

Rangitīkei District Council

Finance and Performance Committee Meeting

Minutes – Thursday 31 May 2018 – 9:30 AM



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Present: Cr Nigel Belsham
Cr Cath Ash
Cr Dean McManaway
Cr Graeme Platt
Cr Ruth Rainey
Cr Lynne Sheridan
Cr David Wilson
His Worship the Mayor, Andy Watson

Also Present: Cr Richard Aslett
Cr Jane Dunn
Cr Angus Gordon

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

Tabled Documents

Item 7	Chair's Report
Item 10	Nine month Statement of Performance

1 Welcome

The meeting started at 9:35 and the Chair welcomed everyone to the meeting.

2 Council Prayer

Cr Rainey read the Council Prayer.

3 Apologies/Leave of Absence

Nil

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 were no declared conflicts of interest

5 Confirmation of order of business

There was no scheduled change to the order of business.

6 Minutes of Previous Meeting

Resolved minute number **18/FPE/103** **File Ref**

That the Minutes of the Finance/Performance Committee meeting held on 26 April 2018 be taken as read and verified as an accurate and correct record of the meeting.

His Worship the Mayor / Cr Wilson. Carried

7 Chair's Report

The Chair took his tabled report as read highlighting the last paragraph and noting the last attachment in the order paper: an invite to the Local Government Funding Agency Shareholder Borrower Day which the Chair and Mr McIrvine will be attending. This invite is open to all Committee members.

Resolved minute number **18/FPE/104** **File Ref** **3-CT-14-1**

That the Chair's Report to the Finance/Performance Committee meeting on 31 May 2018 be received

Cr Belsham / Cr McManaway. Carried

8 Progress with strategic issues

The Committee noted the commentary in the agenda.

9 Financial Highlights and Commentary – April 2018

Mr McIrvine spoke to the report. The main points discussed were:

Staff will take the carry forwards as near as possible to the end of the financial year for more accurate carry forwards amounts.

Replanting logged land is influenced by New Zealand's Emissions Trading Scheme. There are Government directed thresholds on the size of area of that requires replanting following harvest to avoid payment of New Zealand Units. The Council-owned logged area at Duddings Lake falls below that threshold. The harvested site of Marton B & C Dams is over the threshold and has a planting programme drafted to address the requirements under the scheme.

The Ministry of Health is providing councils with information pertaining to PFAS contamination to land and water. With regards to the observed contamination of the Bulls water supply, advice from the Ministry of Health has confirmed these low levels present no public health risk. Interim guidelines have been developed which set maximum levels for the presence of PFAS in drinking water. However, one Committee member noted that these levels set by New Zealand are lower than the international levels deemed safe. PFAS tests that are used in the United States of America differ from that currently used by New Zealand specialists.

It was noted that it is premature to speculate on having to find an alternate water source for Bulls as the investigation process on the source of the PFAS contamination is incomplete. Should an alternative water source be required, Council will be given options to work through.

The work completed by the Hunterville Community Trust on that town's swimming pool was commended; they raised \$160,000 in the last three years. Included in the upgrade is a filtration system, with suitable buildings for chemical storage. Next on the list is an upgrade to the changing room. Council staff have been working with the Trust to meet the health and safety requirement for storing and managing hazardous chemicals used in the pool.

His Worship the Mayor noted the recent major slip on Pohonui Rd was of a similar scale to the 2015 slip. The Committee discussed potential reasons and responsibility for land slips, noting the 'spray and pray' method of farming as one possible contributing factor, and suggesting further discussions with Horizons on the matter.

The \$33,000 committed expenditure to date on the Mangaweka toilets was queried, looking for clarification how that related to the project budget. It was noted that the resource consent will probably go to a hearing due to an objection.

The reported purchase price of 7 King St shows the GST exclusive amount. The full purchase price will be reflected in next month's report.

Undertaking Subject

That the Assets/Infrastructure Committee be informed on how repairing the slip-damaged Pohonui Road will be funded.

