

# Rangitīkei District Council

## Finance and Performance Committee Meeting

Minutes – Thursday 26 April 2018 – 9:30 AM



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**Present:** Cr Nigel Belsham (Chair)  
Cr Cath Ash  
Cr Graeme Platt  
Cr Ruth Rainey  
Cr Lynne Sheridan  
Cr David Wilson  
His Worship the Mayor, Andy Watson

**In attendance:** Mr Ross McNeil, Chief Executive  
Mr Michael Hodder, Community & Regulatory Services Group Manager  
Mr George McIrvine, Finance & Business Support Group Manager  
Ms Nardia Gower, Governance Administrator

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

## 1 Welcome

The meeting opened at 9:31 am. The Chair welcomed everyone to the meeting.

## 2 Council Prayer

Cr Sheridan read the Council Prayer

## 3 Apologies/Leave of Absence

That the apology for the absence of Cr McManaway be received.

Cr Rainey / Cr Sheridan. Carried

## 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.

There was no declared conflict of interest.

## 5 Confirmation of order of business

There was no scheduled change to the order of business.

## 6 Minutes of Previous Meeting

Confirmation of the minutes created discussion with the following points raised:

- The Policy/Planning Committee's meeting on 10 May 2018 will receive information on the Government's recent decision on funding as it affects community housing.
- Priority work in community Housing is electrical and plumbing repairs and the ongoing 'freshening up' with painting will continue.
- The final end-of-year carry-forwards proposed to Council's meeting on 31 May 2018 will include community housing.

**Resolved minute number**

**18/FPE/009**

**File Ref**

That the Minutes of the Finance/Performance Committee meeting held on 29 March 2018 be taken as read and verified as an accurate and correct record of the meeting.

Cr Wilson / Cr Rainey. Carried

## 7 Chair's Report

The Chair took his report as read.

**Resolved minute number**                      **18/FPE/010**                      **File Ref**                      **3-CT-14-1**

That the Chair's Report to the Finance/Performance Committee meeting on 26 April 2018 be received.

Cr Belsham / His Worship the Mayor. Carried

## **8 Progress with strategic issues**

The Committee noted the commentary in the agenda.

## **9 Financial Highlights and Commentary – March 2018**

Mr McIrvine spoke to his report. Main points discussed were:

- The difference in overall budget of 'other activities' in comparison to same period last year is due to the 2015 flood and consequent damage costs.
- Revenue for Community and leisure assets shows as below-budget due to funds not yet received (e.g. lotteries grant for the new Bulls community centre) and identified surplus assets not yet sold.
- The proceeds from the forestry harvest for Marton B and C Dams will in part be used to develop the areas including replanting. A management plan for B and C Dam will come before Council as part of a final decision process on the development. Replanting plans will take into account factors associated with better water quality such as air flow, and negative impacts of logging near water. The process over deciding what gets planted and where takes a strong focus on the water quality. Council has expressed interest in securing assistance from the Government's Provincial Growth for the project.
- Purchase of property in King Street has been finalised but payment not yet made.
- The transfer of fire fighting vehicles to Fire and Emergency New Zealand (FENZ) was completed at no value, but means showing a loss of \$120,000. Now that such vehicles are no longer owned by Council it has no would liability such as insurance or driver responsibility.
- The year-to-date deficit in rural water is largely timing: Hunterville rural water rates collection are done on a six-monthly basis (so Council carries the cash flow for a short term every year).
- Council staff are performing an internal audit ensuring that all New Zealand Transport Agency claims allowed are being made.
- Rates analysis reports shows fluctuation due to quarterly cyclical payments. Council gains rate revenue when properties of rates arrears are sold. Issues with abandoned land can be resolved through the rates remission process
- Libraries are considered as providing a social function rather than an operation with a cost/revenue model.

<b>Undertaking</b>	<b>Subject</b>
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For response at Finance/Performance Committee 31 May 2018:

- Internal recoveries and Internal charges (page 18) – What is the largest cause of the year-to-date reduction?
- Swim Centres (page 23) – What has caused the reduced year-to-date revenue and is the decrease split equally between Taihape and Marton
- District promotions (page 25) – What makes up the revenue of \$16,826 and why is this less than budgeted?
- Capital Expenditure and Renewal Summary for 9 months ending 31 March (page 31) – Is the roading and footpaths budget balance attributable to flood events?

<b>Resolved minute number</b>	<b>18/FPE/011</b>	<b>File Ref</b>
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That the 'Financial Highlights and Commentary – March 2018' to the Finance/Performance Committee on 26 April 2018, be received.

Cr Rainey / Cr Ash. Carried

## **10 Property sales – monthly update**

Mr McIrvine noted that 27 properties sold within the District for the previous month.

<b>Undertaking</b>	<b>Subject</b>
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That a quarterly report on property sales, including a comparison to the same period last year, be provided to the Finance/Performance Committee.

## **11 EECA audit of power use**

The report was not available

## **12 Delivery of Infrastructure services (Infrastructure Shared Services) Quarterly performance report - 1 January to 31 March 2018**

Mr McNeil spoke to the inaugural assessment report with the following key points discussed:

- The reporting Framework mirrors the KPIs in the shared service agreement.
- Most of the KPIs are being achieved or close to, with some needing further improvement
- Marton water supply – An external contractor will be starting within the next two weeks to assess the cause of discoloration in the water as staff have been unable to pin-point the exact cause. A report will be provided to the Committee upon completion of the review.
- Project management is an area identified as needing improvement, with actions currently in place to address issues. It was noted that staff turnover has been a factor in achieving this KPI for the Ratana water upgrade project.
- Amendment to report – The completion date for the Marton Broadway roading project should read *by June* not *end of June*: this includes completion of both sides of the road and is weather dependant. Mr McNeil acknowledged communication was not as good as it could have been with some business owners in Broadway, further noting that weekly updates are scheduled with every business.
- Project tracking – the capital works programme is showing as falling well short in the reported previous balance of \$2.7M approx. The most recent reporting now shows \$1.6M in commitments and purchase orders that have been issued but yet paid. Mr McNeil noted that Council will continue to report quarterly and at the end of the year against the budget set for the year, but will show adjusted budget figures for other reporting.
- A customer service programme is scheduled to be implemented throughout the Council organisation which will include methods for staff to be proactive in seeking feedback rather than being reactive.

<b>Undertaking</b>	<b>Subject</b>
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That reports received by Councillors with adjusted budgets identify information pertaining to when and why the adjustment occurred.

<b>Resolved minute number</b>	<b>18/FPE/012</b>	<b>File Ref</b>	<b>3-OR-5</b>
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That the 'Delivery of Infrastructure services (Infrastructure Shared Services) Quarterly performance report - 1 January to 31 March 2018' to the Finance/Performance Committee on 26 April 2018, be received.

Cr Rainey / his Worship the Mayor. Carried

Cr Ash left at 10:45 – 10:49

Cr Ash left at 10:50 – 10:52

### 13 Questions put at previous meetings for Council advice or action:

The Committee noted the commentary in the agenda.

**14 Update on subdivision working group**

No change from last meeting.

**15 Late Items**

Nil

**16 Future Items for the Agenda**

LGFA stakeholder meeting in August. Mr McIrvine to provide confirmed date to Councillors.

**17 Next Meeting**

Thursday, 31 May 2018, 9.30 am

**18 Meeting Closed**

10:55 am

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

Date: