



Minutes of a meeting of the
Finance Committee held in the
Novotel Queenstown Lakeside Conference Room
on 11AM Wednesday 26 May 2021 and
concluding Thursday, 27 May 2021.

Membership

Cr Hilary Calvert	<i>(Co-Chairperson)</i>
Cr Kevin Malcolm	<i>(Co-Chairperson)</i>
Cr Michael Deaker	
Cr Alexa Forbes	
Hon Marian Hobbs	
Cr Carmen Hope	
Cr Gary Kelliher	
Cr Michael Laws	
Cr Andrew Noone	
Cr Gretchen Robertson	
Cr Bryan Scott	
Cr Kate Wilson	

Welcome

Co-Chairperson Kevin Malcolm welcomed Councillors, members of the public and staff to the meeting at 11:09 am. Staff present included Sarah Gardner (Chief Executive), Nick Donnelly (GM Corporate Services), Gwyneth Elsum, via Zoom (GM Strategy, Policy and Science), Gavin Palmer (GM Operations), Richard Saunders (GM Regulatory), Amanda Vercoe (GM Governance, Culture and Customer), Liz Spector (Governance Support), Mike Roesler, Sean Geary, and Dianne Railton.

1. APOLOGIES

Resolution

That the apologies for Cr Kelliher be accepted.

Moved: Cr Deaker
Seconded: Cr Calvert
CARRIED

2. PUBLIC FORUM

No public forum was held.

3. CONFIRMATION OF AGENDA

The agenda was confirmed as presented.

4. CONFLICT OF INTEREST

No conflicts of interest were advised.

5. CONFIRMATION OF MINUTES

Resolution

That the minutes of the (public portion of the) meeting held on 24 February 2021 be received and confirmed as a true and accurate record, with or without changes.

Moved: Cr Calvert
Seconded: Cr Wilson
CARRIED

6. ACTIONS

The outstanding actions of resolutions of the Finance Committee were reviewed. No changes were made.

7. MATTERS FOR CONSIDERATION

7.1. Long Term Plan 2021-2031 Deliberation and Recommendations

This paper was provided to enable Councillor deliberations on public submissions received during consultation on the draft LTP 2021-31 and to enable committee members the opportunity to direct staff on any changes. Nick Donnelly (GM Corporate Services) and Mike Roesler (Manager Corporate Planning) were present to respond to questions. Gavin Palmer (GM Operations), Richard Saunders (GM Regulatory and Communications), Amanda Vercoe (GM Governance, Culture and Customer) and Gwyneth Elsum, via Zoom (GM Strategy, Policy and Science) were also present to respond to questions.

Co-Chair Malcolm suggested the meeting open deliberations on the LTP with a motion to receive the submissions and note the proposals prior to voting on any of the specific options. Cr Wilson moved:

Resolution

That the Finance Committee:

- 1) **Receives**, with thanks to the public and staff, the submissions to the Consultation Document for the Otago Regional Council Long-term Plan 2021-31 'Have Your Say On Our Future';
- 2) **Notes** the four proposals and associated options as consulted in the Otago Regional Council Long-term Plan 2021-31 Consultation Document.

Moved: Cr Wilson

Seconded: Cr Deaker

CARRIED

The Committee began with questions on proposals for delivering and funding pest management with Cr Forbes asking why Option 2 was presented as staff's preferred option for delivery. Dr Palmer responded saying option one was seen to be slightly more challenging to ramp up as four new staff would be required, but if Councillor preference was Option 1, he was confident that could be managed. Mr Donnelly noted that Option 1 would increase the proposed rates over the 47.5% initially signaled. Chief Executive Sarah Gardner noted that results of public submissions showed 55% of responders preferred Option 2. The meeting moved into a discussion of funding and it was decided to determine the funding option before choosing a delivery option. After discussion of the pest management funding options, Cr Scott moved the recommended Option B for funding.

Resolution

That the Finance Committee:

- 1) **Directs** Council staff to apply option 'B' for 'funding Pest Management' in Council biosecurity activity being a 'Regional Targeted Rate shared across all ratepayers based on their land value from year one Long-term Plan 2021-31

Moved: Cr Scott

Seconded: Cr Hobbs

CARRIED

Cr Laws requested his vote against this resolution be recorded in the minutes.

