



MINUTES

**Accountability, Performance &
Finance Committee meeting
Monday, 2 September 2024**

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**MINUTES OF TAURANGA CITY COUNCIL
ACCOUNTABILITY, PERFORMANCE & FINANCE COMMITTEE MEETING
HELD AT THE BAY OF PLENTY REGIONAL COUNCIL CHAMBERS,
1 ELIZABETH STREET, TAURANGA
ON MONDAY, 2 SEPTEMBER 2024 AT 9.30AM**

MEMBERS PRESENT: Deputy Mayor Jen Scoular (Chairperson), Mayor Mahé Drysdale (Deputy Chairperson), Cr Marten Rozeboom, Cr Rick Curach, Cr Glen Crowther

ALSO PRESENT: Cr Steve Morris, Cr Kevin Schuler and Cr Rod Taylor

APOLOGIES:

LEAVE OF ABSENCE: Cr Mikaere Sydney

IN ATTENDANCE: Marty Grenfell (Chief Executive), Paul Davidson (Chief Financial Officer), Barbara Dempsey (General Manager: Community Services), Nic Johansson (General Manager: Infrastructure), Christine Jones (General Manager: Strategy, Growth & Governance), Alastair McNeill (General Manager: Corporate Services), Sarah Omundsen (General Manager: Regulatory and Compliance), Gareth Wallis (General Manager: City Development & Partnerships), Jeremy Boase (Manager: Strategy & Corporate Planning), Sheree Covell (Treasury and Financial Compliance Manager), Josh Logan (Team Leader: Corporate Planning), Caroline Lim (CCO Specialist), Ceilidh Dunphy (Community Relations Manager), Sam Fellows (Manager: City Partnerships), Coral Hair (Manager: Democracy & Governance Services), Anahera Dinsdale (Acting Team Leader: Governance Services), Caroline Irvin (Governance Advisor) and Aimee Aranas (Governance Advisor).

EXTERNAL: Warwick Lampp (Chief Electoral Officer, Electionz.com)

1 OPENING KARAKIA

Coral Hair opened the meeting with a karakia.

2 APOLOGIES

APOLOGY

COMMITTEE RESOLUTION APF1/24/1

Moved: Cr Marten Rozeboom

Seconded: Cr Rick Curach

That the apology for absence received from Cr Mikaere Sydney be accepted.

CARRIED

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

Nil

8 BUSINESS

8.1 Outline Work Programme for Accountability, Performance and Finance Committee for the 2024/25 Financial Year

Staff Paul Davidson, Chief Financial Officer

Key points

- This was to be treated as a live document that changes could be made to where and when necessary as the year progressed.

Discussion points raised

The Committee requested the following:

- Financials and non-financials should be separate groups of work.
- The 'monitoring of Council against its stated objectives and policies' was a performance issue that should come back to this Committee.
- It was requested that the stewardship of Council resources be part of the work plan.
- The monitoring the implementation of policy by the Chief Executive was also a performance measure that needed to be brought back to this Committee.
- A third recommendation needed to be added to enable the work plan to be amended and brought back to the Committee.

COMMITTEE RESOLUTION APF1/24/2

Moved: Cr Glen Crowther

Seconded: Cr Marten Rozeboom

That the Accountability, Performance & Finance Committee:

- (a) Receives the report "Outline Work Programme for Accountability, Performance and Finance Committee for the 2024/25 Financial Year".
- (b) Notes the outline work programme for the Committee as per Attachment One of this report.
- (c) Notes that this Work Plan may be amended and those amendments will be reported back to this Committee.

CARRIED

8.2 Six Monthly Treasury Strategy Update

Staff Paul Davidson, Chief Financial Officer
Sheree Covell, Treasury and Financial Compliance Manager

Key points

- This report was brought to Council every six months. This particular report was an information paper that outlined what was in the Treasury Strategy.
- A number of resolutions would be brought back to the next Committee meeting which were required for hedging policies and maturities.

In response to questions

- Staff had been very conscious about water reforms and what that meant in terms of Council's hedging profile.
- In terms of the interest rate decrease cycle now and looking at longer term debt, longer term maturities had been targeted with the Local Government Funding Agency (LGFA) and forward start swaps. Once the interest rates came down more, longer term debt would be looked at.
- Work was being undertaken at the moment in terms of the water reforms and shadow ratings which were expected within the next month.

