

MINUTES

FINANCE/PERFORMANCE COMMITTEE MEETING

Date: Thursday, 25 August 2022

Time: 9.30 am

Venue: Council Chamber
Rangitikei District Council
46 High Street
Marton

Present

- Cr Nigel Belsham
- Cr Fi Dalgety
- Cr Cath Ash [*via Zoom*]
- Cr Brian Carter
- Cr Angus Gordon
- Cr Dave Wilson
- HWTM Andy Watson

In attendance

- Mr Peter Beggs, Chief Executive
- Mr Arno Benadie, Chief Operating Officer
- Mr Dave Tombs, Group Manager – Corporate Services
- Mrs Carol Gordon, Group Manager – Democracy and Planning
- Ms Sharon Grant, Group Manager – People and Performance [*via Zoom*]
- Mr Sam Zhang, Manager – Financial Services
- Ms Hilary Walker, Management and Systems Accountant
- Mr Ash Garstang, Governance Advisor
- Cr Richard Lambert

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1 Welcome / Prayer

The meeting opened at 9.32 am. Cr Lambert read the Council prayer.

2 Apologies

Resolved minute number 22/FPE/072

That the apologies for Cr Duncan and Cr Hiroa, and apology for lateness from Cr Gordon be received.

Cr B Carter/HWTM A Watson. Carried

3 Public Forum

No public forum.

4 Conflict of Interest Declarations

No conflicts of interest were declared.

5 Confirmation of Order of Business

There were no changes to the order of business.

6 Confirmation of Minutes

Resolved minute number 22/FPE/073

That the minutes of Finance/Performance Committee Meeting held on 30 June 2022, without amendment, be taken as read and verified as an accurate and correct record of the meeting, and that the electronic signature of the Chair of this Committee be added to the official minutes document as a formal record.

Cr D Wilson/Cr F Dalgety. Carried

7 Follow-up Action Items from Previous Meetings

7.1 Follow-up Action Items from Finance/Performance Meetings

Taken as read.

Resolved minute number 22/FPE/074

That the report 'Follow-up Action Items from Finance/Performance Meetings' be received.

HWTM A Watson/Cr B Carter. Carried

8 Chair's Report

8.1 Chair's Report - August 2022

Cr Belsham noted that the LGFA (Local Government Funding Agency) funding rates are fortunately set at the time of borrowing, and that they are likely to increase in the future for new borrowings.

Resolved minute number 22/FPE/075

That the tabled Chair's Report – August 2022 be received.

Cr N Belsham/Cr D Wilson. Carried

9 Reports for Information

9.1 Financial Snapshot - June 2022

Undertaking:

The Chief Executive will investigate the unspent income relating to the Mayor's Task Force for Jobs and advise HWTM in due course.

Mr Tombs advised that budget carry-forwards will be finalised and reported to either the September or October Committee meeting.

Mr Tombs noted that the figure of \$30,408 on p.19 of the Order Paper is a reporting anomaly. The correct amount is \$30 (as the figures are expressed in \$000s): the reported figure of \$30,408 is stated in dollars not \$'000s.

In response to a query, Mr Beggs advised that substandard roading work is generally fixed at the contractors own cost.

Cr Ash left the meeting at 9.46 am.

In response to a query, Mr Tombs advised that 'vested assets' are assets that have been transferred to Council's ownership from other organisations. Financial responsibility for a vested asset therefore resides with Council, and incurs costs for depreciation and maintenance.

Cr Belsham queried the 2021/22 YTD Percentage Variance for Community Leadership Rates Revenue and Environmental and Regulatory Rates Revenue. Mr Tombs advised that these variances arise from offsetting allocations and have no impact on the whole of council figures.

Cr Ash returned to the meeting at 9.53 am.

Cr Gordon joined the meeting at 9.53 am.

In response to a query around the lack of carry-forwards for Roading & Footpaths, Mr Tombs clarified that if there are figures in the report it means that the carry-forward is contained within the Annual Plan 2022/23. If the reporting fields are blank then any carry-forwards for these items will be reported to the September or October Committee meeting. The September/October carry forward report will include, for noting, carry forwards that have been included in the 2022/23 Annual Report.

Resolved minute number 22/FPE/076

That the report 'Financial Snapshot –June 2022' be received.

Cr F Dalgety/Cr B Carter. Carried

9.2 Treasury and Debt - July 2022

In response to a query around Council's \$6.9 m bank account balance (as of 31 July), Mr Tombs advised that this has been highlighted as it is generally beneficial to have any excess cash over \$3 m in a bank term deposit. However, Council's current bank account currently attracts a higher rate of interest than is available on viable term deposits.

In response to a query, Mr Tombs confirmed that depreciation is allocated against appropriate group budgets.

In response to a query around maturity dates for Council's \$19 m of long-term debt, Mr Tombs advised that payments on existing Debt are 'interest only' (as opposed to being Principal and Interest repayments).

Resolved minute number 22/FPE/077

That the report 'Treasury and Debt - July 2022' be received.

Cr A Gordon/Cr F Dalgety. Carried

9.3 QV Monthly Report - June and July 2022

There was some discussion around QV's processes with clarification that properties are rated for the full financial year based on their capital value at the beginning of the year.

Resolved minute number 22/FPE/078

That the QV Monthly Report – June and July 2022 be received.

HWTM A Watson/Cr F Dalgety. Carried

9.4 Quarterly Property Sales

The Committee noted that there were likely some discrepancies with the rural figures reported, due to the tendency of farms being sold within families.

Resolved minute number 22/FPE/079

That the report 'Quarterly Property Sales' be received.

Cr D Wilson/Cr B Carter. Carried

9.5 LGFA - General Information

Mr Tombs explained that being a guaranteeing member with LGFA allows Council to borrow from them at slightly cheaper interest rates, as each member council guarantees the debt owed by other councils (on a pro-rata basis).

In response to a query, Mr Tombs advised that it is not cost-effective for a small Council to be credit rated. He explained that while being credit rated gives councils cheaper interest rates, the expense of being re-assessed on a regular basis for Councils with lower levels of debt outweighs such interest savings.

Mr Tombs advised that the Three Waters Reform is going to significantly alter Council's debt position. Staff can only speculate at this stage on what the LGFA interest rates are going to be post-2024.

In response to a query, Mr Tombs advised that Council's position as a guaranteeing member with LGFA is based off Council's debt (not Council's assets). [**Addendum:** it was clarified during the Committee meeting on 29 September 2022 that this is not based off of Councils debt as advised, but instead is based on Council's relative rates.]

Resolved minute number 22/FPE/080

That the report 'LGFA - General Information' be received.

HWTM A Watson/Cr F Dalgety. Carried

9.6 HappyOrNot Report - July 2022

Mrs Gordon advised that QR code signage have recently been delivered and will now be installed at popular Council sites (e.g., sports grounds).

Mrs Gordon advised that staff are considering a new technology system called Antenno that will allow individuals to take photographs and feed these straight to Council, on an app. This could be useful for reporting potholes, etc. Mr Beggs advised that staff have only had an initial meeting with the supplier, but are excited about the potential of this product. In response to a query, Mr Beggs advised that any purchase of this system would come out of existing operational budgets and therefore would not be presented to Council for a decision.

Resolved minute number 22/FPE/081

That the HappyOrNot Report – July 2022 be received.

Cr A Gordon/Cr B Carter. Carried

The meeting closed at 10.36 am.

The minutes of this meeting were confirmed at the Finance/Performance Committee held on 29 September 2022.

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Chairperson