for the remainder of the meeting at 2.59pm.

16. Harewood/Gardiners/Breens Funding Options

Committee Comment

1. Officer Recommendation 1 was declared carried.
2. Officer Recommendation 2 was declared a tie and therefore the status quo was preserved.

Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

1. Recommend the Wheels to Wings MCR incorporate the signalisation of the Harewood/Gardiners/Breens intersection and that Council consider the budget allocation for the Wheels to Wings MCR be increased by \$1.2million to cover the additional costs of the intersection signalisation as part of the FY20/21 annual plan process.
2. Recommend that the Council considers the timing for the Wheels to Wings MCR being brought forward if it considers the signalisation of the intersection is required prior to the FY26-28 financial years noting the sub-sequential rates increase.

Committee Resolved FPCO/2020/00024

Original Officer Recommendation 1 accepted without change

Part C

That the Finance and Performance Committee:

1. Recommends the Wheels to Wings MCR incorporate the signalisation of the Harewood/Gardiners/Breens intersection and that Council consider the budget allocation for the Wheels to Wings MCR be increased by \$1.2million to cover the additional costs of the intersection signalisation as part of the FY20/21 annual plan process.

The division was declared **carried** by 9 votes to 7 votes the voting being as follows:

For: Deputy Mayor Turner, Mayor Dalziel, Councillor Chen, Councillor Coker, Councillor Cotter, Councillor Davidson, Councillor Galloway, Councillor McLellan and Councillor Templeton

Against: Councillor MacDonald, Councillor Chu, Councillor Gough, Councillor Johanson, Councillor Keown, Councillor Mauger and Councillor Scandrett

Mayor/Councillor Galloway

Carried

Committee Recommendation

That the Finance and Performance Committee:

2. Recommends that the Council considers the timing for the Wheels to Wings MCR being brought forward if it considers the signalisation of the intersection is required prior to the FY26-28 financial years noting the sub-sequential rates increase.

The division was declared **a tie** the voting being as follows:

For: Deputy Mayor Turner, Mayor Dalziel, Councillor Chu, Councillor Cotter, Councillor Davidson, Councillor Galloway, Councillor McLellan and Councillor Templeton

Against: Councillor MacDonald, Councillor Chen, Councillor Coker, Councillor Gough, Councillor Johanson, Councillor Keown, Councillor Mauger and Councillor Scandrett

Mayor/Councillor Galloway

Carried/Lost

Resolution 2 was declared a tie and therefore the status quo was preserved.

15. Dyers Pass Road and Evans Pass Road Guardrails and Safety Improvements, Scope and Funding Options

Committee Resolved FPCO/2020/00025

Original Officer Recommendations accepted without change

Part C

That the Finance and Performance Committee:

1. Approve the following changes are considered as part of the 2021 Annual Plan approval:
 - a. Increase project budget for (ID# 17208) Safety Improvements: Guardrails – Dyers Pass Route to \$5,800,000 for FY20/21.
 - b. Increase project budget for (ID# 17211) Pedestrian/Cycle Safety Improvements – Dyers Pass Route to \$1,450,000 for FY20/21.
 - c. Increase project budget for (ID# 55894) Evans Pass Road and Reserve Terrace Remedial Works to \$13,300,000 for FY20/21, subject to confirmation of 75.5% subsidy rate.
 - d. To increase the NZTA subsidy budget to reflect the increased subsidy rate.
 - e. To increase the Council proportion to this project by \$767,687 for Dyers Pass Road, with a rates impact of 0.008%, and \$258,000 for Evans Pass Road and Reserve Terrace, with a rates impact of 0.0027%.
2. Approve staff to continue working on the projects until the FY 20/21 Annual Plan is approved and approve staff to procure physical work within the amounts noted in resolution 1. Noting, that the physical works scope will be reduced should the increased budgets not be approved as part of the FY20/21 Annual Plan.

Councillor Templeton/Councillor Davidson

Carried

Councillor Keown disconnected for the remainder of the meeting at 3.28pm.

17. South New Brighton Set Back Bund Funding

Committee Resolved FPCO/2020/00026

Original Officer Recommendation accepted without change

Part C

That the Finance and Performance Committee:

1. Approves an increase in budget of \$925,000 to fund the construction of a setback bund between Bridge Street and the Jetty with the additional funding being sourced from the Avon Floodplain Management Implementation Project. The budget increase shall be allocated across three financial years:
 - a. FY19/20: \$878,500
 - b. FY20/21: \$30,500
 - c. FY21/22: \$16,000
2. Approves staff to manage the project progress and finances within existing staff delegations.
3. Approves the return of any budget remaining after completion of the project to Land Drainage Recovery Programme projects.
4. Notes that further funding requests will be required to support the estuary edge improvements work between the Jetty and the Boardwalk.

Councillor Coker/Councillor Scandrett

Carried

20 Resolution to Exclude the Public
Committee Resolved FPCO/2020/00027

Part C

That Paul Munro, Chief Executive of Christchurch City Holdings Ltd, remain after the public have been excluded for Item 22 of the public excluded agenda as he has knowledge that is relevant to that item and will assist the Council.

AND

That at 3.31pm the resolution to exclude the public set out on pages 249 to 251 of the agenda be adopted.

Deputy Mayor/Councillor Chen

Carried

Councillor Johanson requested that his vote against Item 23 being considered in Public Excluded be recorded.

The public were re-admitted to the meeting at 3.49pm.

Karakia Whakamutunga: Delivered by: Deputy Mayor Turner

Meeting concluded at 3.50pm.

CONFIRMED THIS 2nd DAY OF APRIL 2020

DEPUTY MAYOR ANDREW TURNER
CHAIRPERSON