COMMITTEE RESOLUTION APF1/24/3

Moved: Cr Glen Crowther

Seconded: Cr Rick Curach

That the Accountability, Performance & Finance Committee:

- (a) Receives the report "Six Monthly Treasury Strategy Update".

CARRIED

8.3 2023/2024 Interim Audit Report from Audit NZ

Staff Paul Davidson, Chief Financial Officer
Sheree Covell, Treasury and Financial Compliance Manager

Key points

- The Chief Financial Officer provided a summary of the report.

In response to questions

- It was not possible to fully or exactly monitor all staff Bee Card activity due to it working on an honesty system. This was being further investigated.
- The time lines for providing information for the audit could sometimes be impacted due to staff working through programmes, for example accounting issues that needed to be worked through. Statutory deadlines were always key dates that were worked towards.
- Council had an formal induction process in place for Councillors, parts of which were still to be implemented. Feedback was welcomed from Councillors in terms of any information support they required.
- The Annual Report effectively reported back on what had been set through the Long Term Plan (LTP) or an Annual Plan (AP). Performance measures were set through the consultation process for these documents and signed off by Council at the time.
- There had been no specific consultation on what the community would like to see in the Annual

Report or on what they felt had not been covered.

Discussion points raised

The Committee requested the following:

- Could staff follow up with Audit New Zealand in terms of closing some of the outstanding recommendations.
- Feedback from Councillors regarding Council's induction process would be very helpful.
- It was important that feedback on what the community would like to see in the Annual Plan was sought.

COMMITTEE RESOLUTION APF1/24/4

Moved: Cr Marten Rozeboom

Seconded: Mayor Mahé Drysdale

That the Accountability, Performance & Finance Committee:

- (a) Receives the report "2023/2024 Interim Audit Report from Audit NZ".
- (b) Notes the recommendations contained within the report to Council by Audit New Zealand including recommendations from previous audits.
- (c) Notes the management responses and supports the on-going implementation of improvements as required.

CARRIED

8.4 Tauranga City Council - Draft Annual Report

Staff Paul Davidson, Chief Financial Officer
Christine Jones, General Manager: Strategy, Growth & Governance
Josh Logan, Team Leader: Corporate Planning
Sheree Covell, Treasury and Financial Compliance Manager

Key points

- The Chief Financial Officer and the General Manager: Strategy, Growth & Governance, provided a summary of the report.

In response to questions

- Generally, people were most interested in particular projects or initiatives in their local areas during the consultation process.
- Council drew on feedback received from the community through a range of methods, particularly through updated methods that were being actioned now.
- From a total of 100 performance measures, 66% had been achieved which was seen as a good result, reflective of the measures. Measures were set that were achievable but still a challenge. Staff were aware changes were needed and there were different performance measures in the LTP 2024-34. Staff continuously looked at improvement plans that involved reviewing processes and systems.
- Depreciation, impacts on the budget and the large increases in costs/renewing assets were brought to Council as part of the Annual Plan or LTP to look to achieve a balance from an affordability and asset replacement lens perspective.
- Affordability was a part of the consultation process through the AP and LTP and what the community sought in terms of spending by Council.

- The issue with rates and affordability was that it was a blunt instrument across a lot of rate payers and what might be affordable for some groups was not affordable for others.
- Council Controlled Organisations (CCO's) produced their own separate annual reports which came back to Council. A summary performance only was included in this report.
- Council had contracted outside services such as vegetation, walkways and arborists for decades and had then made a decision two years ago to start bringing those services in house. The largest increase in staff was primarily in this area. This was more cost effective in terms of service delivery. Depots were situated at Mount Maunganui and Tauriko.
- Legislation required Council to produce a balanced budget however, there had been a change in terms of how these were being treated which meant that some differences would show quite dramatically. Section two of the Annual Report 'Year in Review' had a financial highlight section where information was added that was not legislatively required to be disclosed.
- In terms of city-wide development contributions, the water supply was predominantly the Waiari project, and the significant investment made was charged at a city wide level. Water and wastewater were generally the biggest component of city-wide development contributions.
- The draft report was now a public document and as a result of today's meeting staff could go out into the community and seek feedback on the shape, content and flavour of it.
- A monthly report came to management where a deep dive was undertaken into the various areas of KPI measures to understand what was and was not being achieved and why. This was then reported back to Governance on a quarterly basis.

