

# MINUTES



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MEMBERSHIP: Her Worship the Mayor Rehette Stoltz (Chair), Josh Wharehinga (Deputy Chair), Colin Alder, Andy Cranston, Larry Foster, Debbie Gregory, Ani Pahuru-Huriwai, Rawinia Parata, Aubrey Ria, Tony Robinson, Rob Telfer, Teddy Thompson, Rhona Tibble and Nick Tupara.

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## MINUTES of the FINANCE & PERFORMANCE/WHAKAHAERE PŪTEA ME ŌNA HUA Committee

Held in The Rose Room at Lawson Field Theatre, Fitzherbert Street, Gisborne on Thursday 2 March 2023 at 9:00AM.

### PRESENT:

Her Worship the Mayor Rehette Stoltz, Deputy Mayor Josh Wharehinga, Colin Alder, Andy Cranston, Larry Foster, Debbie Gregory, Ani Pahuru-Huriwai, Rawinia Parata, Aubrey Ria, Tony Robinson, Teddy Thompson, Rhonda Tibble, Nick Tupara, Josh Wharehinga.

### IN ATTENDANCE:

Chief Executive Nedine Thatcher Swann, Director Internal Partnerships James Baty, Acting Director Liveable Communities De-Arne Sutherland, Director Engagement & Maori Responsiveness Anita Reedy-Holthausen, Chief Financial Officer Pauline Foreman, Chief of Strategy & Science Jo Noble, Journeys Infrastructure Manager Dave Hadfield, Democracy & Support Services Manager Heather Kohn and Committee Secretary Jill Simpson.

**Secretarial Note:** Cr Pahuru-Huriwai attended the meeting via audio visual link.

**Secretarial Note:** The meeting commenced at 9.00am and adjourned at 9.02am to allow time for Cr Parata who was flying in to attend the meeting. The meeting recommenced at 9.20am with a karakia.

### 1. Apologies

MOVED by Cr Stoltz, seconded by Cr Wharehinga

That the apology from Cr Parata for lateness be sustained.

**CARRIED**

### 2. Declarations of Interest

There were no interests declared.

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

#### **3.1 Confirmation of non-confidential Minutes 7 December 2022**

MOVED by Cr Cranston, seconded by Cr Gregory

That the Minutes of 7 December 2022 be accepted subject to minor amendment.

**CARRIED**

#### **3.2 Action Sheet**

Noted.

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

Cr Telfer was granted leave 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 DECISION Reports Finance**

##### **10.1.1 23-3 The Financial Impact of Roothing Emergency Works**

Journeys Infrastructure Manager Dave Hadfield attended and explained that the \$16.7m spent to the end of January 2023 excludes the costs incurred by Cyclone Hale and Cyclone Gabrielle. Roothing projects are on hold and a revised programme will be provided once completed.

Questions of clarification included:

- Waiting on approval for a bespoke application with Waka Kotahi.

Chief Executive Nedine Thatcher Swann commented that in terms of Cyclone Gabrielle and the National State of Emergency, work is underway for a regional recovery approach. This could be Tairāwhiti/Hawkes Bay or just Tairāwhiti and could be an avenue to ensure our emergency works are 100% funded, or even just to remove some barriers via this vehicle.

- The FAR reserve was committed to other declared emergency works. At the end of the financial year Waka Kotahi slightly increased their assistance to us (ie FAR rate), which meant that we did not need to use as much of the FAR Reserve as we had first planned. There never were surplus funds that were not utilised.
- In terms of recovery, staff are working on a plan which will be very much community driven.

- Council is requesting 100% emergency funding from Waka Kotahi. When the Long Term Plan was developed a sum of \$161.7m was required above the current funding levels to keep on top of repairs.
- The \$700k loan would come off the roading budget as per the Revenue & Financing Policy.
- It is fair to say that Council has the ability to borrow, and to unlock 87% from Central Government Council would be contributing 13% and this is a well use of funds to do more work.

Her Worship the Mayor and Councillors conveyed thanks to the Journey's team.

MOVED by Cr Wharehinga, seconded by Cr Foster

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua:

1. Approves up to \$25.8m emergency reinstatement works, noting the timing:
  - a. In 2022/23 financial year a total of up to \$19.5m.
  - b. In 2023/24 financial year a total of \$6.3m.
2. Notes Waka Kotahi share of the amounts noted above will be \$22.1m.
3. Approves to fund the local share of \$2.4m by use of:
  - a. The FAR reserve of up to \$1.7m.
  - b. Loans of up to \$700k.
  - c. Noting the the full cost of cyclone Hale are still to be determined.
4. Seeks a review of Waka Kotahi's Emergency Works Policy.

