

# MINUTES



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MEMBERSHIP: Brian Wilson (Chair), His Worship the Mayor (ex officio) Meng Foon, Deputy Mayor Rehette Stoltz, Meredith Akuhata-Brown, Bill Burdett, Andy Cranston, Shannon Dowsing, Larry Foster, Malcolm MacLean, Pat Seymour, Graeme Thomson, Josh Wharehinga and Robert Hunter (Independent Advisor)

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## MINUTES of the FINANCE & AUDIT

**Held in Te Ruma Kaunihera (Council Chambers), Awarua, Fitzherbert Street, Gisborne on Thursday 21 March 2019 at 9am.**

### PRESENT:

Councillors Brian Wilson (Chair), Rehette Stoltz, Meredith Akuhata-Brown, Bill Burdett, Andy Cranston, Larry Foster, Pat Seymour, Graeme Thomson, Josh Wharehinga, Brian Wilson and Shannon Dowsing.

### IN ATTENDANCE:

Chief Executive Nedine Thatcher Swann, Director Internal Partnerships James Baty, Director Liveable Communities Andrew White, Director Transformation & Relationships Keita Kohere, Director Environmental Services & Protection Nick Zaman, Chief Financial Officer Pauline Foreman, Consents Manager Reginald Proffit, Robert Hunter (Independent Advisor), Democracy & Support Services Manager Heather Kohn and Committee Advisor Shona Anderson.

### 1. Apologies

MOVED by Cr Wharehinga, seconded by Cr Foster

That the apologies for lateness from Cr Seymour be sustained.

**CARRIED**

### 2. Declarations of Interest

Cr Foster and Cr Seymour declared an interest in report 19-89 regarding Heart of Gisborne Contract Transfer Update.

### 3. Confirmation of non-confidential Minutes

#### 3.1 Confirmation of non-confidential Minutes 14 February 2019

MOVED by Cr Dowsing, seconded by Cr Burdett

That the Minutes of 14 February 2019 be accepted.

**CARRIED**

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### **3.2 Action Sheet**

Item 006 has been completed.

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

There were no leaves of absence.

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

There were no acknowledgements and 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.

**Secretarial note:** For ease of reference the minutes are recorded in the order of the agenda.

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

### **10.1 19-81 Annual Rate Remission for Maori Freehold Land 2019**

Discussion included:

- Similar levels of rates remissions as previous years.
- Sixteen properties had not requested remissions this year; it was asked whether their circumstances had changed.
- Council's interpretation of Maori freehold land is as defined by Te Ture Whenua Māori Act 1993.

MOVED by Cr Burdett, seconded by Cr Wilson

That the Finance & Audit Committee:

1. Notes the contents of this report.
2. Approves ongoing remissions for eligible properties for 2018/19.

**CARRIED**

### 10.2 19-83 Draft Internal Audit Charter

Chief Financial Officer Pauline Foreman informed the Committee that the Terms of Reference is the starting point for the Internal Audit Charter, focussing on the effectiveness and efficiencies of systems and management of financial information. Internal audits are already occurring and will now be reported back to the Committee through itemised audit reporting.

Independent Advisor Robert Hunter suggested that Council could provide a general risk profile report of the most critical risks facing Council and tabled an example. Director Internal partnerships James Baty responded that Council staff have identified 14 critical strategic risks and a replacement risk advisor is being appointed. It was agreed that a strategic risk update report be presented to the 2 May 2019 Committee meeting.

MOVED by Cr Dowsing, seconded by Cr Wilson

That the Finance & Audit Committee:

1. Notes the contents of this report.
2. Approves the draft Internal Audit Charter in order to formally define the Internal Audit Function.

**CARRIED**

### 10.3. 19-86 Tokomaru Bay Boat Ramp - Request for Consent Fee Waiver

There was debate as to whether the Tokomaru Bay Boat Ramp was a Council-owned asset. Chief Executive Nedine Thatcher Swann and Director Liveable Communities Andrew White were in agreement that the boat ramp is of community benefit and Council can support on that basis.