Undertaking Subject

That the Assets/Infrastructure Committee be provided with a breakdown of expenditure on the Mangaweka Village toilet project.

Resolved minute number 18/FPE/105 File Ref 5 FR-4-1

That the 'Financial Highlights and Commentary – April 2018' to the Finance/Performance Committee on 31 May 2018, be received.

Cr Sheridan / Cr McManaway. Carried

10 Nine Month Statement of performance

Mr Hodder spoke to the tabled report.

A discussion took place on how progress with other projects is to be shown alongside progress with the projects set out in the Annual Plan. The Statement of Performance reports on actual spend covering all expenditure in those activities but the report only addresses projects set out in the Annual Plan, so ignores other projects undertaken during the year. Re-prioritised and additional projects are signalled to Council through the monthly reports to the Assets/Infrastructure Committee.

The Chief Executive noted a conundrum: the day that Council adopts the annual plan is the only day the budget is accurate in terms of specified projects. The quarterly reports are, by default, 2 months old. To address this, the mechanism to report on capital works is through Assets/Infrastructure reports, which results in a double reporting issue.

The report only shows water contamination that government prescribed to report against. Other forms of water contamination can be flagged in the full year report.

Potential reasons for the increased percentage in both waste to landfill and waste diverted to landfill were discussed as being difficult to determine. The increase in landfill tonnage may be partly caused by the turnover of properties and the clearing out typically associated with such sales. Out-of-District people may also be going to Rangitikei's waste transfer stations. The 16% diversion target was set prior to the addition of the green waste collection service.

Discussion took place on how the performance framework was set. Some of the measures are 'mandatory' (i.e. set by the Government, but the others are at Council's discretion. Changing the latter is feasible although that needs to be balanced against the advantage of having year-on-year comparisons. It was suggested additional measures that track specific activities within libraries would be more useful from a service planning perspective than the current door count reporting.

Undertaking Subject

That the Assets/Infrastructure Committee be informed of all stormwater projects undertaken during the year compared with what was specified in the 2017/18 Annual Plan. (This will clarify the meaning of the 8% achievement in the nine-month Statement of Service Performance.)

Undertaking Subject

That the Solid Waste Officer collate anecdotal information on the use of transfer stations by out of district users and provide to the Assets/Infrastructure Committee.

Resolved minute number 18/FPE/106 File Ref

That the 'Nine Month Statement of Service Performance' report to the 31 May Finance/Performance meeting be received

Cr Sheridan / Cr Rainey., Carried

Cr Ash left at 10.05 – 10.09 am

Cr McManaway left at 10:16, returned 10:17 am

Cr Dunn arrived at 10:22 am

Cr Gordon left at 10:36, returned 10:38 am

11 EECA audit of power use

The draft reports on (Marton Swim Centre, Marton Wastewater Treatment Plant, Taihape Wastewater Treatment Plant, Hunterville Rural Water Supply) have been received for comment by relevant staff. A commentary and specific recommendations will be provided to the committees June meeting.

A verbal update on the Hunterville Rural Water Supply noted that the main issues causing power usage were constant water leaks. New lines have been installed and recently switched on. A drop in water pump usage has already been noted, which will in turn reduce the electricity cost.

Further electricity reductions have confirmed the course of action adopted in redesigning the pump stations. Mr van Bussel will attend the June Finance/Performance meeting.

Cr Aslett arrived at 10.39 am.

12 Questions put at previous meetings for Council advice or action:

The Committee noted the commentary in the agenda.

13 Update on subdivision working group

One of the two potential subdivisions in Bredins Line (Marton) is being actioned, with eight sections as the initial stage. Issues arose due to the site having previously contained glasshouses; soil contamination testing is required and is underway. The site has potential for further subdivision based on the success of the initial stage.

The second subdivision on Bredins Line has not been progressed.

14 Late Items

Nil

15 Future Items for the Agenda

Nil

16 Next Meeting

Thursday, 28 June 2018, 9.30 am

17 Meeting Closed

10:46 am

Confirmed/Chair: _____

Date: