



# **MINUTES**

**Strategy, Finance and Risk Committee  
Meeting**

**Monday, 17 May 2021**

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**MINUTES OF TAURANGA CITY COUNCIL  
STRATEGY, FINANCE AND RISK COMMITTEE MEETING  
HELD AT THE TAURANGA CITY COUNCIL, COUNCIL CHAMBERS, 91 WILLOW STREET,  
TAURANGA  
ON MONDAY, 17 MAY 2021 AT 10.30AM**

**PRESENT:** Commission Chair Anne Tolley, Commissioner Shadrach Rolleston, Commissioner Stephen Selwood, Commissioner Bill Wasley, Dr Wayne Beilby, Mr Te Pio Kawe, Ms Rohario Murray, Mr Bruce Robertson and Ms Matire Duncan

**IN ATTENDANCE:** Marty Grenfell (Chief Executive), Paul Davidson (General Manager: Corporate Services), Barbara Dempsey (General Manager: Regulatory & Compliance), Susan Jamieson (General Manager: People and Engagement), Nic Johansson (General Manager: Infrastructure), Christine Jones (General Manager: Strategy & Growth), Kathryn Sharplin (Manager: Finance), Mohan De Mel (Treasurer), Kath Norris (Team Leader: Democracy Services), Angelique Fraser (Health & Safety Change Manager), Andy Mead (Manager: City & Infrastructure Planning), Janine Speedy (Team Leader: City Planning), Coral Hair (Manager: Democracy Services) and Jenny Teeuwen (Committee Advisor)

## **1 OPENING KARAKIA**

Mr Te Pio Kawe opened the meeting with a Karakia.

## **2 APOLOGIES**

Nil

## **3 PUBLIC FORUM**

Nil

## **4 ACCEPTANCE OF LATE ITEMS**

Nil

## **5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN**

Nil

## **6 CHANGE TO ORDER OF BUSINESS**

Nil

## **7 DECLARATION OF CONFLICTS OF INTEREST**

The following conflicts of interest were noted:

- Mr Te Pio Kawe – In his role as Senior Consultant with Boffa Miskell, Mr Kawe was currently working on two Tauranga City Council (TCC) projects - tangata whenua engagement advisor for the city plan review, and Pou Ārahi advisor for the Tū Pakari team for Smartgrowth.
- Matire Duncan – Ms Duncan's company, He Manukura, was a contractor for TCC's three waters programme.

## 8 BUSINESS

### 8.1 Appointment of Deputy Chairperson for the Strategy, Finance and Risk Committee

#### COMMITTEE RESOLUTION SFR1/21/1

Moved: Commission Chair Anne Tolley

Seconded: Ms Rohario Murray

That the Strategy, Finance and Risk Committee:

- (a) Receives the Appointment of Deputy Chairperson for the Strategy, Finance and Risk Committee report.
- (b) In accordance with Clause 25 of Schedule 7 of the Local Government Act 2002, confirms that the voting system to be used to elect or appoint the Deputy Chairperson for the Strategy, Finance and Risk Committee is System B.
- (c) Appoints Dr Wayne Beilby as the Deputy Chairperson for the Strategy, Finance and Risk Committee.

**CARRIED**

### 8.2 Financial Monitoring Report for Nine Months to 31 March 2021

**Staff** Paul Davidson, General Manager: Corporate Services  
Kathryn Sharplin, Manager: Finance  
Mohan De Mel, Treasurer