Cr Dowsing moved to note the report only, objecting to the consent fee waiver from a process point of view.

**Voting was by division.**

**FOR:** Cr Wharehinga, Cr Akuhata-Brown, Cr Cranston, Cr Dowsing, Cr Foster

**AGAINST:** Cr Wilson, Cr Burdett, Cr Seymour, Cr Stoltz, and Cr Thomson

Casting vote against: Cr Wilson (Chair)

Cr Seymour moved to vote in favour of 1 and 2a. Noting the contents of the report and recommending that Council provides a grant to the Te Puka Hunting and Fishing Club to cover the application of the resource consent fee.

MOVED by Cr Seymour, seconded by Cr Wilson

That the Finance & Audit Committee:

1. Notes the contents of this report.
2. Recommends that Council:
  - a) Provides a grant to the Te Puka Hunting and Fishing Club to cover the application of the resource consent fee.

**CARRIED**

#### 10.4 19-89 Heart of Gisborne Contract Transfer Update

There was discussion around the process of purchasing further new cameras, which requires grant applications. The War Memorial Theatre has applied to the Eastland Community Trust for two cameras to monitor the parking lot and also the street area down to the skatepark entrance.

MOVED by Cr Wharehinga, seconded by Cr Burdett

That the Finance & Audit Committee:

1. Notes the contents of this report - and:
2. Recommends that Council:
  - a) Approves funding the Gisborne Crime Prevention Camera Trust directly, at the current level of \$17,500 per year excluding GST, with a portion of the city centre management and promotions targeted rate.

**CARRIED**

#### 10.5 19-105 2019/20 Fees and Charges Significant Changes

Pauline Foreman noted:

- The Fees and Charges report that went to Council on 28 February 2019, has been left to lie on the table and included an increase in corridor access request fees (CAR). The recommendation from Council now is to increase CAR fees by rate of inflation only.
- Direct charges to Council get on-charged to users. The report in January was using old electricity rates, which needs to be updated with current rates and wording that these rates are subject to change.
- Housing rentals will increase with new rates as at 1 April 2019. Market rentals are reviewed by Tenancy Services. This year's rates will be \$162 and \$177 for one and two bedroom houses which is an increase from last year's market rents of \$145 and \$160 respectively.

Director Environmental Services & Protection Nick Zaman explained to the Committee:

- That the increase in charges relating to Environmental Services had been left to lie on the table until further explanation on the increases was provided. Further explanation can be found in the report (Table 6, page 49). Fees have not been increased for in some cases up to ten years. Staff made recommendations on fees and charges by reviewing time spent and by comparing costs with other Unitary Council fees & charges. The fees also cover the relevant IT systems, processes and additional work involved around the service.
- Standardising of deposit fees for resource and building consents.
- Payment increase is policy not governance, it is about user pays by charging the actual and true cost to provide services to these businesses.

MOVED by Cr Seymour, seconded by Cr Burdett

That the Finance & Audit Committee:

1. Notes the contents of this report.
2. Recommends that Council:
  - c) Increases the fees up to a maximum of 30%, excluding Wastewater which is to be accepted as proposed in the schedule [19-58].  
And:
    - e) Updates the CAR fees to increase by the rate of inflation for 2019/20.  
And:
      - f) Updates the Fees and Charges document to include a note "Fees relating to Theatre additional charges (e.g. electricity) are subject to change and may be updated at any time during the year based on actual costs that Council incurs".

**CARRIED**

#### **10.6 Gisborne Pistol Club - Request for Consent Fee Waiver**

In response to questions, Consents Manager Reginald Proffit noted:

- A breakdown of the \$37,500 in processing consent fees will be provided to the 2 May Committee meeting.
- The land is Council reserve.
- The decision is currently under appeal and with the Environment Court.
- The consent review was initiated in 2014 with Council engaging an independent commissioner to hear the matter and external persons to process the consent.
- The Pistol Club is not a Council owned asset so will not receive a full waiver.