Discussion points raised

The Committee requested the following to be brought back to either the October or November Accountability, Performance & Finance Committee meetings:

- How Council might consult on performance measures going forward.
- That staff obtain feedback from Tauranga people regarding the Annual Report.
- That the Committee put forward suggestions for performance measures they would like to see put in place and reported back in the Annual Report.
- That staff expand on the Annual Report debt services benchmark to show everything it did include as opposed to what it did not.
- Confirmation of dates regarding staff remuneration bands and clarity regarding what positions related to which annual remuneration band.
- Further explanation of assets written off per property plant and equipment note.
- Clarification around the figure of the sale of 90 Devonport Road.
- That a full breakdown of costs was provided when significant capital projects were completed, e.g. Cameron Road Stage 2.
- A report on the building consents started, processed and completed over the last three years.
- That the Committee be provided with the City Operations Business Group report that showed which Council department had had the largest increase in terms of employees.
- That clarity be provided to the Committee on the figures for the Bay Venues Limited Grants, including providing capital and operational grants figures.
- That a separate report regarding Section Two of the Annual Report 'Year in Review' providing more clarity around what was being talked about in terms of a balanced budget be brought back to the November Committee meeting.
- That more context and break down was provided in terms of the number of rating units.

Further comments:

- The significant question was how Council ensured its Annual Report was an easy to understand document for ratepayers and how could it consult with the people of Tauranga about this.
- More reporting was needed around increases to employee salaries and rates increases.

COMMITTEE RESOLUTION APF1/24/5

Moved: Cr Glen Crowther

Seconded: Cr Marten Rozeboom

That the Accountability, Performance & Finance Committee:

- (a) Receives the report "Tauranga City Council - Draft Annual Report".
- (b) Notes that the attachments provided are subject to changes as a result of review and audit and further inclusions of taxation and consolidated accounts.
- (c) Notes that the full year financial performance will be reported to the Accountability Performance and Finance Committee on 8 October 2024.
- (d) Notes that a full, designed version of the annual report will also be presented to the 8 October 2024 Accountability, Performance and Finance Committee meeting for further review.

CARRIED

8.5 Final Statement of Intent 2024/25 to 2026/27 for the Local Government Funding Agency

Staff Gareth Wallis, General Manager: City Development & Partnerships
Kathryn Sharplin, Manager: Finance
Caroline Lim, CCO Specialist
Sheree Covell, Treasury and Financial Compliance Manager

Key points

- The Manager: Finance provided summary of the report.

In response to questions

- The Local Government Funding Agency (LGFA) reported quarterly to its shareholders and provided a very good online report.

COMMITTEE RESOLUTION APF1/24/6

Moved: Cr Rick Curach

Seconded: Mayor Mahé Drysdale

That the Accountability, Performance & Finance Committee:

- (a) Receives the report "Final Statement of Intent 2024/25 to 2026/27 for the Local Government Funding Agency".
- (b) Receives the Local Government Funding Agency's Final Statement of Intent 2024/25 to 2026/27 (Attachment 1) and the Letter to Shareholders (Attachment 2).

CARRIED

11:16 The meeting adjourned

11:26 The meeting reconvened

8.6 Election 2024

Staff Christine Jones, General Manager: Strategy, Growth & Governance
Coral Hair, Manager: Democracy & Governance Services
Ceilidh Dunphy, Community Relations Manager

External Mr Warwick Lampp, Electionz.com

Key points

- The General Manager: Strategy, Growth & Governance provided a summary of the report.

Mr Warwick Lampp, Electionz .com, provided the following comments:

- This was an election where there were no incumbents involved which created a different dynamic as there was no situation of candidates versus incumbents.
- It was felt Council's campaign to promote the election was one of the best experienced and was a 'gold standard' campaign. It gained a lot of attention in terms of national media coverage and there was a lot of talk about it in the local community.
- Voter turnout was about the same it had always been. This was a multi-faceted issue.
- A highlight of the campaign was the candidate videos. They provided candidates with a very good format and structure to have their say. There were 45 thousand views of the candidate videos.
- The orange bins for collection of voting papers worked very well, with 86% of votes returned through orange bins.