#### In response to questions

- The gap in the Interest Rate Performance against Benchmark graph, particularly for July to December 2020, was due to COVID. The gap had begun to close slowly and now sat where expected.
- Rephasing of the capital programme would happen through the deliberations process of the Long Term Plan (LTP); however, any flow on effect to rates would not affect rates until the following financial year. The capital programme was over a 10 year period so timings may change but the overall programme would remain intact.
- TCC was currently running at capacity to deliver the capital programme for most services, in particular transport, water supply and wastewater. TCC was staying ahead for the moment but only just; there was no margin so delivery was happening as swiftly as possible. A number of strategies would be implemented, both within TCC and with the supply sector, to achieve the ramping up of delivery year on year. A copy of the report "Capital Programme Reporting" that was presented to the Council on 12 April 2021 would be circulated to the members of the Committee.
- Assets vested to TCC referred to assets developers vested to the city. Assets were mostly vested at the issue of title.
- The Committee Chair requested a verbal update on the Totara Street Capacity Improvements project. The tender for the project work had closed and was now going through an evaluation process. TCC had been formally notified by Waka Kotahi (New Zealand Transport Agency - NZTA) that the funding for that activity class was fully committed for this financial year and they would not be able to fund their contribution to the project at

this stage. The project would now have to go through Waka Kotahi's national project ranking process in the next financial year to see if funding would be available. Unfortunately, this meant that the project would now be put on hold and was in jeopardy. TCC would continue to strongly promote the project through the Regional Land Transport Plan (RLTP) process.

- The revaluation of the three waters had not been as high as expected.
- The high consultancy and support costs for Building Services was due to a shortage of staff in the Building Services team (approximately 18%), so there was a reliance on consultants. It had been difficult to recruit building control officers as there continued to be a shortage throughout the country. TCC would continue to recruit for staff in that arena.

#### **COMMITTEE RESOLUTION SFR1/21/2**

Moved: Commissioner Stephen Selwood

Seconded: Mr Bruce Robertson

That the Strategy, Finance and Risk Committee:

- (a) Receives the Financial Monitoring Report for Nine Months to 31 March 2021 report.
- (b) Notes that the projected capital under-delivery for 2021 along with some deferred operational expenditure will result in rephasing of aspects of the capital programme and rebudgeting of expenditure as part of the LTP process through to July 2021.

**CARRIED**

#### **Staff Action**

A copy of the report "Capital Programme Reporting" that was presented to the Council on 12 April 2021 to be circulated to the members of the Strategy, Finance and Risk Committee.

### **8.3 Audit NZ Report on the 30 June 2020 Annual Report and Preparation for the 2021 Annual Report and Audit**

**Staff** Paul Davidson, General Manager: Corporate Services  
Kathryn Sharplin, Manager: Finance

#### **In response to questions**

- The process of transferring from the Ozone system to the SAP system had been gradual. The Annual Report for this financial year would use both systems; however, quarterly reporting was now solely through the SAP system.
- The production of two annual plans in 2020 and the delay of the LTP had impacted on the ability to resolve some of the recommendations in Appendix 1 of the Audit NZ report. Staff were currently working through these and it was expected that they would be resolved over the next few months, particularly once the LTP had been signed off.
- Revaluation of council assets occurred three yearly. The three waters revaluation had been brought forward to this year due to concern from other councils around revaluations coming in much higher due to the need for new pipes and road corridor costs.

#### **COMMITTEE RESOLUTION SFR1/21/3**

Moved: Commissioner Bill Wasley

Seconded: Dr Wayne Beilby

That the Strategy Finance and Risk Committee:

- (a) Receives the report Audit New Zealand Report on the 30 June 2020 Annual Report and Preparation for the 2021 Annual Report and Audit.
- (b) Receives the Report to Council from Audit New Zealand on the audit of Tauranga City Council for the year ended 30 June 2020.

**CARRIED**

## 8.4 Treasury Strategy

**Staff** Paul Davidson, General Manager: Corporate Services  
Mohan De Mel, Treasurer

### In response to questions

- Housing Infrastructure Fund (HIF) funding was drawn down for two projects – Waiāri and Te Maunga. \$6 million was required to be repaid for the two projects every year. Full repayment needed to be made within 10 years from draw down.
- This report would be presented to this committee every six months. The next report was due in November 2021.
- Staff had delegated authority via the 2020-2021 Annual Plan to decide whether the approved \$30 million debt increase would be drawn down, if required, from wholesale banks or the Local Government Funding Agency (LGFA).
- The target range for fixed interest rate profiles was compliant. Fixed rates were affected by HIF drawdowns so hedging needed to be put in place. The Treasury Policy allowed for hedging for up to two years forward.

