



# Rangitikei District Council

## Finance and Performance Committee Meeting

Minutes – Thursday 31 August 2017 – 9:30 AM

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**Present:** Cr Cath Ash  
Cr Dean McManaway  
Cr Graeme Platt  
Cr Ruth Rainey  
His Worship the Mayor, Andy Watson

**Also Present:** Cr David Wilson

**In attendance:** Mr Ross McNeil, Chief Executive  
Mr George McIrvine, Finance & Business Support Group Manager  
Ms Nardia Gower, Governance Administrator  
Ms Christin Ritchie, Governance Administrator

**Tabled Documents:** Item 7: Chair's Report

## 1 Welcome

His Worship the Mayor welcomed everyone to the meeting and introduced Ms Christin Ritchie as a new member of staff in Governance Administration.

## 2 Council Prayer

Cr Ash read the Council prayer

## 3 Apologies/Leave of Absence

**Resolved minute number**                      **17/FPE/140**                      **File Ref**

That the apology for the absence of Cr Belsham, Cr Sheridan and Cr Peke-Mason be received.

Cr Ash / Cr Rainey

## 4 Members' conflict of interest

Members were reminded of their obligation to declare any conflicts of interest they might have in respect of items on this agenda.

## 5 Confirmation of order of business

His Worship the Mayor noted that there was no change to the order of business.

## 6 Minutes of Previous Meeting

**Resolved minute number**                      **17/FPE/141**                      **File Ref**

That the Minutes of the Finance/Performance Committee meeting held on 27 July 2017 be taken as read and verified as an accurate and correct record of the meeting.

Cr Wilson / Cr Ash. Carried

## 7 Chair's Report

The Chair's report was tabled and taken as read.

**Resolved minute number**                      **17/FPE/142**                      **File Ref**                      **3-CT-14-1**

That the Chair's Report to the Finance/Performance Committee meeting on 31 August 2017 be received.

Cr Ash / Cr Wilson. Carried

## 8 Progress with strategic issues

The Committee noted the commentary in the agenda.

## 9 Borrowing arrangements

Mr McIrvine spoke to his presentation on the Local Government Funding Agency, highlighting the effect of new documentation:

- Not a large change to the current situation
- Security is only provided on rates revenue so not against Council's property;
- Normal for the sector
- Provides an adverse event cash facility with no line costs.

The following main points were made in the ensuing discussion:

- In the unlikely event of Council amalgamation, any contractual obligation made by previous Council would be upheld by the new entity including any agreements within.
- In the case of an adverse event that resulted in an insurance claim, such as damage to Council's infrastructure, the LGFA would fill the short term funding for repair until such a time as the insurance claim is settled.
- Council would need to ensure that there is alignment with LGFA and Council lending policies.
- LGFA maintains a risk profile for accepting a council into the programme and an ongoing close watching brief for those accepted, helping to mitigate risk.

**Resolved minute number**                      **17/FPE/143**                      **File Ref**                      **5-FM-8-3**

That the report 'Local Government Funding Agency update' to the Finance/Performance Committee be received.

Cr Ash / Cr Platt. Carried

**Resolved minute number**                      **17/FPE/144**                      **File Ref**                      **5-FM-8-3**

That the Finance/Performance Committee recommends to Council that the Rangitikei District Council's proposed participation in the Local Government Funding Agency as a borrower be referred to Council's Audit/Risk Committee for consideration and subsequent recommendation to council.

Cr Wilson / His Worship the Mayor. Carried

## 10 Draft 2016/17 Annual Report including Statement of Performance

A full draft of the 2016/17 Annual Report was provided to the meeting. This draft, with any amendments from this meeting, will be provided to the Council's auditors on 1 September 2017. The on-site audit starts on 4 September 2017.

Mr McNeil introduced the Draft Annual Report and Mr McIrvine highlighted the operating surplus of \$4.2M and net cash is slightly under budget at \$13,966,000

Councillors questioned the discrepancies on predicted versus actual for revenue. It was acknowledged that more work needs to be done in the budget forecasting process to better manage budgeting. It was noted that that one off revenue payments are hard to foresee but are welcomed.

Staff informed Councillors of where large variances would be recorded within the Draft Annual Report 2016-2017

The Committee then briefly reviewed the Audit Draft of the Annual Report 2016-2017 to go to the auditors the following day.

<b>Resolved minute number</b>	<b>17/FPE/145</b>	<b>File Ref</b>	<b>5-FR-1-1</b>
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That the memorandum 'Annual Report progress – August 2017' to the Finance/Performance Committee on 31 August be received

Cr Rainey / Cr Wilson. Carried

Cr McManaway left at 10.36 – 10.38

## 11 Opportunities for subdivision in Marton and Bulls

His Worship the Mayor spoke to the committee around options on how Council can engage and help potential subdivision 3<sup>rd</sup> parties. A steering group has been formed to find workable solutions and formulate ideas on how Council can facilitate and/or share subdivision development with 3<sup>rd</sup> party developers.

## 12 Late Items

None

## 13 Future Items for the Agenda

None

## 14 Next Meeting

Thursday 28 September 2017, 9.30am

## 15 Meeting Closed

10.44 am.

Confirmed/Chair: \_\_\_\_\_

Date: