
Finance, Audit & Risk Committee

OPEN MINUTES

Minutes of a meeting of the Finance, Audit & Risk Committee held in the Council Chambers, Horowhenua District Council, Levin, on Wednesday 26 February 2020 at 4.00 pm.

PRESENT

Chairperson	Mr P Jones
Deputy Chairperson	Mrs C B Mitchell
Members	Mr D A Allan
	Mr W E R Bishop
	Mr R J Brannigan
	Mr T N Isaacs
	Mr B Jackson
	Mr S J R Jennings
	Mrs V M Kaye-Simmons
	Mr R R Ketu
	Mrs J F G Mason
	Ms P Tukapua
	HWTM B P Wanden

IN ATTENDANCE

Reporting Officer	Mr D Law	(Chief Financial Officer)
	Mr D M Clapperton	(Chief Executive)
	Mrs N Brady	(Deputy Chief Executive)
	Mr D McCorkindale	(Group Manager – Customer & Strategy)
	Mr K Peel	(Group Manager – Infrastructure Operations)
	Mrs L Slade	(Group Manager – People & Culture)
	Mr S Magi	(Information Services Manager)
	Mr J Paulin	(Finance Manager)
	Mr A Chamberlain	(Financial Accountant)
	Mrs K J Corkill	(Meeting Secretary)

ALSO IN ATTENDANCE

Ms T Whiti (accompanying Cr Ketu)

MEDIA IN ATTENDANCE

Ms R Moore (“Manawatū Standard”)

PUBLIC IN ATTENDANCE

There were three members of the public in attendance at the commencement of the meeting.

Opening the meeting and welcoming those present, the Chair extended a special welcome to Mr Bryan Jackson who had re-joined the Finance, Audit & Risk Committee saying he looked forward to Mr Jackson's comments and engagement going forward.

1 Apologies

There were no apologies.

2 Public Participation

Projects Update – Foxton Beach Stormwater Consent

Speaking on behalf of the Manawatū Estuary Trust (MET) and noting the importance and uniqueness of the estuary and its bird life both locally, nationally and internationally, Mr Kelvin Lane expressed a concern that the Trust, which was involved with all aspects with regard to the estuary, had not been included in the parties to be consulted with, in line with a previous assurance given.

Mr Lane also stressed the importance of HDC being represented at the twice yearly Estuary Management Team meetings. Under the requirements of the RAMSAR Trust, the Estuary Management Team produced a report that was filed with the international headquarters in Switzerland and the MET was assessed on the basis of what was in that report. It was an important document and Mr Lane said he would like to encourage HDC representatives to be part of that process.

Mr Clapperton extended his apologies for the Manawatū Estuary Trust not being included in the report and that would be rectified.

3 Late Items

There were no late items.

4 Declarations of Interest

There were no declarations of interest.

5 Confirmation of Minutes

MOVED by Deputy Mayor Mason, seconded Cr Isaacs:

THAT the minutes of the meeting of the Finance, Audit & Risk Committee held on Wednesday, 29 January 2020, be confirmed as a true and correct record.

CARRIED

7.2 Public Participation

Responding to the concern raised by Mr Philip Taueki at the previous FAR Committee meeting that there had been no consultation in relation to the Levin Stormwater Consent, Deputy Mayor Mason placed on record that there had, in fact, been consultation as part of that consent application, with Mr Clapperton confirming that had included the Muaūpoko Cooperative Society.

6 Announcements

There were no announcements.

7 Reports

7.1 Projects Update

Purpose

To provide the Finance, Audit and Risk (FAR) Committee with an update on the projects being undertaken by the Infrastructure Group.

Group Manager – Infrastructure Operations, Kevin Peel, requested that the report be taken as read.

A. Tokomaru Wastewater Discharge

Responses to queries:

- Council had pursued a short term consent option as, with the consent about to expire, at the time that had seemed to be the right course of action. In hindsight it may have been better to see if there was the ability to have the existing consent rolled over given that Council was looking for a long term solution in that catchment with the discharge going to land as part of the current LTP.
- there was no risk of additional capital input required to support the short term consent.
- the proposed \$150,000 cost may not cover other costs totally but it should cover those associated with the consent process, with the budget including components such as consultancy fees for engineers if required, cultural impact assessments and engagement with various parties, and the consultant used for the application itself.
- with regard to the \$350,000 noted as actual costs to date, there were two budget components, one relating to 2015-2025 LTP and the other to the 2018-2038 LTP. As the amount spanned two LTPs, further information would be sought and circulated to Elected Members when available.

B. Foxton Beach Stormwater Consent

Acknowledging Mr Lane's comments and having been involved with the Manawatū Estuary Trust for quite some years, Cr Brannigan stressed the importance of Council, as one of the three statutory managers for the site, being represented on the Estuary Management Team. In that regard, Council's Parks & Property Lead North, Sean Hester, had undertaken to ensure that Council was represented as, with the stormwater project, Foxton Futures, etc, there was a real opportunity for that area to benefit.

In response to a query, it was noted that Rangitaane, Raukawa and Muaūpoko were the iwi groups with which consultation had occurred in relation to cultural concerns and values.

C. Foxton Wastewater Discharge

As this was an expensive (\$9m) and long term project, it was queried if inflation had been factored in and what sort of contingency had been built in.

Mr Clapperton explained that the original budget had been \$14m for a programme of works that was being considered for both Foxton and Foxton Beach. There had been an inflation component in the original capital item, but a lot less had been spent, and in terms of a contingency, that was about 5% (\$400k).

Mr Peel added that the contract had been split into a number of sections with different subcontractors and they had priced each of the different schedules with a contingency sum included.

MOVED by Cr Brannigan, seconded Mr Jones:

THAT Report 20/43 Projects Update be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

7.2 Seven Month Report 1 July - 31 January 2020

Purpose

To present to the Finance, Audit & Risk (FAR) Committee the financial report for the seven months ended 31 January 2020.

Speaking to the report, Mr Law said that the trends had remained constant over the last three months. Derivatives had gone back to a loss situation and interest rates had dropped again because of the coronavirus.

Noting the sustainable growth budgets underspend of \$306,000 (Note 2A, page 27) Mr Law said this had been caused by a timing issue. Over Christmas, some work had been delayed because of the holiday period. It was expected that the budget would be spent by the end of the year.

Responding to a query with regard to reconciling the figures on the two Statements of Revenue and Expense, Mr Law explained the reasons for the differences, with the Revenue and Expense Statement by Activity including a number of internal activities and charges such as interest.

The Chair gave an explanation as to why this report was brief and to the point and why Capex was not included. Going forward, a high level Capex report would be included in the monthly report, and a more detailed report would be presented to the Committee every quarter

The favourable variance of \$392,000 with regard to water supply was raised, with it queried if had anything to do with leaks and leak detection. Mr Law said leak detection would not affect the meter charge, which mainly related to industry as well as some residences which had swimming pools. There was a possibility there could be leaks on the other side of the meter, but it was up to the individual ratepayer to determine if that was the case.

MOVED by Mayor Wanden, seconded Cr Mitchell:

THAT Report 20/44 Seven Month Report 1 July - 31 January 2020 be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

4.32 pm

There being no further business, the Chairperson declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD
AT A MEETING OF THE FINANCE, AUDIT & RISK
COMMITTEE HELD ON

DATE:.....

CHAIRPERSON:.....