### COMMITTEE RESOLUTION SFR1/21/4

Moved: Commissioner Stephen Selwood

Seconded: Mr Bruce Robertson

That the Strategy, Finance and Risk Committee:

- (a) Receives the Treasury Strategy report.
- (b) Approves the issuance of long and short-term debt on a wholesale basis to manage cash-flows.
- (c) Approves the management of fixed interest rate hedging in the range of 50% to 60% at 2 years forward, and the range of 30% to 40% at 5 years forward.
- (d) Approves maintenance of a minimum of \$15m of cash and short-term investments to manage cash-flows.
- (e) Approves hedging of all significant foreign exchange exposures.
- (f) Recommends to Council to approve an interim Borrowing of \$30m for the month of July 2021.

**CARRIED**

## 8.5 Quarter 2&3 LGOIMA Requests and Commission Queries

**Staff** Susan Jamieson, General Manager: People and Engagement  
Kath Norris, Team Leader: Democracy Services

### In response to questions

- Progress on actions for the recommendations of the Ombudsman's report were reported back to the Ombudsman's office quarterly. It was expected that all actions would be completed by December 2021.
- The Commissioners were particularly interested in seeing the progress that was being made on the Proactive Release policy. Staff would keep the Commissioners updated.
- Concern was expressed about a possible spike in LGOIMA requests following the formation of this Committee, particularly directed at the mana whenua reps, and the need to keep the committee members safe. Committee members would be kept informed of any spikes in correspondence that was directed at them.
- Discernible trends were reported but there had been none of particular interest for this report. It was suggested that a graph of trends over time be included in future reports. It was also

suggested that trends happening nationally, but perhaps not in Tauranga, would also be of interest to the committee. Staff would investigate whether data on subject matter trends happening nationally was available.

- How TCC compared with other councils was reported in the Office of the Ombudsman's report published six monthly. In the latest report, TCC received slightly more than average LGOIMA requests and were middle of road for response times and other statistics. The latest report would be circulated to committee members.
- Other councils were also charging, but this was variable.

#### **COMMITTEE RESOLUTION SFR1/21/5**

Moved: Ms Rohario Murray

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee receives the report: Quarter 2 & 3 Local Government Official Information and Meetings Act 1987, the final Mayor and Councillor requests and the Commission queries.

**CARRIED**

#### **Staff Action**

- The latest Office of the Ombudsman six monthly report to be circulated to committee members.
- Staff to investigate whether data on LGOIMA subject matter trends happening nationally was available.

### **8.6 Health, Safety and Wellbeing - January to March 2021**

**Staff** Susan Jamieson, General Manager  
Angelique Fraser, Health & Safety Change Manager

#### **In response to questions**

- Cultural safety was not included in the report; however, a cultural competency survey across the organisation was being considered. It was expected that this would be reported back to council separately and not as part of the Health, Safety and Wellbeing report. The Committee would be kept up to date on whether or not the cultural competency survey would proceed.
- The 68% overall survey score put TCC in the middle of the road in comparison to other councils. The value of the survey was more in the discussions it created, rather than the data itself. The survey could be cut and dissected in many ways to get more detailed information particularly in relation to teams and leadership. General managers would work with the Health and Safety Change Manager on issues identified in their areas that required particular effort and focus to address. Outcomes could be sensitive to particular teams or individuals, so how this could be reported back at an appropriate level would be considered.
- While the Kerbside and Waste project had featured in this report, it was suggested that it would be useful to have, over time, other areas of concern from a staff point of view reported on e.g. animal control, parking and front line services.
- It was important that corrective actions taken to improve work practices be reported back to staff so that they could see that issues arising from health and safety reported events were being resolved and actioned.
- It was more challenging to understand how contractors employed by TCC were managing their health and safety events as the Health and Safety team received little feedback on this. A more collaborative approach was being discussed and this would be covered in more detail in future reports.

