

# MINUTES



P O Box 747, Gisborne, Ph 867 2049 Fax 867 8076  
Email [service@gdc.govt.nz](mailto:service@gdc.govt.nz) Web [www.gdc.govt.nz](http://www.gdc.govt.nz)

MEMBERSHIP: Her Worship the Mayor Rehette Stoltz (Chair), Josh Wharehinga (Deputy Chair), Meredith Akuhata-Brown, Bill Burdett, Andy Cranston, Shannon Dowsing, Sandra Faulkner, Larry Foster, Debbie Gregory, Isaac Hughes, Tony Robinson, Pat Seymour, Terry Sheldrake and Kerry Worsnop

---

## **MINUTES of the FINANCE & PERFORMANCE Committee**

**Held in Te Ruma Kaunihera (Council Chambers), Awarua, Fitzherbert Street, Gisborne on Wednesday 3 August 2022 at 9:00AM.**

### PRESENT:

Her Worship the Mayor Rehette Stoltz, Deputy Mayor Josh Wharehinga, Meredith Akuhata-Brown, Bill Burdett, Andy Cranston, Shannon Dowsing, Sandra Faulkner, Larry Foster, Debbie Gregory, Isaac Hughes, Tony Robinson, Pat Seymour, Terry Sheldrake and Kerry Worsnop.

### IN ATTENDANCE:

Chief Executive Nedine Thatcher Swann, Director Lifelines David Wilson, Director Internal Partnerships James Baty, Director Liveable Communities Michele Frey, Director Environmental Services and Protection Helen Montgomery, Chief Financial Officer Pauline Foreman, Democracy & Support Services Manager Heather Kohn and Committee Secretary Penny Lilburn.

The meeting commenced with a karakia.

**Secretarial Note:** Director of Environmental Services and Protection Helen Montgomery attended via audio visual link.

### **1. Apologies**

MOVED by Cr Stoltz, seconded by Cr Wharehinga

That the apology from Cr Seymour for lateness be sustained.

**CARRIED**

**Secretarial Note:** Cr Seymour arrived 9.05am.

### **2. Declarations of Interest**

There were no interests declared.

---

### **3. Confirmation of non-confidential Minutes**

#### **3.1 Confirmation of non-confidential Minutes 1 June 2022**

MOVED by Cr Burdett, seconded by Cr Sheldrake

That the Minutes of 1 June 2022 be accepted.

**CARRIED**

- On page eight regarding the Joint Management Agreement, the Governance Group is developing a plan for the Waipau Catchment and dolosses. A part of that is the identification of where and how to use the dolosses. There are a number of sites that the dolosses have been used on, including the bottom of the Kaianga Hill and staff are now looking at the top of the catchment. However, the Catchment Plan needs to be finalised before the rest of the dolosses can be implemented to make sure they are going to the appropriate places as per the Integrated Catchment Plan.

### **3. Governance Work Plan**

Noted.

### **4. Leave of Absence**

There were no leaves of absence.

### **5. Acknowledgements and Tributes**

There were no acknowledgements or tributes.

### **6. Public Input and Petitions**

There were no public input or petitions.

### **7. Extraordinary Business**

There was no extraordinary business.

### **8. Notices of Motion**

There were no notices of motion.

### **9. Adjourned Business**

There was no adjourned business.

### **10. Reports of the Chief Executive and Staff**

#### **10.1 INFORMATION Reports Finance**

##### **10.1.1 22-163 Treasury Report 30 June 2022**

Discussion included:

- Interest rates have been increasing. In the Long-Term Plan interest rates were assumed to be at 3.4%, but in June it reached 3.74%. For 2021/22, it was an average of 3.2%.
- There is a period of uncertainty regarding the 3-Waters Reform. If we estimate more cover for interest rate via swaps, than what we need after 3 Waters, then we would have to buy them out and this could be more expensive. This idea is to make sure within the 'corridor style' approach that it covers and moves within place until the certainty comes back and staff can cover an appropriate level of debt.

- With regard to 3-Waters the expected debt is to be around \$60 million on 30 June 2024. What Council has in reserves would have to be paid back to central government based on the parameters that are known, which is looking at around \$40 million that could be repaid by central government to Council. Once there is more certainty (which is likely to be around October 2022), we will ask PwC to come back with a report on what the market is doing and how Council can mitigate the risk.
- The models that have been indicated are a generic approach to all Councils.
- The interest benchmark will always be below Council's interest rate because Council must pay for the higher cost of swaps. This is due to having entered into swaps 5 years ago when interest rates were higher – 5% or 6% for some swaps. It is only when the swaps rollover that Council could go to 1.98% which starts to reduce the overall cost. There will be a lag and part of the strategy is to minimise and alleviate the gap that fluctuates with it. Also, PwC reviews the market situation and provides updates and new strategies where appropriate.
- Other Central Government reforms may have possible issues on interest and levels of borrowing, but it is an unknown what that may be as the reforms have not been identified nor quantified in terms of impacts to Council.
- It is anticipated that little to nothing would change if there were a change in government and a change in the 3-Waters Reforms. Currently Council sits in the middle for the Interest Rate Risk Policy, and Council can hedge it both ways. If 3-Waters does not go ahead, the hedging position would be approaching the upper corridor limits and if it does go ahead Council would be around where it is now. But in both situations, we would be within the Corridor Policy upper and lower limits.
- PwC give a range of strategies and plans, and staff then use capital expenditure as the drive to work out strategies and policies for Council.

MOVED by Cr Burdett, seconded by Cr Robinson

That the Finance & Performance Committee:

1. Notes the contents of this report.

**CARRIED**

#### **10.1.2 22-176 Financial Report - 31 May 2022**

MOVED by Cr Dowsing, seconded by Cr Hughes

That the Finance & Performance Committee:

1. Notes the contents of this report.

**CARRIED**

## 10.2 INFORMATION Reports Performance

### 10.2.1 22-188 Review of Outsourcing Land Rivers Coastal Maintenance Work to Fulton Hogan

Discussions included:

- Fulton Hogan has the contract for the whole district but also has supply agreements with a number of sub-contractors across the district in some of the more remote areas.
- Teams will overnight in Hicks Bay for routine maintenance. If it is anything outside of routine, they have partnership agreements with other teams up there.
- In the very far north there is no stormwater or drainage, and so it sits with the roading maintenance.

MOVED by Cr Seymour, seconded by Cr Akuhata-Brown

That the Finance & Performance Committee:

1. Notes the contents of this report

**CARRIED**

## 11. Public Excluded Business

**Secretarial Note:** These Minutes include a public excluded section. They have been separated for receipt in Section 14 Public Excluded Business of Council.

## 12. READMITTANCE OF THE PUBLIC

MOVED by Mayor Stoltz, seconded by Cr Burdett

That the Council:

1. Readmits the public.

**CARRIED**

## 13. Close of Meeting

There being no further business, the meeting concluded at 10:19 am.

Rehette Stolz  
**MAYOR**