Cr Wharehinga moved the report and requested a vote by division. The decision was based on his opinion that Council bears some responsibility for permitting housing development around the Pistol Club. Cr Stoltz asked the mover to reword 2c to ask staff to report back once discussed with the Pistol Club.

**Secretarial note:** Cr Seymour left the room at 11.28am.

Democracy Support Services Manager Heather Kohn suggested additional wording to 2c: "Instructs the Chief Executive to negotiate with the Gisborne Pistol Club and leave the final decision with Council".

#### **Voting was by Division with a show of hands:**

**FOR:** Cr Wharehinga, Cr Akuhata-Brown, Cr Burdett, Cr Foster, Cr Stoltz, Cr Thomson

**AGAINST:** Cr Wilson, Cr Cranston, and Cr Dowsing

MOVED by Cr Wharehinga, seconded by Cr Stoltz

That the Finance & Audit Committee:

1. Notes the contents of this report.
2. Considers the request received from the Gisborne Pistol Club to waive their consent fees; and
  - c) Declines Gisborne Pistol Club's request to waive the consent fee but recommends that Council accepts a reduction of the consent fee and a time payment arrangement.
3. Instructs the Chief Executive to negotiate with the Gisborne Pistol club and leave the final decision with Council.

**CARRIED**

## **11. Reports of the Chief Executive and Staff for INFORMATION**

### **11.1 19-97 BOPLASS Statement of Intent and Half Yearly Financial Report to 31 December 2018**

Chair Brian Wilson commented that there had been a request around direction for BOPLASS and in his opinion the Committee should reassess the cost to benefit moving forward.

MOVED by Cr Burdett, seconded by Cr Akuhata-Brown

That the Finance & Audit Committee:

1. Notes the contents of this report.

**CARRIED**

### **11.2 19-98 Financial Report to 31 January 2019**

MOVED by Cr Dowsing, seconded by Cr Wharehinga

That the Finance & Audit Committee:

1. Notes the contents of this report.

**CARRIED**

### **11.3 19-100 Treasury Report to 31 January 2019**

Pauline Foreman clarified that Council's net debt of \$52.7m is year to date. The full year is budgeted at \$62m, and this forecast is within budget.

MOVED by Cr Burdett, seconded by Cr Wilson

That the Finance & Audit Committee:

1. Notes the contents of this report.

**CARRIED**

#### **11.4 19-101 Local Government Funding Agency Report to 31 December 2018**

MOVED by Cr Dowsing, seconded by Cr Foster

That the Finance & Audit Committee:

1. Notes the contents of this report.

**CARRIED**

#### **11.5 19-103 Gisborne Holdings Limited Interim Report 31 December 2018**

Pauline Foreman highlighted that the Intangible assets line (pg188 Item 11) has been removed.

Gisborne Holdings Limited (GHL) Board members commented:

- Happy with progress and efforts forward and the number of projects in the pipeline.
- Forestry investment is front ended due to roading and so the deficit will right itself after harvest.
- That GHL has a licence to operate Churchill Park and the Waikanae Top 10 Holiday Park is run by a manager.

MOVED by Cr Seymour, seconded by Cr Stoltz

That the Finance & Audit Committee:

1. Notes the contents of this report.

**CARRIED**

#### **11.6 19-54 Quarterly Activity Report**

Update to come back to the Committee on GHL maintenance budget and associated costs for the next three years.

MOVED by Cr Wilson, seconded by Cr Akuhata-Brown

That the Finance & Audit Committee:

1. Notes the contents of this report.

**CARRIED**

### **12. Public Excluded Business**

There was no public excluded business.

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

There being no further business, the meeting concluded at 3.15pm.

Brian Wilson

**Chair**