**CARRIED**

### 10.1.2 23-10 Draft Annual Plan 2023/24

Chief Financial Officer Pauline Foreman presented.

**Secretarial Note:** Cr Parata arrived at 10.01am.

Chief Executive Nedine Thatcher Swann commented that 3.6% of loans in terms of additional cost this year was the result of external factors being inflation, revaluation and attributed interest cost and depreciation. What we have presented remains within the 6.5% cap as applied within the Financial Strategy and applied options of smoothing the rates incidence, increasing our debt, phasing funding and using special reserves along with rating.

It was noted that rates remissions will be available and applied much like it was under COVID-19 in 2020. These mechanisms target relief to those in need or have been significantly affected by Cyclone Gabrielle.

Questions of clarification included:

- The Long Term Plan by the end of 2031 states that the depreciation for the pool would have been fully funded.
- The increase in levels of service included the rolling out of the wheelie bins. Improvement in levels of service included the Wastewater Treatment Plant Phase 2, the Kiwa Pools. Most are projects have been external grant funded.

- The 6.5% rates increase includes what we were committed to over the first three years of the 2021-2031 the Long Term Plan. The biggest being the Wastewater Treatment Plant Phase 2 operational costs coming online in Year 3.
- Funding of depreciation is required under Council's Accounting Standards and legislation.
- Support the recommendations however noting that they will not improve things for the East Coast community nor our rural communities who are struggling.

Her Worship the Mayor Rehette Stoltz acknowledged all the thoughts from Councillors around the table and encouraged people in the community to contact staff should they be facing hardship as Council is here to assist.

MOVED by Cr Wharehinga, seconded by Cr Foster

That the Finance & Performance/Whakahaere Pūtea me Ōna Hua Committee:

1. Approves the draft 2023/24 Annual Plan estimates as outlined in Attachment 1, the draft Financial Statements.
2. Approves the draft Capital Works Programme for 2023/24 amounting to \$45.8 million (as outlined within Attachment 4).
3. Approves the draft Fees and Charges document for consultation.
4. Agrees (having regard to those matters outlined in this report) that it is financially prudent to budget for an overall accounting surplus in the draft Annual Plan 2023/24.
5. Agrees while noting the overall accounting surplus as set out in number 3 above, that some activities (as outlined within the report) will have an accounting deficit funded by loans or reserves. With having specific regards to draft 2023/24 Annual Plan changes:
  - a. Agrees to rate fund the three waters depreciation expense based on the need to meet the capital renewals programme phased over the 2021-2031 Long Term Plan, ensuring that the three waters renewals remain fully funded while mitigating the impact of depreciation expense on 2023/24 rates.
  - b. Agrees to rate interest costs based on LTP levels with additional rates collected up to \$250k, and the balance of interest rate costs funded from special reserves and Wastewater (Three Waters) Reserve.
  - c. Notes that most of the higher interest rates arise from meeting Council's significant infrastructure investment in Wastewater.
  - d. Notes that the change approach in funding for depreciation and interest would otherwise result in operating costs exceeding the operating budget.
  - e. Notes that under this approach, Council will have a balanced budget in 2026/27 and considers this approach to be financially prudent for the reasons outlined in this report.
6. Notes that formal consultation is not required to be undertaken for the draft 2023/24 Annual Plan as Council's plan comprises no significant or material differences from the content of Year 3 of its Long-Term Plan including:
  - a. The outcomes, levels of services and projects.
  - b. The overall level of rates and debt are in line with the Financial Strategy.

7. Notes that an information campaign will be used to inform the community upon adoption of the Annual Plan, into the 2023/24 financial year.

**CARRIED**

**Secretarial Note:** The meeting adjourned at 10.30am for morning tea and reconvened at 10.45am.

#### **11. Public Excluded Business**

**Secretarial Note:** These Minutes include a public excluded section. They have been separated for receipt in Section 11 Public Excluded Business of Council.

#### **12. READMITTANCE OF THE PUBLIC**

MOVED by Cr Stoltz, seconded by Cr Robinson

That the Council:

1. Re-admits the public.

**CARRIED**

#### **13. Close of Meeting**

There being no further business, the meeting concluded at 10:50am.

Rehette Stoltz

**MAYOR**