In response to questions

Mr Lampp responded to the following questions:

- Online voting was a matter that needed to be considered by the Government as it had to be a parliamentary decision. At this point in time, it was not wanted as it was felt there were significant concerns around security. Lobbying support from Local Government New Zealand and the local Members of Parliament could be sought to gain traction on this.
- New Zealand legislation did not allow for voter forms to be uploaded and sent via email in local body elections at this point in time. This was however being looked into.
- The research report would analyse anonymised data and provide demographic statistics on age group and ethnicity. This would show trends in voting and would be provided within the next few weeks. It would be confirmed whether gender data was available.
- Council's campaign had provided plenty of information on how single transferable voting worked and how to rank candidates.
- 'Meet the Candidate' events were political by nature and were held within the political/campaigning space. The advice was that councils did not get involved in these events because it was in their best interest to remain apolitical.
- There was awareness that 'Its in the Ballot' organised events in each of the wards, as well as many other community groups. TCC advertised all these meetings on its website and made premises available to respective organisations if they wished to run them.
- It was standard practice for community groups who had an interest in their ward to arrange their own meet the candidate meetings. Most of these communities had groups that were well entrenched in doing this.
- Ward boundary lines were a decision made by Council through its representation review. There would be an opportunity to review these boundary lines before the next election.
- It was felt TCC's election awareness campaign was very good. There was not quite so much media attention around this campaign, particularly around the mayoral candidates.
- There had recently been a change in the legislative election time frame which extended the voting period from three weeks to four which would provide further opportunities for the election in 2028.

- Polling booths were not seen as an option due to it only being a one day event, being very manual and adding significant cost to the process. Polling booths did not raise voter turnout.
- Council put out media releases advising of voter time frames and what was happening with the return. It was thought there would be a bigger 'late surge' in voters to raise the numbers, which did not happen. More media advertising around getting people to vote earlier could be undertaken for the next election.
- Candidates had a 150 word statement to talk about themselves and what they were intending to do. They were provided with guidelines, however, it was up to candidates as individuals to determine what they put in this statement.

Staff responded to the following questions:

- Staff looked at data in terms of harder to reach communities and voter turnout. Younger age groups were tougher to engage in terms of increasing their voting numbers.
- More engaging content was created for a younger demographic through Council's digital campaign. An Instagram page was launched, paid promotions targeted specific demographics and harder to reach groups. Advertising through Moana radio in Te Reo as well as multi-cultural advertising was undertaken.
- The total campaign cost did not include staff salaries but included overtime payments for work such as special voting. All marketing work was carried out in-house.
- Staff could provide elected members with specific numbers on how many people viewed the candidate videos and Council's campaign information videos.
- The Chief Executive advised that, looking at the trend of voter turnout over the last 25 years, it had been consistently average in Tauranga and by comparison, average across the country. TCC's campaign, promotion and advertising for this election, which also tried to attract a good pool of candidates, was successful. The balance and diversity appeared much better than seen previously. It was up to the voter to vote for who they wanted to represent them. There were a range of factors that Council only had a certain amount of control and/or influence over.
- The outgoing Commission were provided with election information in the form of a pre-election report but did not have any input into this.

Discussion points raised

The Committee requested the following:

- It would be useful for Council to utilise the data in the lead up to the next election from 'It's in the Ballot' that showed how single transferable voting influenced decisions.
- The Committee would like staff time allocation included when being provided with the cost of events and activities.
- It would be preferable for the next election when putting out messaging for the campaign to make sure it referred to the call to action that was wanted.
- The Committee would like Council to consider carrying out a survey after the next election that gathered information and provided feedback regarding people's awareness of the election, use of Council information and reasons for voting or not voting.
- It was felt the report provided to the Committee was very operational and needed more about how Council could improve on the next election.
- It was felt the report presented to the Committee today was from an operational perspective only. The Committee would like a second report to be brought to the next Committee meeting that answered the questions asked today such as the facilitation of the next election, fostering better representation and substantial elector participation, and what Council could do differently going forward starting from now.
- It would be helpful if media releases and photos of events were made available 'live' if possible or as soon as possible.

A motion was put forward for a second report to be brought back to the Committee to answer questions raised at this meeting along with the election research report.

COMMITTEE RESOLUTION APF1/24/7

Moved: Deputy Mayor Jen Scoular

Seconded: Cr Glen Crowther

That the Accountability, Performance & Finance Committee:

- (a) Requests that a new report be provided to answer questions raised at this meeting along with the election research report.

CARRIED

9 DISCUSSION OF LATE ITEMS

Nil

10 CLOSING KARAKIA

Coral Hair closed the meeting with a karakia.

The meeting closed at 12.39.

The minutes of this meeting were confirmed as a true and correct record at the Accountability, Performance & Finance Committee meeting held on 8 October 2024.

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Deputy Mayor Jen Scoular
CHAIRPERSON