**COMMITTEE RESOLUTION SFR1/21/6**

Moved: Commissioner Stephen Selwood

Seconded: Mr Bruce Robertson

That the Strategy, Finance and Risk Committee receives the report: Health, Safety and Wellbeing – January to March 2021.

**CARRIED**

At 12.04pm, the meeting adjourned.

At 1.00pm, the meeting resumed in the public excluded session.

**9 PUBLIC EXCLUDED SESSION****RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RESOLUTION SFR1/21/7**

Moved: Commissioner Shadrach Rolleston

Seconded: Ms Rohario Murray

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
<b>10.1 - Corporate Risk Register - Quarterly Update</b>	<p>s7(2)(b)(i) - the withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret</p> <p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>



<b>10.2 - Internal Audit Report - Quarterly Update</b>	<p>s6(b) - the making available of the information would be likely to endanger the safety of any person</p> <p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(d) - the withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public</p> <p>s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(j) – the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>	<p>s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
<b>10.3 - Litigation Report</b>	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>

**CARRIED**

Mr Bruce Robertson left the meeting during the public excluded session.

At 2.06pm, the meeting resumed in the open session.

## 10 BUSINESS (CONTINUED)

### 8.7 Sustainability Update

**Staff** Christine Jones, General Manager: Strategy and Growth

#### In response to questions

- The sustainability stocktake would be undertaken with a four well-beings lens and was not just about the environment; it also included climate change, resilience and long-term planning.
- The strategic framework defined what was wanted to be achieved and the action plan outlined how it would be achieved. The framework included measurement, accountability, timeframes and funding.

- It was important to build on the work that had already been done and not re-invent the wheel. Community engagement would happen to check that TCC had it right and whether there were any gaps or areas that needed to be added. Staff would report back to council seeking further direction on this post LTP.

#### **COMMITTEE RESOLUTION SFR1/21/12**

Moved: Commissioner Bill Wasley

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee receives the report – Sustainability Update.

**CARRIED**

### **8.8 Monitoring and Update Report - City Plan Review**

**Staff** Christine Jones, General Manager: Strategy and Growth  
Andy Mead, Manager: City & Infrastructure Planning  
Janine Speedy, Team Leader: City Planning

#### **In response to questions**

- Further alignment across both TCC and Western Bay of Plenty District Council (WBOPDC) would be explored. There was an opportunity for combined research with WBOPDC for issues that sat across the sub-region in terms of how to address those issues.
- Engagement with tangata whenua had included all iwi and hapu representatives, as well as Te Rangapu representatives and Māori land trustees. Bay of Plenty Regional Council (BOPRC) and WBOPDC staff were also present. These relationships would continue going forward.
- The Commissioners supported and encouraged an harmonisation of policies and processes across the districts and wider region as much as possible, and requested that this be a key agenda item in conversations going forward, as there would be movement towards a combined sub-regional or regional plan at some point.

#### **COMMITTEE RESOLUTION SFR1/21/13**

Moved: Commissioner Bill Wasley

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

- (a) Receives the Monitoring and Update Report - City Plan Review report.
- (b) Notes progress with the City Plan Review project in accordance with the approved project plan.
- (c) Requests that any formal process in respect of the city plan review project be commenced only following formal sign off by the council.

**CARRIED**

## **11 DISCUSSION OF LATE ITEMS**

Nil

## **12 CLOSING KARAKIA**

Mr Te Pio Kawe closed the meeting with a Karakia.

**The meeting closed at 2.31pm.**

**The minutes of this meeting were confirmed as a true and correct record at the Strategy, Finance and Risk Committee meeting held on 21 June 2021.**

.....  
**CHAIRPERSON**