Cr Laws then moved Option 1 for the delivery of pest management, seconded by Cr Wilson. Cr Calvert said the ORC has already increased its spending in this area and suggested that because the pest management strategy is new, council should review how it is working under existing funding before increasing the budget. Cr Hobbs agreed, and stated because this service has recently increased, it should be reviewed in year two or three of this LTP. Cr Scott said while he supported the general tenor of the meeting that pest management should be ramped up, the Councillors had previously indicated their primary focus was water. Following further deliberation, Cr Laws urged Councillors to make a larger investment in pest management or he said desired outcomes won't be achieved. Cr Malcolm put the motion:

That the Finance Committee:

- 1) **Directs** Council staff to apply option one for 'delivering pest management' in Council biosecurity activity being expenditure of \$4.6 million from year one onwards in the Long-term Plan 2021-31

Moved: Cr Laws
Seconded: Cr Wilson
FAILED

The motion failed and a Division was called.

For: Cr Forbes, Cr Hope, Cr Laws, Cr Malcolm, Cr Wilson
Against: Cr Calvert, Cr Deaker, Cr Hobbs, Cr Noone, Cr Robertson, Cr Scott

Following failure of the motion to apply Option One, Cr Calvert moved:

Resolution

That the Finance Committee:

- 1) **Directs** Council staff to apply option two for 'delivering pest management' in Council biosecurity activity being expenditure of \$3.3 million from year one onwards in the Long-term Plan 2021-31

Moved: Cr Calvert
Seconded: Cr Scott
CARRIED

Cr Malcolm adjourned the meeting at 12:40 pm and reconvened at 1:04 pm.

Co-Chair Cr Malcolm opened deliberations on staff recommendation 5, options for balancing the budget. Cr Hobbs moved that Option One, increasing total rates to achieve an immediate and sustainable funding source for operational expenditures, be the chosen approach. Cr Robertson seconded the motion and debate followed. Cr Noone said it was important to fund operational expenses through rates rather than through use of reserves and that the motion was flexible enough to allow additional items to be dealt with later in the deliberations. Cr Malcolm put the motion.

Resolution

That the Finance Committee:

- 1) **Directs** Council staff to apply the approach in option one for 'balancing the budget' being an increase in total rates to achieve an immediate and sustainable funding source for our operational expenditure of the Long-term Plan 2021-31

Moved: Cr Hobbs
Seconded: Cr Robertson
CARRIED

Cr Laws requested his vote against the resolution be noted in the minutes.

Cr Hope requested her vote against the motion be noted in the minutes.

Cr Malcolm opened discussion on proposed funding for the Lake Hayes work programme and noted the staff recommendation was to fund this work with a new targeted rate for Lake Hayes. He noted this meant residents of the area would fund the work based on the capital

values of their property. Nick Donnelly noted the economic assessment report of Lake Hayes remediation work the ORC had contracted from Castalia. He said that report indicated the most significantly impacted activity for any improvement works at Lake Hayes was to lake-based recreation. Mr Donnelly said this result showed the economic impact should be borne by those who most benefitted from using the lake for recreation. Cr Robertson moved Option 2 for funding the work, seconded by Cr Scott. Debate followed. Councillor Deaker suggested improvements to any Otago lakes benefit the entire region and should be paid for using a uniform targeted rate on all properties as in Option 3. Cr Forbes said any environmental projects need to be funded Otago-wide and said she would support a uniform targeted rate. Cr Wilson said she would support Option 2 for years one and two which would give time to review and plan. She said Option 3 would be an entirely new funding mechanism that would have implications for the entire region and suggested more work should be done by Council before moving in this direction. She foreshadowed a motion to create a liaison reference group for Lake Hayes and also suggested a scheme review should be done. Following further deliberation, Cr Malcolm put the motion as revised by the committee:

Resolution

That the Finance Committee:

- 1) **Directs** Council staff to apply option two for funding Council's 'Lake Hayes work programme' via the existing river and water management targeted rate for years one and two of the Long-term Plan 2021-31.

