

OTAGO REGIONAL COUNCIL

Minutes of a meeting of the Finance and Corporate Committee held in the Council Chamber, 70 Stafford Street, Dunedin on Wednesday 29 January 2014 commencing at 2.42 pm

Present:

- Cr David Shepherd (Chairperson)
- Cr Gary Kelliher (Deputy Chairperson)
- Cr Graeme Bell
- Cr Doug Brown
- Cr Louise Croot MNZM
- Cr Michael Deaker
- Cr Gerrard Eckhoff
- Cr Trevor Kempton
- Cr Sam Neill
- Cr Gretchen Robertson
- Cr Bryan Scott
- Cr Stephen Woodhead

In attendance:

- Peter Bodeker
- Wayne Scott
- Jeff Donaldson
- Fraser McRae
- Gavin Palmer
- Janet Favel

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 20 November 2013, having been circulated, were adopted on the motion of Crs Kelliher and Bell.

Matters arising from minutes

There were no matters arising from the minutes.

PART A - RECOMMENDATIONS

Item 1

2014/0607 **Managed Fund – Statement of Investment Policy and Objectives.**

DCS, 20/1/14

The Council's Statement of Investment Policy and Objectives was attached for consideration and adoption by Council. Alex Newdick and Grant Batchelor, BNZ, were in attendance for this item.

In response to a query raised about the amount held in Council investments, Mr Scott pointed out that before the end of June a loan repayment of \$10m would be required, and he also noted the programmed considerable expenditure on the Leith Flood Protection Scheme.

It was noted that Council investments were detailed in the Annual Plan, and Mr Scott advised that a report on investments would be prepared for Council.

Mr Scott explained in response to a question about ethical investment of funds that fund managers provided information about classes of asset, not individual shareholdings.

A question was raised about the fixed interest target of 65% of the fund total, and Mr Scott explained that the SIPO was predicated on conservatism, and noted that cash formed a majority of the holding. He further noted that the managed fund now totalled \$17.7m, and all interest and dividends were transferred into reserves and to reduce the general rate.

In response to a question Mr Scott noted that the SIPO provided for an annual review, and also noted that the document formed part of the treasury management policy. A correction was needed to replace any reference to Forsyth Barr, Council's former fund manager, with the term 'managed fund'.

Cr Woodhead moved

Cr Croot seconded

- (1) *That the Statement of Investment Policy and Objectives attached to report 2014/0607 be adopted.*
- (2) *That the adopted policy be incorporated into the Council's treasury management policy.*
- (3) *That any specific references in the Treasury Management Policy to Forsyth Barr be reworded appropriately.*

Motion carried

PART B – ITEMS FOR NOTING

Item 2

2014/0598 **Passenger Transport Operations Update – Patronage, Student Fare Concession Trial, and Journey Planner.** DCS, 17/1/14

The report provided an update on passenger trips for the Dunedin network, the tertiary student fare concession trial, and the implementation of the journey planner for Dunedin. Mr Scott explained that the report provided a comparison with the previous year's patronage, and information on the student fare concession and Saturday services, as requested by the Committee.

Cr Kelliher moved
Cr Shepherd seconded

That the report be received.

Motion carried

Item 3

2014/0601 **Executive Report.** DCS, 17/1/14

The report described significant activities carried out by the Finance and Corporate section since November 2013.

The Draft Annual Plan was being prepared for consideration at the 11 February workshop.

Council's submission on the Local Government Amendment Bill would be presented to the 12 February Council meeting. A question was raised about the provision for people who presented views to a local authority to have access to a record of the relevant decisions made. Mr Scott explained that this related mostly to written submissions, and would allow staff to send out copies of the decision rather than having to respond individually to each point made by each submitter.

Mr Scott advised that completion of the new Cromwell depot was expected in early April, and he noted that being able to move staff to an alternative site during the construction period had allowed good progress on the build.

It was noted that Councillors had agreed to seek approval from the Remuneration Authority to amend the remuneration model in terms of the proportion of payments to committee chairs and deputy chairs. Mr Scott advised that in their recent letter the Authority had approved the expenses policy, and had advised that a separate reply would be sent relating to the regime issue.

Cr Croot moved
Cr Scott seconded

- (1) *That this report be received.*
- (2) *That the payments and investments summarised in the table above and detailed in the tabled schedule, totalling \$15,432,924.79, be endorsed.*

Motion carried

The meeting closed at 3.10 pm



Chairperson