Moved: Cr Robertson

Seconded: Cr Scott

CARRIED

A Division was called:

For: Cr Calvert, Cr Malcolm, Cr Noone, Cr Robertson, Cr Scott, Cr Wilson

Against: Cr Deaker, Cr Forbes, Cr Hobbs, Cr Hope, Cr Laws

As foreshadowed, Cr Wilson made the following motion, after suggestions made by the Chief Executive to assist with clarity:

Resolution

That the Finance Committee:

- 1) **Directs** staff to develop a region-wide methodology for water improvement funding for 2022/23 annual plan.
- 2) **Directs** staff to conduct an Implementation Committee workshop to discuss liaison and/or strategy groups prior to the 8 September 2021 Implementation Committee meeting.

Moved: Cr Wilson

Seconded: Cr Scott

CARRIED

Cr Malcolm then called for an adjournment at 2:45. The meeting resumed at 3:00 pm.

Co-Chair Malcolm asked that a motion be made on staff recommendation 7 to table the level of service requests for discussion. Cr Calvert moved:

Resolution

That the Finance Committee:

- 1) **Notes** that attachment four of this report schedules level of service requests submitted by the community on the Long-term Plan 2021-31 and associated staff recommendations that are in addition to the four significant proposals consulted on in the Consultation Document

Moved: Cr Calvert

Seconded: Cr Noone

CARRIED

Cr Malcolm then asked Mr Roesler to review the submitter requests with the committee members. Mr Roesler noted the requests had been grouped by activity where possible to facilitate discussion. Councillors discussed possible additions for consideration of LTP funding and a list of requests was agreed to be deliberated. At 4:15pm, Cr Malcolm noted that the meeting needed to be adjourned due to a previously scheduled joint briefing with representatives of Queenstown Lakes District Council. He said he would meet with Mr Donnelly and Mr Roesler during this briefing to review the Councillor requests that had been put together during the debate and work up cost implications for possible inclusion in the LTP. He asked that the Finance Committee meeting resume at 6 p.m. or after the joint briefing to discuss the outcome and adjourned the meeting at 4:17pm.

Cr Hope was unable to reconnect electronically to the meeting after the adjournment.

Cr Laws was unable to reconnect electronically to the meeting after the adjournment.

Co-Chair Malcolm reconvened the Finance Committee meeting at 6:13pm. He said he had worked with Mr Donnelly, Mr Roesler and Mr Garry on draft financial implications of possible additions to LTP funding during the break and reviewed the handwritten draft list with the Councillors. The list of work for discussion included funds to assist with consents, a harbour plan, a rating and scheme review with possible liaison reshape, money to improve lakes, citizen science operations, yellow-eyed penguin trust grant, creation of an ORC awards programme, integrated catchment work and collaboration work with the University of Otago.

Cr Wilson asked to discuss scheme performance reviews and liaison reference groups. She said scheme performance reviews and rating reviews will only work well if there are liaison groups working alongside them and asked these be set up immediately for schemes that are to be reviewed soon. Mrs Gardner asked for clear parameters on those groups. Cr Noone noted that the groups would want to be informed on level of service and be able to provide feedback and to have key information shared with them. He said they want to be better connected and engaged.

Cr Forbes left the meeting at 6:34pm.

Cr Malcolm asked Dr Palmer how people in the Taieri would be able to interact if no liaison group was created for that scheme review. Dr Palmer said the whole of the community would

be consulted with as this would affect the entire community. Further debate continued and then Co-Chair Malcolm put the motion.

- 1) *That where scheme performance reviews are being undertaken, Council and staff work to form interim liaison reference groups immediately to facilitate the review process.***

Moved: Cr Wilson
Seconded: Cr Calvert
FAILED

The vote was tied and a Division was called.
For: Cr Calvert, Cr Deaker, Cr Noone, Cr Wilson
Against: Cr Hobbs, Cr Malcolm, Cr Robertson, Cr Scott

Cr Malcolm used his casting vote to vote against the motion and the resolution failed.

Cr Calvert then made a subsequent motion:

Resolution

- 1) *That where scheme performance reviews are being undertaken, Council staff will ensure opportunities exist to allow all interested parties to be fully involved in the review process.***

Moved: Cr Calvert
Seconded: Cr Scott
CARRIED

At 7:15 p.m. Cr Wilson moved to lay the LTP deliberations on the table and reopen consideration of the report after the conclusion of the next day's Council Meeting. The Councillors agreed and moved to consider the next two reports and then go into public-excluded prior to adjourning this meeting until the next day.

Resolution

That consideration of the LTP deliberations be lain on the table and the meeting adjourn following consideration of the next two reports and public excluded item, to be reconvened immediately following the conclusion of the next day's 8 a.m. Council Meeting on 27 May 2021.

Moved: Cr Wilson
Seconded: Cr Calvert
CARRIED

A DIVISION was called.
*Cr Malcolm took a brief adjournment to get advice from the Chief Executive at 7:02 pm.
Cr Malcolm reconvened the meeting at 7:08 pm.*
For: Cr Calvert, Cr Deaker, Cr Hobbs, Cr Malcolm, Cr Noone, Cr Robertson, Cr Scott, Cr Wilson
Against: nil

Crs Forbes, Hope, Kelliher and Laws were not present for the vote.

7.2. Activity Review 2020-21, 1 July 2020 to 31 March 2021

Nick Donnelly was present to speak to the Activity Review report and respond to questions. There were no questions and Cr Calvert moved:

Resolution

That the Finance Committee:

- 1) **Receives** the Council Activity Performance Report for the period 1 July to 31 March 2021 (Q3).

Moved: Cr Calvert
Seconded: Cr Robertson
CARRIED

7.3. Finance Quarterly Report - March 2021

Nick Donnelly, GM Corporate Services, was present to speak to the Finance Quarterly Report and respond to questions. There were no questions and Cr Calvert moved:

Resolution

That the Finance Committee:

- 1) **Receives** this paper and notes the Financial Reports for the period ended 31 March 2021.

Moved: Cr Calvert
Seconded: Cr Robertson
CARRIED

8. RECOMMENDATIONS OF MEETINGS

8.1. Recommendations of the 13 May 2021 Audit and Risk Subcommittee meeting

Resolutions made at the 13 May 2021 Audit and Risk Subcommittee meeting were presented to the Finance Committee for adoption. Cr Calvert moved:

Resolution

That the recommendations of the 13 May 2021 Audit and Risk Subcommittee meeting are adopted.

Moved: Cr Calvert
Seconded: Cr Deaker
CARRIED

9. RESOLUTION TO EXCLUDE THE PUBLIC

Resolution

That the public be excluded from considerations of the public-excluded recommendations of the Audit and Risk Subcommittee meeting of 13 May 2021.

Moved: Cr Wilson
 Seconded: Cr Hobbs
 CARRIED

The general subject 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\(1\)](#) 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(1) for the passing of this resolution
<p>2.1 Public excluded recommendations of the 13 May 2021 Audit and Risk Subcommittee meeting</p>	<p>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 – Section 7(2)(b)(ii); To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information—would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied – Section 7(2)(c)(i); To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest – Section 7(2)(c)(ii); To avoid prejudice to measures that prevent or mitigate material loss to members of the public – Section 7(2)(e); To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h);</p>	<p>Section 48(1)(a): Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a) that the public conduct of the whole or 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.</p>

	To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) – Section 7(2)(i)	
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Cr Malcolm declared the public meeting adjourned at 7:15pm to be reconvened following the 27 May 2021 Council Meeting. Cr Malcolm noted he would not be present for the next day's business and Cr Calvert would Chair the reconvened meeting.

Finance Committee Co-Chair Hilary Calvert opened day two of the Finance Committee with continued consideration of the LTP 2021-2031 Deliberations at 11:25 a.m. on 27 May 2021. Staff present at the reconvened meeting included Sarah Gardner (Chief Executive), Nick Donnelly (GM Corporate Services), Gavin Palmer (GM Operations), Richard Saunders (GM Regulatory and Communications), Amanda Vercoe (GM Governance, Culture and Customer), Liz Spector (Governance Support), Mike Roesler, Sean Garry, and Dianne Railton.

Resolution

That the apologies of Cr Hope, Cr Kelliher, Cr Malcolm, and Cr Robertson be accepted.

Moved: Cr Noone
 Seconded: Cr Hobbs
 CARRIED

Councillor Hope joined the meeting at 11:40 a.m.

The meeting body determined to vote on the recommendations that had been collaboratively compiled the previous day and typed up for presentation. After the motion was displayed on the projector it was determined to remove two of the items for a separate vote. Cr Laws then moved:

Resolution

That the Finance Committee:

- 1) Requests a report from staff on a policy for assisting with resource consent costs for environmental enhancement projects in time for LTP adoption and that a budget of \$50,000 be included for each of the first three years of the 2021-31 LTP.
- 2) Request establishment of a harbour facilities and management plan in a collaboration with Iwi, Community boards and groups, Dunedin City Council and Port Otago with budgeted funds of \$100,000 in each of financial years two and three of the LTP 2021-2031. Staff and Councillors will determine terms of reference.
- 3) Requests staff to report back on options around an independent review of the existing rating basis for all flood protection and drainage schemes and provide potential cost details by the end of December 2021.

- 4) Requests establishment and funding of a scoping study for an Otago Lakes Strategic Plan, in association with relevant stakeholders, that creates lake management plans aimed at improving the environmental and amenity value of these water bodies, and acquire the science, partnerships and information for these purposes with an initial budget of \$100,000 in each of years one and two of the LTP 2021-31.
- 5) Request that staff consider as they upgrade or invest in assets that the potential of real time data and input of citizen science are considered and if extra funding is required then those purchases be brought back to Council for consideration.
- 6) Requests the Chair and Chief Executive to meet with University of Otago for the purpose of progressing the existing MoU and report back to Council.
- 7) Notes that Council bring forward the Integrated catchment work which has a budget impact of \$200,000 in year one and \$690,000 in year two of the 2021/31 LTP.
- 8) Notes that the total of these options would impact the budget with an increase in year one of \$390,000, in year two of \$1,030,000, and in year three of \$240,000 and notes total rates would be increased by 49% for year one, 18.4% for year two, and 8.7% for year three.

Moved: Cr Laws
 Seconded: Cr Noone
 CARRIED

Cr Hobbs then moved a recommendation that \$40,000 per annum be budgeted to assist funding a scientist for the Yellow-eyed Penguin Trust for the next three years. During debate, Cr Deaker foreshadowed a motion to increase the ECO Fund budget by \$40,000 per year for three years if the motion lost. Cr Calvert put the motion.

That the Finance Committee:

- 1) **Requests** continued ORC support in the amount of \$40,000 per annum for three years to assist funding a scientist for the Yellow-eyed Penguin Trust.

Moved: Cr Hobbs
 Seconded: Cr Noone
 FAILED

A Division was called.

For: Cr Forbes, Cr Hobbs, Cr Noone, Cr Scott

Against: Cr Calvert, Cr Deaker, Cr Hope, Cr Laws, Cr Wilson

Following failure of the motion to part-fund the Yellow-eyed Penguin Trust scientist, Cr Deaker moved:

Resolution

That the Finance Committee:

- 1) **Requests** an additional \$40,000 per annum be included in each of years one, two and three of the LTP 2021-2131 for ECO Fund grant awards.

Moved: Cr Deaker
Seconded: Cr Forbes
CARRIED

After a discussion of possible funding for the Otago Regional Council Environmental Awards, Cr Deaker moved:

Resolution

That the Finance Committee:

- 1) **Requests** staff to provide a paper by 31 December 2021 discussing re-establishment of the Otago Regional Council Environmental Awards.

Moved: Cr Deaker
Seconded: Cr Laws
CARRIED

Cr Wilson moved the final recommendations, seconded by Cr Noone.

Resolution

That the Finance Committee:

- 1) **Directs** Council staff to implement the direction provided at the 25 May 2021 Finance Committee meeting to complete and present the Long-term Plan 2021-31 for Council approval at its 23 June 2021 meeting
- 2) **Notes** that the Council's external auditors will complete the legal requirement of auditing and reporting on the Long-term Plan 2021-31 based on the recommendations of the 25 May 2021 Finance Committee meeting
- 3) **Notes** that the Council Rates Resolution will be put to the 23 June 2021 Council meeting following adoption of the Long-term Plan 2021-31.

Moved: Cr Wilson
Seconded: Cr Noone
CARRIED

10. CLOSURE

There was no further business and Co-Chairperson Hilary Calvert declared the meeting closed at 12:04pm on 27 May 2021.



Co-Chairperson

25 August 2021
Date